

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 Shakra-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 March 31, 2015

	<i>Note</i>	March 31, 2015 (Un-Audited)	June 30, 2014 (Audited)
(Rupees in '000)			
Assets			
Bank balances	4	6,147	102,750
Investments	5	684,365	541,574
Dividend receivable and accrued mark-up	6	13,270	3,169
Advances, deposits, prepayments and other receivables	7	25,000	110,489
Total assets		728,782	757,982
Liabilities			
Payable to HBL Asset Management Limited - Management Company	8	2,804	2,303
Payable to Central Depository Company of Pakistan Limited - Trustee		127	121
Payable to Securities and Exchange Commission of Pakistan		486	545
Accrued expenses and other liabilities	9	15,374	11,321
Total liabilities		18,791	14,290
Net assets		709,991	743,692
Unit holders' fund (as per statement attached)		709,991	743,692
		(Number of units)	
Number of units in issue		7,737,786	7,791,399
		(Rupees)	
Net assets value per unit		91.7564	95.4504

The annexed notes 1 to 16 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 Nine Months & quarter ended March 31, 2015

	Note	Nine months ended		Quarter ended	
		March 31,		March 31,	
		2015	2014	2015	2014
----- (Rupees in '000) -----					
Income					
Dividend income		16,611	19,654	4,958	3,254
Mark-up on deposits with banks		6,367	4,057	1,814	1,573
Mark-up / return on investments		12,444	9,939	3,794	3,447
Capital gain on sale of investments - net		14,167	131,605	8,055	59,736
Other Income		-	47	-	47
		49,589	165,302	18,621	68,057
Impairment loss on equity securities classified as available for sale - net		(19,490)	1,441	(3,657)	480
		30,099	166,743	14,964	68,537
Expenses					
Remuneration of HBL Asset Management Limited - Management Company		15,268	12,434	5,033	4,369
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,145	924	378	325
Annual fee of Securities and Exchange Commission of Pakistan		486	393	160	138
Auditors' remuneration		332	321	96	111
Settlement and bank charges		448	236	51	95
Other expenses		146	121	76	36
		17,825	14,429	5,794	5,074
Net income from operating activities		12,274	152,314	9,170	63,463
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(139)	3,014	(61)	3,562
Provision for Workers' Welfare Fund	10	(261)	(3,108)	(202)	(1,086)
Net income for the period before taxation		11,874	152,220	8,907	65,939
Taxation	11	-	-	-	-
Net income for the period after taxation		11,874	152,220	8,907	65,939
Earning per unit	12				

The annexed notes 1 to 16 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 Nine Months & quarter ended March 31, 2015

	Nine months ended March 31,		Quarter ended March 31,	
	2015	2014	2015	2014
	----- (Rupees in '000) -----			
Net income for the period	11,874	152,220	8,907	65,939
Other comprehensive income for the period				
<i>Items to be reclassified to income statement in subsequent periods:</i>				
Net unrealised (diminution) on remeasurement of investments classified as available for sale	(40,254)	(38,940)	(43,694)	(21,606)
Total comprehensive income for the period	(28,380)	113,280	(34,787)	44,333

The annexed notes 1 to 16 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 Nine Months & quarter ended March 31, 2015

	Nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
Accumulated loss brought forward - realised	(131,996)	(13,294)
Net income for the period	11,874	152,220
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	2,412	(13,948)
Final distribution for the year ended June 30, 2014: Nil [(Year ended June 30, 2013: Rs.15.50 per unit in the form of 750,033 bonus units) (Date of distribution: July 8, 2013)]	-	(75,912)
Accumulated loss carried forward - realised	<u>(117,710)</u>	<u>49,066</u>

The annexed notes 1 to 16 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 Nine Months & quarter ended March 31, 2015

	Nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the period [Rs. 95.4504 per unit (June 30, 2013: Rs. 116.7121 per unit)]	743,692	571,607
Issue of 310,209 units (2014: 555,827 units)	29,909	61,312
Redemption of 363,822 units (2014: 544,447 units)	(35,369)	(58,971)
Issue of bonus units: Nil (2014: 750,033 bonus units)	-	75,913
	(5,460)	78,254
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to income statement - net	139	(3,014)
Net income for the period	11,874	152,220
Net unrealised (diminution) on remeasurement of investments classified as available for sale	(40,254)	(38,940)
Total comprehensive income for the period	(28,380)	113,280
Final distribution for the year ended June 30, 2014: Nil [(Year ended June 30, 2013: Rs.15.50 per unit in the form of 750,033 bonus units) (Date of distribution: July 8, 2013)]	-	(75,912)
Net assets at end of the period [Rs. 91.7564 per unit (2014: Rs.120.9076 per unit)]	709,991	684,215

