

HBL

ASSET MANAGEMENT LTD.

ايسيت مينجمنت لميٲٲ

PICIC Growth Fund

Quarterly Report
September 30, 2016
(Un- Audited)

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FUND AND CORPORATE INFORMATION

Management Company
HBL Asset Management Limited.

Board of Directors

Chairman	Mr. Towfiq Habib Chinoy	(Independent Non-Executive Director)
Directors	Mr. Farid Ahmed Khan	(Executive Director & CEO)
	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Ms. Sima Kamil	(Non-Executive Director)
	Mr. Nadeem Abdullah	(Independent Non-Executive Director)
	Ms. Ava Ardeshir Cowasjee	(Independent Non-Executive Director)

Audit Committee

Chairman	Mr. Nadeem Abdullah	(Independent Non-Executive Director)
Members	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Ava A. Cowasjee	(Independent Non-Executive Director)

Human Resource Committee

Chairperson	Mr. Towfiq Habib Chinoy	(Non-Executive Director)
Members	Ms. Sima Kamil	(Non-Executive Director)
	Mr. Farid Ahmed Khan	(Executive Director & CEO)

Risk Management Committee

Chairman	Mr. Rizwan Haider	(Non-Executive Director)
Members	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Farid Ahmed Khan	(Executive Director & CEO)

Company Secretary &
Chief Financial Officer

Mr. Noman Qurban

External Auditors

Deloitte Yousuf Adil,
Member of Deloitte Touch Tohmastu Limited
Cavish Court, A-35, block 7 & 8 KCHSU,
Shahra-e-Faisal, Karachi-75350, Pakistan

Internal Auditors

Ernst Young Rhodes Sidat Hyder
Progressive Plaza, Beamont Road, 75530,
Karachi, Pakistan.

Trustee

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

Bankers

NIB Bank Limited

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.

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENET COMPANY FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

The Board of Directors of HBL Asset Management Limited, the Management Company of PICIC Growth Fund (PGF or Fund), is pleased to present herewith its Review Report together with the un-audited condensed interim financial statements of PICIC Growth Fund for the three months ended September 30, 2016.

MARKET REVIEW

The KSE100 Index continued its upward journey in 1QFY17, notching up a 7.3% return for the quarter, outperforming MSCI Frontier Market Index return of 1.8%. The Index surged past the 40,000 level to close at its all-time high of 40,542, driven mainly by banking and automobile assembling sectors, which benefitted from the upgrade into MSCI Emerging Market Index and strong growth in volumetric sales, respectively. Selective stocks in the E&P and OMC sectors also contributed towards the gain in the market. The fertilizer sector was the main laggard because of the large pile-up of urea inventory combined with falling international urea prices which were expected to have a negative impact on their earnings; the sector also bore the brunt of net foreign selling (USD 38.5 million) during the quarter. Further downside pressure on the Index came from the cement sector, where a lack of clarity on the taxation structure for real estate transactions and a rapid surge in input costs dented the sector's performance. Furthermore, average daily trading volume in KSE100 Index shares posted a nominal improvement of 3.42% Q/Q to 136 million shares. Investor participation in the equity market remained skewed towards 2nd tier scrips as indicated by the fact that the return of the KSE30 (total return) Index posted a gain of 4.75%, underperforming the KSE100 Index. In terms of market flows, mutual funds and NBFCs were the major buyers in the market whereas individuals and banks/DFIs were the major sellers.

FUND'S PERFORMANCE

The total income and net income of the Fund was Rs. 360.96 million and Rs. 276.951 million respectively during the period ended September 30, 2016. The Net Asset Value (NAV) of the Fund was Rs. 44.60 per certificate as at September 30, 2016; there by giving a return of 8.69%. During the same period the benchmark returns (KSE 100 index) was 7.30%. The size of the Fund increased by Rs. 0.81 billion as at September 30, 2016.

RATING UPDATE

The JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned asset manager rating at "AM2" to the Management Company.

ACKNOWLEDGEMENT

The Board takes this opportunity to thank its valued unit-holders for their confidence and patronage. It would like to place on record its appreciation for the help and guidance provided by Securities & Exchange Commission of Pakistan, Central Depository Company of Pakistan as Trustee, the Pakistan Stock Exchange and State Bank of Pakistan.

The Board also wishes to place on record its appreciation for the hard work and dedication shown by the staff.

