

HBL

ASSET MANAGEMENT

ايسيت مينجمنت

HBL StockFund

**Quarterly Report
March 31, 2016
(Un-audited)**

TABLE OF CONTENTS

HBL STOCK FUND

Corporate Information	02
Fund Information	03
Statement of Assets and Liabilities	04
Income Statement	05
Statement of Comprehensive Income	06
Distribution Statement	07
Statement of Movement in Unit Holders' Fund	08
Cash Flow Statement	09
Notes to the Financial Information	10-18

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)
	Ms. Sima Kamil	(Non-Executive Director)
	Mr. Ayaz Ahmed	(Non-Executive Director)
	Ms. Sadia Khan	(Independent Non-Executive Director)

Audit Committee

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

Human Resource Committee

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

Risk Management Committee

Chairman	Mr. Rizwan Haider	(Non-Executive Director)
Members	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

ERNST & YOUNG FORD RHODES SIDAT HYDER & Co.,
Chartered Accountants

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block "B", S.M.C.H.S, Main Shahra-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 Stock Fund

FUND MANAGER Ms. Samia Aslam

NAME OF AUDITORS

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

Internal Auditors ERNST & YOUNG FORD RHODES SIDAT HYDER & Co.,
Chartered Accountants

NAME OF BANKERS

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
NIB Bank Limited

HBL STOCK FUND
Condensed Interim Statement of Assets And Liabilities
As At March 31, 2016

	Note	March 31, 2016 (Un-Audited) (Rupees in '000)	June 30, 2015 (Audited)
Assets			
Bank balances	4	6,895	310,736
Investments	5	4,265,847	4,194,058
Dividend receivable and accrued mark-up	6	40,284	2,708
Advance, deposits and other receivables	7	11,090	2,801
Total assets		4,324,116	4,510,303
Liabilities			
Payable to HBL Asset Management Limited - Management Company	8	9,570	8,930
Payable to Central Depository Company of Pakistan Limited - Trustee		951	476
Payable to Securities and Exchange Commission of Pakistan		3,064	4,007
Accrued expenses and other liabilities	9	100,986	110,986
Total liabilities		114,571	124,399
Net assets		4,209,545	4,385,904
Unit holders' fund (as per statement attached)		4,209,545	4,385,904
		(Number of units)	
Number of units in issue		42,931,846	42,766,886
		(Rupees)	
Net assets value per unit		98.0518	102.5537

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL STOCK FUND
Condensed Interim Income Statement (Un-Audited)
For the Nine Months & quarter ended March 31, 2016

	Note	Nine months ended		Quarter ended	
		March 31,		March 31,	
		2016	2015	2016	2015
		------(Rupees in '000)-----			
Income					
Dividend income		136,796	147,555	41,897	46,382
Mark-up on deposits with banks		13,464	21,145	4,800	4,792
Mark-up / return on investments		2,565	-	2,565	-
Capital gain on sale of investments - net		163,830	107,248	(155,863)	51,927
		316,655	275,948	(106,601)	103,101
Impairment loss on equity securities classified as available for sale		(77,042)	(84,389)	-	(9,909)
		239,613	191,559	(106,601)	93,192
Expenses					
Remuneration of HBL Asset Management Limited - Management Company		86,365	82,646	28,410	27,324
Remuneration of Central Depository Company of Pakistan Limited - Trustee		4,638	3,899	1,597	1,315
Annual fee to Securities and Exchange Commission of Pakistan		3,064	2,991	971	1,016
Allocation of expenses related to registrar services, accounting, operation and valuation services	10	1,450	-	1,024	-
Securities transaction costs			390	-	363
Auditors' remuneration		340	410	32	110
Settlement and bank charges		1,628	1,419	855	130
Other expenses		283	245	125	82
		97,768	92,000	33,014	30,340
Net income from operating activities		141,845	99,559	(139,615)	62,852
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		92	168	(70)	191
Provision for Workers' Welfare Fund	11	-	(1,975)	-	(1,183)
Net income for the period before taxation		141,937	97,752	(139,685)	61,860
Taxation	12	-	-	-	-
Net income for the period after taxation		141,937	97,752	(139,685)	61,860
Earning per unit	13				

