

HBL

ASSET MANAGEMENT

ايسيت مينجمنت

HBL StockFund

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

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HBL STOCK FUND

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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 Stock 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
Habib Bank Limited
MCB 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 Shakra-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

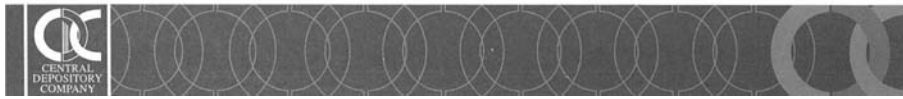
HBL STOCK FUND

**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 Stock 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 Stock 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 STOCK FUND
Condensed Interim Statement of Assets and Liabilities
As at December 31, 2015

	<i>Note</i>	December 31, 2015 (Un-Audited)	June 30, 2015 (Audited)
(Rupees in '000)			
Assets			
Bank balances	4	743,338	310,736
Investments	5	3,701,874	4,194,058
Dividend receivable and accrued mark-up	6	7,300	2,708
Advance, deposits and other receivables	7	2,600	2,801
Total assets		4,455,112	4,510,303
Liabilities			
Payable to HBL Asset Management Limited - Management Company	8	8,715	8,930
Payable to Central Depository Company of Pakistan Limited - Trustee		503	476
Payable to Securities and Exchange Commission of Pakistan		2,093	4,007
Accrued expenses and other liabilities	9	230,788	110,986
Total liabilities		242,099	124,399
Net assets		4,213,013	4,385,904
Unit holders' fund (as per statement attached)		4,213,013	4,385,904
(Number of units)			
Number of units in issue		42,820,829	42,766,886
(Rupees)			
Net assets value per unit		98.3870	102.5537

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 STOCK 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		94,899	101,173	51,381	59,983
Mark-up on deposits with banks		8,664	16,353	4,332	4,950
Capital gain on sale of investments - net		319,693	55,321	140,233	53,151
		423,256	172,847	195,946	118,084
Impairment loss on equity securities classified as available for sale		(77,042)	(74,480)	(47,458)	-
		346,214	98,367	148,488	118,084
Expenses					
Remuneration of HBL Asset Management Limited - Management Company		57,955	55,322	28,465	27,858
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,041	2,584	1,669	1,303
Annual fee to Securities and Exchange Commission of Pakistan		2,093	1,975	1,029	997
Allocation of expenses related to registrar services, accounting, operation and valuation services	10	426	-	426	-
Securities transaction costs		-	27	-	27
Auditors' remuneration		308	300	65	57
Settlement and bank charges		773	1,289	773	1,243
Other expenses		158	163	79	81
		64,754	61,660	32,506	31,566
Net income from operating activities		281,460	36,707	115,982	86,518
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		162	(23)	83	29
Provision for Workers' Welfare Fund	11	-	(792)	-	(229)
Net income for the period before taxation		281,622	35,892	116,065	86,318
Taxation	12	-	-	-	-
Net income for the period after taxation		281,622	35,892	116,065	86,318
Earning per unit	13				

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL STOCK 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	281,622	35,892	116,065	86,318
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	(459,639)	107,342	(85,604)	107,411
Total comprehensive income for the period	<u>(178,017)</u>	<u>143,234</u>	<u>30,461</u>	<u>193,729</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 STOCK 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	(968,425)	(925,545)
Net income for the period	281,622	35,892
Element of income / (loss) and capital gains / (losses) included in the price of units issued less those in units redeemed - amount representing income / (loss) that form part of the unit holders' fund	1,222	(111)
Accumulated loss carried forward - realised	<u>(685,581)</u>	<u>(889,764)</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 STOCK FUND**Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)***For the half year ended December 31, 2015*