The annexed notes 1 to 16 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 Nine Months & quarter ended March 31, 2015

	Note	
	Nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	11,874	86,281
Adjustments		
Reversal of provision against non-performing Term Finance Certificates	-	(961)
Impairment loss on equity securities classified as available for sale	19,490	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	139	548
	<u>31,503</u>	<u>85,868</u>
(Increase) / decrease in assets		
Investments - net	(202,535)	44,534
Dividend receivable and accrued mark-up	(10,101)	(734)
Advances, deposits and other receivables	85,489	(30,303)
	<u>(127,147)</u>	<u>13,497</u>
Increase / (decrease) in liabilities		
Payable to HBL Asset Management Limited - Management Company	501	673
Payable to Central Depository Company of Pakistan Limited - Trustee	6	11
Payable to Securities and Exchange Commission of Pakistan	(59)	(137)
Accrued expenses and other liabilities	4,053	3,192
	<u>4,501</u>	<u>3,739</u>
Net cash (used in) / generated from operating activities	<u>(91,143)</u>	<u>103,104</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	29,909	36,020
Payment against redemption of units	(35,369)	(50,719)
Net cash generated from / (used in) financing activities	<u>(5,460)</u>	<u>(14,699)</u>
Net decrease / (increase) in cash and cash equivalents	<u>(96,603)</u>	<u>88,405</u>
Cash and cash equivalents at beginning of the period	102,750	47,867
Cash and cash equivalents at end of the period	<u>4</u> <u>6,147</u>	<u>136,272</u>

The annexed notes 1 to 16 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 Nine Months & quarter ended March 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, 2014.

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, 2014.

4. BANK BALANCES

	<i>Note</i>	March 31, 2015	June 30, 2014
		(Rupees in '000)	
Current account		50	-
Savings accounts		6,211	102,750
		6,261	102,750

5. INVESTMENTS

At fair value through profit and loss			
- Listed equity securities	5.1	-	-
Available for sale			
- Listed equity securities	5.2	457,602	397,458
- Term Finance Certificates - Listed	5.3.1	-	-
- Term Finance Certificates - Unlisted	5.3.2	45,232	46,953
- Government Securities	5.4	181,531	97,163
		684,365	541,574

5.1 Listed equity securities - At fair value through profit and loss

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 March 31, 2015	Market value as at March 31, 2015	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2014	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
(Rupees in '000)									
Commercial Banks									
United Bank Limited	-	13,000	-	13,000	-	-	-	-	-
	-	13,000	-	13,000	-	-	-	-	-
Construction and Materials									
Lucky Cement Limited	-	13,900	-	13,900	-	-	-	-	-
	-	13,900	-	13,900	-	-	-	-	-
Oil and Gas									
Pakistan State Oil Company Limited	-	5,000	-	5,000	-	-	-	-	-
	-	5,000	-	5,000	-	-	-	-	-
	-	31,900	-	31,900	-	-	-	-	-
Cost of investments at March 31, 2015									

