

HBL

ASSET MANAGEMENT

ايسيت مينجمنت

HBL Islamic Money Market Fund

Half Yearly Report
December 31, 2015
(Un-audited)

TABLE OF CONTENTS

HBL ISLAMIC MONEY MARKET FUND

Corporate Information	02
Fund Information	03
Trustee Report to the Unit Holders	04
Auditors' Review Report To The Unit Holders	05
Condensed Interim Statement of Assets and Liabilities	06
Condensed Interim Income Statement	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Distribution Statement	09
Condensed Interim Statement of Movement in Unit Holders' Fund	10
Condensed Interim Cash Flow Statement	11
Condensed Interim Notes to the Financial Information	12-17

CORPORATE INFORMATION

Management Company
HBL Asset Management Limited.

Board of Directors

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

Audit Committee

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

Human Resource Committee

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

Risk Management Committee

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

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

External Auditors

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

Internal Auditors

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

Trustee

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

Legal Advisors

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

Website

www.hblasstet.com

Head Office

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

Registered Office

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

FUND INFORMATION

NAME OF FUND HBL Islamic Money Market Fund

FUND MANAGER Mr. Fahad Aziz

NAME OF AUDITORS

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

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

NAME OF BANKERS

National Bank of Pakistan
Meezan Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
Dubai Islamic Bank Pakistan Limited.

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC MONEY MARKET FUND

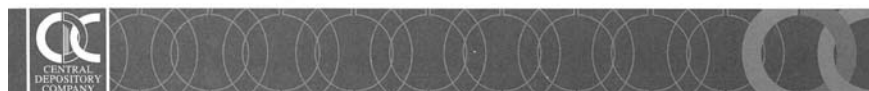
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Money Market Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 29, 2016



**AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL
INFORMATION TO THE UNIT HOLDERS**



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

**Report on review of Condensed Interim Financial Information
to the Unit Holders**

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Islamic Money Market Fund** ("the Fund") as at December 31, 2015 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion


Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matters

The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended 31 December 2015, have not been reviewed and we do not express a conclusion on them.

Date: 9 February 2016

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Syed Iftikhar Anjum

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan
and a member firm of the KPMG network of independent member
firms affiliated with KPMG International Cooperative
("KPMG International"), a Swiss entity.

HBL ISLAMIC MONEY MARKET FUND
Condensed Interim Statement of Assets and Liabilities
As at December 31, 2015

	<i>Note</i>	December 31, 2015 (Un-Audited)	June 30, 2015 (Audited)
(Rupees in '000)			
Assets			
Bank balances	4	469,825	464,049
Accrued mark-up	5	2,448	2,363
Preliminary expenses and floatation costs		81	197
Prepaid expenses		178	62
Other receivables		-	263
Total assets		472,532	466,934
Liabilities			
Payable to HBL Asset Management Limited - Management Company	6	536	470
Payable to Central Depository Company of Pakistan Limited - Trustee		72	55
Payable to Securities and Exchange Commission of Pakistan		176	358
Accrued expenses and other liabilities	7	6,011	8,703
Total liabilities		6,795	9,586
Net assets		465,737	457,348
Unit holders' fund (as per statement attached)		465,737	457,348
(Number of units)			
Number of units in issue		4,532,572	4,554,184
(Rupees)			
Net assets value per unit		102.7533	100.4237

The annexed notes 1 to 15 form an integral part of the condensed interim financial information.

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

Chief Executive

Director

HBL ISLAMIC MONEY MARKET FUND
Condensed Interim Income Statement (Un-Audited)
For the half year ended December 31, 2015

	Note	Half year ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
----- (Rupees in '000) -----					
Income					
Mark-up on deposits with banks		14,896	21,767	7,285	11,651
Expenses					
Remuneration of HBL Asset Management Limited - Management Company		3,105	3,146	1,551	1,593
Remuneration of Central Depository Company of Pakistan Limited - Trustee		398	354	198	179
Annual fee - Securities and Exchange Commission of Pakistan		176	177	88	90
Allocation of expenses related to registrar services, accounting, operation and valuation services	8	47	-	47	-
Auditors' remuneration		192	154	104	62
Settlement and bank charges		19	6	12	6
Amortisation of preliminary expenses and floatation costs		116	116	59	58
Other expenses		129	103	51	30
		4,182	4,056	2,110	2,018
Net income from operating activities		10,714	17,711	5,175	9,633
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(162)	(76)	(150)	(396)
Provision for Workers' Welfare Fund	9	-	(355)	-	(173)
Net income for the period before taxation		10,552	17,280	5,025	9,064
Taxation	10	-	-	-	-
Net income for the period after taxation		10,552	17,280	5,025	9,064
Earning per unit	11				

