



ASSET MANAGEMENT

ايسيت مينجمنت

AMC Rating : AM2- by JCR-VIS

## FUND MANAGER'S REPORT (Islamic Funds)

April 2016

**Disclaimer:** Past results are not indicative of future performance. This report should not be considered an offer to buy or sell, or solicitation. The information contained herein has been compiled from sources believed to be reliable. This information is being circulated for information purposes only and may not be copied or distributed to any other person without the prior written permission of HBL Asset Management Co.

### Fund Manager's Commentary

30-Apr-16

For the month of Apr'16, HBL Islamic Money Market Fund generated an annualized return of 3.21% against the benchmark return of 5.09%. On Year to Date basis, the fund generated an annualized return of 4.38%. On the asset allocation side, the fund maintained its major exposure in Cash due to unavailability of short term Ijara at attractive yields in the secondary market.

### 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

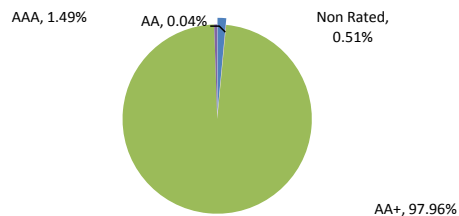
Net Assets	Rs. 481.217 million (30-Apr-16)
NAV	PKR 104.0386*
Launch Date	10-May-11
Management Fee	1% p.a
Expense Ratio with Tax	1.81%
Expense Ratio without Tax	1.49%
Listing	Pakistan Stock Exchange
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Benchmark	3-Month Deposit Rate
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. 0.61/0.59%.

Weighted Average time to Maturity 1 Day

### Asset Quality Portfolio (As at 30-Apr-16)

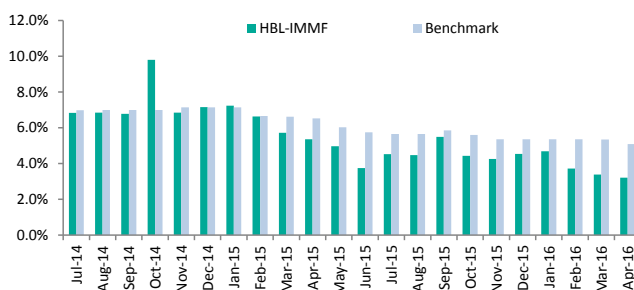


### Fund Returns (%)

	HBL-IMMF*	Benchmark
Annualized Return Since Inception	8.73%	6.73%
Year to Date Annualized Return	4.34%	5.44%
Calendar Year to Date Annualized Return	3.77%	5.22%
1 Month Annualized Return	3.21%	5.09%
3 Month Annualized Return	3.44%	5.18%
6 Month Annualized Return	4.01%	5.27%
1 Year Annualized Return	4.38%	5.51%
Daily Average Return (Since Inception)	0.03%	0.02%
Standard Deviation (Since Inception)	0.03%	0.00%
Annualized Return FY-15	6.70%	6.75%
Annualized Return FY-14	6.86%	6.62%
Annualized Return FY-13	8.45%	6.89%
Annualized Return FY-12	10.34%	7.41%
Annualized Return FY-11	n/a	n/a

\* Returns have been calculated as per MUFAP's formula

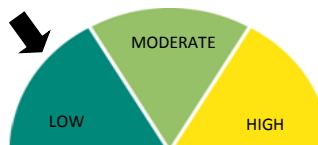
### HBL Islamic Money Market Fund Vs benchmark (MoM Returns)



### Asset Allocation (% of Total Assets)

	Apr'16	Mar'16
Cash	99.49%	98.82%
Govt Securities (Ijara Sukuk)	0.00%	0.00%
Others Including receivables	0.51%	1.18%
Term Deposit Receipts	0.00%	0.00%

### Risk Level (Low)



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.

30-Apr-16

**Fund Manager's Commentary**

During the month of Apr'16, the fund posted absolute return of 2.96% vs. benchmark KMI30 return of 3.98%. The underperformance was due to underweight position in Oil & Gas which rallied during the month (as Arab Light crude was up 29% MoM). Exposure in equities stood at 92.3% of the Net Assets at month-end. Given the excitement surrounding potential re-classification of Pakistan into Emerging Markets (MSCI EM) in the 2016 semiannual review of MSCI (due on 14th Jun'16), we expect the market to remain bullish in May'16. Going forward, we will maintain overweight stance in Cements, Steel and Electricity owing to increase in demand from the materialization of CPEC projects. Possible inclusion of PSX in MSCI EM will prove beneficial for Conglomerates in the Islamic universe. We will shift to a market-weight stance in E&Ps as most of the fears on downward movement of oil prices have subsided.