	Half year ended December 31,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the period [Rs. 102.5537 per unit (June 30, 2014: Rs. 105.1183)]	4,385,904	4,075,082
Issue of 152,536 units (2014: 209,644 units)	15,570	22,072
Redemption of 98,593 units (2014: 214,289 units)	(10,282)	(22,882)
	5,288	(810)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to income statement - net	(162)	23
Net income for the period	281,622	35,892
Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale	(459,639)	107,342
Total comprehensive income for the period	(178,017)	143,234
Net assets at end of the period [Rs. 98.3870 per unit (2014: Rs. 108.8058)]	4,213,013	<u>4,217,529</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 STOCK FUND
Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended December 31, 2015

	<i>Note</i>	
	Half year ended December 31,	
	2015	2014
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	281,622	35,892
Adjustments		
Impairment loss on available for sale investments	77,042	74,480
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(162)	23
	<u>358,502</u>	<u>110,395</u>
(Increase) / decrease in assets		
Investments - net	(44,497)	(965,630)
Dividend receivable and accrued mark-up	(4,592)	11,840
Advances, deposits, prepayments and other receivables	201	823,539
	<u>(48,888)</u>	<u>(130,251)</u>
Increase / (decrease) in liabilities		
Payable to HBL Asset Management Limited - Management Company	(215)	(589)
Payable to Central Depository Company of Pakistan Limited - Trustee	27	23
Payable to Securities and Exchange Commission of Pakistan	(1,914)	(1,542)
Accrued expenses and other liabilities	119,802	5,167
	<u>117,700</u>	<u>3,059</u>
Net cash generated from / (used in) operating activities	<u>427,314</u>	<u>(16,797)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	15,570	22,072
Payment against redemption of units	(10,282)	(22,882)
Net cash generated from / (used in) financing activities	<u>5,288</u>	<u>(810)</u>
Net increase / (decrease) in cash and cash equivalents	<u>432,602</u>	<u>(17,607)</u>
Cash and cash equivalents at beginning of the period	310,736	104,277
Cash and cash equivalents at end of the period	<u>4</u> <u>743,338</u>	<u>86,670</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 STOCK 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 Stock Fund (the Fund) was established under a Trust Deed, dated August 09, 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 as a unit trust scheme on August 21, 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 units of the Fund were initially offered for public subscription at par August 29, 2007 to August 31, 2007.

The principal activity of the Fund is to provide long-term capital growth by investing primarily in a diversified pool of equities and equities related instruments.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2-' to the Management Company and has assigned one year Fund Performance Ranking at MFR 2-Star, three year Fund Performance Ranking at MFR 2-Star and five year Fund Performance Ranking at MFR 1-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 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	743,338	310,736
		<u>743,338</u>	<u>310,736</u>

4.1 Mark-up rates on these accounts range between 4.50% - 6.00% p.a (June 30, 2015: 5.45% - 9.00% p.a).

5. INVESTMENTS	Note	December 31, 2015	June 30, 2015
(Rupees in '000)			
Available for sale			
- Unlisted equity securities	5.1	45,000	-
- Listed equity securities	5.2	3,656,874	4,194,058
		<u>3,701,874</u>	<u>4,194,058</u>

5.1 Unlisted equity securities - Available for sale

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

Name of the Investee Company	Number of shares				As at December 31, 2015	Carrying value as at December 31, 2015	Carrying value as a percentage of	
	As at July 1, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets
(Rupees in '000)								
Real State								
TPL Properties (Pvt) Limited (Note 5.1.1)	-	3,600,000	-	-	3,600,000	45,000	1.22%	1.07%
	-	3,600,000	-	-	3,600,000	45,000	1.22%	1.07%
	-	<u>3,600,000</u>	-	-	<u>3,600,000</u>	<u>45,000</u>	<u>1.22%</u>	<u>1.07%</u>

Cost of investments at December 31, 2015

45,005

5.1.1 This represents shares of TPL Properties (Pvt) Limited, a subsidiary of TPL Trakker Limited, subscribed as initial public offering. These are stated at cost as trading in shares has not yet commenced. The Company has submitted its listing application with the Karachi Stock Exchange Limited (now Pakistan Stock Exchange Limited) for proposed initial public offering which is currently pending.

