

HBL

ASSET MANAGEMENT LTD.

ايسيت مينجمنت لميٲٲ

PICIC Investment 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, Beaumont 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 MANAGEMENT COMPANY FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

The Board of Directors of HBL Asset Management Limited, the Management Company of PICIC Investment Fund (PIF or Fund), is pleased to present herewith its Review Report together with the un-audited condensed interim financial statements of PICIC Investment 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. 181.783 million and Rs. 143.925 million respectively during the period ended September 30, 2016. The Net Asset Value (NAV) of the Fund was Rs. 19.50 per certificate as at September 30, 2016; there by giving 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. 0.29 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 INVESTMENT FUND
Condensed Interim Statement of Assets And Liabilities
As At Septemeber 30, 2016

	(Unaudited) September 30, 2016	(Audited) June 30, 2016
Note	-----Rupees in '000'-----	
ASSETS		
Bank balances	315,994	316,611
Investments	5,494,634	5,115,909
Receivable against sale of investments	58,890	-
Dividend and profit receivable	25,083	35,456
Security deposits	2,700	2,700
Total assets	5,897,301	5,470,676
LIABILITIES		
Payable to the Management Company	10,432	9,977
Payable to the Trustee	390	416
Payable to the Securities and Exchange Commission of Pakistan	1,330	4,612
Payable against purchase of investments	27,158	6,636
Accrued expenses and other liabilities	120,382	118,831
Unclaimed dividend	78,948	78,948
Final dividend Payable	119,333	-
Total liabilities	357,973	219,420
NET ASSETS	5,539,328	5,251,256
CAPITAL AND RESERVES		
Issued, subscribed and paid-up capital	2,841,250	2,841,250
Premium on issue of certificates	984,688	984,688
General reserve	225	225
Accumulated loss	(346,642)	(371,235)
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'	2,059,807	1,796,328
TOTAL CERTIFICATE HOLDERS' FUNDS	5,539,328	5,251,256
CONTINGENCIES AND COMMITMENTS		
NET ASSETS VALUE PER CERTIFICATE	19.50	18.48

The annexed notes 1 to 13 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC INVESTMENT FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
For the quarter ended September 30, 2016

	Note	Three months ended September 30,	
		2016	2015
-----Rupees in '000'-----			
INCOME			
Capital gain on sale of investments - net		22,119	12,436
Dividend income		23,976	14,839
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	4.1	131,549	7,615
Profit on bank deposits		4,139	6,218
		181,783	41,108
EXPENSES			
Remuneration of the Management Company		28,006	24,091
Sales tax on remuneration of the Management Company		3,641	3,373
Provision for Federal Excise Duty and additional sales tax on remuneration of the Management Company	5.2	-	4,421
Remuneration of the Trustee		1,180	1,072
Annual fee - Securities and Exchange Commission of Pakistan		1,330	1,144
Fund operations, accounting and related costs		1,406	-
Security transaction charges		1,454	551
Auditors' remuneration		176	246
Other expenses		665	1,100
		37,858	35,998
Net income from operating activities		143,925	5,110
Provision for Workers' Welfare Fund	5.1	-	(102)
Net income for the year before taxation		143,925	5,008
Taxation	8	-	-
Net income for the year after taxation		143,925	5,008
Other comprehensive income for the year			
Items that will be reclassified to profit and loss account			
Net unrealised appreciation / (diminution) on re-measurement of investment classified as 'available for sale'		263,479	(564,900)
Total comprehensive income / (loss) for the year		407,404	(559,892)
Earnings per certificate		-----Rupees-----	
With net unrealised diminution / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		0.51	0.02
Without net unrealised diminution / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		0.04	(0.01)
The annexed notes 1 to 13 form an integral part of these financial statements.			
For HBL Asset Management Limited (Management Company)			
_____ Chief Executive		_____ Director	