5.2 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 March 31, 2015	Market value as at March 31, 2015	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2014	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
(Rupees in '000)									
Commercial Banks									
Bank Al Falah Limited	975,000	-	-	975,000	-	-	-	-	-
Habib Bank Limited	242,943	123,000	-	118,900	247,043	43,942	6.42%	6.19%	0.02%
MCB Bank Limited	-	85,000	-	85,000	-	-	-	-	-
United Bank Limited	-	350,000	-	350,000	-	-	-	-	-
	1,217,943	558,000	-	1,528,900	247,043	43,942	6.42%	6.19%	-
Personal Goods									
Artistic Denim Mills Limited	-	155,500	-	65,700	89,800	7,588	1.11%	1.07%	0.11%
Kohinoor Textile Mills Limited	-	724,500	-	724,500	-	-	-	-	-
Nisbat Chumian Limited	-	500,000	-	500,000	-	-	-	-	-
Nisbat Mills Limited	-	575,000	-	575,000	-	-	-	-	-
	-	1,955,000	-	1,865,200	89,800	7,588	1.11%	1.07%	-
Construction and Materials									
Cherat Cement Company Limited	-	1,000,000	-	1,000,000	-	-	-	-	-
D.G.Khan Cement Company Limited	-	1,125,000	-	837,500	287,500	32,143	4.70%	4.53%	0.07%
Kohat Cement Limited	150,000	75,500	-	225,500	-	-	-	-	-
Lucky Cement Limited	88	353,500	-	257,588	96,000	42,810	6.26%	6.03%	0.03%
Maple Leaf Cement Factory Limited	-	1,173,500	-	923,500	250,000	12,010	1.75%	1.69%	0.05%
Pioneer Cement Limited	-	1,254,000	-	1,254,000	-	-	-	-	-
	150,088	4,981,500	-	4,498,088	633,500	86,963	12.71%	12.25%	-
Electricity									
The Hub Power Company Limited	-	536,500	-	250,000	286,500	24,461	3.57%	3.45%	0.02%
K-Electric Limited**	2,500,000	-	-	2,500,000	-	-	-	-	-
	2,500,000	536,500	-	2,750,000	286,500	24,461	3.57%	3.45%	-
Oil and Gas									
Attock Refinery Limited	-	165,000	-	165,000	-	-	-	-	-
Oil and Gas Development Company Limited	106,507	175,000	-	281,507	-	-	-	-	-
Pakistan Oilfields Limited	45,600	125,100	-	170,700	-	-	-	-	-
Pakistan Petroleum Limited	131,500	301,000	-	432,500	-	-	-	-	-
Pakistan State Oil Company Limited	89,300	480,200	-	469,500	100,000	34,440	5.03%	4.85%	0.04%
	372,907	1,246,300	-	1,519,207	100,000	34,440	5.03%	4.85%	-
Foods Producers									
Engro Foods Limited	-	660,000	-	522,300	137,700	15,230	2.23%	2.15%	0.02%
National Foods Limited** (Note 5.2.1)	65,000	65,000	-	-	130,000	49,870	7.29%	7.02%	0.13%
	65,000	725,000	-	522,300	267,700	65,100	9.52%	9.17%	-

Name of the Investee Company	Number of shares				Market value as at March 31, 2015	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2014	Purchases during the period	Bonus / Rights issue	Sales during the period		Total Investments	Net Assets		
(Rupees in '000)									
Chemicals									
Engro Corporation Limited	255,000	235,000	-	340,000	150,000	38,535	5.63%	5.43%	0.03%
Engro Fertilizer Limited	-	450,000	-	450,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	805,000	-	805,000	-	-	-	-	-
I.C.I. Pakistan Limited	102,000	25,000	-	200	126,800	48,771	7.13%	6.87%	0.14%
	<u>357,000</u>	<u>1,515,000</u>	<u>-</u>	<u>1,595,200</u>	<u>276,800</u>	<u>87,306</u>	<u>12.76%</u>	<u>12.30%</u>	
General Industrials									
Synthetic Products Limited	-	680,500	-	-	680,500	33,426	5%	4.71%	0.01%
Thall Limited **	-	200,000	-	200,000	-	-	-	-	-
	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>33,426</u>	<u>4.88%</u>	<u>4.71%</u>	
Automobile And Parts									
Indus Motor Company Limited	-	24,200	-	-	24,200	24,564	3.59%	3.46%	0.03%
Pak Suzuki Motor Company Limited	-	119,700	-	40,700	79,000	27,373	4.00%	3.86%	0.10%
	<u>-</u>	<u>119,700</u>	<u>-</u>	<u>40,700</u>	<u>103,200</u>	<u>51,937</u>	<u>7.59%</u>	<u>7.32%</u>	
Engineering									
Millat Tractors Limited	-	30,000	-	30,000	-	-	-	-	-
	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Pharma and Bio Tech									
Searl Company Limited	-	220,000	-	220,000	-	-	-	-	-
	<u>-</u>	<u>220,000</u>	<u>-</u>	<u>220,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Industrial Transportation									
Pakistan National Shipping Corporation	-	287,500	-	287,500	-	-	-	-	-
	<u>-</u>	<u>287,500</u>	<u>-</u>	<u>287,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Non Life Insurance									
Adamjee Insurance Company Limited	600,000	-	-	600,000	-	-	-	-	-
	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Media									
Hum Television Network	-	1,619,000	-	-	1,619,000	22,439	3.28%	3.16%	0.17%
	<u>-</u>	<u>1,619,000</u>	<u>-</u>	<u>-</u>	<u>1,619,000</u>	<u>22,439</u>	<u>3.28%</u>	<u>3.16%</u>	
	<u>5,262,938</u>	<u>13,993,500</u>	<u>-</u>	<u>15,657,095</u>	<u>3,623,543</u>	<u>457,602</u>	<u>66.87%</u>	<u>64.45%</u>	
Cost of investments at March 31, 2015						<u>435,713</u>			