**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. 762.475 million (30-Apr-16)
NAV	PKR 124.0673*
Launch Date	10-May-11
Management Fee	2% p.a
Expense Ratio with Tax	3.25%
Expense Ratio without Tax	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)**

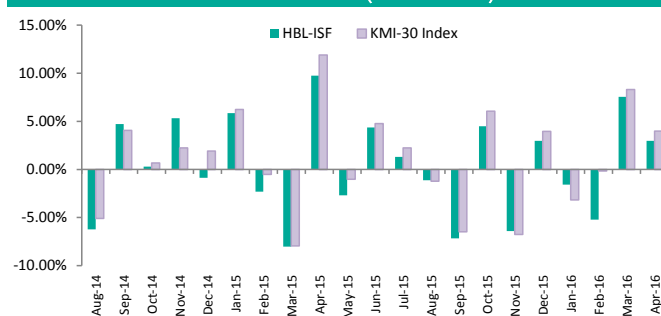
	Apr'16	Mar'16
Construction and materials	25.49%	29.09%
Power Generation & Dist.	8.13%	12.78%
Others	9.27%	11.71%
Engineering	12.97%	9.19%
OIL & GAS Exploration Co.	8.68%	7.55%
OIL & GAS Marketing Co.	1.96%	7.05%
Fertilizers	8.41%	5.99%
Automobile Assembler	4.73%	3.85%
Cable & Electrical Goods	2.75%	2.95%

**Fund Returns (%)**

	HBL-ISF*	Benchmark
Cumulative Return Since Inception	118.13%	198.70%
Year to Date Return (Cumulative)	-3.26%	5.69%
Calendar Year to Date Return (Cumulative)	3.29%	8.86%
1 Month Cumulative Return	2.96%	3.98%
3 Month Cumulative Return	4.95%	12.44%
6 Month Cumulative Return	-0.44%	5.53%
1 Year Cumulative Return	-1.34%	9.59%
Daily Average Return (Since Inception)	0.03%	0.09%
Standard Deviation (Since Inception)	1.23%	0.95%
Since Inception (CAGR)	16.96%	24.58%
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)**



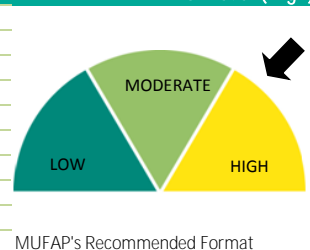
**Asset Allocation (% of Total Assets)**

	Apr'16	Mar'16
Cash	13.52%	8.64%
Stock/Equities	82.38%	90.16%
Others	4.10%	1.20%

**Top Ten Holding (30-Apr-16)**

Company	%
Hub Power Co. Ltd	8.1%
Lucky Cement Limited	6.7%
Engro Corporation Limited	6.4%
Pakistan Petroleum Ltd	5.3%
D.G. Khan Cement	5.1%
Crescent Steel & Allied Prod.	4.5%
Amerli Steel	4.3%
Mughal Iron & Steel	4.2%
Searle Pakistan Limited	3.8%
Kohat Cement Limited	3.7%

**Risk Level (High)**



**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 Manager's Commentary

30-Apr-16

Return of HBL Islamic Asset Allocation Fund posted the return of 1.02% in the month of Apr'16 while the benchmark was up by 1.39%. Exposure in equities increased by 7.10% to 26.67% in the month of Apr'16. KMI 30 increased by of 3.98% on MoM basis, mainly on the back of rally in international oil prices and potential re-classification in the MSCI Emerging markets. Foreigners remained net seller of USD 18 million. Daily Average volume increased by 90 million shares to 235 million shares. Going forward, we expect market to continue rally on the back of possible inclusion in emerging markets and stability in international oil prices.

