



HBL MoneyMarketFund

Quarterly Report
March 31, 2015
(Un-audited)

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HBL MONEY MARKET FUND

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited.

Board of Directors

Chairman	Mr. Towfiq Habib Chinoy	(Independent Non-Executive Director)
Directors	Mr. Rehan N. Shaikh	(Executive Director)
	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Salim Amlani	(Non-Executive Director)
	Ms. Sima Kamil	(Non-Executive Director)
	Ms. Sadia Khan	(Independent Non-Executive Director)

Audit Committee

Chairman	Mr. Salim Amlani	(Non-Executive Director)
Members	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)

Human Resource Committee

Chairperson	Ms. Sima Kamil	(Non-Executive Director)
Members	Ms. Sadia Khan	(Independent Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Rehan N. Shaikh	(Executive Director)

Risk Management Committee

Chairman	Mr. Rizwan Haider	(Non-Executive Director)
Members	Mr. Salim Amlani	(Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Rehan N. Shaikh	(Executive Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

External Auditors

KPMG Taseer Hadi & Co., Chartered Accountants,
Sheikh Sultan Trust Building No 02
Beaumont Road, Karachi-75530, Pakistan

Internal Auditors

A.F. Ferguson & Co., Chartered Accountants,
State Life Building No. 1-C, I.I Chundrigar Road,
P.O. Box 4716, Karachi.

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99- B, Block "B", S.M.C.H.S, Main Shakra-e-Faisal, Karachi

Legal Advisors

Mandviwalla & Zafar, Advocates and Legal Consultants,
Mandviwalla Chambers, C-15, Block 2, Clifton, Karachi.

Website

www.hblasset.com

Head Office

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

Registered Office

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

FUND INFORMATION

NAME OF FUND **HBL Money Market Fund**

FUND MANAGER **Mr. Fahad Aziz**

NAME OF AUDITORS

External Auditors **KPMG Taseer Hadi & Co., Chartered Accountants.**

Internal Auditors **A.F. Ferguson & Co., Chartered Accountants.**

NAME OF BANKERS

Allied Bank Limited
Askari bank Limited
Bank AlFalah Limited
Faysal Bank Limited
Meezan Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited

HBL MONEY MARKET FUND
Condensed Interim Statement of Assets and Liabilities
As At March 31, 2015

	Note	March 31, 2015 (Un-Audited)	June 30, 2014 (Audited)
(Rupees in '000)			
Assets			
Bank balances	4	2,748,585	2,680,126
Investments	5	5,661,192	7,187,446
Accrued mark-up	6	16,208	14,958
Preliminary expenses and floatation costs		62	223
Total assets		8,426,047	9,882,753
Liabilities			
Payable to HBL Asset Management Limited - Management Company	7	8,847	11,502
Payable to Central Depository Company of Pakistan Limited - Trustee		631	766
Payable to Securities and Exchange Commission of Pakistan		5,604	9,895
Dividend payable		-	307
Accrued expenses and other liabilities	8	184,669	82,737
Total liabilities		199,751	105,207
Net assets		8,226,296	9,777,546
Unit holders' fund (as per statement attached)		8,226,296	9,777,546
		(Number of units)	
Number of units in issue		77,121,172	97,374,042
		(Rupees)	
Net assets value per unit		106.6672	100.4122

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

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND
Condensed Interim Income Statement (Un-Audited)
For the Nine Months & quarter ended March 31, 2015