** The shares of K-Electric Limited have face value of Rs. 3.5 per share and the shares of National Foods Limited, and Thall Limited each have face value of Rs. 5 per share and the share of Hum Television Network have face value of Rs. 1.

5.2.1 Shareholders of National Foods Limited, vide special resolution in Annual General Meeting dated October 22, 2014, approved the subdivision of the company's authorised and paid up share capital in a manner that each ordinary share at November 27, 2014 having face value of Rs. 10 each be subdivided into two ordinary shares having face value of Rs. 5 each. The market value at the book closure date i.e. November 27, 2014 was split exactly in the same ratio. The Fund had holding of 65,000 ordinary shares as of the date and consequently received 65,000 shares without any consideration.

5.2.2 Investments include shares having market value aggregating to Rs. 62.6279 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.

5.3 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.

5.3.1 Term Finance Certificates - Listed

Name of the Investee Company	Number of certificates				Market value / Carrying value* as at March 31, 2015	Market value as a percentage of	
	As at July 1, 2014	Purchases during the period	Sales / Matured during the period	As at March 31, 2015		Total Investments	Net Assets
Saudi Pak Leasing Company Limited - (Note 5.3.3)	6,000	-	-	6,000	-	-	-
	6,000	-	-	6,000	-	-	-
Cost of investments at March 31, 2015					15,197		

5.3.2 Term Finance Certificates and Sukuk bonds - Unlisted

Name of the Investee Company	Number of certificates				Market value / Carrying value* as at March 31, 2015	Market value as a percentage of	
	As at July 1, 2014	Purchases during the period	Sales / Matured during the period	As at March 31, 2015		Total Investments	Net Assets
Commercial Banks	3,000	-	-	3,000	16,267	2.38%	2.29%
Bank AL Habib Limited	3,000	-	-	3,000	16,267	2.38%	2.29%
Multi Utilities	5,700	-	-	5,700	28,965	4.23%	4.08%
WAPDA Sukuk	5,700	-	-	5,700	28,965	4.23%	4.08%
	8,700	-	-	8,700	45,232	6.61%	6.37%
Cost of investments at March 31, 2015					43,478		

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. Accordingly, the exposure has been fully provided.

5.3.4 Significant terms and conditions of Term Finance Certificates and Sukuk bonds outstanding at March 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

5.4 Investment in Government Securities - Available for sale

Issue Date	Tenor	Face value				Market Value as at March 31, 2015	Market value as a percentage of	
		As at July 1, 2014	Purchases during the period	Sales / Matured during the period	As at March 31, 2015		Total Investment	Net Assets
----- (Rupees in '000) -----								
Treasury bills								
April 17, 2014	6 months	100,000	-	100,000	-	-	-	-
March 19, 2015	3 months	-	80,000	-	80,000	78,763	11.51%	11.09%
November 13, 2014	6 months	-	50,000	-	50,000	49,525	7.24%	6.98%
		100,000	130,000	100,000	130,000	128,288	18.75%	18.07%

Issue Date	Tenor	Face value			Market Value as at March 31, 2015	Market value as a percentage of	
		As at July 1, 2014	Purchases during the period	Sales / Matured during the period		Total Investment	Net Assets
----- (Rupees in '000) -----							
Pakistan Investment Bonds							
July 18, 2013	3 years	-	100,000	100,000	-	-	-
July 17, 2014	3 years	-	50,000	-	50,000	53,243	7.78%
		-	150,000	100,000	50,000	53,243	7.78%
		100,000	280,000	200,000	180,000	181,531	26.53%
						25.57%	

Cost of investments at March 31, 2015 178,687

5.5 Net unrealised appreciation / (diminution) on remeasurement of investments classified as available for sale

	Note	(Un-Audited) March 31, 2015	(Audited) June 30, 2014
		(Rupees in '000)	
Market value of investments	5.2, 5.3 & 5.4	684,365	541,574
Cost of investments	5.2, 5.3 & 5.4	673,075	488,698
Provision against equity securities		(3,284)	(1,952)
Provision against Term Finance Certificates		(15,197)	(15,197)
		654,594	471,549
		29,771	70,025