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 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)									
Commercial Banks									
Bank Alfalah Limited	3,884,000	823,000	-	4,707,000	-	-	-	-	-
Habib Bank Limited	731,119	539,200	-	-	1,270,319	254,216	6.87%	6.03%	0.09%
MCB Bank Limited	-	536,200	-	-	536,200	116,275	3.14%	2.76%	0.05%
United Bank Limited	514,500	1,003,200	-	500,000	1,017,700	157,692	4.26%	3.74%	0.08%
	<u>5,129,619</u>	<u>2,901,600</u>	<u>-</u>	<u>5,207,000</u>	<u>2,824,219</u>	<u>528,183</u>	<u>14.27%</u>	<u>12.53%</u>	
Personal Goods									
Nishat Mills Limited	-	941,900	-	218,000	723,900	68,676	1.86%	1.63%	0.21%
Artistic Denim Mills Limited	116,400	-	-	116,400	-	-	-	-	-
	<u>116,400</u>	<u>941,900</u>	<u>-</u>	<u>334,400</u>	<u>723,900</u>	<u>68,676</u>	<u>1.86%</u>	<u>1.63%</u>	
Non life Insurance									
Adanjee Insurance Company Limited	-	1,856,000	-	-	1,856,000	104,882	2.83%	2.49%	0.53%
	<u>-</u>	<u>1,856,000</u>	<u>-</u>	<u>-</u>	<u>1,856,000</u>	<u>104,882</u>	<u>2.83%</u>	<u>2.49%</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 Total Investments	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		December 31, 2015	Net Assets			
(Rupees in '000)										
Construction and Materials										
D. G. Khan Cement Limited	1,647,500	1,324,600	-	1,823,800	1,148,300	169,478	4.58%	4.02%	0.26%	
Kohat Cement Limited	-	312,500	-	-	312,500	75,275	2.03%	1.79%	0.20%	
Lucky Cement Limited	454,000	119,900	-	201,500	372,400	184,353	4.98%	4.38%	0.12%	
Maple Leaf Cement Factory Limited	2,783,500	1,494,500	-	2,783,500	1,494,500	111,460	3.01%	2.65%	0.28%	
Pioneer Cement Limited	-	1,181,000	-	174,000	1,007,000	91,496	2.47%	2.17%	0.44%	
Fauji Cement Company Limited	-	2,945,000	-	2,945,000	-	-	-	-	-	
	4,885,000	7,377,500	-	7,927,800	4,334,700	632,062	17.07%	15.01%		
Electricity										
The Hub Power Company Limited	3,105,500	1,788,000	-	3,120,500	1,773,000	181,910	4.91%	4.32%	0.15%	
K-Electric Limited (Rs. 3.5 each)	19,740,411	14,221,000	-	10,868,000	23,093,411	171,815	4.64%	4.08%	0.08%	
Kot Addu Power Company Limited	1,886,500	406,000	-	711,500	1,581,000	128,061	3.46%	3.04%	0.18%	
Nishat Chunian Power Limited	988,066	-	-	988,066	-	-	-	-	-	
	25,720,477	16,415,000	-	15,688,066	26,447,411	481,786	13.01%	11.44%		
Oil and Gas										
Attock Petroleum Limited	209,200	-	-	-	209,200	105,671	2.85%	2.51%	0.25%	
Oil and Gas Development Company Limited	-	26,000	-	26,000	-	-	-	-	-	
Pakistan Oilfields Limited	320,700	328,600	-	649,300	-	-	-	-	-	
Pakistan Petroleum Limited	-	1,753,500	-	1,753,500	-	-	-	-	-	
Pakistan State Oil Company Limited	545,500	231,400	-	272,800	504,100	164,221	4.44%	3.90%	0.19%	
Mari Petroleum Limited	-	268,900	-	266,400	2,500	1,743	0.05%	0.04%	0.00%	
	1,075,400	2,608,400	-	2,968,000	715,800	271,635	7.34%	6.45%		