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2015	2014	2015	2014
----- (Rupees in '000) -----					
Income					
Mark-up on deposits with banks		141,254	180,282	24,797	73,366
Mark-up / return on investments		568,318	745,729	174,166	273,276
Capital Gain on sale of investments - net		3,737	4,641	2,002	879
		713,309	930,652	200,965	347,521
Expenses					
Remuneration of HBL Asset Management Limited - Management Company		97,973	133,155	28,365	47,539
Remuneration of Central Depository Company of Pakistan Limited - Trustee		6,117	7,853	1,853	2,903
Annual fee of Securities and Exchange Commission of Pakistan		5,554	7,429	1,640	2,652
Settlement and bank charges		200	33	43	13
Auditors' remuneration		365		122	92
Amortisation of preliminary expenses and floatation costs		161	268	54	53
Other expenses		253	130	91	31
		110,623	149,029	32,168	53,283
Net income from operating activities		602,686	781,623	168,797	294,238
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(96,210)	17,131	(55,062)	2,008
Provision for Workers' Welfare Fund	9	(10,845)	(16,154)	(3,144)	(6,106)
Net income for the period before taxation		495,631	782,600	110,591	290,140
Taxation	10	-	-	-	-
Net income for the period after taxation		495,631	782,600	110,591	290,140
Earning per unit	11				

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

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine Months & quarter ended March 31, 2015

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2015	2014	2015	2014
	------(Rupees in '000)-----			
Net income for the period	495,631	782,600	110,591	290,140
Other comprehensive income for the period				
<i>Items to be reclassified to income statement in subsequent periods:</i>				
Net unrealised appreciation / (diminution) on remeasurement of investments classified as available for sale	6,940	(8,396)	4,442	899
Total comprehensive income for the period	502,571	774,204	115,033	291,039

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

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND
Condensed Interim Distribution Statement (Un-Audited)
For the Nine Months & quarter ended March 31, 2015

	Nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward - realised	148,268	118,859
Net income for the period	495,631	782,600
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount representing income / (loss) that form part of unit holders' fund	(2,920)	2,370
Final distribution for the year ended June 30, 2014: Nil [(Year ended June 30, 2013: Rs. 1.10 per unit) (Date of distribution: July 8, 2013)]	-	-
- Cash distribution	-	(600)
- Bonus units (1,119,924 units)	-	(113,471)
First interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.54 per unit) (Date of distribution: August 1, 2013)]	-	-
- Cash distribution	-	(295)
- Bonus units (711,238 units)	-	(71,304)
Second interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.54 per unit) (Date of distribution: September 1, 2013)]	-	-
- Cash distribution	-	(71,599)
- Bonus units (694,752 units)	-	-
Third interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.54 per unit) (Date of distribution: September 1, 2013)]	-	-
- Cash distribution	-	(295)
- Bonus units (640,953 units)	-	(69,685)
Fourth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.57 per unit) (Date of distribution: October 1, 2013)]	-	-
- Cash distribution	-	(69,980)
- Bonus units (640,953 units)	-	-
Fifth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.57 per unit) (Date of distribution: October 1, 2013)]	-	-
- Cash distribution	-	(295)
- Bonus units (640,953 units)	-	(64,295)
Sixth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.57 per unit) (Date of distribution: November 1, 2013)]	-	-
- Cash distribution	-	(64,590)
- Bonus units (692,219 units)	-	-
Seventh interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.61 per unit) (Date of distribution: December 2, 2013)]	-	-
- Cash distribution	-	(311)
- Bonus units (755,777 units)	-	(69,501)
Eighth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.61 per unit) (Date of distribution: December 2, 2013)]	-	-
- Cash distribution	-	(69,812)
- Bonus units (1,001,007 units)	-	-
Ninth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.73 per unit) (Date of distribution: January 2, 2014)]	-	-
- Cash distribution	-	(333)
- Bonus units (1,001,007 units)	-	(75,881)
Tenth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.73 per unit) (Date of distribution: January 2, 2014)]	-	-
- Cash distribution	-	(76,214)
- Bonus units (1,001,007 units)	-	-
Eleventh interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.73 per unit) (Date of distribution: February 3, 2014)]	-	-
- Cash distribution	-	(417)
- Bonus units (1,014,021 units)	-	(100,461)
Twelfth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.73 per unit) (Date of distribution: February 3, 2014)]	-	-
- Cash distribution	-	(100,878)
- Bonus units (1,014,021 units)	-	-
Thirteenth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.65 per unit) (Date of distribution: March 3, 2014)]	-	-
- Cash distribution	-	(378)
- Bonus units 925,356 units)	-	(101,741)
Fourteenth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.65 per unit) (Date of distribution: March 3, 2014)]	-	-
- Cash distribution	-	(102,119)
- Bonus units 925,356 units)	-	-
Total distributions	-	(761,111)
Undistributed income carried forward - realised	640,979	142,718