Karachi
Date: October 31, 2016

For and on behalf of the Board
Farid Ahmed Khan
Chief Executive Officer

PICIC GROWTH FUND
Condensed Interim Statement of Assets And Liabilities
As At Septemeber 30, 2016

	Un-audited September 30, 2016	Audited June 30, 2016
	Note -----Rupees in '000'-----	
ASSETS		
Bank balances	470,302	442,390
Investments	4 12,660,409	11,701,639
Dividend and profit receivable	46,458	88,495
Receivable against sales of investments	120,832	-
Advances and security deposits	2,675	2,675
TOTAL ASSETS	13,300,676	12,235,199
LIABILITIES		
Payable to the Management Company	23,813	22,478
Payable to the Trustee	785	753
Payable to the Securities and Exchange Commission of Pakistan	3,024	10,336
Payable against purchase of investments	54,492	13,324
Accrued expenses and other liabilities	5 249,873	246,209
Unclaimed dividend	111,729	111,706
Final dividend	212,625	-
TOTAL LIABILITIES	656,341	404,806
NET ASSETS	12,644,335	11,830,393
CAPITAL AND RESERVES		
Issued, subscribed and paid-up capital	2,835,000	2,835,000
Premium on issue of certificates	2,992,500	2,992,500
Unappropriated profit	1,182,066	1,117,740
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'	4.3 5,634,769	4,885,153
TOTAL CERTIFICATE HOLDERS' FUNDS	12,644,335	11,830,393
CONTINGENCIES AND COMMITMENTS		
	7	-----Rupees-----
NET ASSETS VALUE PER CERTIFICATE	44.60	41.73

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC GROWTH FUND
Condensed Interim Income Statement (Un-Audited)
For the quarter ended September 30, 2016

		Three months ended September 30,	
		2016	2015
		-----Rupees in '000'-----	
INCOME	Note		
Capital gain on sale of investments - net		45,227	20,900
Dividend income		44,796	27,800
Net unrealised appreciation on re-measurement of investment classified as financial assets 'at fair value through profit or loss'	4.1	265,256	8,834
Profit on bank deposits		5,685	10,445
		<u>360,964</u>	<u>67,979</u>
OPERATING EXPENSES			
Remuneration of the Management Company		63,662	53,944
Sales tax on remuneration of the Management Company		8,276	7,552
Provision for Federal Excise Duty and additional sales tax on remuneration of Management Company	5.2	-	9,899
Fund operations, accounting and related costs	5.3	3,189	-
Remuneration of the Trustee		2,187	1,929
Annual fee - Securities and Exchange Commission of Pakistan		3,024	2,562
Security transaction charges		2,563	1,003
Auditors' remuneration		206	246
Other expenses		906	1,315
		<u>84,013</u>	<u>78,450</u>
Net Income/(loss) from operating activities		276,951	(10,471)
Provision for Workers' Welfare Fund	5.1	-	-
Net Income/(loss) for the year before taxation		276,951	(10,471)
Taxation	7	-	-
Net Income/(loss) for the year after taxation		276,951	(10,471)
Other comprehensive Income/(loss) for the Period			
Items that will be reclassified to profit and loss account			
Net unrealised Appreciation/(diminution) on re-measurement of investments classified as 'available for sale'		749,616	(1,494,968)
Total comprehensive Income/(loss) for the Period		<u>1,026,567</u>	<u>(1,505,439)</u>
Earnings/(Loss) per certificate		-----Rupees-----	
With net unrealised Appreciation/(diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		<u>0.98</u>	<u>(0.04)</u>
Without net unrealised Appreciation/(diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		<u>0.04</u>	<u>(0.07)</u>
The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.			
For HBL Asset Management Limited			
(Management Company)			
	_____ Chief Executive	_____ Director	

PICIC GROWTH FUND
Condensed Interim Distribution Statement (Un-Audited)
For the quarter ended September 30, 2016

	Three months ended September 30,	
	2016	2015
	-----Rupees in '000'-----	
Accumulated profit brought forward:		
Realised gain	896,722	1,484,664
Unrealised gain	<u>221,018</u>	<u>591,956</u>
	1,117,740	2,076,620
Net Income/(loss) for the year after taxation	276,951	(10,471)
Final cash dividend for the year period ended June 30, 2016 at 75% (Rs. 0.75 per certificate) (June 30, 2015: Nil)	<u>(212,625)</u>	<u>-</u>
Unappropriated profit carried forward	<u><u>1,182,066</u></u>	<u><u>2,066,149</u></u>
Unappropriated profit comprising of:		
Realised gain	916,810	2,057,315
Unrealised gain	<u>265,256</u>	<u>8,834</u>
	<u><u>1,182,066</u></u>	<u><u>2,066,149</u></u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC GROWTH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN CERTIFICATE HOLDERS'
FUND - PER CERTIFICATE
For the quarter ended September 30, 2016