Automobile Assembler										
Pak Suzuki Motor Company Limited	533,300	-	-	533,300	-	-	-	-	-	
Indus Motor Company Limited	192,400	-	-	80,400	112,000	113,308	3.06%	2.69%	0.14%	
Hinopak Motors Limited	-	163,550	-	19,950	143,600	147,621	3.99%	3.50%	1.16%	
	725,700	163,550	-	633,650	255,600	260,929	7.05%	6.19%		
Media										
HUM Network Limited (Rs. 1 each)	9,774,000	62,000	-	1,927,000	7,909,000	103,924	2.81%	2.47%	0.84%	
	9,774,000	62,000	-	1,927,000	7,909,000	103,924	2.81%	2.47%		
Chemicals										
Engro Corporation Limited	1,051,000	1,158,300	-	1,536,800	672,500	187,890	5.08%	4.46%	0.13%	
Engro Fertilizers Limited	2,481,500	858,500	-	2,445,000	895,000	75,296	2.03%	1.79%	0.07%	
Fauji Fertilizer Bin Qasim Limited	3,232,000	402,000	-	2,082,000	1,552,000	81,759	2.21%	1.94%	0.17%	
Fatma Fertilizer Company Limited	-	3,842,500	-	1,198,500	2,644,000	118,266	3.19%	2.81%	0.13%	
	6,764,500	6,261,300	-	7,262,300	5,763,500	463,211	12.51%	11.00%		
Food Producers										
Engro Foods Limited	1,200,000	163,600	-	1,363,600	-	-	-	-	-	
	1,200,000	163,600	-	1,363,600	-	-	-	-	-	
Household Goods										
Pak Elektron Limited	2,403,500	581,000	-	1,686,500	1,298,000	81,177	2.19%	1.93%	0.33%	
	2,403,500	581,000	-	1,686,500	1,298,000	81,177	2.19%	1.93%		
Pharma and Bio Tech										
Searle Company Limited	-	265,800	-	-	265,800	105,185	2.84%	2.50%	0.26%	
GlaxoSmithKline Limited	-	428,300	-	-	428,300	94,235	2.55%	2.24%	0.13%	
	-	694,100	-	-	694,100	199,420	5.39%	4.74%		
Automobile Parts and Accessories										
Thal Limited (Rs. 5 each)	590,000	16,500	-	515,000	91,500	23,180	0.63%	0.55%	0.11%	
General Tyre & Rubber Company Limited	-	565,400	-	-	565,400	97,011	2.62%	2.30%	0.95%	
	590,000	581,900	-	515,000	656,900	120,191	3.25%	2.85%		
General Industrials										
Synthetic Products Enterprises Limited	1,992,000	-	-	821,500	1,170,500	62,622	1.69%	1.49%	1.51%	
	1,992,000	-	-	821,500	1,170,500	62,622	1.69%	1.49%		
Engineering										
Mughal Iron and Steel Limited	280,500	2,141,500	363,300	2,767,000	18,300	1,276	0.03%	0.03%	0.01%	
Amreli Steels Limited	-	2,085,500	-	-	2,085,500	125,276	3.38%	2.97%	0.70%	
Crescent Steel and Allied Products Limited	-	294,500	669,500	964,000	-	-	-	-	-	
International Steels Limited	-	2,396,000	-	-	2,396,000	58,486	1.58%	1.39%	0.55%	
	280,500	6,917,500	1,032,800	3,731,000	4,499,800	185,038	4.99%	4.39%		
Paper and Board										
Century Paper and Board Mills Limited	-	5,000	-	5,000	-	-	-	-	-	
Packages Limited	-	160,000	-	-	160,000	93,138	2.52%	2.21%	0.18%	
	-	165,000	-	5,000	160,000	93,138	2.52%	2.21%		
Technology and Communication										
P.T.C.L. "A"	-	1,260,000	-	1,260,000	-	-	-	-	-	
	-	1,260,000	-	1,260,000	-	-	-	-	-	
	60,657,096	48,950,350	1,032,800	51,330,816	59,309,430	3,656,874	98.78%	86.80%		
Cost of investments at December 31, 2015						3,793,569				