The annexed notes 1 to 15 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL ISLAMIC MONEY MARKET FUND
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the half year ended December 31, 2015

	Half year ended December 31,		Quarter ended December 31,	
	2015	2014	2015	2014
	----- (Rupees in '000) -----			
Net income for the period	10,552	17,280	5,025	9,064
Other comprehensive income for the period				
<i>Items to be reclassified to income statement in subsequent periods:</i>				
Net unrealised appreciation / (diminution) on remeasurement of investment classified as available for sale	-	-	-	-
Total comprehensive income for the period	10,552	17,280	5,025	9,064

The annexed notes 1 to 15 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL ISLAMIC MONEY MARKET FUND
Condensed Interim Distribution Statement (Un-Audited)
For the half year ended December 31, 2015

	Half year ended	
	December 31,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward - realised	1,815	816
Net income for the period	10,552	17,280
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount representing income that form part of unit holders' fund	9	17
Undistributed income carried forward - realised	<u>12,376</u>	<u>18,113</u>

The annexed notes 1 to 15 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL ISLAMIC MONEY MARKET FUND
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the half year ended December 31, 2015

	Half year ended	
	December 31,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the period [Rs. 100.4237 per unit (June 30, 2014: Rs. 100.1872 per unit)]	457,348	446,142
Issue of 409,071 units (2014: 1,084,206 units)	41,341	110,423
Redemption of 430,683 units (2014: 975,421 units)	(43,666)	(99,602)
	(2,325)	10,821
Element of (income) / loss and capital (gains) / (losses) included in prices of units issued less those in units redeemed - transferred to income statement - net	162	76
Net income for the period	10,552	17,280
Net unrealised appreciation / (diminution) on remeasurement of investments classified as available for sale	-	-
Total comprehensive income for the period	10,552	17,280
Net assets at end of the period [Rs. 102.7533 per unit (2014: Rs. 103.9747 per unit)]	<u>465,737</u>	<u>474,319</u>

The annexed notes 1 to 15 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL ISLAMIC MONEY MARKET FUND
Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended December 31, 2015

	Note	Half year ended December 31,	
		2015	2014
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period		10,552	17,280
Adjustments			
Amortisation of preliminary expenses and floatation costs		116	116
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		162	76
		10,830	17,472
(Increase) / decrease in assets			
Accrued mark-up		(85)	(2,486)
Prepaid expenses		(116)	58
Other receivables		263	-
		62	(2,428)
Increase / (decrease) in liabilities			
Payable to HBL Asset Management Limited - Management Company		66	45
Payable to Central Depository Company of Pakistan Limited - Trustee		17	6
Payable to Securities and Exchange Commission of Pakistan		(182)	(172)
Accrued expenses and other liabilities		(2,692)	918
		(2,791)	797
Net cash generated from operating activities		8,101	15,841
CASH FLOW FROM FINANCING ACTIVITIES			
Amount received on issue of units		41,341	110,423
Payment against redemption of units		(43,666)	(99,602)
Net cash (used in) / generated from financing activities		(2,325)	10,821
Net increase in cash and cash equivalents		5,776	26,662
Cash and cash equivalents at beginning of the period		464,049	449,096
Cash and cash equivalents at end of the period	4	469,825	475,758

The annexed notes 1 to 15 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL ISLAMIC MONEY MARKET FUND

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

For the half year ended December 31, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Money Market Fund (the Fund) was established under a Trust Deed, dated November 23, 2010, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (the SECP) as a unit trust scheme on December 10, 2010.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 24-C, Khayaban-e-Hafiz, Phase VI, D.H.A, Karachi, Pakistan.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Lahore Stock Exchange. The units of the Fund were initially offered for public subscription at par from May 9, 2011 to May 10, 2011.

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

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

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. STATEMENT OF COMPLIANCE

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year, ended June 30, 2015, except for the following standards which became effective during the period.

3.1 New, Amended And Revised Standards And Interpretations of IFRSs

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities' and IFRS 13 'Fair Value Measurements'. These standards became applicable from January 1, 2015, as per the adoption status of IFRS in Pakistan.

The application of IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the financial statements of the Fund.

IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the financial statements of the Fund, except certain additional disclosures.