	Three months ended September 30,	
	2016	2015
	-----Rupees in '000'-----	
Net assets value at the beginning of the year	41.73	40.36
Movement in net assets value from operating activities		
Capital gain on sale of investments - net	0.16	0.07
Dividend income	0.16	0.10
Net unrealised appreciation on re-measurement of investment classified as financial assets 'at fair value through profit or loss'	0.94	0.03
Profit on bank deposits	0.02	0.04
Operating expenses	1.28	0.24
	(0.30)	(0.28)
Net increase / (decrease) in net assets value from operating activities	0.98	(0.03)
Provision for Workers' Welfare Fund	-	-
Movement in net assets value from financing and investing activities		
Final cash dividend	(0.75)	-
Net unrealised Appreciation/(diminution) on re-measurement of investments classified as 'available for sale'	2.64	(5.27)
Net increase/(decrease) in net assets value from financing and investing activities	1.89	(5.27)
Net assets value at the end of the year	<u>44.60</u>	<u>35.05</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC GROWTH FUND
Condensed Interim Cash Flow Statement (Un-Audited)
For the quarter ended September 30, 2016

	Three months ended September 30,	
	2016	2015
-----Rupees in '000'-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss) for the year before taxation	276,951	(10,471)
Adjustments:		
Capital gain on sale of investments - net	(45,227)	(20,900)
Dividend income	(44,796)	(27,800)
Net unrealised (appreciation) on re-measurement of investment classified as financial assets 'at fair value through profit or loss'	(265,256)	(8,834)
Profit on bank deposits	(5,685)	(10,445)
Remuneration of the Management Company	63,662	53,944
	(20,351)	(24,506)
Decrease in assets		
Investments - net	101,329	(125,833)
Receivable against sale of investments	(120,832)	-
Advances and security deposits	-	(8)
	(19,503)	(125,841)
Increase in liabilities		
Payable to the Trustee	32	12
Payable to the Securities and Exchange Commission of Pakistan	(7,312)	(8,208)
Payable against purchase of investments	41,168	21,526
Accrued expenses and other liabilities	3,664	11,390
	37,552	24,720
Dividend received	86,701	101,213
Profit received on bank deposits	5,822	10,269
Remuneration paid to the Management Company	(62,327)	(57,002)
Net cash generated/(used in) from operating activities	27,894	(71,147)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid and net cash used in financing activities	23	(1,274)
Net increase/(decrease) in cash and cash equivalents	27,917	(72,421)
Cash and cash equivalents at the beginning of the year	442,390	627,797
Cash and cash equivalents at the end of the year	5	555,376

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC GROWTH FUND
Condensed Interim Statement of Movement in Equity and Reserves (Un-Audited)
For the quarter ended September 30, 2016

	Issued, subscribed and paid-up capital	Premium on issue of certificates	Unappropriate d profit	Net unrealised appreciation on re- measurement of investments classified as 'available for sale'	Total
----- Rupees in '000' -----					
Balance as at June 30, 2015	2,835,000	2,992,500	662,005	4,953,097	11,442,602
Total comprehensive loss for the year					
Loss for the year	-	-	(10,471)	-	(10,471)
Net unrealised (diminution) on re-measurement of investments classified as	-	-	-	(1,494,968)	(1,494,968)
Balance as at September 30, 2015	2,835,000	2,992,500	651,534	3,458,129	9,937,163
Total comprehensive income for the nine months ended June 30, 2016	-	-	466,206	1,427,024	1,893,230
Balance as at June 30, 2016	2,835,000	2,992,500	1,117,740	4,885,153	11,830,393
Transactions with certificate holders					
Final cash dividend at 75% for the year ended June 30, 2016 (Rs. 0.75 per certificate)	-	-	(212,625)	-	(212,625)
Total comprehensive income for the year					
income for the period	-	-	276,951	-	276,951
Net unrealised appreciation on re-measurement of investments classified as 'available for	-	-	-	749,616	749,616
Balance as at September 30, 2016	2,835,000	2,992,500	1,182,066	5,634,769	12,644,335