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

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND

Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)

For the Nine Months & quarter ended March 31, 2015

	Nine months ended	
	March 31,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the period	9,777,546	10,381,264
Issue of 68,850,399 units (2014: 136,618,563 units)	7,085,896	13,753,604
Redemption of 89,103,269 units (2014: 102,492,928 units)	(9,235,927)	(10,323,010)
Issue of bonus units: Nil (2014: 7,555,247 bonus units)	-	757,851
	(2,150,031)	4,188,445
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to income statement - net	96,210	(17,131)
Net income for the period	495,631	782,600
Net unrealised appreciation / (diminution) on remeasurement of investments classified as available for sale	6,940	(8,396)
Total comprehensive income for the period	502,571	774,204
Final distribution for the year ended June 30, 2014: Nil [(Year ended June 30, 2013: Rs. 1.10 per unit) (Date of distribution: July 8, 2013)]	-	(600)
- Cash distribution	-	(112,171)
- Bonus units (1,119,924 units)	-	(112,771)
First interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.54 per unit) (Date of distribution: August 1, 2013)]	-	(295)
- Cash distribution	-	(71,304)
- Bonus units (711,238 units)	-	(71,599)
Second interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.54 per unit) (Date of distribution: September 1, 2013)]	-	(295)
- Cash distribution	-	(69,685)
- Bonus units (694,752 units)	-	(69,980)
Third interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.54 per unit) (Date of distribution: October 1, 2013)]	-	(295)
- Cash distribution	-	(64,295)
- Bonus units (640,953 units)	-	(64,590)
Fourth interim distribution for the year ending June 30, 2015: Rs. Nil [(Year ended June 30, 2014: Rs. 0.57 per unit) (Date of distribution: November 1, 2013)]	-	(311)
- Cash distribution	-	(69,501)
- Bonus units (692,219 units)	-	(69,812)
Fifth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.61 per unit) (Date of distribution: December 2, 2013)]	-	(333)
- Cash distribution	-	(75,881)
- Bonus units (755,777 units)	-	(76,214)
Sixth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.73 per unit) (Date of distribution: January 2, 2014)]	-	(417)
- Cash distribution	-	(100,461)
- Bonus units (1,001,007 units)	-	(100,878)
Seventh interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.73 per unit) (Date of distribution: February 3, 2014)]	-	(378)
- Cash distribution	-	(101,741)
- Bonus units (1,014,021 units)	-	(102,119)
Eighth interim distribution for the year ending June 30, 2015: Nil [(Year ended June 30, 2014: Rs. 0.65 per unit) (Date of distribution: March 3, 2014)]	-	(336)
- Cash distribution	-	(92,812)
- Bonus units 925,356 units)	-	(93,148)
Total distributions	-	(761,111)
Net assets at end of the period	8,226,296	14,565,671

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

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND
Condensed Interim Cash Flow Statement (Un-Audited)
For the Nine Months & quarter ended March 31, 2015

	<i>Note</i>	
	nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	495,631	782,600
Adjustments		
Amortisation of preliminary expenses and floatation costs	161	161
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	96,210	(17,131)
	592,002	765,630
(Increase) / decrease in assets		
Investments - net	1,533,194	(3,122,224)
Accrued mark-up	(1,250)	(27,975)
Prepaid expenses	-	(84)
	1,531,944	(3,150,283)
Increase / (decrease) in liabilities		
Payable to HBL Asset Management Limited - Management Company	(2,655)	4,557
Payable to Central Depository Company of Pakistan Limited - Trustee	(135)	247
Payable to Securities and Exchange Commission of Pakistan	(4,291)	53
Accrued expenses and other liabilities	101,625	36,179
	94,544	41,036
Net cash generated from operating activities	2,218,490	(2,343,617)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	7,085,896	13,753,603
Payment against redemption of units	(9,235,927)	(10,323,010)
Cash dividend paid	-	(3,259)
Net cash (used in) / generated from financing activities	(2,150,031)	3,427,334
Net increase in cash and cash equivalents	68,459	1,083,717
Cash and cash equivalents at beginning of the period	2,680,126	1,607,213
Cash and cash equivalents at end of the period	2,748,585	2,690,930

