

HBL MultiAssetFund

Quarterly Report
March 31, 2015
(Un-audited)

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HBL MULTI ASSET FUND

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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)
	Mr. Salim Amlani	(Non-Executive Director)
	Ms. Sima Kamil	(Non-Executive Director)
	Ms. Sadia Khan	(Independent Non-Executive Director)

Audit Committee

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

Human Resource Committee

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

Risk Management Committee

Chairman	Mr. Rizwan Haider	(Non-Executive Director)
Members	Mr. Salim Amlani	(Non-Executive Director)
	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 Shahr-e-Faisal, Karachi

Legal Advisors

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

Website

www.hblasset.com

Head Office

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

Registered Office

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

FUND INFORMATION

NAME OF FUND HBL Multi Asset Fund

FUND MANAGER Ms. Samia Aslam

NAME OF AUDITORS

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

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

NAME OF BANKERS

Allied Bank Limited
Askari bank Limited
Faysal Bank Limited
Bank AlFalah Limited
Bank Al Habib Limited
MCB Bank Limited
Habib Bank Limited
NIB Bank Limited

HBL MULTI ASSET FUND
Condensed Interim Statement of Assets And Liabilities
As At September 30, 2015

		(Un-audited) September 30 2015 (Rupees in '000)	(Audited) June 30 2015
Assets			
Bank balances	4	26,689	54,885
Investments	5	663,947	770,006
Dividend receivable and accrued mark-up	6	11,467	4,549
Advances, deposits and other receivables	7	39,293	3,239
Total assets		741,396	832,679
Liabilities			
Payable to HBL Asset Management Limited - Management Company	8	1,461	1,522
Payable to Central Depository Company of Pakistan Limited - Trustee		138	126
Payable to Securities and Exchange Commission of Pakistan		163	646
Accrued expenses and other liabilities	9	16,966	63,136
Total liabilities		18,728	65,430
Net assets		722,668	767,249
Unit holders' fund (as per statement attached)		722,668	767,249
		(Number of units)	
Number of units in issue		7,769,796	8,077,725
		(Rupees)	
Net assets value per unit		93,0099	94,9833

The annexed notes 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET FUND
Condensed Interim Income Statement (Un-Audited)
For the quarter ended September 30, 2015

	(Un-audited) September 30	
Note	2015	2014
	(Rupees in '000)	
Income		
Dividend income	4,479	4,896
Mark-up on deposits with banks	583	2,928
Mark-up / return on investments	4,680	3,684
Capital gain on sale of investments - net	30,272	2,316
Other income	14	-
	<u>40,028</u>	13,824
Impairment loss on investments classified as available for sale	<u>(3,176)</u>	-
	36,852	13,824
Expenses		
Remuneration of HBL Asset Management Limited - Management Company	5,060	5,097
Remuneration of Central Depository Company of Pakistan Limited - Trustee	436	382
Annual fee of Securities and Exchange Commission of Pakistan	163	162
Securities transaction costs	-	-
Auditors' remuneration	98	160
Settlement and bank charges	90	78
Other expenses	89	69
	<u>5,936</u>	5,948
Net income from operating activities	30,916	7,876
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(420)	(48)
Provision for Workers' Welfare Fund	-	(158)
Net income for the period before taxation	<u>30,496</u>	<u>7,670</u>
Taxation	-	-
Net income for the period after taxation	<u>30,496</u>	<u>7,670</u>

The annexed notes 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET FUND
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the quarter ended September 30, 2015

	(Un-audited)	
	September 30	
	2015	2014
	(Rupees in '000)	
Net income for the period	30,496	7,670
Other comprehensive income for the period		
<i>Items to be reclassified to income statement in subsequent periods:</i>		
Net unrealised (diminution)/appreciation on re-measurement of investments classified as available for sale	(45,133)	1,721
Total comprehensive loss for the period	<u>(14,637)</u>	<u>9,391</u>

The annexed notes 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET FUND
Condensed Interim Distribution Statement (Un-Audited)
For the quarter ended September 30, 2015

	(Un-audited) September 30	
	2015	2014
	(Rupees in '000)	
Accumulated loss brought forward - realised	(128,856)	(131,996)
Net income for the period	30,496	7,670
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount representing income / (loss) that form part of unit holders' fund	5,235	(2,333)
Accumulated loss carried forward - realised	<u>(93,125)</u>	<u>(126,659)</u>

The annexed notes 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET FUND
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the quarter ended September 30, 2015