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC GROWTH FUND

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

For the quarter ended September 30, 2016

1 STATUS AND NATURE OF BUSINESS

- 1.1** PICIC Growth Fund (the Fund) is a closed-end equity scheme established under a Trust Deed executed between PICIC Asset Management Company Limited (Now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The registered office of the fund is situated at Karachi, Pakistan. The certificates of the Fund are listed on all the Stock Exchanges of Pakistan. The principal business of the Fund is to invest in listed equity securities with an objective to generate capital growth.
- 1.2** The Fund is being managed by HBL Asset Management Limited which is the Management Company and Central Depository Company of Pakistan is the Trustee of the Fund. The registered office of the Management Company is located at 24-C, Khayban-e- Hafiz, Phase VI, D.H.A Karachi, Pakistan.
- 1.3** During the year, The Securities and Exchange Commission of Pakistan approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 through an order dated August 31, 2016. Effective from September 1, 2016 HBL Asset Management Limited became Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.
- 1.4** JCR-VIS credit rating company has assigned and asset manager rating of "AM2"-to the Management Company.
- 1.5** As per regulation 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a closed end fund shall, upon expiry of every 5 years from November 21, 2007, hold, within one month of such period, a meeting of certificate holders to seek the approval of the certificate holders to convert the Fund into an open end scheme or revoke the closed end fund. In case of closed end fund, where their portfolio is frozen as a result of an agreement with Privatization Commission of Pakistan, the meeting is required to be held within three months from the date of removal of freezing of the portfolio or five years from November 21, 2007, whichever is later. As the 'Available for sale' portfolio of PICIC Growth Fund is frozen as a result of an agreement with the Privatization Commission, Government of Pakistan, the Fund is required to hold the aforementioned meeting within three months from the date of removal of freezing of the portfolio as required by above regulation. The said agreement was due to expire on June 30, 2016 however, during the year aforementioned agreement with Privatization Commission of Pakistan has been Renewed on June 27, 2016 for a period of two years. Therefore, the Fund will continue in its current legal form at least till the expiration of current agreement with privatization Commission of Pakistan and Government of Pakistan on June 30, 2018.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, 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 Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2016.

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2016.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

There are certain new amendments to approved standards and interpretations that are mandatory for the accounting periods beginning on or after July 1, 2016 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in this condensed interim financial information.

2.3 Standards, interpretations and amendments to published approved accounting standards, that are not yet effective

There are certain new amendments to approved standards and interpretations that are mandatory for the accounting periods beginning on or after January 1, 2016 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not detailed in this condensed interim financial information.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Fund for the year ended June 30, 2016.

4 INVESTMENTS		Un-audited September 30, 2016	Audited June 30, 2016
	Note	-----Rupees in '000'-----	
Financial assets 'at fair value through profit or loss'			
Listed equity securities	4.1	5,569,525	4,695,179
Un Listed equity securities	4.2	35,740	35,740
Available for sale			
Listed equity securities	4.3	7,055,143	6,373,473
		<u>12,660,408</u>	<u>11,104,392</u>

4.1 Financial assets at fair value through profit or loss'

Shares of listed companies - Fully paid up ordinary shares of Rupees 10 each unless otherwise stated.