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

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND

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

For the Nine Months & quarter ended March 31, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Money Market Fund (the Fund) was established under a Trust Deed, dated March 18, 2010, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund has been authorised by the Securities and Exchange Commission of Pakistan (the SECP) as a unit trust scheme on April 9, 2010.

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 24-C, Khayaban-e-Hafiz, Phase VI, D.H.A, 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 Lahore Stock Exchange. The units of the Fund were initially offered for public subscription at par from July 12, 2010 to July 14, 2010.

The principal activity of the Fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2-' to the Management Company and assigned Fund stability rating of 'AA(f)' to the Fund.

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. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

The 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 financial statements of the Fund for the year ended June 30, 2014.

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, 2014.

4. BANK BALANCES

	<i>Note</i>	March 31,	June 30,
		2015	2014
		(Rupees in '000)	
Current account		50	-
Savings accounts		148,535	1,680,126
Term Deposit Receipts (TDRs)	4.2	2,600,000	1,000,000
		2,748,585	2,680,126

4.1 This represents TDRs placed with Allied Bank Limited & Bank Alfalah Limited maturity from April 17, 2015 to April 20, 2015 carry mark-up at the rate of 8.25% to 8.65% per annum.

5. INVESTMENTS	Note	March 31, 2015	June 30, 2014
(Rupees in '000)			
Available for sale			
- Government Securities	5.1	5,661,192	6,187,446
Loans and receivables			
- Placements	5.2	-	1,000,000
		<u>5,661,192</u>	<u>7,187,446</u>

5.1 Investment in government securities - Available for sale

Issue Date	Tenor	Face value			As at March 31, 2015	Market Value as at March 31, 2015	Market value as a percentage	
		As at July 1, 2014	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
(Rupees in '000)								
Treasury bills								
March 20, 2014	6 months	253,000	425,000	678,000	-	-	-	-
March 20, 2014	1 year	-	2,492,000	2,492,000	-	-	-	-
April 3, 2014	6 months	-	50,000	50,000	-	-	-	-
April 17, 2014	6 months	3,050,000	106,000	3,156,000	-	-	-	-
April 17, 2014	1 year	100,000	106,000	206,000	-	-	-	-
April 17, 2014	3 months	-	200,000	200,000	-	-	-	-
May 2, 2014	6 months	-	1,900,000	1,900,000	-	-	-	-
May 2, 2014	1 year	-	380,000	380,000	-	-	-	-
May 15, 2014	3 months	2,905,300	-	2,905,300	-	-	-	-
May 15, 2014	6 months	-	300,000	300,000	-	-	-	-
June 12, 2014	3 months	-	1,780,000	1,780,000	-	-	-	-
June 12, 2014	6 months	-	150,000	150,000	-	-	-	-
June 26, 2014	3 months	-	85,000	85,000	-	-	-	-
July 10, 2014	3 months	-	400,000	400,000	-	-	-	-
July 12, 2014	3 months	-	300,000	300,000	-	-	-	-
July 24, 2014	3 months	-	2,200,000	2,200,000	-	-	-	-
July 24, 2014	6 months	-	500,000	500,000	-	-	-	-
August 7, 2014	3 months	-	1,430,800	1,430,800	-	-	-	-
August 21, 2014	3 months	-	83,000	83,000	-	-	-	-
September 4, 2014	3 months	-	2,155,000	2,155,000	-	-	-	-
September 4, 2014	6 months	-	190,000	190,000	-	-	-	-
September 30, 2014	3 months	-	300,000	300,000	-	-	-	-
October 16, 2014	3 months	-	3,750,000	3,750,000	-	-	-	-
October 30, 2014	3 months	-	2,275,000	2,275,000	-	-	-	-
October 30, 2014	6 months	-	1,760,000	1,760,000	-	-	-	-
November 13, 2014	3 months	-	850,000	850,000	-	-	-	-
November 13, 2014	6 months	-	2,775,000	2,775,000	-	-	-	-
November 27, 2014	3 months	-	965,000	965,000	-	-	-	-
November 27, 2014	6 months	-	1,356,000	150,000	1,206,000	1,190,876	21.04%	14.48%
November 28, 2014	3 months	-	2,366,000	2,366,000	-	-	-	-
November 28, 2014	6 months	-	300,000	300,000	-	-	-	-
January 8, 2015	6 months	-	2,350,000	-	2,350,000	2,299,863	40.63%	27.96%
January 22, 2015	6 months	-	700,000	-	700,000	683,060	12.07%	8.30%
February 6, 2015	3 months	-	580,000	500,000	80,000	79,483	1.40%	0.97%
February 6, 2015	6 months	-	950,000	-	950,000	924,304	16.33%	11.24%
March 5, 2015	6 months	-	500,000	-	500,000	483,606	8.54%	5.88%
March 19, 2015	6 months	-	70,000	70,000	-	-	-	-
		6,308,300	37,079,800	37,602,100	5,786,000	5,661,192	100.00%	68.82%