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL STOCK FUND**Condensed Interim Statement of Comprehensive Income (Un-Audited)***For the Nine Months & quarter ended March 31, 2016*

	Nine months ended March 31,		Quarter ended March 31,	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
Net income for the period	141,937	97,752	(139,685)	61,860
Other comprehensive income for the period				
<i>Items to be reclassified to income statement in subsequent periods</i>				
Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale	(336,518)	(252,797)	123,121	(360,139)
Total comprehensive income for the period	<u>(194,581)</u>	<u>(155,045)</u>	<u>(16,564)</u>	<u>(298,279)</u>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL STOCK FUND
Condensed Interim Distribution Statement (Un-Audited)
For the Nine Months ended March 31, 2016

	Nine months ended	
	March 31,	
	2016	2015
	(Rupees in '000)	
Accumulated loss brought forward - realised	(968,425)	(925,545)
Net income for the period	141,937	97,752
Element of income / (loss) and capital gains / (losses) included in the price of units issued less those in units redeemed - amount representing income / (loss) that form part of the unit holders' fund	(3,735)	(2,625)
Accumulated loss carried forward - realised	<u>(830,223)</u>	<u>(830,418)</u>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL STOCK FUND**Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)***For the Nine Months ended March 31, 2016*

	Nine months ended	
	March 31,	
	2016	2015
	(Rupees in '000)	
Net assets at beginning of the period	4,385,904	4,075,082
Issue of 305,980 units (2015: 318,625 units)	39,147	34,305
Redemption of 141,020 units (2015: 327,183 units)	(20,832)	(35,384)
	18,315	(1,079)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to income statement - net	(92)	(168)
Net income for the period	141,937	97,752
Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale	(336,518)	(252,797)
Total comprehensive income for the period	(194,581)	(155,045)
Net assets at end of the period	4,209,545	3,918,790
[Rs. 98.0518 per unit (2015: Rs. 101.1099)]		

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL STOCK FUND
Condensed Interim Cash Flow Statement (Un-Audited)
For the Nine Months ended March 31, 2016

	<i>Note</i>	
	Nine months ended March 31,	
	2016	2015
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	141,937	97,752
Adjustments		
Impairment loss on available for sale investments	77,042	84,389
Impairment reversal on available for sale investments	-	
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(92)	(168)
	218,887	181,973
(Increase) / decrease in assets		
Investments - net	(485,349)	(991,190)
Dividend receivable and accrued mark-up	(37,576)	(15,598)
Advances, deposits, prepayments and other receivables	(8,289)	817,011
	(531,214)	(189,777)
Increase / (decrease) in liabilities		
Payable to HBL Asset Management Limited - Management Company	640	738
Payable to Central Depository Company of Pakistan Limited - Trustee	475	15
Payable to Securities and Exchange Commission of Pakistan	(943)	(526)
Accrued expenses and other liabilities	(10,000)	4,592
	(9,828)	4,819
Net cash generated from / (used in) operating activities	(322,156)	(2,985)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	39,147	34,305
Payment against redemption of units	(20,832)	(35,384)
Net cash generated from / (used in) financing activities	18,315	(1,079)
Net (decrease) in cash and cash equivalents	(303,841)	(4,064)
Cash and cash equivalents at beginning of the period	310,736	104,277
Cash and cash equivalents at end of the period	4 6,895	100,213

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL STOCK FUND

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

For the Nine Months ended March 31, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Stock Fund (the Fund) was established under a Trust Deed, dated August 09, 2007, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on August 21, 2007.

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 Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at par August 29, 2007 to August 31, 2007.