Name of investee company	Number of shares							Balance as at September 30, 2016				Percentage in relation to		
	As at July 1, 2016	Purchases during the year	Bonus / rights issue	Sales during the year	As at September 30, 2016	Carrying value	Market value	Appreciation/ (diminution)	Capital Gain / (Loss)	Dividend Income	Net assets of the Fund	Investee paid up capital	Total investments	
														Rupees in '000'
Oil and Gas Exploration Company														
Oil and Gas Development Company Limited	1,465,700	190,200	-	-	1,655,900	228,044	233,863	4,919	-	-	-	1,85%	0.04%	1.85%
Pakistan Oilfields Limited	189,200	130,500	-	11,000	308,700	114,021	123,884	9,863	470	4,164	4,164	0.98%	0.13%	0.98%
	1,654,900	320,700	-	11,000	1,964,600	342,065	357,747	14,782	470	4,164	4,164	2.83%	0.13%	2.83%
Fertilizer														
Engro Corporation Limited	762,600	-	-	10,000	752,600	250,593	219,195	(31,398)	(375)	5,338	(375)	1.73%	0.14%	1.73%
Engro Fertilizers Limited	9,152,000	-	-	2,445,000	6,707,000	432,467	413,554	(18,913)	(244)	16,254	(244)	3.27%	0.50%	3.27%
Fauji fertilizer Bin Qasim Ltd	218,000	1,025,000	-	-	1,243,000	68,674	63,865	(4,809)	-	-	-	0.51%	0.13%	0.50%
Fauji Fertilizer Co Ltd	100,000	100,000	-	200,000	-	-	-	-	(1,767)	310	-	0.00%	0.00%	0.00%
	10,232,600	1,125,000	-	2,655,000	8,702,600	751,734	696,614	(55,120)	(2,386)	21,902	21,902	5.51%	0.00%	5.00%
Chemical														
ICI Pakistan Ltd	-	101,000	-	-	101,000	56,538	65,871	9,333	-	-	-	0.52%	0.11%	0.52%
Lotte Chemical Pakistan Ltd	14,722,000	-	-	5,254,500	9,467,500	56,900	72,426	15,526	5,000	-	-	0.63%	0.57%	0.63%
	14,722,000	101,000	-	5,254,500	9,568,500	113,438	138,297	24,859	5,000	-	-	1.09%	0.63%	1.09%
Engineering														
Aisha Steel Mills Limited	1,711,500	-	-	800,500	911,000	7,042	11,971	4,929	3,192	-	-	0.09%	0.34%	0.09%
Aisha Steel Mills Limited - Preference Shares	257,327	-	-	-	257,327	1,801	2,874	1,073	-	-	-	0.02%	0.35%	0.02%
Aisha Steel Mills Limited - Conv. Conv. pref. Shares	1,628,663	-	-	-	1,628,663	21,987	36,938	14,951	-	-	-	0.28%	0.95%	0.28%
Amreli Steels Limited	1,929,000	-	-	411,500	1,517,500	71,553	108,183	36,630	5,496	-	-	0.86%	0.51%	0.85%
	5,526,490	-	-	1,212,000	2,796,990	102,183	159,906	57,783	8,688	-	-	1.27%	0.86%	1.26%
Cement														
Cherat Cement Company Limited	5,455,000	-	-	499,600	4,955,400	592,517	637,562	45,045	3,733	-	-	5.04%	2.81%	5.04%
Fauji Cement Company Limited	-	339,000	-	-	339,000	12,897	11,956	(941)	-	-	-	0.09%	0.02%	0.09%
Lucky Cement Limited	605,200	-	-	-	605,200	392,478	409,878	17,400	-	-	-	3.24%	0.19%	3.24%
Pioneer Cement Limited	4,649,500	-	-	115,000	4,534,500	487,005	479,251	(7,754)	(172)	-	-	3.79%	2.00%	3.79%
	10,709,700	339,000	-	614,600	10,434,100	1,484,897	1,538,647	53,750	3,561	-	-	12.17%	2.00%	12.15%
Pharmaceuticals														
Abbott Laboratories (Pak) Limited	230,150	-	-	-	230,150	173,533	195,282	21,749	-	2,302	-	1.54%	0.24%	1.54%
GhazalSmithKline Pakistan Limited	1,911,500	-	-	216,700	1,694,800	351,010	365,907	14,897	2,857	-	-	2.89%	0.53%	2.89%
Wyeth Pakistan Limited	50,420	-	-	16,000	34,420	66,115	79,166	13,051	4,442	-	-	0.63%	2.42%	0.63%
	2,192,070	-	-	232,700	1,959,370	590,658	640,355	49,697	7,299	2,302	2,302	5.06%	2.42%	5.06%
Tobacco														
Pakistan Tobacco Company Limited	30,400	-	-	-	30,400	38,321	33,972	(4,349)	-	182	-	0.27%	0.01%	0.27%
	30,400	-	-	-	30,400	38,321	33,972	(4,349)	-	182	-	0.27%	0.01%	0.27%
Power Generation & Distribution														
Hala Power Company Limited	324,200	150,000	-	-	474,200	57,948	56,510	(1,438)	-	-	-	0.45%	0.04%	0.45%
K-Electric Limited	3,900,000	700,000	-	-	4,600,000	37,277	42,366	5,089	-	-	-	0.34%	0.02%	0.33%
Kor Adda Power Company Ltd	2,357,500	-	-	-	2,357,500	210,407	197,299	(13,108)	-	-	-	1.56%	0.27%	1.56%
	6,581,700	850,000	-	-	7,431,700	305,632	296,175	(9,457)	-	-	-	2.34%	0.27%	2.34%

