

HBL

ASSET MANAGEMENT

ايسيت مينجمنت

HBL MultiAssetFund

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

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CORPORATE INFORMATION

Management Company
HBL Asset Management Limited.

Board of Directors

Chairman	Mr. Tawfiq 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.hblasst.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
MCB Bank Limited
Habib Bank Limited
NIB Bank Limited

**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 MULTI ASSET FUND

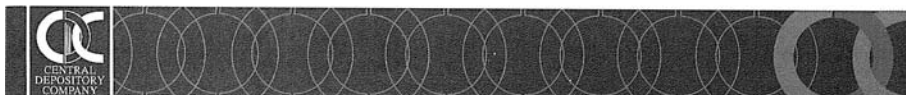
**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Multi Asset 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





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

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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 Multi Asset 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 MULTI ASSET FUND
Condensed Interim Statement of Assets and Liabilities
As at December 31, 2015

	<i>Note</i>	December 31, 2015 (Un-Audited) (Rupees in '000)	June 30, 2015 (Audited)
Assets			
Bank balances	4	26,314	54,885
Investments	5	713,723	770,006
Dividend receivable and accrued mark-up	6	5,390	4,549
Advances, deposits and other receivables	7	3,138	3,239
Total assets		748,565	832,679
Liabilities			
Payable to HBL Asset Management Limited - Management Company	8	1,513	1,522
Payable to Central Depository Company of Pakistan Limited - Trustee		137	126
Payable to Securities and Exchange Commission of Pakistan		321	646
Accrued expenses and other liabilities	9	16,041	63,136
Total liabilities		18,012	65,430
Net assets		730,553	767,249
Unit holders' fund (as per statement attached)		730,553	767,249
		(Number of units)	
Number of units in issue		7,731,581	8,077,725
		(Rupees)	
Net assets value per unit		94.4895	94.9833

The annexed notes 1 to 18 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET 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					
Dividend income		10,473	11,653	5,994	6,757
Mark-up on deposits with banks		1,169	4,553	586	1,625
Mark-up / return on investments - net		9,039	8,650	4,345	4,966
Capital gain on sale of investments - net		49,529	6,112	19,257	3,796
		70,210	30,968	30,182	17,144
Impairment loss on equity securities classified as available for sale - net		(3,177)	(15,833)	-	(15,833)
		67,033	15,135	30,182	1,311
Expenses					
Remuneration of HBL Asset Management Limited - Management Company		9,951	10,235	4,891	5,138
Remuneration of Central Depository Company of Pakistan Limited - Trustee		856	767	420	767
Annual fee of Securities and Exchange Commission of Pakistan		321	326	158	164
Allocation of expenses related to registrar services, accounting, operation and valuation services	10	74	-	74	-
Auditors' remuneration		224	236	126	76
Settlement and bank charges		272	397	182	319
Other expenses		138	70	49	1
		11,836	12,031	5,900	6,465
Net income from operating activities		55,197	3,104	24,282	(5,154)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(612)	(78)	(192)	(30)
Provision for Workers' Welfare Fund	11	-	(59)	-	99
Net income for the period before taxation		54,585	2,967	24,090	(5,085)
Taxation	12	-	-	-	-
Net income for the period after taxation		54,585	2,967	24,090	(5,085)
Earning per unit	13				

The annexed notes 1 to 18 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET 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	54,585	2,967	24,090	(5,085)
Other comprehensive income for the period				
<i>Items to be reclassified to income statement in subsequent periods:</i>				
Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale	(57,864)	3,440	(12,731)	17,697
Total comprehensive income for the period	<u>(3,279)</u>	<u>6,407</u>	<u>11,359</u>	<u>12,612</u>

The annexed notes 1 to 18 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET 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)	
Accumulated loss brought forward - realised	(128,856)	(131,996)
Net income for the period	54,585	2,967
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	5,522	8
Accumulated loss carried forward - realised	<u>(68,749)</u>	<u>(129,021)</u>

The annexed notes 1 to 18 form an integral part of the condensed interim financial information.