The principal activity of the Fund is to provide long-term capital growth by investing primarily in a diversified pool of equities and equities related instruments.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2-' to the Management Company and has assigned one year Fund Performance Ranking at MFR 2-Star, three year Fund Performance Ranking at MFR 2-Star and five year Fund Performance Ranking at MFR 1-Star 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 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, 2015.

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, 2015

4. BANK BALANCES

	March 31, 2016	June 30, 2015
	(Rupees in '000)	
Savings accounts	6,895	310,736
	<u>6,895</u>	<u>310,736</u>

5. INVESTMENTS	Note	March 31, 2016	June 30, 2015
(Rupees in '000)			
Available for sale			
- Unlisted equity securities	5.1	45,000	-
- Listed equity securities	5.2	3,837,034	4,194,058
- Investment in government securities	5.3	383,813	-
		<u>4,265,847</u>	<u>4,194,058</u>

5.1 Unlisted equity securities - Available for sale

Shares of unlisted companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of shares				Carrying value as a percentage of			
	As at July 1, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2016	Carrying value as at March 31, 2016	Total Investments	Net Assets
(Rupees in '000)								
Real State								
TPL Properties (Pvt) Limited (Note 5.1.1)	-	3,600,000	-	-	3,600,000	45,000	1.05%	1.07%
	-	3,600,000	-	-	3,600,000	45,000	1.05%	1.07%
	-	<u>3,600,000</u>	-	-	<u>3,600,000</u>	<u>45,000</u>	<u>1.05%</u>	<u>1.07%</u>

Cost of investments at March 31, 2016

45,005

5.1.1 This represents shares of TPL Properties (Pvt) Limited, a subsidiary of TPL Trakker Limited, subscribed as initial public offering. These are stated at cost as trading in shares has not yet commenced. The Company has submitted its listing application with the Karachi Stock Exchange Limited (now Pakistan Stock Exchange Limited) for proposed initial public offering which is currently pending.

5.2 Listed equity securities - Available for sale

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of shares					Market value as a percentage of			Par value as a percentage of issued capital of the investee company
	As at July 1, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2016	Market value as at March 31, 2016	Total Investments	Net Assets	
(Rupees in '000)									
Commercial Banks									
Bank Alfalah Limited	3,884,000	823,000	-	4,707,000	-	-	-	-	-
Habib Bank Limited	731,119	820,400	-	352,000	1,199,519	205,765	4.82%	4.89%	0.08%
MCB Bank Limited	-	689,000	-	-	689,000	141,955	3.33%	3.37%	0.06%
United Bank Limited	514,500	1,003,200	-	1,517,700	-	-	-	-	-
	<u>5,129,619</u>	<u>3,335,600</u>	<u>-</u>	<u>6,576,700</u>	<u>1,888,519</u>	<u>347,720</u>	<u>8.15%</u>	<u>8.26%</u>	
Personal Goods									
Nishat Mills Limited	-	941,900	-	941,900	-	-	-	-	-
Artistic Denim Mills Limited	116,400	-	-	116,400	-	-	-	-	-
	<u>116,400</u>	<u>941,900</u>	<u>-</u>	<u>1,058,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non life Insurance									
Adamjee Insurance Company Limited	-	2,419,500	-	122,500	2,297,000	122,958	2.88%	2.92%	0.66%
	-	<u>2,419,500</u>	<u>-</u>	<u>122,500</u>	<u>2,297,000</u>	<u>122,958</u>	<u>2.88%</u>	<u>2.92%</u>	<u>-</u>