	(Un-audited) September 30	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the period	767,249	743,692
Issue of 35,472 units (2014: 246,463 units)	3,445	23,741
Redemption of 343,401 units (2014: 117,794 units)	(33,809)	(11,345)
	(30,364)	12,396
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to income statement - net	420	48
Net income for the period	30,496	7,670
Net unrealised (diminution)/appreciation on re-measurement of investments classified as available for sale	(45,133)	1,721
Total comprehensive income for the period	(14,637)	9,391
Net assets at end of the period	722,668	765,527

The annexed notes 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET FUND
Condensed Interim Cash Flow Statement (Un-Audited)
For the quarter ended September 30, 2015

	(Un-audited) September 30	
Note	2015	2014
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	30,496	7,670
Adjustments		
Impairment loss on investments classified as available for sale	3,176	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	420	48
	<u>34,092</u>	<u>7,718</u>
(Increase) / decrease in assets		
Investments - net	57,750	(48,542)
Dividend receivable and accrued mark-up	(6,918)	(6,015)
Advances, deposits and other receivables	(36,054)	107,273
	<u>14,778</u>	<u>52,716</u>
(decrease) / Increase in liabilities		
Payable to HBL Asset Management Limited - Management Company	(61)	379
Payable to Central Depository Company of Pakistan Limited - Trustee	12	6
Payable to Securities and Exchange Commission of Pakistan	(483)	(382)
Accrued expenses and other liabilities	(46,170)	8,285
	<u>(46,702)</u>	<u>8,288</u>
Net cash generated from operating activities	<u>2,168</u>	<u>68,722</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	3,445	23,741
Payment against redemption of units	(33,809)	(11,345)
Net cash (used in) / generated from financing activities	<u>(30,364)</u>	<u>12,396</u>
Net (decrease) / increase in cash and cash equivalents	<u>(28,196)</u>	<u>81,118</u>
Cash and cash equivalents at beginning of the period	54,885	102,750
Cash and cash equivalents at end of the period	<u>4</u> <u>26,689</u>	<u>183,868</u>

The annexed notes 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET FUND

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

For the quarter ended September 30, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Multi Asset Fund (the Fund) was established under a Trust Deed, dated October 08, 2007, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on September 28, 2007.

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

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Lahore Stock Exchange.

The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes, such as equity securities, government securities, fixed income securities, continuous funding system, derivatives, money market instruments and other asset classes / securities / instruments.

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

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

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. 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 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 IFRS, 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 disclosure in the annual financial statements and there should be read in conjunction with financial statements of the Fund for the year ended June 30, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Fund for the year ended June 30, 2015.

		(Un-audited) September 30, 2015	(Audited) June 30, 2015
4. BANK BALANCES	<i>Note</i>	(Rupees in '000)	
Savings accounts	4.1	26,689	54,885
4.1	This represents bank accounts held with different banks. Mark-up rates on these accounts range between 4% - 7% p.a (2015: 5% - 9% p.a).		
5. INVESTMENTS	<i>Note</i>	September 30, 2015	June 30, 2015
		(Rupees in '000)	
Available for sale			
- Listed equity securities	5.2	448,304	527,678
- Term Finance Certificates - Listed	5.3.1	-	-
- Term Finance Certificates - Unlisted	5.3.2	33,524	42,815
- Government Securities	5.4	182,119	199,513
		663,947	770,006