6. DIVIDEND RECEIVABLE AND ACCRUED MARK-UP

	Note	(Un-Audited) March 31, 2015	(Audited) June 30, 2014
		(Rupees in '000)	

Dividend receivable		3,994	725
Mark-up accrued on deposits with banks		529	634
Mark-up / return accrued on Government Securities		3,976	-
Mark-up / return accrued on Term Finance Certificates		4,771	1,810
		13,270	3,169

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
Prepaid Annual Listing & Rating fee		44	-
Receivable against sales of equity shares and Term Finance Certificates		21,840	107,373
Provision in respect of advance against subscription of Term Finance Certificates	7.1	(25,000)	(25,000)
		25,000	110,489

- 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, 2014. 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 March 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.

8. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	(Un-Audited)	(Audited)
		March 31, 2015	June 30, 2014
		(Rupees in '000)	
Management fee	8.1	1,271	1,210
Sindh Sales Tax	8.2	221	224
Sales load payable		1,312	869
		2,804	2,303

- 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 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 15% (June 30, 2014: 16%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011 effective from July 1, 2011.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-Audited)	(Audited)
		March 31, 2015	June 30, 2014
		(Rupees in '000)	
Auditors' remuneration		288	310
Federal Excise Duty	9.1	3,681	1,826
Other payables		186	22
Payable against redemption of units		3	4
Payable to brokers		2,421	624
Provision for Workers' Welfare Fund	10	8,795	8,535
		15,374	11,321

- 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. The matter has been taken up collectively by Mutual Funds Association of Pakistan, where various options are being considered. On September 09, 2013, 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. 4.167 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 March 31, 2015 would have been higher by Rs. 0.5385 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.

Subsequent to the year ended June 30, 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. 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, has decided to continue to maintain the provision for WWF amounting to Rs. 8.795 million (including Rs. 0.2608 million for the current period). Had the provision not been made, the Net Asset Value per unit of the Fund as at March 31, 2015 would have been higher by Rs. 1.1367 per unit.

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 the accounting income, the income distributed through bonus units 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 unrealized 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 in cash at least 90 percent of the Fund's accounting income for the year ended June 30, 2015 as reduced by capital gains (whether realised or unrealised) to its unit holders.

12. 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.

13. 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:

13.1 Transactions during the period	Nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	15,268	12,434
Habib Bank Limited - Sponsor		
Issue of bonus units: Nil (2014: 435,262 bonus units)	-	36,921
Bank charges paid	12	7
Mark-up earned during the period	2,269	942
Mark-up received during the period	2,130	1,002
Dividend income earned & Received during the period	20,316	1,602

	Nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	1,145	924
Central Depository service charges	115	77
Directors of connected persons		
Issue of bonus units: Nil (2014: 12,641 units)	-	746
Redemption of 3,083 units (2014: Nil units)	300	-
Profit earned on redemption of units	2	-
13.2 Transactions involving shares of connected persons:	Nine months ended March 31,	
	2015	2014
	(Rupees in '000)	
Habib Bank Limited - Sponsor		
Purchase of 123,000 ordinary shares (2014: 70,000 ordinary shares)	23,706	11,221
Sale of 70,000 ordinary shares (2014: Nil ordinary shares)	14,466	-
Gain on sale of shares of Habib Bank Limited	4,618	-
13.3 Amounts outstanding as at period end	(Un-Audited) March 31, 2015	(Audited) June 30, 2014
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	1,271	1,210
Sindh Sales Tax	221	224
Sales load payable	1,312	869
Habib Bank Limited - Sponsor		
Investment held in the Fund: 6,262,192 units (June 30, 2014: 6,262,192 units)	574,596	597,729
Bank balances	801	24,196
Mark-up receivable on deposits with bank	214	75
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	127	121
Executives and their relatives		
Investment held in the Fund: 1,008 units (June 30, 2014: 2,029 units)	95	194
Directors of connected persons		
Investment held in the Fund: 268,781 units (June 30, 2014: 272,003 units)	24,662	25,963
Shares held in associated undertakings		
Ordinary shares held in Habib Bank Limited: 295,943 ordinary shares (June 30, 2014: 242,943 ordinary shares)	27,155	47,080

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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 March 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	-	-	-

15. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 28, 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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