Name of the Investee Company	Number of shares				Market value as a percentage of				Par value as a percentage of issued capital of the investee company
	As at July 1, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2016	Market value as at March 31, 2016	Total Investments	Net Assets	
(Rupees in '000)									
Construction and Materials									
D. G. Khan Cement Limited	1,647,500	2,011,800	-	2,045,800	1,613,500	280,458	6.57%	6.66%	0.37%
Cherat Cement Limited	-	999,500	-	-	999,500	107,856	2.53%	2.56%	0.23%
Kohat Cement Limited	-	575,600	-	-	575,600	149,679	3.51%	3.56%	0.18%
Lucky Cement Limited	454,000	222,300	-	201,500	474,800	255,494	5.99%	6.07%	0.15%
Maple Leaf Cement Factory Limited	2,783,500	1,494,500	-	4,278,000	-	-	-	-	0.00%
Pioneer Cement Limited	-	1,989,000	-	174,000	1,815,000	179,540	4.21%	4.27%	0.80%
Fauji Cement Company Limited	-	5,437,000	-	2,945,000	2,492,000	104,440	2.45%	2.48%	0.77%
	<u>4,885,000</u>	<u>12,729,700</u>	<u>-</u>	<u>9,644,300</u>	<u>7,970,400</u>	<u>1,077,467</u>	<u>25.26%</u>	<u>25.60%</u>	
Electricity									
The Hub Power Company Limited	3,105,500	1,888,000	-	3,462,000	1,531,500	160,103	3.75%	3.80%	0.13%
K-Electric Limited (Rs. 3.5 each)	19,740,411	15,221,000	-	17,073,000	17,888,411	127,008	2.98%	3.02%	0.06%
Kot Addu Power Company Limited	1,886,500	406,000	-	711,500	1,581,000	122,005	2.86%	2.90%	0.18%
Nishat Chumian Power Limited	988,066	-	-	988,066	-	-	-	-	-
	<u>25,720,477</u>	<u>17,515,000</u>	<u>-</u>	<u>22,234,566</u>	<u>21,000,911</u>	<u>409,116</u>	<u>9.59%</u>	<u>9.72%</u>	
Oil and Gas									
Attock Petroleum Limited	209,200	-	-	-	209,200	90,132	2.11%	2.14%	0.25%
Oil and Gas Development Company Limited	-	326,000	-	26,000	300,000	34,332	0.80%	0.82%	0.38%
Pakistan Oilfields Limited	320,700	328,600	-	649,300	-	-	-	-	-
Pakistan Petroleum Limited	-	2,053,500	-	1,753,500	300,000	38,436	0.90%	0.91%	-
Pakistan State Oil Company Limited	545,500	447,900	-	395,800	597,600	209,901	4.92%	4.99%	0.22%
Mari Petroleum Limited	-	567,100	-	339,350	227,750	159,988	3.75%	3.80%	0.21%
	<u>1,075,400</u>	<u>3,723,100</u>	<u>-</u>	<u>3,163,950</u>	<u>1,634,550</u>	<u>532,789</u>	<u>12.49%</u>	<u>12.66%</u>	
Automobile Assembler									
Pak Suzuki Motor Company Limited	533,300	-	-	533,300	-	-	-	-	-
Indus Motor Company Limited	192,400	-	-	84,750	107,650	101,970	2.39%	2.42%	0.14%
Hinopak Motors Limited	-	163,550	-	96,250	67,300	65,954	1.55%	1.57%	0.54%
	<u>725,700</u>	<u>163,550</u>	<u>-</u>	<u>714,300</u>	<u>174,950</u>	<u>167,924</u>	<u>3.94%</u>	<u>3.99%</u>	
Media									
HUM Network Limited (Rs. 1 each)	9,774,000	62,000	-	9,836,000	-	-	-	-	-
	<u>9,774,000</u>	<u>62,000</u>	<u>-</u>	<u>9,836,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Chemicals									
Engro Corporation Limited	1,051,000	1,376,700	-	1,764,300	663,400	209,435	4.91%	4.98%	0.13%
Engro Fertilizers Limited	2,481,500	1,260,000	-	3,741,500	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	3,232,000	402,000	-	3,634,000	-	-	-	-	-
Fatima Fertilizer Company Limited	-	3,842,500	-	3,842,500	-	-	-	-	-
	<u>6,764,500</u>	<u>6,881,200</u>	<u>-</u>	<u>12,982,300</u>	<u>663,400</u>	<u>209,435</u>	<u>4.91%</u>	<u>4.98%</u>	
Food Producers									
Engro Foods Limited	1,200,000	163,600	-	1,363,600	-	-	-	-	-
	<u>1,200,000</u>	<u>163,600</u>	<u>-</u>	<u>1,363,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Household Goods									
Pak Elektron Limited	2,403,500	1,507,500	-	2,095,000	1,816,000	109,814	2.57%	2.61%	0.46%
	<u>2,403,500</u>	<u>1,507,500</u>	<u>-</u>	<u>2,095,000</u>	<u>1,816,000</u>	<u>109,814</u>	<u>2.57%</u>	<u>2.61%</u>	
Pharma and Bio Tech									
Searle Company Limited	-	378,200	32,070	57,500	352,770	155,039	3.63%	3.68%	0.34%
GlaxoSmithKline Limited	-	428,300	-	-	428,300	103,833	2.43%	2.47%	0.13%
	<u>-</u>	<u>806,500</u>	<u>32,070</u>	<u>57,500</u>	<u>781,070</u>	<u>258,872</u>	<u>6.07%</u>	<u>6.15%</u>	