PICIC INVESTMENT 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 loss brought forward:		
Realised loss	(618,901)	(377,106)
Unrealised gain / (loss)	<u>7,615</u>	<u>(239,188)</u>
	(611,286)	(616,294)
Net income /(loss) for the year after taxation	143,925	5,008
Final cash dividend for the year ended June 30, 2016 at 4.2% Re 0.42 per certificate (June 30, 2015: nil per certificate)	<u>(119,333)</u>	-
	<u>(586,694)</u>	<u>(611,286)</u>
Accumulated loss carried forward		
Accumulated loss comprising of:		
Realised loss	(718,243)	(618,901)
Unrealised gain / (loss)	<u>131,549</u>	<u>7,615</u>
	<u>(586,694)</u>	<u>(611,286)</u>

The annexed notes 1 to 13 form an integral part of these financial statements.

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

Chief Executive

Director

PICIC INVESTMENT 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-----	
Net assets value at the beginning of the year	18.48	17.75
Movement in net assets value from operating activities		
Capital gain on sale of investments - net	0.08	0.04
Dividend income	0.08	0.05
Net unrealised appreciation on re-measurement of investment classified as financial assets 'at fair value through profit or loss'	0.47	0.03
Profit on bank deposits	0.01	0.02
Operating expenses	0.64	0.14
	(0.13)	(0.13)
Net increase/(decrease) in net assets value from operating activities	0.51	0.02
Provision for Workers' Welfare Fund	-	-
Movement in net assets value from financing activities		
Final cash dividend	(0.42)	-
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'	0.93	(1.99)
Net decrease in net assets value from financing and investing activities	0.51	(1.99)
Net assets value at the end of the period	<u>19.50</u>	<u>15.78</u>

The annexed notes 1 to 13 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

**PICIC INVESTMENT FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND
RESERVES (UNAUDITED)**

For the quarter ended September 30, 2016

	Issued, subscribed and paid- up capital	Premium on issue of certificates	General reserve	Accumulated loss	Net unrealised appreciation on re-measurement of investments classified as 'available for sale	Total
----- Rupees in '000' -----						
Balance as at 01 July, 2015	2,841,250	984,688	225	(616,294)	1,833,495	5,043,364
Total comprehensive income for the year						
Loss for the year	-	-	-	5,008	-	5,008
Net unrealised appreciation on re-measurement of investments classified as	-	-	-	-	(564,900)	(564,900)
	-	-	-	5,008	(564,900)	(564,900)
Balance as at September 30, 2015	2,841,250	984,688	225	(611,286)	1,268,595	4,483,472
Total comprehensive income for the nine months ended						
June 30, 2016				240,051	527,733	767,784
Balance as at June 30, 2016	2,841,250	984,688	225	(371,235)	1,796,328	5,251,256
Transactions with certificate holders						
Final cash dividend at .42% for the year ended June 30, 2016 (Rs. .42 per certificate)				(119,332)		
Total comprehensive loss for the period						
Income for the period	-	-	-	143,925	-	143,925
Net unrealised diminution on re-measurement of investments classified as 'available for sale'	-	-	-	-	263,479	263,479
	-	-	-	143,925	263,479	407,404
Balance as at September 30, 2016	2,841,250	984,688	225	(346,642)	2,059,807	5,539,328

The annexed notes 1 to 13 form an integral part of these financial statements.