Name of investee company	Number of shares				Balance as at September 30, 2016					Percentage in relation to			
	As at July 1, 2016	Purchases during the year	Bonus / rights issue	Sales during the year	As at September 30, 2016	Carrying value	Market value	Appreciation/ (diminution)	Capital Gain / (Loss)	Dividend Income	Net assets of the Fund	Investee paid up capital	Total Investments
Commercial Banks													
Bank Al-Falah Limited	26,034,000	-	-	4,324,000	21,710,000	555,125	623,728	68,603	13,246	-	-	4.93%	1.36%
Habib Bank Limited *	1,524,600	-	-	100,000	1,424,600	281,444	314,566	33,122	2,444	5,336	5,336	2.48%	2.48%
MCB Bank Limited	667,700	488,600	-	-	1,156,300	316,778	321,551	4,773	-	5,825	5,825	0.13%	2.54%
United Bank Limited	1,064,300	-	-	100,000	964,300	170,604	191,684	21,080	3,082	2,893	2,893	1.52%	1.51%
	29,290,600	488,600	-	4,524,000	25,255,200	1,323,951	1,451,529	127,578	18,772	14,054	14,054	11.48%	11.47%
Insurance													
TPL Direct Insurance Limited	321,388	-	-	-	321,388	5,737	5,425	(312)	-	-	-	0.04%	0.04%
	321,388	-	-	-	321,388	5,737	5,425	(312)	-	-	-	0.04%	0.04%
Automobile Parts & Accessories													
Exide Pakistan Limited	109,700	-	-	7,600	102,100	80,744	83,511	2,767	437	1,095	1,095	1.31%	0.66%
Thal Limited	-	70,000	-	-	70,000	27,540	28,396	856	-	438	438	0.22%	0.22%
	109,700	70,000	-	7,600	102,100	108,284	111,907	3,623	437	1,533	1,533	0.89%	0.88%
Cable & Electrical Goods													
Pak Elektron Ltd	337,500	650,000	-	360,000	627,500	42,098	44,408	2,310	2,257	659	659	0.13%	0.35%
TPL Tracker Limited	4,028,500	-	-	1,295,000	2,733,500	34,360	38,105	3,745	1,129	-	-	1.26%	0.30%
	4,366,000	650,000	-	1,655,000	3,361,000	76,458	82,513	6,055	3,386	659	659	0.65%	0.65%
Paper & Board													
Century Paper & Board Mills Ltd	-	453,000	-	-	453,000	27,712	27,307	(405)	-	-	-	0.22%	0.22%
	-	453,000	-	-	453,000	27,712	27,307	(405)	-	-	-	0.22%	0.22%
Glass & Ceramics													
Tanq Glass Industries Ltd	-	196,000	-	-	196,000	19,799	18,771	(1,028)	-	-	-	0.15%	0.15%
	-	196,000	-	-	196,000	19,799	18,771	(1,028)	-	-	-	0.15%	0.15%
Miscellaneous													
TPL Properties Ltd	1,000,000	-	-	-	1,000,000	12,500	10,300	(2,200)	-	-	-	0.08%	0.08%
	1,000,000	-	-	-	1,000,000	12,500	10,300	(2,200)	-	-	-	0.08%	0.08%
TOTAL SEPTEMBER 30, 2016	86,737,548	4,593,300	-	16,166,400	73,576,948	5,304,269	5,569,525	265,256	45,227	44,796	44,796	43.99%	43.99%
TOTAL JUNE 30, 2016	86,736,459	192,784,621	5,153,560	186,438,252	98,236,388	5,140,384	4,695,179	(445,205)	135,933	250,569	250,569	41.04%	41.04%

4.1.1 1 million shares of Citico Smith Kline Pakistan Limited and 13 million shares of Bank Al-Falah Limited having market value amounting to Rs. 215.90 million and Rs. 373.49 million respectively (2016: 1 million shares of Citico Smith Kline Pakistan Limited and 13 million shares of Bank Al-Falah Limited having market value amounting to Rs. 207.11 million and Rs. 332.41 million respectively) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Stock Exchange.

* Associated company.