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 half year ended December 31, 2015*

	Half year ended	
	December 31,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the period	767,249	743,692
[Rs. 94.9833 per unit (June 30, 2014: 95.4504 per unit)]		
Issue of 35,470 units (2014: 299,246 units)	3,443	28,822
Redemption of 381,614 units (2014: 218,711 units)	(37,472)	(21,140)
	(34,029)	7,682
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to income statement - net	612	78
Net income for the period	54,585	2,967
Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale	(57,864)	3,440
Total comprehensive income for the period	(3,279)	6,407
Net assets at end of the period	730,553	757,859
[Rs. 94.4895 per unit (2014: Rs. 96.2735 per unit)]		

The annexed notes 1 to 18 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL MULTI ASSET 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		54,585	2,967
Adjustments			
Impairment loss on equity securities classified as available for sale		3,177	15,833
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		612	78
		<u>58,374</u>	<u>18,878</u>
(Increase) / decrease in assets			
Investments - net		(4,758)	(84,796)
Dividend receivable and accrued mark-up		(841)	(448)
Advances, deposits and other receivables		101	80,072
		<u>(5,498)</u>	<u>(5,172)</u>
Increase / (decrease) in liabilities			
Payable to HBL Asset Management Limited - Management Company		(9)	477
Payable to Central Depository Company of Pakistan Limited - Trustee		11	8
Payable to Securities and Exchange Commission of Pakistan		(325)	(219)
Accrued expenses and other liabilities		(47,095)	1,504
		<u>(47,418)</u>	<u>1,770</u>
Net cash generated from operating activities		<u>5,458</u>	<u>15,476</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Amount received on issue of units		3,443	28,822
Payment against redemption of units		(37,472)	(21,140)
Net cash (used in) / generated from financing activities		<u>(34,029)</u>	<u>7,682</u>
Net (decrease) / increase in cash and cash equivalents		<u>(28,571)</u>	<u>23,158</u>
Cash and cash equivalents at beginning of the period		54,885	102,750
Cash and cash equivalents at end of the period	4	<u><u>26,314</u></u>	<u><u>125,908</u></u>

The annexed notes 1 to 18 form an integral part of the condensed interim financial information.

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 half year ended December 31, 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 (CDC) 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 one year fund performance ranking at 'MFR 2-Star' and three year fund performance ranking at 'MFR 3-Star' 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	Note	December 31, 2015	June 30, 2015
(Rupees in '000)			
Savings accounts	4.1	<u>26,314</u>	<u>54,885</u>
		<u>26,314</u>	<u>54,885</u>
4.1 Mark-up rates on these accounts range between 4.00% - 6.00% p.a (June 30, 2015: 5.00% - 9.00% p.a).			
5. INVESTMENTS	Note	December 31, 2015	June 30, 2015
(Rupees in '000)			
Available for sale			
- Listed equity securities	5.1	501,712	527,678
- Term Finance Certificates - Listed	5.2.1	-	-
- Term Finance Certificates - Unlisted	5.2.2	31,903	42,815
- Government Securities	5.3	143,066	199,513
Loans and receivables - Commercial papers	5.4	<u>37,042</u>	-
		<u>713,723</u>	<u>770,006</u>