5.1 Listed equity securities - available for sale

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

Name of the Investee Company	Number of shares				As at September 30, 2015	Market value as at September 30, 2015	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period				
(Rupees in '000)								
Commercial Banks								
Bank Al Falah Limited	613,000	-	-	23,500	589,500	14,696	2.21%	2.03%
Habib Bank Limited	126,971	-	-	18,800	108,171	21,383	3.22%	2.96%
United Bank Limited	-	139,500	-	44,000	95,500	14,012	2.11%	1.94%
	<u>739,971</u>	<u>139,500</u>	<u>-</u>	<u>86,300</u>	<u>793,171</u>	<u>50,091</u>	<u>7.54%</u>	<u>6.93%</u>
Cement								
D.G.Khan Cement Company Limited	229,000	-	-	60,400	168,600	23,102	3.48%	3.20%
Kohat Cement Limited	-	68,300	-	10,100	58,200	11,114	1.67%	1.54%
Lucky Cement Limited	63,100	-	-	19,900	43,200	22,753	3.43%	3.15%
Maple Leaf Cement Factory Limited	355,500	194,000	-	385,500	164,000	11,241	1.69%	1.56%
Poinceer Cement Limited	-	189,000	-	21,000	168,000	14,572	2.19%	2.02%
	<u>647,600</u>	<u>451,300</u>	<u>-</u>	<u>496,900</u>	<u>602,000</u>	<u>82,782</u>	<u>12.46%</u>	<u>11.47%</u>
Power generation & Distribution								
The Hub Power Company Limited	286,500	70,000	-	76,000	280,500	27,556	4.15%	3.81%
K-Electric Limited	2,256,500	1,689,000	-	1,121,000	2,824,500	19,941	3.00%	2.76%
Kot Addu Power Company Limited	260,500	-	-	70,000	190,500	18,050	2.72%	2.50%
	<u>2,803,500</u>	<u>1,759,000</u>	<u>-</u>	<u>1,267,000</u>	<u>3,295,500</u>	<u>65,547</u>	<u>9.87%</u>	<u>9.07%</u>
Oil and Gas Exploration Companies								
Pakistan Oilfields Limited	43,900	-	-	43,900	-	-	0.00%	0.00%
Pakistan Petroleum Limited	-	222,300	-	83,300	139,000	16,560	2.49%	2.29%
	<u>43,900</u>	<u>222,300</u>	<u>-</u>	<u>127,200</u>	<u>139,000</u>	<u>16,560</u>	<u>2.49%</u>	<u>2.29%</u>
Oil and Gas Marketing Companies								
Attock Petroleum Limited	24,600	-	-	950	23,650	11,831	1.78%	1.64%
Oil and Gas Development Company Limited	-	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	56,300	8,300	-	33,900	30,700	8,854	1.33%	1.23%
	<u>80,900</u>	<u>8,300</u>	<u>-</u>	<u>34,850</u>	<u>54,350</u>	<u>20,685</u>	<u>3.11%</u>	<u>2.87%</u>
Food Producers								
Engro Foods Limited	165,000	-	-	165,000	-	-	0.00%	0.00%
	<u>165,000</u>	<u>-</u>	<u>-</u>	<u>165,000</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>
Fertilizers								
Engro Fertilizer Limited	348,000	-	-	188,500	159,500	14,323	2.16%	1.98%
Engro Corporation Limited	159,300	9,500	-	77,800	91,000	27,152	4.09%	3.76%
Fauji Fertilizer Bin Qasim	421,500	-	-	182,000	239,500	14,406	2.17%	1.99%
Fatima Fertilizer Limited	-	297,000	-	-	297,000	13,745	2.07%	1.90%
Fauji Cement Company Limited	-	474,500	-	474,500	-	-	-	-
	<u>928,800</u>	<u>781,000</u>	<u>-</u>	<u>922,800</u>	<u>787,000</u>	<u>69,626</u>	<u>10.49%</u>	<u>9.63%</u>