Cost of investments at March 31, 2015

5,655,113

5.2 Net unrealised appreciation / (diminution) on remeasurement of investments classified as available for sale	<i>Note</i>	March 31, 2015	June 30, 2014
		(Rupees in '000)	
Market value of investments	<i>5.1</i>	5,661,192	6,187,446
Cost of investments		(5,655,113)	(6,188,307)
		6,079	(861)
6. ACCRUED MARK-UP			
Mark-up accrued on deposits with banks		11,338	1,150
Mark-up accrued on term deposit receipts		4,870	2,013
Mark-up accrued on placements		-	11,795
		16,208	14,958
7. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee		7,549	9,701
Sindh Sales Tax		1,298	1,801
		8,847	11,502

- 7.1** Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of the average annual net assets of the Fund. The Management Company has charged its remuneration at the rate of one percent per annum for the current period.
- 7.2** The Sindh Government has levied Sindh Sales Tax at the rate of 15% (June 30, 2014: 16%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011 effective from July 1, 2011.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	March 31, 2015	June 30, 2014
		(Rupees in '000)	
Auditors' remuneration		337	273
Brokerage payable		112	112
Withholding tax payable		567	55
Payable to unit holders against redemption		78,291	306
Federal Excise Duty	<i>8.1</i>	30,994	18,726
Provision for Workers' Welfare Fund	<i>9</i>	73,864	63,019
Other payable		504	246
		184,669	82,737

- 8.1** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of law. The matter has been taken up collectively by Mutual Funds Association of Pakistan, where various options are being considered. On September 09, 2013, the Honourable High Court of Sindh in a Constitutional petition relating to levy of FED on Mutual Fund has granted a stay order for the recovery of FED. As a matter of abundant caution, without prejudice to the above, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs. 35.935 million out of which Rs. 4.941 million have been paid to the Management Company. Had the provision not been made, the Net Asset Value (NAV) per unit of the Fund as at March 31, 2015 would have been higher by Rs. 0.4660 per unit.

9. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

Furthermore in 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 73.864 million (including Rs. 10.845 million for the current period). Had the provision not been made, the Net Asset Value per unit of the fund as at March 31, 2015 would have been higher by Rs. 0.9578 per unit.

10. 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 the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ended June 30, 2015 as reduced by capital gains (whether realised or unrealised) to its unit holders.

11. EARNINGS PER UNIT

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

12. 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.