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				Market value as a percentage of			Par value as a percentage of issued capital of the investee company	
	As at July 1, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2015	Market value as at December 31, 2015	Total Investments		Net Assets
(Rupees in '000)									
Commercial Banks									
Bank Alfalah Limited	613,000	-	-	23,500	589,500	16,989	2.38%	2.33%	0.04%
Habib Bank Limited	126,971	102,500	-	18,800	210,671	42,159	5.91%	5.77%	0.01%
MCB Bank Limited	-	50,600	-	-	50,600	10,973	1.54%	1.50%	0.00%
United Bank Limited	-	139,500	-	44,000	95,500	14,798	2.07%	2.03%	0.01%
	<u>739,971</u>	<u>292,600</u>	<u>-</u>	<u>86,300</u>	<u>946,271</u>	<u>84,919</u>	<u>11.90%</u>	<u>11.63%</u>	
Personal Goods									
Artistic Denim Mills Limited	-	-	-	-	-	-	-	-	-
Kohinoor Textile Mills Limited	-	-	-	-	-	-	-	-	-
Nishat Chunian Limited	-	-	-	-	-	-	-	-	-
Nishat Mills Limited	-	145,000	-	71,500	73,500	6,973	0.98%	0.95%	0.02%
	<u>-</u>	<u>145,000</u>	<u>-</u>	<u>71,500</u>	<u>73,500</u>	<u>6,973</u>	<u>0.98%</u>	<u>0.95%</u>	
Construction and Materials									
D.G.Khan Cement Company Limited	229,000	201,500	-	267,000	163,500	24,131	3.38%	3.30%	0.04%
Kohat Cement Limited	-	69,800	-	10,100	59,700	14,381	2.01%	1.97%	0.04%
Lucky Cement Limited	63,100	26,500	-	30,500	59,100	29,257	4.10%	4.00%	0.02%
Fajri Cement Company Limited	-	586,500	-	586,500	-	-	-	-	-
Pioneer Cement Company Limited	-	189,000	-	21,000	168,000	15,264	2.14%	2.09%	0.07%
Maple Leaf Cement Factory Limited	355,500	194,000	-	385,500	164,000	12,231	1.71%	1.67%	0.03%
	<u>647,600</u>	<u>1,267,300</u>	<u>-</u>	<u>1,300,600</u>	<u>614,300</u>	<u>95,264</u>	<u>13.34%</u>	<u>13.03%</u>	
Electricity									
The Hub Power Company Limited	286,500	350,500	-	459,000	178,000	18,263	2.56%	2.50%	0.02%
K-Electric Limited (Rs. 3.5 each)	2,256,500	1,689,000	-	1,446,000	2,499,500	18,596	2.61%	2.55%	0.03%
Kot Addu Power Company Limited	260,500	-	-	70,000	190,500	15,431	2.16%	2.11%	0.02%
	<u>2,803,500</u>	<u>2,039,500</u>	<u>-</u>	<u>1,975,000</u>	<u>2,868,000</u>	<u>52,290</u>	<u>7.33%</u>	<u>7.16%</u>	
Oil and Gas									
Attock Petroleum Limited	24,600	-	-	950	23,650	11,946	1.67%	1.64%	0.03%
Mari Petroleum Limited	-	63,700	-	30,500	33,200	23,145	3.24%	3.17%	0.03%
Pakistan Oilfields Limited	43,900	41,800	-	85,700	-	-	-	-	-
Pakistan Petroleum Limited	-	222,300	-	222,300	-	-	-	-	-
Pakistan State Oil Company Limited	56,300	32,300	-	33,900	54,700	17,820	2.50%	2.44%	0.02%
	<u>124,800</u>	<u>360,100</u>	<u>-</u>	<u>373,350</u>	<u>111,550</u>	<u>52,911</u>	<u>7.41%</u>	<u>7.25%</u>	
Foods Producers									
Engro Foods Limited	165,000	46,600	-	211,600	-	-	-	-	-
	<u>165,000</u>	<u>46,600</u>	<u>-</u>	<u>211,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Name of the Investee Company	Number of shares				As at December 31, 2015	Market value as at December 31, 2015	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
(Rupees in '000)									
Chemicals									
Engro Corporation Limited	159,300	136,200	-	198,500	97,000	27,101	3.80%	3.71%	0.02%
Engro Fertilizer Limited	348,000	40,000	-	261,000	127,000	10,685	1.50%	1.46%	0.01%
Fauji Fertilizer Bin Qasim Limited	421,500	34,500	-	237,000	219,000	11,537	1.62%	1.58%	0.02%
Fatima Fertilizer Company Limited	-	437,000	-	135,000	302,000	13,508	1.89%	1.85%	0.02%
	928,800	647,700	-	831,500	745,000	62,831	8.81%	8.60%	
Household Goods									
Pak Elektron Limited	292,000	-	-	125,000	167,000	10,444	1.46%	1.43%	0.04%
	292,000	-	-	125,000	167,000	10,444	1.46%	1.43%	
General Industrials									
Synthetic Products Enterprises Limited Packages Limited	544,500	-	-	544,500	-	-	-	-	-
	-	27,150	-	-	27,150	15,804	2.21%	2.16%	0.03%
	544,500	27,150	-	544,500	27,150	15,804	2.21%	2.16%	
Media									
HUM Network Limited (Rs. 1 each)	1,355,000	-	-	671,000	684,000	8,988	1.26%	1.23%	0.01%
	1,355,000	-	-	671,000	684,000	8,988	1.26%	1.23%	
Pharma and Bio Tech									
Ferozsons Laboratories Limited	-	19,500	-	-	19,500	21,585	3.02%	2.95%	0.07%
GlaxoSmithKline Limited	-	83,600	-	-	83,600	18,394	2.58%	2.52%	0.01%
The Searle Company Limited	-	22,800	-	-	22,800	9,023	1.26%	1.24%	0.01%
	-	125,900	-	-	125,900	49,002	6.86%	6.71%	
Automobile Assemblers									
Hinopak Motors Limited	-	18,700	-	4,150	14,550	14,957	2.10%	2.05%	0.12%
General Tyre & Rubber Co. Limited	-	74,600	-	-	74,600	12,800	1.79%	1.75%	0.02%
Indus Motor Company Limited	24,200	-	-	24,200	-	-	-	-	-
Pak Suzuki Motor Company Limited	63,000	-	-	63,000	-	-	-	-	-
	87,200	93,300	-	91,350	89,150	27,757	3.89%	3.80%	
Engineering									
Mughal Iron & Steel Limited	175,000	158,500	48,375	379,000	2,875	200	0.03%	0.03%	0.00%
International Steels Limited	-	344,500	-	10,000	334,500	8,165	1.14%	1.12%	0.00%
Amreli Steels Limited	-	278,000	-	-	278,000	16,699	2.34%	2.29%	0.01%
	175,000	781,000	48,375	389,000	615,375	25,064	3.51%	3.44%	
Fixed Line Telecommunication									
P.T.C.L 'A'	-	815,000	-	815,000	-	-	-	-	-
	-	815,000	-	815,000	-	-	-	-	-
Non Life Insurance									
Adamjee Insurance Company Limited	-	167,500	-	-	167,500	9,465	1.33%	1.30%	0.00%
	-	167,500	-	-	167,500	9,465	1.33%	1.30%	
	7,863,371	6,808,650	48,375	7,485,700	7,234,696	501,712	70.29%	68.69%	