Name of the Investee Company	Number of shares				As at September 30, 2015	Market value as at September 30, 2015	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period				
Cable and Electronic Goods								
Pak Elektron Limited	292,000	-	-	27,500	264,500	19,068	2.87%	2.64%
	<u>292,000</u>	<u>-</u>	<u>-</u>	<u>27,500</u>	<u>264,500</u>	<u>19,068</u>	<u>2.87%</u>	<u>2.64%</u>
Miscellaneous								
Synthetic Products Enterprises Limited	544,500	-	-	271,000	273,500	13,812	2.08%	1.91%
	<u>544,500</u>	<u>-</u>	<u>-</u>	<u>271,000</u>	<u>273,500</u>	<u>13,812</u>	<u>2.08%</u>	<u>1.91%</u>
Technology and Communications								
Hum Network Limited	1,355,000	-	-	446,000	909,000	14,835	2.23%	2.05%
Pakistan Telecommunication Company Ltd	-	815,000	-	-	815,000	14,172	2.13%	1.96%
	<u>1,355,000</u>	<u>815,000</u>	<u>-</u>	<u>446,000</u>	<u>1,724,000</u>	<u>29,007</u>	<u>4.36%</u>	<u>4.01%</u>
Pharma and Bio Tech								
Glaxosmithkline	-	33,200	-	-	33,200	7,095	1.07%	0.98%
	<u>-</u>	<u>33,200</u>	<u>-</u>	<u>-</u>	<u>33,200</u>	<u>7,095</u>	<u>1.07%</u>	<u>0.98%</u>
Automobile Assemblers								
Indus Motor Company Limited	24,200	-	-	21,280	2,920	2,924	0.44%	0.40%
Hinopak Motors Limited	-	18,700	-	-	18,700	21,776	3.28%	3.01%
Pak Suzuki Motor Company Limited	63,000	-	-	63,000	-	-	0.00%	0.00%
	<u>87,200</u>	<u>18,700</u>	<u>-</u>	<u>84,280</u>	<u>21,620</u>	<u>24,700</u>	<u>3.72%</u>	<u>3.41%</u>
Engineering								
Mughal Iron & Steel Limited	175,000	158,500	-	11,000	322,500	20,953	3.16%	2.90%
International Steel Limited	-	344,500	-	10,000	334,500	8,771	1.32%	1.21%
	<u>175,000</u>	<u>503,000</u>	<u>-</u>	<u>21,000</u>	<u>657,000</u>	<u>29,724</u>	<u>4.48%</u>	<u>4.11%</u>
Non Life Insurance								
Adamjee Insurance Company Limited	-	167,500	-	-	167,500	8,722	1.31%	1.21%
	<u>-</u>	<u>167,500</u>	<u>-</u>	<u>-</u>	<u>167,500</u>	<u>8,722</u>	<u>1.31%</u>	<u>1.21%</u>
Papers and Board								
Packages Limited	-	20,400	-	-	20,400	10,885	1.64%	1.51%
	<u>-</u>	<u>20,400</u>	<u>-</u>	<u>-</u>	<u>20,400</u>	<u>10,885</u>	<u>1.64%</u>	<u>1.51%</u>
	7,863,371	4,919,200	-	3,949,830	8,832,741	448,304	67%	62.04%
Cost of investments at September 30, 2015	<u>442,281</u>							

** The Share of K-Electric have face value of Rs. 3.5 per share and Shares of National Foods Limited and Thal Limited each have face value of Rs. 5 per share and Share of Hum Television Network have face value of Rs. 1.

5.2.1 Investments include shares having market value aggregating to Rs. 44.2014 million (2014: Rs. 59.509 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

5.3 Term Finance Certificates - Available for sale investments

All Term Finance Certificates have a face value of Rs. 5,000 each unless stated otherwise.

5.3.1 Term Finance Certificates - Listed

Name of the Investee Company	Number of certificates			As at September 30, 2015	Market value/ Carrying value* as at September 30, 2015	Market value as a percentage of	
	As at July 01, 2015	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
Financial Services							
Saudi Pak Leasing Company Limited - note 5.3.3	6,000	-	-	6,000	-	-	-
	6,000	-	-		-	-	-
	6,000	-	-		-	-	-

(Rupees in '000)

Cost of investments at September 30, 2015

15,197

* In case of debt securities against which a provision has been made, these are carried at amortised cost less provision. For non-performing securities market value / valuation by MUFAP is not available.

5.3.2 Term Finance Certificates - Unlisted

Name of the Investee Company	Number of certificates			As at September 30, 2015	Market value as at September 30, 2015	Market value as a percentage of	
	As at July 01, 2015	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
Commercial Banks							
Bank AL Habib Limited	3,000	-	-	3,000	16,736	2.52%	2.32%
	3,000	-	-	3,000	16,736	2.52%	2.32%
Multi Utilities							
WAPDA Sukuk	5,700	-	2,000	3,700	16,788	2.53%	2.32%
	5,700	-	2,000	3,700	16,788	2.53%	2.32%
	8,700	-	2,000	6,700	33,524	5.05%	4.64%

Cost of investments at September 30, 2015

32,153

5.3.3 Saudi Pak Leasing Company Limited defaulted towards payment falling due in September 2010. Accordingly, the exposure was classified as non-performing and provision was recognised in accordance with the SECP's provisioning guidelines.

Subsequently, on the request of the Issuer, TFC holders approved the restructuring of the facility by extending repayment period from 5 years to 9 years and by reducing mark-up rate to 6% for 24 months from restructuring date and 8% for next 24 months and thereafter fixing the mark-up rate at 1 month KIBOR. Further, half of the accrued mark-up is to be paid in cash and the balance is being deferred.

The Issuer defaulted again in the payment of principal and mark-up due on September 13, 2011. In accordance with the requirements of Circular No. 33 of 2012 dated October 24, 2012 issued by the Securities Exchange Commission of Pakistan (SECP), the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non performing exposure. A provision of Rs. 15.197 million equivalent to 100% of the amount outstanding has been made.