### 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. 1224.739 million (30-Apr-16)
NAV	101.9347
Launch Date	11-Jan-16
Management Fee	1.5% p.a
Listing	Lahore 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

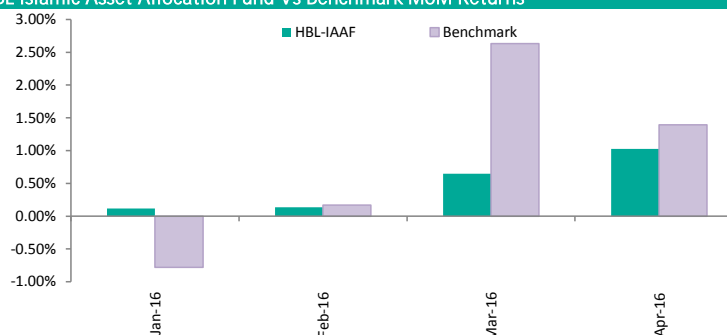
### Fund Returns (%)

	HBL-IAAF*	Benchmark
Year to Date Return (Cumulative)	1.93%	3.42%
Calendar Year to Date Return (Cumulative)	1.93%	3.42%
1 Month Cumulative Return	1.02%	1.39%
3 Month Cumulative Return	1.82%	4.24%
6 Month Cumulative Return	N/A	N/A
1 Year Cumulative Return	N/A	N/A
Daily Average Return (Since Inception)	0.02%	0.43%
Standard Deviation (Since Inception)	0.05%	1.38%
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
Return FY-11	N/A	N/A

\*Ytd returns are since inception

\* Returns have been calculated as per MUFAP's formula

### HBL Islamic Asset Allocation Fund Vs Benchmark MoM Returns



### Asset Allocation (% of Total Assets)

	Apr'16	Mar'16
Cash	16.00%	18.44%
Ijarah Sukuk	56.33%	59.41%
Stock/Equities	26.67%	19.57%
Others	1.01%	2.58%

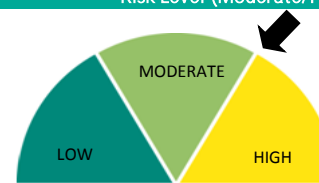
### Sector Allocation (% of Total Assets)

	Apr'16	Mar'16
CEMENT	7.59%	7.32%
ENGINEERING	4.73%	3.89%
FERTILIZER	3.35%	1.75%
POWER GENERATION & I	2.44%	0.70%
PHARMACEUTICALS	2.28%	1.72%
PAPER & BOARD	1.71%	0.00%
FOOD & PERSONAL CARE	1.14%	0.00%
CABLE & ELECTRICAL GOC	1.13%	1.14%

### Top Ten Holding (30-Apr-16)

Lucky Cement	2.72%
Engro Corp.	2.24%
Crescent Steel	2.14%
Hub Power Co.	1.94%
Packages Ltd.	1.71%
Mughal Steel	1.52%
Searle Co.	1.24%
Engro Foods	1.14%
Pak Elektron	1.13%
Amreli Steel	1.07%

### Risk Level (Moderate/High)



MUFAP's Recommended Format

**Fund Manager's Commentary**

**DF:** The fund's exposure in government securities at the end of Mar'16 stood at 72.57%. The fund's return for the month stood at 6.60% p.a.

**MMF:** The Fund's exposure in government Securities at the end of Mar'16 stood at 30.08% of the fund size. Return of the fund for the month of Mar'16 stood at 3.92% p.a.

**SF:** In the month of Mar'16, the Fund return stood at 7.21%. Fund equity exposure at the end of month stood at 90.39% in terms of Total Assets of the fund. In the month of Mar'16, KMI 30 Index increased by 8.30%. Net outflow of USD 11.30 million was witnessed in the month of March. The liquidity slightly improved with average daily volume increased by 11 million shares to 145 million shares. In Equity Portfolio, Fund have heavy exposure on cement sector on the back of CPEC projects.