Name of the Investee Company	Number of shares				Market value as at		Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2016	as at March 31, 2016	Total Investments	Net Assets	
(Rupees in '000)									
Automobile Parts and Accessories									
Thal Limited (Rs. 5 each)	590,000	16,500	-	606,500	-	-	-	-	0.00%
General Tyre & Rubber Company Limited	-	565,400	-	-	565,400	84,590	1.98%	2.01%	0.95%
	<u>590,000</u>	<u>581,900</u>	<u>-</u>	<u>606,500</u>	<u>565,400</u>	<u>84,590</u>	<u>1.98%</u>	<u>2.01%</u>	
General Industrials									
Synthetic Products Enterprises Limited	1,992,000	-	-	1,992,000	-	-	-	-	-
	<u>1,992,000</u>	<u>-</u>	<u>-</u>	<u>1,992,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Engineering									
Mughal Iron and Steel Limited	280,500	3,894,500	363,300	2,767,000	1,771,300	121,210	2.84%	2.88%	1.41%
Amreli Steels Limited	-	2,791,500	-	1,224,500	1,567,000	81,750	1.92%	1.94%	0.53%
Crescent Steel and Allied Products Limited	-	1,657,100	669,500	964,000	1,362,600	160,215	3.76%	3.81%	-
International Steels Limited	-	2,396,000	-	-	2,396,000	69,652	1.63%	1.65%	0.55%
	<u>280,500</u>	<u>10,739,100</u>	<u>1,032,800</u>	<u>4,955,500</u>	<u>7,096,900</u>	<u>432,827</u>	<u>10.14%</u>	<u>10.28%</u>	
Paper and Board									
Century Paper and Board Mills Limited	-	5,000	-	5,000	-	-	-	-	-
Packages Limited	-	160,000	-	-	160,000	83,522	1.96%	1.98%	0.18%
	<u>-</u>	<u>165,000</u>	<u>-</u>	<u>5,000</u>	<u>160,000</u>	<u>83,522</u>	<u>1.96%</u>	<u>1.98%</u>	
Technology and Communication									
P.T.C.L. "A"	-	1,260,000	-	1,260,000	-	-	-	-	-
	<u>-</u>	<u>1,260,000</u>	<u>-</u>	<u>1,260,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	60,657,096	62,995,150	1,064,870	78,668,016	46,049,100	3,837,034	89.95%	91.15%	
Cost of investments at March 31, 2016	<u>3,850,626</u>								