5.3.4 Significant terms and conditions of Term Finance Certificates outstanding at September 30, 2015 are:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Bank Al Habib Limited	4,992	15% Fixed Rate	30-Jun-11	30-Jun-21
Saudi Pak Leasing Company Limited	2,533	6% Fixed Rate	13-Mar-08	13-Mar-17
WAPDA Sukuk	4,643	6 months KIBOR + 1%	14-Oct-13	14-Oct-21

5.4 Investment in Government Securities - Available for sale

Issue Date	Tenor	Face value			As at September 30, 2015	Market Value as at September 30, 2015	Market value as a percentage of	
		As at July 1, 2015	Purchases during the period	Sales / Matured during the period			Total Investment	Net Asset
(Rupees in '000)								
Treasury bill								
May 14, 2015	6 months	50,000	-	50,000	-	-	-	-
July 9, 2015	6 months	16,000	-	16,000	-	-	-	-
June 11, 2015	6 months	100,000	-	60,000	40,000	39,506	5.95%	5.47%
August 6, 2015	3 months	-	52,000	-	52,000	51,741	7.79%	7.16%
		166,000	52,000	126,000	92,000	91,247	13.74%	12.63%
Pakistan Investment Bonds								
July 17, 2014	3 years	50,000	-	14,000	36,000	38,671	5.82%	5.35%
July 17, 2014	3 years	-	37,000	9,000	28,000	31,425	4.73%	4.35%
March 26, 2015		-	20,000	-	20,000	20,776	3.13%	2.87%
		50,000	57,000	23,000	84,000	90,872	13.69%	12.57%
Grand Total		216,000	109,000	149,000	176,000	182,119	27.43%	25.20%
Cost of investments at September 30, 2015					179,059			

5.5 Net unrealised gain on re-measurement of investments classified as available for sale	Note	Un-Audited	Audited
		September 30' 2015	June 30' 2015
(Rupees in '000)			
Market value of investments	5.1, 5.2 & 5.3	9,048,384	770,006
Cost of investments		653,493	726,447
Provision against equity securities		(3,673)	(497)
Provision against term finance certificates		(15,197)	(15,197)
		634,623	710,753
		8,413,761	59,253
6. DIVIDEND RECEIVABLE AND ACCRUED MARK-UP			
Dividend receivable		4,847	367
Mark-up accrued on PIBs		5,209	2,543
Mark-up accrued on deposits with banks		115	-
Mark-up / return accrued on Term Finance Certificates		1,296	1,639
		11,467	4,549
7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
	Note	Un-Audited	Audited
		September 30	June 30
		2015	2015
(Rupees in '000)			
Security deposit with National Clearing Company of Pakistan Limited		3,016	3,016
Security deposit with Central Depository Company of Pakistan Limited		100	100
Advance against subscription of Term Finance Certificates (TFC)		25,000	25,000
Principle receivable from TFC and other receivables		-	3
Receivable against sale securities		36,147	120
Prepaid annual rating fee		30	-
		64,293	28,239
Less: Provision in respect of advance against subscription of Term Finance Certificates	7.1	(25,000)	(25,000)
		39,293	3,239

5.5 Net unrealised gain on re-measurement of investments classified as available for sale	September 30, 2015	June 30, 2015	
	(Rupees in '000)		
Market value of investments	663,947	770,006	
Cost of investments	<u>668,690</u>	<u>726,447</u>	
Provision against equity securities	<u>(3,666)</u>	<u>(497)</u>	
Provision against term finance certificates	<u>(15,197)</u>	<u>(15,197)</u>	
	<u>649,827</u>	<u>710,753</u>	
	<u>14,120</u>	<u>59,253</u>	
6. DIVIDEND RECEIVABLE AND ACCRUED MARK-UP			
Dividend receivable	4,847	367	
Mark-up accrued on PIBs	5,209	2,543	
Mark-up accrued on deposits with banks	115	-	
Mark-up / return accrued on Term Finance Certificates	<u>1,296</u>	<u>1,639</u>	
	<u>11,467</u>	<u>4,549</u>	
7. ADVANCE, DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES	(Rupees in '000)		
Security deposit with National Clearing Company of Pakistan Limited	3,016	3,016	
Security deposit with Central Depository Company of Pakistan Limited	100	100	
Advance against subscription of Term Finance Certificates (TFC)	25,000	25,000	
Principle receivable from TFC and other receivables	-	3	
Receivable against sale securities	36,147	120	
Prepaid annual rating fee	30		
	<u>64,293</u>	<u>28,239</u>	
Less: Provision in respect of advance against subscription of Term Finance Certificates	7.1 <u>(25,000)</u>	<u>(25,000)</u>	
	<u>39,293</u>	<u>3,239</u>	
7.1	The Fund had subscribed towards the term finance certificates of an issuer as Pre-IPO investor on January 09, 2008. Under the agreement, the issuer was required to complete the public offering by October 09, 2008. However, no public offering has been carried out by the issuer as at September 30, 2015. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at September 30, 2015, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.		
8. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	<i>Note</i>	September 30, 2015	June 30, 2015
		(Rupees in '000)	
Management fee	8.1	1,204	1,280
Sindh Sales Tax	8.2	196	218
Sales load payable		<u>61</u>	<u>24</u>
		<u>1,461</u>	<u>1,522</u>