5.3 Investments include shares having market value aggregating to Rs. 265.29 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.

5.4 Net unrealised (diminution) / 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	3,701,874	4,194,058
Cost of investments	5.1 & 5.2	3,838,574	3,798,502
Provision against equity securities	5.4.1	(102,592)	(29,975)
		3,735,982	3,768,527
		<u>(34,108)</u>	<u>425,531</u>
5.4.1 Movement in impairment against investments			
Opening balance		29,975	82,829
Add: Charge for the period / year		77,042	95,406
Less: Reversals made during the period / year (capital gain)		(4,425)	(148,260)
Net charge / (reversal)		72,617	(52,854)
Closing balance		<u>102,592</u>	<u>29,975</u>
6. DIVIDEND RECEIVABLE AND ACCRUED MARK-UP			
Dividend receivable		7,064	2,708
Mark-up accrued on deposits with banks		236	-
		<u>7,300</u>	<u>2,708</u>
7. ADVANCE, DEPOSITS AND OTHER RECEIVABLES			
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited		100	100
Advance against subscription of Term Finance Certificates (TFC)		25,000	25,000
Receivable from HBL Funds against conversion of units		-	201
		<u>27,600</u>	<u>27,801</u>
Less: Provision in respect of advance against subscription of term finance certificates	7.1	25,000	25,000
		<u>2,600</u>	<u>2,801</u>
7.1 The Fund had subscribed towards the term finance certificates of Dewan Cement Limited 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.			
8. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
	Note	December 31, 2015	June 30, 2015
(Rupees in '000)			
Management fee	8.1	7,131	7,309
Sindh Sales Tax	8.2	1,158	1,257
Sales load payable		-	364
Allocation of expenses related to registrar services, accounting, operation and valuation services		426	-
		<u>8,715</u>	<u>8,930</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 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	June 30, 2015
(Rupees in '000)			
Auditors' remuneration		293	454
Payable on redemption of units		-	26
Payable to HBL Money Market Fund against conversion of units		-	1,781
Payable against purchase / sale of shares		136,653	-
Federal Excise Duty	<i>9.1</i>	31,045	24,022
Provision for Workers' Welfare Fund	<i>11</i>	56,825	56,825
Payable to brokers		5,847	6,440
Withholding tax payable		86	21,325
Other payables		39	113
		230,788	110,986

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 the 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. 33.833 million out of which Rs. 2.788 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. 0.7901 per unit (June 30, 2015: Rs. 0.6269 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. 1.3270 per unit (June 30, 2015: Rs. 1.3287 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 gain / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised and unrealised) to unit holders in the form of cash. The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. However, during the period, after exclusion of capital gains, there was negative income.

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	
	2015	2014
	December 31,	
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management Fee	57,955	55,322
Allocation of expenses related to registrar services, accounting, operation and valuation services	426	-
Habib Bank Limited - Sponsor		
Bank charges paid	6	6
Profit on bank deposits earned	744	735
Profit on bank deposits received	507	877
Dividend income earned	5,118	8,310
Dividend income received	5,118	8,310
Executives and their relatives		
Issue of Nil units (2014: 34,615 units)	-	-
Redemption of Nil units (2014: 18,036 units)	-	3,654
(Loss) on redemption of units	-	1,386
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	3,041	2,584
Central Depository Service charges	1,486	650
14.2 Transactions involving shares of connected persons:		
Habib Bank Limited - Sponsor		
Purchase of 539,200 shares (2014: 305,000 shares)	107,894	58,681
Sale of Nil shares (2014: 265,900 shares)	-	58,245
Gain on sale of shares	-	22,990