Cost of investments at December 31, 2015

508,174

5.1.1 Investments include shares having market value aggregating to Rs. 35.853 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2 Term Finance Certificates - Available for sale

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

5.2.1 Term Finance Certificates - Listed

Name of the Investee Company	Number of certificates			As at December 31, 2015	Market value / Carrying value* as at December 31, 2015	Market value as a percentage of	
	As at July 1, 2015	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
(Rupees in '000)							
Financial Services							
Saudi Pak Leasing Company Limited - (Note 5.2.3)	6,000	-	-	6,000	-	-	-
	6,000	-	-	6,000	-	-	-

Cost of investments at December 31, 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.

5.2.2 Term Finance Certificates and Sukuk bonds - Unlisted

Name of the Investee Company	Number of certificates			As at December 31, 2015	Market value / Carrying value* as at December 31, 2015	Market value as a percentage of	
	As at July 1, 2015	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
(Rupees in '000)							
Commercial Banks	3,000	-	-	3,000	16,543	2.32%	2.26%
Bank AL Habib Limited	3,000	-	-	3,000	16,543	2.32%	2.26%
Multi Utilities	5,700	-	2,000	3,700	15,360	2.15%	2.10%
WAPDA Sukuk	5,700	-	2,000	3,700	15,360	2.15%	2.10%
	8,700	-	2,000	6,700	31,903	4.47%	4.36%
Cost of investments at December 31, 2015					30,830		

5.2.3 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. Accordingly, the exposure has been fully provided.

5.2.4 Significant terms and conditions of Term Finance Certificates and Sukuk bonds outstanding at December 31, 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	5,000	6 months KIBOR + 1%	14-Oct-13	14-Oct-21

5.3 Investment in Government Securities - Available for sale

Issue Date	Tenor	Face value			As at December 31, 2015	Market Value as at December 31, 2015	Market value as a percentage of	
		As at July 1, 2015	Purchases during the period	Sales / Matured during the period			Total Investment	Net Assets
(Rupees in '000)								
Treasury bills								
May 14, 2015	6 months	50,000	-	50,000	-	-	-	-
June 11, 2015	6 months	100,000	-	100,000	-	-	-	-
July 9, 2015	6 months	-	16,000	16,000	-	-	-	-
August 6, 2015	3 months	-	76,000	76,000	-	-	-	-
October 29, 2015	3 months	-	13,000	-	13,000	12,955	1.82%	1.77%
December 10, 2015	3 months	-	40,000	-	40,000	39,572	5.54%	5.42%
		150,000	145,000	242,000	53,000	52,527	7.36%	7.19%

Issue Date	Tenor	Face value			As at December 31, 2015	Market Value as at December 31, 2015	Market value as a percentage of Total Investment	Market value as a percentage of Net Assets
		As at July 1, 2015	Purchases during the period	Sales / Matured during the period				
(Rupees in '000)								
Pakistan Investment Bonds								
July 17, 2014	3 years	50,000	-	14,000	36,000	38,411	5.38%	5.26%
July 17, 2014	5 year	-	37,000	9,000	28,000	31,379	4.40%	4.30%
March 26, 2015	3 years	-	20,000	-	20,000	20,749	2.91%	2.84%
		<u>50,000</u>	<u>57,000</u>	<u>23,000</u>	<u>84,000</u>	<u>90,539</u>	<u>12.69%</u>	<u>12.40%</u>
		200,000	202,000	265,000	137,000	143,066	20.05%	19.59%