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

12.1 Transactions during the period	Nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	97,973	133,155
Issue of 3,646,103 units (2014: 2,477,345 units)	380,000	250,000
Redemption of 3,072,762 units (2014: 2,013,991 units)	321,551	202,678
Issue of bonus units: Nil (2014: 121,966 bonus units)	-	9,925
Profit earned on units redeemed	21,551	11,678
Habib Bank Limited - Sponsor		
Issue of bonus units: Nil (2014: 83,715 bonus units)	-	8,398
Bank charges paid	200	8
Mark-up earned during the period	66,767	34,639
Mark-up received during the period	70,770	28,979
Placement in Term Deposit Receipts (TDRs)	-	4,000,000
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	6,117	7,853
Directors and Executives of the Management Company and their relatives		
Directors		
Mr. Rehan N. Shaikh - Chief Executive Officer		
Issue of bonus units: Nil (2014: 105 bonus units)	-	10
Redemption of units: Nil (2014: 8,769 units)	-	881
Profit earned on units redeemed	-	19
Mr. Salim Amlani		
Issue of bonus units: Nil (2014: 393 bonus units)	-	39
Redemption of units: Nil (2014: 10,351 units)	-	1,044
Profit earned on units redeemed	-	244
Relatives of Directors		
Issue of units: Nil (2014: 4,964 units)	-	500
Issue of bonus units: Nil (2014: 4,003 bonus units)	-	402
Executives and their relatives		
Issue of 37,338 units (2014: 59,339 units)	3,337	5,963
Issue of bonus units: Nil (2014: 822 bonus units)	-	82
Redemption of 66,559 units (2014: 70,588 units)	6,842	7,095
Profit earned on units redeemed	184	16
Directors of connected persons		
Issue of units: Nil (2014: 1,955,136 units)	-	125,000
Issue of bonus units: Nil (2014: 94,521 bonus units)	-	9,482
Redemption of 1,016,980 units (2014: 70,588 units)	106,852	7,095
Profit earned on units redeemed	4,691	16

	Nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
Associated companies		
Issue of 5,924,434 units (2014: 59,547 units)	600,000	6,000
Issue of bonus units: Nil (2014: 366,674 bonus units)	-	36,780
Redemption of 6,465,149 (2014: 71,472 units)	654,396	7,209
Profit earned on units redeemed	54,396	161
Persons holding 10% or more units		
Issue of units: Nil (2013: 3,285,540 units)	-	330,000
Redemption of 2,920,443 units (2013: 942,581 units)	300,000	95,000
Profit earned on units redeemed	57,100	12,782
12.2 Amounts outstanding as at period end	March 31,	June 30,
	2015	2014
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management Fee	7,549	9,701
Sindh Sales Tax	1,298	1,801
Investment held in the Fund : 3,152,685 units (June 30, 2014: 2,579,344 units)	336,288	258,998
Habib Bank Limited - Sponsor		
Investment held in the Fund : 1,483,363 units (June 30, 2014: 1,483,363 units)	158,226	148,948
Bank balances	63,224	2,626,256
Mark-up receivable on deposits with bank	8,942	12,945
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	631	766
Directors and Executives of Management Company and their relatives		
Directors and their relatives		
Investment held in the Fund : 37,923 units (June 30, 2014: 37,923 units)	4,045	3,808
Executives and their relatives		
Investment held in the Fund : 80,575 units (June 30, 2014: 19,491 units)	8,595	1,957
Directors of Connected Persons		
Investment held in the Fund : 18,880 units (June 30, 2014: 1,994,015 units)	2,014	200,224

	March 31, 2015	June 30, 2014
	(Rupees in '000)	
Associated companies		
Investment held in the Fund : 5,924,434 units (June 30, 2014: 6,465,149 units)	631,943	649,180
Persons holding 10% or more units		
Investments held in the Fund : 9,643,474 units (June 30, 2014: 12,563,917 units)	1,028,642	1,261,571

13. 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 28, 2015.

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director

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HBL Asset Management Limited



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