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

Chief Executive

Director

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

	Three months ended September 30,	
	2016	2015
Note	-----Rupees in '000'-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/ (loss) for the year before taxation	143,925	5,008
Adjustments:		
Capital gain on sale of investments - net	(22,119)	(12,436)
Dividend income	(23,976)	(14,839)
Net unrealised (appreciation)/diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(131,549)	(7,615)
Profit on bank deposits	(4,139)	(6,218)
Remuneration of the Management Company	28,006	24,091
	(9,852)	(12,009)
(Increase)/Decrease in assets		
Investments - net	38,423	778,755
Receivable against sale of investments	(58,890)	312,296
	(20,467)	1,091,051
(Decrease) / increase in liabilities		
Payable to the Trustee	(26)	(36)
Payable to the - Securities and Exchange Commission of Pakistan	(3,282)	(58)
Payable against purchase of investments	20,522	(190,868)
Accrued expenses and other liabilities	1,551	15,492
	18,765	(175,470)
Dividend received	34,221	142,155
Profit received on bank deposits	4,267	18,005
Remuneration paid to the Management Company	(27,551)	(102,037)
Net cash(Used in) generated from operating activities	(617)	961,695
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid and net cash used in financing activities	-	(619,413)
Net (decrease)/increase in cash and cash equivalents	(617)	342,282
Cash and cash equivalents at the beginning of the period	316,611	87,167
Cash and cash equivalents at the end of the period	315,994	429,449

The annexed notes 1 to 13 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC INVESTMENT 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 Investment Fund (the Fund) is a closed end scheme. 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 which have been merged into Pakistan Stock Exchange Limited subsequent to period end. 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. Central Depository Company of Pakistan Limited is the Trustee of the Fund. The registered office of the Management Company is situated at 24-C, Khayaban-e-Hafiz, Phase VI, D.H.A, Karachi.
- 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 asset manager rating "AM2" to the Management Company.
- 1.5** As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a closed end fund shall, upon expiry of 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 (by special resolution) to convert the Fund into an open end scheme or revoke the closed end scheme. 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 Investment Fund is frozen up to June 30, 2016, as a result of an agreement with the Privatization Commission of Pakistan and 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. Accordingly the Fund shall continue in its present form until at least June 30, 2018. As such, this condensed interim financial information have been prepared on a going concern basis.

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, 2017 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.

		(Unaudited) September 30,	(Audited) June 30,
	Note	2016	2016
		(Rupees in '000)	
4 INVESTMENTS			
Investments in marketable securities:			
Financial assets 'at fair value through profit or loss'			
Listed equity securities	4.1	2,899,324	2,481,244
Un Listed equity securities	4.2	18,010	18,010
		<u>2,917,334</u>	<u>2,499,254</u>
Available for sale	4.3	<u>2,577,299</u>	<u>2,350,987</u>
		<u>5,494,633</u>	<u>4,850,241</u>