Cost of investments at December 31, 2015

139,888

5.4 Investment in Commercial papers - Loans and receivables

Name of Investee Company	Placements made during	Income Accrued	Matured during the period	As at December 31, 2015	Percentage of total value of investments	Percentage of Net Assets
(Rupees in '000)						
Pak Electron Limited (5.4.1)	<u>36,482</u>	<u>560</u>	<u>-</u>	<u>37,042</u>	<u>5.19%</u>	<u>5.07%</u>

5.4.1 Mark-up rate on these commercial papers is 9.33% p.a with maturity date of July 29, 2016.

5.5 Net unrealised appreciation on remeasurement of investments classified as available for sale

Note December 31, 2015 June 30, 2015
(Rupees in '000)

Market value of investments	5.1, 5.2, 5.3 & 5.4	713,723	770,006
Cost of investments	5.1, 5.2, 5.3 & 5.4	731,131	726,447
Provision against equity securities	5.5.1	(3,600)	(497)
Provision against Term Finance Certificates	5.5.1	(15,197)	(15,197)
		<u>712,334</u>	<u>710,753</u>
		<u>1,389</u>	<u>59,253</u>

5.5.1 Movement in provision against investments

Opening balance	15,694	17,149
Add: Charge for the period / year	3,177	19,490
Less: Reversals made during the period / year	(74)	(20,945)
Net charge / (reversal)	<u>3,103</u>	<u>(1,455)</u>
Closing balance	<u>18,797</u>	<u>15,694</u>

	<i>Note</i>	December 31, 2015	June 30, 2015
6. DIVIDEND RECEIVABLE AND ACCRUED MARK-UP			
(Rupees in '000)			
Dividend receivable		1,188	367
Mark-up accrued on deposits with banks		114	-
Mark-up / return accrued on Government Securities		3,811	2,543
Mark-up / return accrued on Term Finance Certificates		277	1,639
		<u>5,390</u>	<u>4,549</u>

7. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

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
Principal receivable from TFC and other Receivable		-	3
Prepaid annual rating fee		22	120
		<u>28,138</u>	<u>28,239</u>
Provision in respect of advance against subscription of Term Finance Certificates	7.1	<u>(25,000)</u>	<u>(25,000)</u>
		<u>3,138</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 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer as at December 31, 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 December 31, 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.

	<i>Note</i>	December 31, 2015	June 30, 2015
8. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
(Rupees in '000)			
Management fee	8.1	1,236	1,280
Sindh Sales Tax	8.2	203	218
Sales load payable		-	24
Allocation of expenses related to registrar services, accounting, operation and valuation services		74	-
		<u>1,513</u>	<u>1,522</u>

- 8.1 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 two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (June 30, 2015: two percent per annum) of the average annual net assets of the Fund for the current period.

- 8.2 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.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	December 31, 2015 (Rupees in '000)	June 30, 2015
Auditors' remuneration		197	309
Federal Excise Duty	9.1	5,462	4,258
Other payables		37	57
Payable against redemption of units		3	19
Payable to HBL Money Market Fund against conversion of units		-	2,010
Withholding tax payable		-	1,933
Payable to HBL Stock Fund		-	43,926
Payable to brokers		847	1,129
Provision for Workers' Welfare Fund	11	9,495	9,495
		16,041	63,136

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, the 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, without prejudice to the above, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs. 5.948 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 December 31, 2015 would have been higher by Rs. 0.7693 per unit (June 30, 2015: Rs. 0.5873 per unit).

10. 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.

11. 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 1st July 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. 1.2281 per unit (June 30, 2015: Rs. 1.1755 per unit).

12. 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 ended June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

13. 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.