4. BANK BALANCES	<i>Note</i>	December 31, 2015	June 30, 2015
(Rupees in '000)			
Savings accounts	4.1	<u>469,825</u>	<u>464,049</u>
4.1 Mark-up rates on these accounts range between 4.12% - 6.21% p.a (June 30, 2015: 5.75% - 8.00% p.a).			
5. ACCRUED MARK-UP	<i>Note</i>	December 31, 2015	June 30, 2015
(Rupees in '000)			
Mark-up accrued on deposits with banks		<u>2,448</u>	<u>2,363</u>
6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee	6.1	420	400
Sindh Sales Tax	6.2	69	70
Allocation of expenses related to registrar services, accounting, operation and valuation services		<u>47</u>	-
		<u>536</u>	<u>470</u>
6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding one percent of average annual net assets. The Management Company has charged its remuneration at the rate of one percent per annum (June 30, 2015: one percent per annum) of the average annual net assets of the Fund for the current period.			
6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 14% (June 30, 2015: 15%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.			
7. ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	December 31, 2015	June 30, 2015
(Rupees in '000)			
Auditors' remuneration		179	301
Federal Excise Duty	7.1	1,806	1,430
Provision for Workers' Welfare Fund	9	2,802	2,802
Payable to HBL Money Market Fund against conversion of units		-	2,972
Payable against redemption of units		1,075	-
Withholding tax payable		-	834
Other payable		<u>149</u>	<u>364</u>
		<u>6,011</u>	<u>8,703</u>
7.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of law. In 2014, the Honourable High Court of Sindh in a Constitutional petition relating to levy of FED on Mutual Funds has granted a stay order for the recovery of FED. As a matter of abundant caution, without prejudice to the above, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs. 1.984 million out of which Rs. 0.178 million have been paid to the Management Company. Had the provision not been made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.4377 per unit (June 30, 2015: Rs. 0.3531 per unit).			

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

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

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

9. PROVISION FOR WORKERS' WELFARE FUND

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

However, after the exclusion of the Mutual Funds from federal statute on Workers Welfare Fund, from July 1, 2015, the Fund has discontinued making the provision in this regard. Had the provision not been maintained, the Net Asset Value (NAV) per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.6182 per unit (June 30, 2015: Rs. 0.6153 per unit).

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

11. EARNINGS PER UNIT (EPU)

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

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

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

12.1 Transactions during the period	Half year ended December 31,	
	2015	2014
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management Fee	3,105	3,146
Allocation of expenses related to registrar services, accounting, operation and valuation services	47	-
Habib Bank Limited - Sponsor		
Mark-up earned during the period	1,157	4,007
Mark-up received during the period	400	2,960
Bank charges paid	6	21
Executives of the Management Company and their relatives		
Issue of 14,668 units (2014: 99 units)	1,500	10
Redemption of 4,909 units (2014: 10 units)	501	10
Profit earned on units redeemed	1	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	398	354
12.2 Amounts outstanding as at period end	December 31, 2015	June 30, 2015
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	420	400
Sindh Sales Tax	69	70
Allocation of expenses related to registrar services, accounting, operation and valuation services	47	-
Habib Bank Limited - Sponsor		
Investment held in the Fund: 3,539,777 units (June 30, 2015: 3,539,777 units)	363,724	355,477
Bank balances	469,126	17,979
Profit receivable on bank deposits	757	772
Executives of the Management Company and their relatives		
Investment held in the Fund: 9,759 units (June 30, 2015: Nil units)	1,003	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	72	55
HBL Money Market Fund - Associate		
Payable to HBL Money Market Fund against conversion of units	-	2,972

13. 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 Fund 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 price used for financial assets held by the Fund 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 that the entity can access at the measurement date (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.

	Note	December 31, 2015						
		Carrying amount			Fair Value			
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
(Rupees in '000)								
Financial assets not measured at fair value	13.1							
Bank balances		469,825	-	469,825	-	-	-	-
Accrued mark-up		2,448	-	2,448	-	-	-	-
		<u>472,273</u>	<u>-</u>	<u>472,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value	13.1							
Payable to HBL Asset Management Limited - Management Company		-	536	536	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	72	72	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	176	176	-	-	-	-
Accrued expenses and other liabilities		-	1,403	1,403	-	-	-	-
		<u>-</u>	<u>2,187</u>	<u>2,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	June 30, 2015						
	Carrying amount			Fair Value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets not measured at fair value							
Bank balances	464,049	-	464,049	-	-	-	-
Accrued mark-up	2,363	-	2,363	-	-	-	-
Other receivables	263	-	263	-	-	-	-
	<u>466,675</u>	<u>-</u>	<u>466,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Payable to HBL Asset Management Limited - Management Company	-	470	470	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	55	55	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan	-	358	358	-	-	-	-
Accrued expenses and other liabilities	-	4,471	4,471	-	-	-	-
	<u>-</u>	<u>5,354</u>	<u>5,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13.1 The Fund 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.

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on **February 09, 2016**.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director

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

HBL Asset Management Limited



Head Office

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

Lahore Office

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

Islamabad Office

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