4.1 Financial asset 'at fair value through profit or loss'

Shares of listed companies - Fully paid-up ordinary shares of Rs. 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	Invested paid up capital	Total Investments
Oil and Gas Exploration Companies													
Oil & Gas Development Co Limited	795,700	95,000	-	-	890,700	123,138	125,794	2,656	-	-	2,27%	0.02%	2,29%
Pakistan Oilfields Limited	96,000	65,000	-	12,500	148,500	54,976	59,595	4,619	519	1,970	1.08%	0.06%	1.08%
	891,700	160,000	-	12,500	1,039,200	178,113	185,389	7,275	519	1,970	3.35%		3.37%
Fertilizer													
Engro Corporation Limited	377,600	-	-	5,000	372,600	124,065	108,520	(15,545)	(187)	2,643	1.96%	0.07%	1.98%
Engro Fertilizers Limited	4,980,000	-	-	1,105,000	3,875,000	249,860	238,933	(10,928)	(372)	9,110	4.31%	0.29%	4.35%
Fauji Fertilizers Bin Qasim Limited	109,500	510,000	-	-	619,500	34,228	31,830	(2,398)	-	-	0.57%	0.07%	0.58%
Fauji Fertilizers Co Limited	50,000	50,000	-	100,000	-	-	-	-	(884)	155	0.00%	0.00%	0.00%
	5,517,100	560,000	-	1,210,000	4,867,100	408,152	379,282	(28,870)	(1,443)	11,908	6.85%		6.90%
Chemicals													
ICI Pakistan Limited	-	43,900	-	-	43,900	24,495	28,631	4,136	-	-	0.52%	0.05%	0.52%
Lotte Chemical Pakistan Limited	6,695,500	-	-	2,541,000	4,154,500	24,969	31,782	6,813	2,385	-	0.57%	0.27%	0.58%
	6,695,500	43,900	-	2,541,000	4,198,400	49,464	60,413	10,949	2,385	-	1.09%		1.10%
Engineering													
Aisha Steel Mills Limited	1,347,500	-	-	627,500	720,000	5,566	9,461	3,895	2,633	-	0.17%	0.27%	0.17%
Aisha Steel Mills Limited - Preference Shares	130,000	-	-	-	130,000	910	1,452	542	-	-	0.03%	0.18%	0.03%
Aisha Steel Mills Limited - Conv. Cum Pref Shares	1,065,000	-	-	-	1,065,000	14,378	24,154	9,777	-	-	0.44%	0.62%	0.44%
Amreth Steel Limited	890,000	-	-	166,000	724,000	34,042	51,614	17,571	2,357	-	0.93%	0.24%	0.94%
	3,432,500	-	-	793,500	2,639,000	54,896	86,681	31,785	4,990	-	1.56%		1.58%
Cement													
Cherat Cement Company Limited	2,679,000	-	-	247,500	2,431,500	290,734	312,837	22,102	1,894	-	5.65%	1.38%	5.69%
Fauji Cement Company Limited	-	160,000	-	-	160,000	6,087	5,643	(444)	-	-	0.10%	0.01%	0.10%
Lucky Cement Limited	290,500	-	-	-	290,500	188,392	196,744	8,352	-	-	3.55%	0.09%	3.58%
Pioneer Cement Limited	2,753,000	-	-	60,500	2,692,500	289,175	284,571	(4,604)	(71)	-	5.14%	1.19%	5.18%
	5,722,500	160,000	-	308,000	5,574,500	774,388	799,794	25,406	1,823	-	14.44%		14.56%
Power Generation & Distribution													
The Hub Power Company Limited	145,000	75,000	-	-	220,000	26,928	26,217	(711)	-	-	0.47%	0.02%	0.48%
K-Electric Limited	2,100,000	350,000	-	-	2,450,000	19,847	22,565	2,717	-	-	0.41%	0.01%	0.41%
Kot Addai Power Company Limited	1,222,000	-	-	-	1,222,000	109,064	102,269	(6,794)	-	-	1.85%	0.14%	1.86%
	3,467,000	425,000	-	-	3,892,000	155,838	151,051	(4,788)	-	-	2.73%		2.75%