5.3 Investment in government securities - Available for sale

Issue Date	Tenor	Face value				Market Value as at March 31, 2016	Market value as a percentage of	
		As at July 1, 2015	Purchases during the period	Sales / Matured during the period	As at March 31, 2016		Total Investments	Net Assets
(Rupees in '000)								
Treasury bills								
February 18, 2016	03 months	-	495,000	108,500	386,500	383,813	9.00%	9.12%
		<u>-</u>	<u>495,000</u>	<u>108,500</u>	<u>386,500</u>	<u>383,813</u>	<u>9.00%</u>	<u>9.12%</u>
Cost of investments at March 31, 2016	<u>383,796</u>							

5.3 Investments include shares having market value aggregating to Rs. 265.29 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.4 Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale	<i>Note</i>	March 31, 2016	June 30, 2015
		(Rupees in '000)	
Market value of investments	5.1, 5.2 & 5.3	4,265,847	4,194,058
Cost of investments	5.1, 5.2 & 5.3	4,279,427	3,798,502
Provision against equity securities	5.5.1	(102,592)	(29,975)
		4,176,835	3,768,527
		89,013	425,531
5.4.1 Movement in impairment against investments			
Opening balance		29,975	82,829
Add: Charge for the period / year		77,042	95,406
Less: Reversals made during the period / year (capital gain)		(4,425)	(148,260)
Net charge / (reversal)		72,617	(52,854)
Closing balance		102,592	29,975
6. DIVIDEND RECEIVABLE AND ACCRUED MARK-UP			
Dividend receivable		39,911	2,708
Mark-up accrued on deposits with banks		373	-
		40,284	2,708
7. ADVANCE, DEPOSITS AND OTHER RECEIVABLES			
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited		100	100
Receivable against sale of units		50	-
Advance against subscription of Term Finance Certificates (TFC)		25,000	25,000
Receivable against sale of government securities		8,440	-
Receivable from HBL Funds against conversion of units		-	201
		36,090	27,801
Less: Provision in respect of advance against subscription of term finance certificates	7.1	25,000	25,000
		11,090	2,801

7.1 The Fund had subscribed towards the term finance certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer as at March 31, 2016. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at March 31, 2016, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

8. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	<i>Note</i>	March 31, 2016	June 30, 2015
		(Rupees in '000)	
Management fee	<i>8.1</i>	6,984	7,309
Sindh Sales Tax	<i>8.2</i>	1,134	1,257
Sales load payable		2	364
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,450	-
		9,570	8,930

- 8.1** Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (June 30, 2015: two percent per annum) of the average net assets of the Fund for the current period.
- 8.2** The Sindh Government has levied Sindh Sales Tax at the rate of 14% (June 30, 2015: 15%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	March 31, 2016	June 30, 2015
		(Rupees in '000)	
Auditors' remuneration		396	454
Payable on redemption of units		17	26
Payable to HBL Money Market Fund against conversion of units		-	1,781
Payable against purchase / sale of shares		4,258	-
Federal Excise Duty	<i>9.1</i>	34,314	24,022
Provision for Workers' Welfare Fund	<i>11</i>	56,825	56,825
Payable to brokers		4,847	6,440
Withholding tax payable		81	21,325
Other payables		248	113
		100,986	110,986

- 9.1** 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 the law. In 2014, 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. 37.1020 million out of which Rs. 2.788 million have been paid to the Management Company. Had the provision not been made, the Net Asset Value per unit of the Fund as at March 31, 2016 would have been higher by Rs. 0.8642 per unit (June 30, 2015: Rs. 0.6269 per unit).

10. ALLOCATION OF EXPENSES RELATED TO REGISTRAR SERVICES, ACCOUNTING, OPERATION AND VALUATION SERVICES

Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated November 25, 2015 has revised the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In the revised regulations a new clause 60(s) has been introduced allowing the management company to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less" from the mutual funds managed by it.

The expenses represent the allocation of expenses relating to registrar services, accounting, operation and valuation services at 0.1% of average net annual assets of the Fund with effect from November 25, 2015.