8.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Management Company has charged its remuneration at the rate of two percent per annum for the current year.

8.2 The Sindh Government had levied General Sales Tax at the rate of 14% (June 30, 2015 : 15%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
		2015	2015
(Rupees in '000)			
Auditors' remuneration		407	309
Federal Excise Duty	9.1	4,895	4,258
Payable to unit holders against redemption		3	19
Payable to HBL Money Market Fund against conversion of units		-	2,010
Broker Commission Payable		1,980	1,129
Withholding tax payable		-	1,933
Provision for Workers' Welfare Fund	10	9,496	9,496
Payable to HBL Stock Fund		-	43,926
Other payables		185	57
		16,966	63,137

9.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of law. In 2014, Honourable High Court of Sindh in a Constitutional petition relating to levy of FED on Mutual Fund has granted a stay order for the recovery of FED. As a matter of abundant caution, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs. 5.3810 million out of which Rs. 0.486 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 September 30, 2015 would have been higher by Rs. 0.6926 per unit.

10. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

During 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

Furthermore, in 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of SHC in various Constitutional Petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC.

However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, continued to provide for WWF amounting to Rs. 9.496 million upto June 30, 2015.

After the exclusion of the Mutual Funds from Federal Statute on Workers Welfare Fund, from 1st July 2015, the Fund has discontinued making the provision in this regard. Since the amendments in Federal Statute are applicable prospectively, therefore the provision amounting to Rs. 9.496 has not been reversed

11. 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 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 year as the Management Company has intended to distribute at least 90 percent of the Fund's accounting income for the year ended June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

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 and directors of connected persons.

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 financial statements are as follows:

	September 30	
	2015	2014
	(Rupees in '000)	
13.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management fee	5,060	5,097
Habib Bank Limited - Sponsor		
Mark-up earned during the period	189	662
Mark-up received during the period	66	443
Purchase of nil shares (2014: 123,000)	-	23,706
Sale of 18,800 shares (2014: Nil shares)	4,087	-
Gain on sale of shares	1,166	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	436	382
Central Depository service charges	26	33
Directors of connected persons		
Issue of nil units (2014: 111,540 units)	-	13,651
	September 30	June 30
	2015	2015
	(Rupees in '000)	
13.2 Amounts outstanding as at period end		
HBL Asset Management Limited - Management Company		
Management fee payable	1,204	1,280
Sales tax payable	196	218
Sales load payable	61	24
Habib Bank Limited - Sponsor		
Investment held in the Fund: 6,584,987 units (June 30, 2015: 6,584,987 units)	612,469	625,464
Bank balances	5,991	47,210
Mark-up receivable on deposits with bank	123	56

	September 30 2015	June 30 2015
	(Rupees in '000)	
HBL Money Market Fund-Associate		
Payable to HBL Money Market Fund against Conversion of units	-	2,010
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	138	126
Directors of connected persons		
Investment held in the Fund: 317,176 units (June 30, 2015: 3,221 units)	29,500	26,857
Shares held in associated undertakings		
Ordinary shares held in Habib Bank Limited: 108,171 ordinary shares (June 30, 2015: 126,971 ordinary shares)	21,383	27,318

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

The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the said circular. The Management Company classified the Fund as 'Balanced Scheme' in accordance with the said circular. As at September 30, 2015, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any debt security in the portfolio shall not be lower than A- (A Minus).

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
----- (Rupees in '000) -----						
Saudi Pak Leasing Company Limited	TFC	15,197	15,197	-	-	-
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

15. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on **30 October 2015**.

16. 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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