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	Investment of the capital	Total investments
Commercial Banks													
Bank Alfalah Limited	11,149,500	-	-	1,788,500	9,361,000	239,361	268,942	29,581	5,520	-	4,86%	0.59%	4.89%
Habib Bank Limited*	817,800	-	-	50,000	767,800	151,687	169,538	17,851	1,222	2,862	3.06%	0.05%	3.09%
MCB Bank Limited	363,500	392,000	-	755,500	164,405	166,814	2,409	-	3,022	-	3.01%	0.07%	3.04%
United Bank Limited	597,000	-	-	50,000	547,000	96,775	108,732	11,957	1,540	1,641	1.96%	0.04%	1.98%
	12,927,800	392,000	-	1,888,500	11,431,300	652,228	714,025	61,798	8,282	7,525	12.89%		12.99%
Insurance													
TPL Direct Insurance Limited	153,708	-	-	153,708	2,744	2,595	(149)	564	-	-	0.05%	0.20%	0.05%
	153,708	-	-	153,708	2,744	2,595	(149)	564	-	-	0.05%		0.05%
Pharmaceuticals													
Abbott Laboratories (Pakistan) Limited	128,650	-	-	128,650	97,002	109,159	12,157	-	1,287	-	1.97%	0.13%	1.99%
GlaxoSmithKline Pakistan Limited	963,300	-	-	110,500	852,800	176,623	184,119	7,496	1,441	-	3.32%	0.27%	3.35%
Wyeth Pakistan Limited	35,120	-	-	8,000	27,120	52,093	62,376	10,283	2,219	-	1.13%	1.91%	1.14%
	1,127,070	-	-	118,500	1,008,570	325,718	355,654	29,936	3,660	1,287	6.42%		6.47%
Miscellaneous													
TPL Properties Limited	500,000	-	-	500,000	6,250	5,150	(1,100)	-	-	-	0.09%	0.24%	0.09%
	500,000	-	-	500,000	6,250	5,150	(1,100)	-	-	-	0.09%		0.09%
Automobile Parts & Accessories													
Exide Pakistan Limited	54,560	-	-	3,600	50,960	40,301	41,682	1,381	208	545	0.75%	0.66%	0.76%
Thal Limited	-	35,000	-	-	35,000	13,772	14,198	426	-	219	0.26%	0.04%	0.26%
	54,560	35,000	-	3,600	85,960	54,073	55,879	1,807	208	764	1.01%		1.02%
Cable & Electrical Goods													
Pak Elektron Limited	162,500	325,000	-	180,000	307,500	20,640	21,762	1,123	1,131	322	0.39%	0.06%	0.40%
TPL Tracker Limited	2,056,000	-	-	647,500	1,408,500	17,705	19,635	1,930	-	-	0.35%	0.65%	0.36%
	2,218,500	325,000	-	827,500	1,716,000	38,344	41,397	3,052	1,131	322	0.75%		0.75%
Paper & Board													
Century Paper & Board Mills Limited	-	275,000	-	-	275,000	16,906	16,577	(329)	-	-	0.30%	0.19%	0.30%
	-	275,000	-	-	275,000	16,906	16,577	(329)	-	-	0.30%		0.30%
Glass & Ceramics													
Tariq Glass Industries Limited	-	84,000	-	-	84,000	8,484	8,045	(439)	-	-	0.15%	0.11%	0.15%
	-	84,000	-	-	84,000	8,484	8,045	(439)	-	-	0.15%		0.15%
Tobacco													
Pakistan Tobacco Company Limited	33,460	-	-	-	33,460	42,178	37,392	(4,786)	-	200	0.68%	0.01%	0.68%
	33,460	-	-	-	33,460	42,178	37,392	(4,786)	-	200	0.68%		0.68%
Personal Goods													
Mohib Textile Mills Limited**	40,820	-	-	-	40,820	-	-	-	-	-	-	-	-
Sunshine Cloth Limited**	50,000	-	-	-	50,000	-	-	-	-	-	-	-	-
	90,820	-	-	-	90,820	-	-	-	-	-	-	-	-
TOTAL September 30, 2016	42,832,218	2,459,900	-	7,703,100	37,589,018	2,525,562	2,899,324	131,549	22,119	23,976	52.34%		52.77%
TOTAL June 30, 2016	48,545,198	7,163,100	-	12,876,080	42,669,718	2,661,897	2,784,079	112,531	-	-	-		-

**Suspended/Delisted Companies
*Associated Company

4.1.1 9 million shares of Bank Al Falah Limited having market value amounting to Rs. 258.570 million (2015: 11 million shares of Bank Al Falah Limited having market value amounting to Rs. 274.23 million) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Stock Exchange.