4.2 Unlisted equity securities

Name of investee company	Number of shares				Balance as at September 30, 2016			Percentage in relation to					
	As at July 1, 2016	Purchases during the year	Bonus / rights issue	Sales during the year	As at September 30, 2016	Carrying value	Market value	Appreciation/ (depreciation) Rupees in '000	Capital Gain /	Dividend Income	Net assets of the Fund	Investee paid up capital	Total investments
Pharmaceuticals													
GlaxoSmithKline Pakistan Limited Consumer Healthcare Pakistan Limited	576,450	-	-	-	576,450	35,740	35,740	-	-	-	0.28%	0.60%	0.28%
Total September 30, 2016:	576,450	-	-	-	576,450	35,740	35,740	-	-	-	0.28%		0.28%
Total June 30, 2016:	576,450	-	-	-	576,450	35,740	35,740	-	-	-			

4.2.1 This represents shares of GlaxoSmithKline Consumer Healthcare Pakistan Limited, a subsidiary of GlaxoSmithKline plc, which were received due to demerger of GlaxoSmithKline Pakistan Limited on April 01, 2016. These are stated at break-up value of Rs. 62.00 per share as trading in shares has not yet commenced. The company has submitted its listing application with the Pakistan Stock Exchange Limited which is currently pending.

4.3 Available for sale

Shares of listed companies – Fully paid up ordinary shares of Rupees 10 each unless stated otherwise

Name of investee company	Number of shares				Balance as at September 30, 2016			Percentage in relation to					
	As at July 1, 2016	Purchases during the year	Bonus / rights issue	Sales during the year	As at September 30, 2016	Carrying value	Market value	Appreciation/ (depreciation) Rupees in '000	Capital Gain /	Dividend Income	Net assets of the Fund	Investee paid up capital	Total investments
Oil and Gas Marketing Companies													
Pakistan State Oil Company Limited	15,836,172	-	-	-	15,836,172	1,307,980	6,558,392	5,250,412	-	-	51.87%	5.83%	51.80%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	112,395	496,751	384,356	-	-	3.93%	1.56%	3.92%
TOTAL SEPTEMBER 30, 2016	25,747,418	-	-	-	25,747,418	1,420,375	7,055,143	5,634,768	-	-	55.80%		55.73%
TOTAL JUNE 30, 2016	25,747,418	-	-	-	25,747,418	1,420,375	7,055,143	5,634,768	-	-	55.80%		55.70%

4.3.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

		Un-audited September 30, 2016	Audited June 30, 2016
		-----Rupees in '000'-----	
5	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Workers' Welfare Fund	5.1	118,107
	Provision for Federal Excise Duty and additional		118,107
	Sales tax on Management Fee	5.2	125,303
	Fund operations, accounting and related cost payable	5.3	4,047
	Brokerage		1,149
	Auditor's remuneration		116
	NCCPL charges		60
	Withholding tax		191
	Others		900
		<u>249,873</u>	<u>246,209</u>
5.1	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, 2016.		
	After the exclusion of the mutual Funds from federal status on Workers Welfare Fund from July 1st 2015, the Fund has discontinued making the provision in this regards. Had the above provision not been maintained, the net assets value per unit of the Fund as at September 30, 2016 would be higher by Re. 0.42 (June 30, 2016: Re 0.42) per unit.		
5.2	Provision for federal excise duty and additional sales tax		
	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, 2016		
	Further, with effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.		
	In view of the above, the Fund has discontinued making further provision in respect of FED on management fee from July 1, 2016. However, the provision made till June 30, 2016 has not been reversed as the management believes that the Federal Government retains the right to appeal against the said order in the Supreme Court within the prescribed timeline. Had the provision been reversed Net Asset Value per unit of the Fund as at September 30, 2016 would have been higher by Rs. 0.44.		
5.3	Fund operations, accounting and related costs		
	During the year year Securities and Exchange Commission of Pakistan notified amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2007 date November 25, 2015, where the asset management companies are allowed 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. In this regard the Management Company has started charging these expenses effective from December 1, 2015.		
6.	TOTAL EXPENSE RATIO		
	The Scheme has maintained Total Expense Ratio (TER) 0.67% (0.10% of TER representing Government Levies, and SECP Fee).		
7	CONTINGENCIES AND COMMITMENTS		
	There were no contingencies and commitments outstanding as at September 30, 2016 and June 30, 2016.		

8 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

9 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include the HBL Asset Management Limited being the Management Company, Habib Bank Limited being the holding company of the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, other associated companies of the Management Company and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and term determined in accordance with the market rates.

Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Offering Document respectively.

Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

Details of transactions carried out by the Fund with connected persons and balances with them other than those disclosed elsewhere in this condensed interim financial information, as at period end, are as follows:

	Three months ended September 30,	
	2016	2015
	----- (Un-Audited) -----	
	----- Rupees in '000' -----	
9.1 Transactions during the year		
Management Company		
Remuneration of the Management Company	63,662	53,944
Sales tax on remuneration to the Management Company	8,276	7,552
Habib Bank Limited-Associated Company		
Purchase of Nil ordinary shares(2015:21,400 ordinary shares)	-	4,281
Sales of 100,000 ordinary shares(2015:Nil ordinary shares)	22,200	-
Dividend Income	5,336	-
NIB Bank Limited		
Connected Person due to holding more than 10% Certificate		
Profit on savings accounts	5,685	10,445
Bank charges	662	3
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	2,187	1,929
CDS charges	215	404

9.2 Balances as at the year end	Un-audited September 30, 2016	Audited June 30, 2016
	-----Rupees in '000'-----	
Management Company		
Payable to the Management Company	<u>23,813</u>	<u>22,478</u>
Payable for funds operation,accounting & related costs	<u>3,061</u>	<u>986</u>
Habib Bank Limited-Associated Company		
Shares held: 1,424,600(2016:1,524,600) ordinary shares	<u>314,566</u>	<u>301,200</u>
Jubilee General Insurance Company - Associated Company		
Certificate held: 515,000 (2016: 515,000) certificates	<u>5,150</u>	<u>5,150</u>
Central Depository Company of Pakistan Limited		
Trustee fee	<u>785</u>	<u>753</u>
Security deposit with the Trustee	<u>175</u>	<u>175</u>
CDS Charges Payable	<u>60</u>	<u>60</u>
NIB Bank Limited		
Connected Person due to holding more than 10% Certificate		
Bank Balance - Deposit and Current accounts	<u>470,302</u>	<u>442,390</u>
Certificates held 43,482,858 (2016: 43,482,858) certificates	<u>434,828</u>	<u>434,828</u>
Pakistan Reinsurance Company Limited - Connected person due to holding more than 10% certificates		
Certificates held 30,406,721 (2016: 30,406,721) certificates	<u>304,067</u>	<u>304,067</u>
10 FAIR VALUE OF FINANCIAL INSTRUMENTS		
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date		
Underlying the definition of fair value is the presumption that the Asset Management Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.		
The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the company is current bid price.		
A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker,industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.		
IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:		
<ul style="list-style-type: none"> - Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1). - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). 		

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

September 30, 2016								
	Carrying amount				Fair Value			
	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment in listed equity securities								
- at fair value through profit and loss	5,569,525	-	-	5,569,525	5,569,525	-	-	5,569,525
- available for sale	7,055,143	-	-	7,055,143	7,055,143	-	-	7,055,143
	<u>12,624,668</u>	<u>-</u>	<u>-</u>	<u>12,624,668</u>	<u>12,624,668</u>	<u>-</u>	<u>-</u>	<u>12,624,668</u>
Financial assets not measured at fair value								
Bank balances	-	470,302	-	470,302	-	-	-	-
Dividend and profit receivable	-	46,458	-	46,458	-	-	-	-
Receivable from equity settlement	-	120,832	-	120,832	-	-	-	-
	<u>-</u>	<u>637,592</u>	<u>-</u>	<u>637,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	23,813	23,813	-	-	-	-
Payable to the Trustee	-	-	785	785	-	-	-	-
Accrued expenses and other liabilities	-	-	6,272	6,272	-	-	-	-
Payable against purchase of investments	-	-	54,492	54,492	-	-	-	-
	<u>-</u>	<u>-</u>	<u>85,362</u>	<u>85,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2016								
	Carrying amount				Fair Value			
	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment in listed equity securities								
- at fair value through profit and loss	4,695,179	-	-	4,695,179	4,695,179	-	-	4,695,179
- available for sale	6,373,473	-	-	6,373,473	6,373,473	-	-	6,373,473
	<u>11,068,652</u>	<u>-</u>	<u>-</u>	<u>11,068,652</u>	<u>11,068,652</u>	<u>-</u>	<u>-</u>	<u>11,068,652</u>
Financial assets not measured at fair value								
Bank balances	-	442,390	-	442,390	-	-	-	-
Dividend and profit receivable	-	88,495	-	88,495	-	-	-	-
	<u>-</u>	<u>530,885</u>	<u>-</u>	<u>530,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	22,478	22,478	-	-	-	-
Payable to the Trustee	-	-	753	753	-	-	-	-
Accrued expenses and other liabilities	-	-	2,751	2,751	-	-	-	-
Payable against purchase of investments	-	-	13,324	13,324	-	-	-	-
	<u>-</u>	<u>-</u>	<u>25,982</u>	<u>25,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

10.2 The company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 31, 2016 by the board of directors of the Management company.

12 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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