**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	Delloite 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-March-2016**

Money Market	Debt	Equity
64.6655	85.8509	154.0028
NAV (PKR)		
128.1376	129.9549	333.8479
Leverage	Nil	

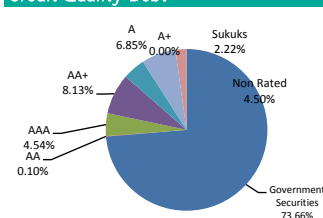
**Fund Returns (%)**

	Debt p.a	**Equity	MM p.a
Return Since Inception	6.77%	233.85%	6.36%
Year to Date Return	2.71%	1.86%	2.18%
Calendar Year to Date Return	2.34%	2.99%	1.28%
1 Month Return	4.10%	2.40%	2.76%
3 Month Return	4.63%	5.22%	2.44%
6 Month Return	2.31%	2.66%	1.61%
1 Year Return	2.95%	3.18%	2.67%
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

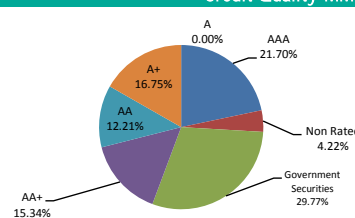
\* Returns have been calculated as per MUFAP's formula

\*\*Equity fund returns are cumulative

**Credit Quality-Debt**



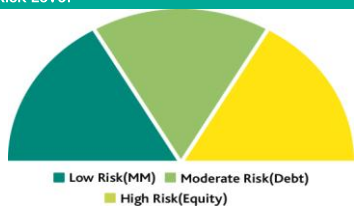
**Credit Quality-MMF**



**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. 3.03/0.91%, Rs 0.41/0.32% and Rs 0.44/0.35% respectively.

**Risk Level**



**Sector Allocation Equity**

Sector Allocation Equity	%	Top 10 Equities	%
Cements	18.07%	Hub Power Company	8.02%
Engineering	12.61%	Lucky Cement	6.67%
Pharmaceuticals	8.76%	Engro Corporation	5.73%
Power Generation & Distribution	8.02%	Thal Limited	5.25%
Oil & Gas Exploration	6.43%	Fauji Cement	4.73%
Fertilizers	5.73%	Crescent Steel & Allied	4.73%
Automobile Parts and Accessories	5.25%	Packages Limited	4.53%
Paper & Board	4.53%	Mughal Steel	4.24%
Transport	3.86%	GlaxoSmithKline	4.19%
Others	26.76%	Searl	4.19%

**Asset Allocation**

	HBL Money Market		HBL Debt		HBL-Equity						
	30-Apr-16	31-Mar-16	30-Apr-16	31-Mar-16	30-Apr-16	31-Mar-16					
Govt. Securities	29.77%	30.08%	73.66%	72.57%	88.62%	90.39%					
Others	4.22%	3.89%	4.50%	3.78%	0.83%	3.90%					
Cash	66.01%	66.03%	2.22%	2.39%	10.55%	5.71%					
			19.62%	21.26%							
<b>Returns (%)*</b>	<b>Jun-15</b>	<b>Jul-15</b>	<b>###</b>	<b>Sep-15</b>	<b>Oct-15</b>	<b>Nov-15</b>	<b>Dec-15</b>	<b>Jan-16</b>	<b>Feb-16</b>	<b>Mar-16</b>	<b>Apr-16</b>
HBL-IPF MMF*	3.26%	4.92%	3.83%	0.31%	2.87%	1.98%	2.51%	-2.06%	0.50%	3.92%	2.76%
HBL-IPF Debt*	3.03%	4.69%	3.42%	2.11%	2.76%	1.75%	2.69%	-4.25%	3.03%	6.60%	4.10%
HBL-IPF Equity**	4.81%	1.88%	-0.15%	-6.70%	4.55%	-5.19%	5.14%	-2.12%	-4.15%	7.21%	2.40%

MUFAP's Recommended Format

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

# HOW TO INVEST?

Invest as low as Rs. 1,000/= in our Islamic funds  
Rs. 500/= in our Islamic Pension funds

## Three Simple Steps to Invest:

1. Make payment through cheque / demand draft in favor of "CDC-Trustee HBL (Name of fund)"  
E.g: CDC-Trustee HBL Islamic Money Market Fund
2. Attach the documents as specified in the Account Opening Form
3. Submit the required documents along with payment at our Karachi office, Lahore Office or Islamabad Office

### Karachi Head Office Address

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

Tel: (92-21) 111-425-262

Fax: (92-21) 35240634

### Lahore Office Address

102-103, Upper Mall,  
Lahore

Tel: (92-42) 36281610

Fax: (92-42) 36281686

### Islamabad Office Address

HBL Corporate Center, HBL  
Building, Jinnah Avenue, Islamabad

Tel: (92-51) 2821183

Fax: (92-51) 2822206