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
GlaxoSmithKline Consumer Healthcare Pakistan Lim	290,490	-	-	-	290,490	18,010	18,010	-	-	-	0.33%	0.30%	0.33%
TOTAL September 30, 2016	290,490	-	-	-	290,490	18,010	18,010	-	-	-	0.33%		0.33%
TOTAL June 30, 2016	290,490	-	-	-	290,490	18,010	18,010	-	-	-	0.33%		0.33%

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 Investment in marketable securities - 'available for sale'

Shares of listed companies - Fully paid up ordinary shares of Rs 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 / n/	Capital Gain /	Dividend Income	Net assets of the Fund	Investee paid up capital	Total investments
Oil and Gas													
Pakistan State Oil Company Limited	5,922,149	-	-	-	5,922,149	484,439	2,452,599	1,968,160	-	53,299	44,288%	2.18%	44.64%
	5,922,149	-	-	-	5,922,149	484,439	2,452,599	1,968,160	-	53,299	44.28%	2.18%	44.64%
Gas, Water and Multilifts													
Sui Northern Gas Pipelines Limited	2,488,024	-	-	-	2,488,024	33,053	124,700	91,647	-	-	2.25%	0.39%	2.27%
	2,488,024	-	-	-	2,488,024	33,053	124,700	91,647	-	-	2.25%	0.39%	2.27%
TOTAL September 30, 2016	8,410,173	-	-	-	8,410,173	517,491	2,577,299	2,059,807	-	-	46.53%		46.91%
TOTAL June 30, 2016	8,410,173	-	-	-	8,410,173	517,491	2,513,820	1,796,328	-	-	46.53%		46.91%

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 Non-Banking Finance Companies and Notified Entities Regulations, 2008 does not apply to frozen shares.

5 ACCRUED EXPENSES AND OTHER LIABILITIES			
		(Unaudited)	(Audited)
		September 30,	June 30,
		2016	2016
		(Rupees in '000)	
Provision for Workers' Welfare Fund	5.1	60,378	60,378
Provision for Federal Excise Duty and additional			
Sales tax on Management Fee	5.2	55,961	55,961
Securities transaction costs		634	268
Auditors' remuneration		116	360
Fund operations, accounting and related cost payable		1,716	438
Withholding tax		177	26
Other payables		1,400	1,400
		<u>120,382</u>	<u>118,831</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 have been higher by Re. 0.213 (June 30, 2016: Re 0.213) per certificate.			
5.2 Provision For Federal Excise Duty And Additional Sales Tax Arising As A Result Of Imposition Thereof			
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 assets value of the Fund as at September 30, 2016 would have been higher by Re. 0.20 per certificate.			
5.3 Fund operations, accounting and related costs			
During the year, the Securities and Exchange Commission of Pakistan notified amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2007 dated 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) 0.68% (0.09% of TER representing Government Levies, and SECP Fee).			
7. Contingencies And Commitments			
There were no contingencies or commitments outstanding as at September 30, 2016.			
8 Taxation			
The income of the Fund is exempt from income 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 capital gains, whether realised or unrealised, is distributed amongst the certificate holders. The Fund has not recorded provision for taxation as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year as reduced by capital gains, whether realised or unrealised, to its certificate holders.			

9 Transactions With Connected Persons

Connected persons include 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 terms determined in accordance with market rates on arms length basis.

Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

Details of significant transactions carried out by the Fund with connected persons and balances with them, other than disclosed elsewhere in these financial statements, as at year end, are as follows:

	Three months ended September 30,	
	2016	2015
	----- Rupees in '000'-----	
9.1 Transactions during the year		
Management Company		
Remuneration of the Management Company	28,006	24,091
Sales tax on remuneration of the Management Company	<u>3,641</u>	<u>3,373</u>
Habib Bank Limited- Associated Company		
Dividend Income	<u>2,862</u>	-
NIB Bank Limited		
Connected person due to Holding more than 10% Certificate		
Profit on saving accounts	<u>4,139</u>	6,218
Dividend paid	<u>20,178</u>	-
Bank charges	<u>1</u>	<u>1</u>
Central Depository Company of Pakistan Limited		
Trustee fee	<u>1,180</u>	1,072
CDS charges	<u>110</u>	<u>321</u>
	Un-audited September 30, 2016	Audited June 30, 2016
	-----Rupees in '000'-----	
9.2 Balances as at the year end		
Management Company		
Payable to the Management Company	<u>10,432</u>	9,977
Fund operations, accounting and related costs payable	<u>1,715</u>	-
Associated Companies		
Habib Bank Limited		
Certificates held 48,661,800 certificates (2016: 48,662,161 certificates)	<u>486,618</u>	486,622
Jubilee General Insurance Company Limited		
Certificates held 107,879 certificates (2016: 1,607,879 certificates)	<u>1,079</u>	16,078
Jubilee General Insurance Company Limited Staff Provident Fund Trust		
Certificates held nil certificates (2016: 118,454 certificates)	<u>-</u>	<u>1,185</u>