14.3 Balances outstanding as at period end	December 31, 2015	June 30, 2015
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	7,131	7,309
Sindh Sales Tax	1,158	1,257
Sales load payable	-	364
Allocation of expenses related to registrar services, accounting, operation and valuation services	426	
Habib Bank Limited - Sponsor		
Investment held in the Fund: 35,176,573 units (2015: 35,176,573 units)	3,460,918	3,611,871
Bank balances	73,845	124,151
Mark-up accrued on deposits with bank	236	-
HBL Money Market Fund-Associate		
Payable to HBL Money Market Fund against conversion of units	-	1,781
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Investment held in the Fund: 683 units (2015: 683 units)	67	70
Executives and their relatives		
Investment held in the Fund : 21,789 units (2015: 11,724 units)	2,144	1,202
Directors of connected persons		
Investment held in the Fund: Nil units (2015: 529,247 units)	-	54,276
HBL Employees Provident Fund - Associated Entity		
Investment held in the Fund: 6,650,970 units (2015: 6,650,970 units)	654,369	682,082
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	503	476
Security deposit	100	100
Shares held in associated undertakings		
Habib Bank Limited		
Shares held: 1,270,319 ordinary shares (2015: 731,120 ordinary shares)	254,216	157,300

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: Disclosures' 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	3,656,874	-	-	3,656,874	3,656,874	-	-	3,656,874
		<u>3,656,874</u>	<u>-</u>	<u>-</u>	<u>3,656,874</u>	<u>3,656,874</u>	<u>-</u>	<u>-</u>	<u>3,656,874</u>
Financial assets not measured at fair value									
15.1	Bank balances	-	743,338	-	743,338	-	-	-	-
	Investments								
	- Un-Listed equity securities	45,000	-	-	45,000	-	-	-	-
	Dividend receivable and accrued mark-up	-	7,300	-	7,300	-	-	-	-
	Advances, deposits and other receivables	-	2,600	-	2,600	-	-	-	-
		<u>45,000</u>	<u>753,238</u>	<u>-</u>	<u>798,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
15.1	Payable to HBL Asset Management Limited - Management Company	-	-	8,715	8,715	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	503	503	-	-	-	-
	Payable to Securities and Exchange Commission of Pakistan	-	-	2,093	2,093	-	-	-	-
	Accrued expenses and other liabilities	-	-	142,918	142,918	-	-	-	-
		<u>-</u>	<u>-</u>	<u>154,229</u>	<u>154,229</u>	<u>-</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	4,194,058	-	-	4,194,058	4,194,058	-	-	4,194,058
		<u>4,194,058</u>	<u>-</u>	<u>-</u>	<u>4,194,058</u>	<u>4,194,058</u>	<u>-</u>	<u>-</u>	<u>4,194,058</u>
Financial assets not measured at fair value									
	Bank balances	-	310,736	-	310,736	-	-	-	-
	Dividend receivable and accrued mark-up	-	2,708	-	2,708	-	-	-	-
	Advances, deposits, prepayments and other receivables	-	2,801	-	2,801	-	-	-	-
		<u>-</u>	<u>316,245</u>	<u>-</u>	<u>316,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
	Payable to HBL Asset Management Limited - Management Company	-	-	8,930	8,930	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	476	476	-	-	-	-
	Payable to Securities and Exchange Commission of Pakistan	-	-	4,007	4,007	-	-	-	-
	Accrued expenses and other liabilities	-	-	30,139	30,139	-	-	-	-
		<u>-</u>	<u>-</u>	<u>43,552</u>	<u>43,552</u>	<u>-</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 'Equity 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)-----						
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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