14. 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 the condensed interim financial information are as follows:

14.1 Transactions during the period	Half year ended December 31,	
	2015	2014
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	9,951	10,235
Allocation of expenses related to registrar services, accounting, operation and valuation services	74	-
Habib Bank Limited - Sponsor		
Bank charges paid	19	7
Mark-up earned during the period	543	1,382
Mark-up received during the period	508	1,457
Dividend income earned during the period	757	1,370
Dividend income received during the period	757	1,370
Executives and their relatives		
Redemption of 17,565 units (2014: Nil units)	1,718	-
Profit earned on redemption of units	218	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	856	767
Central Depository service charges	45	77
Directors of connected persons		
Redemption of Nil units (2014: 2,062 units)	-	200
Profit earned on redemption of units	-	1
Habib Bank Limited - Sponsor		
Purchase of 102,500 shares (2014: 123,000 shares)	20,450	23,706
Sale of 18,800 shares (2014: 70,000 shares)	2,782	14,466
Gain on sale of shares	1,267	4,618

14.3 Amounts outstanding as at period end	December 31, 2015	June 30, 2015
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	1,236	1,280
Sindh Sales Tax	203	218
Sales load payable	-	24
Allocation of expenses related to registrar services, accounting, operation and valuation services	74	-
Habib Bank Limited - Sponsor		
Investment held in the Fund: 6,584,987 units (2015: 6,584,987 units)	622,212	625,464
Bank balances	11,981	47,210
Mark-up receivable on deposits with bank	35	56
Executives and their relatives		
Investment held in the Fund: 34,568 units (2015: Nil units)	3,266	-
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	137	126
Directors of connected persons		
Investment held in the Fund: Nil units (2015: 282,754 units)	-	26,857
Shares held in associated undertakings		
Ordinary shares held in Habib Bank Limited: 210,671 ordinary shares (2015: 126,971 ordinary shares)	36,457	27,318

15. 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.

		December 31, 2015						
		Carrying amount			Fair Value			
Note	Available-for-sale	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								
	Investments							
	- Listed equity securities	501,712	-	-	501,712	501,712	-	-
	- Government Securities	143,066	-	-	143,066	-	143,066	-
	- Term Finance Certificates - Listed	-	-	-	-	-	-	-
	- Term Finance Certificates - Unlisted	31,903	-	-	31,903	-	31,903	-
		<u>676,681</u>	<u>-</u>	<u>-</u>	<u>676,681</u>	<u>501,712</u>	<u>174,969</u>	<u>-</u>
	Financial assets not measured at fair value							
15.1	Bank balances	-	26,314	-	26,314	-	-	-
	Investments							
	- Loans and receivables - Placements	-	37,042	-	37,042	-	-	-
	Dividend receivable and accrued mark-up	-	5,390	-	5,390	-	-	-
	Advances, deposits and other receivables	-	3,138	-	3,138	-	-	-
		<u>-</u>	<u>71,884</u>	<u>-</u>	<u>71,884</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Financial liabilities not measured at fair value							
15.1	Payable to HBL Asset Management Limited - Management Company	-	-	1,513	1,513	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	137	137	-	-	-
	Payable to Securities and Exchange Commission of Pakistan	-	-	321	321	-	-	-
	Accrued expenses and other liabilities	-	-	1,084	1,084	-	-	-
		<u>-</u>	<u>-</u>	<u>3,055</u>	<u>3,055</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2015								
		Carrying amount			Fair Value			
	Available-for-sale	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								
	Investments							
	- Listed equity securities	527,678	-	-	527,678	527,678	-	-
	- Government Securities	199,513	-	-	199,513	-	199,513	-
	- Term Finance Certificates - Listed	-	-	-	-	-	-	-
	- Term Finance Certificates - Unlisted	42,815	-	-	42,815	-	42,815	-
		<u>770,006</u>	<u>-</u>	<u>-</u>	<u>770,006</u>	<u>527,678</u>	<u>242,328</u>	<u>-</u>
	Financial assets not measured at fair value							
	Bank balances	-	54,885	-	54,885	-	-	-
	Dividend receivable and accrued mark-up	-	4,549	-	4,549	-	-	-
	Advances, deposits and other receivables	-	3,239	-	3,239	-	-	-
		<u>-</u>	<u>62,673</u>	<u>-</u>	<u>62,673</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Financial liabilities not measured at fair value							
	Payable to HBL Asset Management Limited - Management Company	-	-	1,522	1,522	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	126	126	-	-	-
	Payable to Securities and Exchange Commission of Pakistan	-	-	646	646	-	-	-
	Accrued expenses and other liabilities	-	-	49,383	49,383	-	-	-
		<u>-</u>	<u>-</u>	<u>51,677</u>	<u>51,677</u>	<u>-</u>	<u>-</u>	<u>-</u>

15.1 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.

16. 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 December 31, 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	-	-	-

17. 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, 2015**.

18. 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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HBL Asset Management Limited



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