	Un-audited September 30, 2016	Audited June 30, 2016
	-----Rupees in '000'-----	
Jubilee General Insurance Company Limited		
Gratuity Fund Trust		
Certificates held nil certificates (2016: 224,000 certificates)	-	2,240
Aga Khan University Employee		
Provident Fund		
Certificates held 588,000 certificates (2016: 588,000 certificates)	5,880	5,880
Aga Khan University Employee		
Provident Fund		
Certificates held 138,000 certificates (2016: 138,000 certificates)	1,380	1,380
NIB Bank Limited - Connected person		
due to holding more than 10% Certificate		
Deposit accounts	315,994	316,611
Certificates held; 48,042,021 (2015: 48,042,021)	480,420	480,420
Central Depository Company of Pakistan Limited		
Trustee fee payable	390	416
Security deposit	200	200
CDS Charges Payable	36	36

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:

- 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.

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

		September 30, 2016								
		Carrying amount			Fair Value					
Note	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	4.1 & 4.2	2,917,334	-	-	2,917,334	2,917,334	-	-	2,917,334
	- available for sale	4.3	2,577,299	-	-	2,577,299	2,577,299	-	-	2,577,299
			<u>5,494,633</u>	<u>-</u>	<u>-</u>	<u>5,494,633</u>	<u>5,494,633</u>	<u>-</u>	<u>-</u>	<u>5,494,633</u>
Financial assets not measured at fair value										
	Bank balances	10.1	-	315,994	-	220,585	-	-	-	-
	Dividend and profit receivable		-	25,083	-	70,242	-	-	-	-
			<u>-</u>	<u>341,077</u>	<u>-</u>	<u>290,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value										
	Payable to the Management Company		-	-	10,432	10,432	-	-	-	-
	Payable to the Trustee		-	-	390	390	-	-	-	-
	Accrued expenses and other liabilities		-	-	3,866	3,866	-	-	-	-
	Payable against purchase of investments		-	-	27,158	27,158	-	-	-	-
			<u>-</u>	<u>-</u>	<u>41,846</u>	<u>41,846</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	4.1 & 4.2	2,802,089	-	-	2,802,089	2,802,089	-	-	2,802,089
	- available for sale	4.3	2,313,820	-	-	2,313,820	2,313,820	-	-	2,313,820
			<u>5,115,909</u>	<u>-</u>	<u>-</u>	<u>5,115,909</u>	<u>5,115,909</u>	<u>-</u>	<u>-</u>	<u>5,115,909</u>
Financial assets not measured at fair value										
	Bank balances	10.1	-	316,611	-	316,611	-	-	-	-
	Dividend and profit receivable		-	35,456	-	35,456	-	-	-	-
			<u>-</u>	<u>352,067</u>	<u>-</u>	<u>352,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value										
	Payable to the Management Company	10.1	-	-	9,977	9,977	-	-	-	-
	Payable to the Trustee		-	-	416	416	-	-	-	-
	Accrued expenses and other liabilities		-	-	118,831	118,831	-	-	-	-
	Payable against purchase of investments		-	-	6,636	6,636	-	-	-	-
			<u>-</u>	<u>-</u>	<u>135,860</u>	<u>135,860</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 repriced 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 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison, however, no significant reclassifications have been made in this condensed interim financial information.

13 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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