11. PROVISION FOR WORKERS' WELFARE FUND

There has been no change in the status of litigation relating to Workers' Welfare Fund as reported in annual financial statements of the Fund for the year ended June 30, 2015.

However, after the exclusion of the Mutual Funds from federal statute on Workers Welfare Fund, from 1st July 2015, the Fund has discontinued making the provision in this regard. Had the provision not been maintained, the Net Asset Value (NAV) per unit of the Fund as at March 31, 2016 would have been higher by Rs. 1.3236 per unit (June 30, 2015: Rs. 1.3287 per unit).

12. 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 accounting income, the income distributed through bonus shares, units or certificates as the case may be, 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 capital gain / 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 at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised and unrealised) to unit holders in the form of cash. The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. However, during the period, after exclusion of capital gains, there was negative income.

13. EARNINGS PER UNIT (EPU)

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

14. 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:

14.1 Transactions during the period	Nine months ended	
	March 31,	
	2016	2015
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management Fee	86,365	82,646
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,450	-
Habib Bank Limited - Sponsor		
Bank charges paid	8	6
Profit on bank deposits earned	1,192	1,022
Profit on bank deposits received	995	985
Dividend income earned	4,111	8,310
Dividend income received	-	8,310
Executives and their relatives		
Issue of Nil units (2015: 36,345 units)	-	3,854
Redemption of 1,015 units (2015: 24,254 units)	100	2,754
Gain / (loss) on redemption of units	7	(88)
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	4,638	4,549
Central Depository service charges	608	583
14.2 Transactions involving shares of connected persons:		
Habib Bank Limited - Sponsor		
Purchase of 820,400 shares (2015: 305,000 shares)	159,339	58,681
Sale of 352,000 shares (2015: 265,900 shares)	62,466	58,245
Gain on sale of shares	4,585	22,990
14.3 Balances outstanding as at period end	March 31,	June 30,
	2016	2015
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	6,984	7,309
Sindh Sales Tax	1,134	1,257
Sales load payable	2	364
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,450	-
Habib Bank Limited - Sponsor		
Investment held in the Fund: 35,176,573 units (2015: 35,176,573 units)	3,449,126	3,611,871
Bank balances	5,833	124,151
Mark-up accrued on deposits with bank	139	-
HBL Money Market Fund-Associate		
Payable to HBL Money Market Fund against conversion of units	-	1,781

	March 31, 2016	June 30, 2015
	(Rupees in '000)	
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Investment held in the Fund: 683 units (2015: 683 units)	67	70
Executives and their relatives		
Investment held in the Fund : 20,777 units (2015: 11,724 units)	2,037	1,202
Directors of connected persons		
Investment held in the Fund: Nil units (2015: 529,247 units)	-	54,276
HBL Employees Provident Fund - Associated Entity		
Investment held in the Fund: 6,650,970 units (2015: 6,650,970 units)	652,140	682,082
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	951	476
Security deposit	100	100
Shares held in associated undertakings		
Habib Bank Limited		
Shares held: 1,199,519 ordinary shares (2015: 731,120 ordinary shares)	205,765	157,300

15. DISCLOSURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - CATEGORISATION OF OPEN END SCHEME

The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the said circular. The Management Company classified the Fund as 'Equity Scheme' in accordance with the said circular. As at March 31, 2016, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any debt security in the portfolio shall not be lower than A- (A Minus).

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
		----- (Rupees in '000) -----				
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

16. 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 29, 2016**.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director

(021) 111-425-262 | www.hblasset.com

HBL Asset Management Limited



Head Office

24-C, Khayaban-e-Hafiz
Phase VI, D.H.A, Karachi
UAN: (021) 111-425-262
Fax: (92-21) 35240630

Lahore Office

102-103, Upper Mall,
Lahore
Tel: 042-36281610
Fax: 042-36281686

Islamabad Office

HBL Corporate Center,
HBL Building, Jinnah Avenue,
Islamabad
Tel: 051-2821183
Fax: 051-2822206