



HBL

ASSET MANAGEMENT LTD.

ایسیٹ مینجمنٹ لمیٹڈ



**QUARTERLY
REPORT 2018**

For the Quarter ended March 31, 2018



**MOVING TOWARDS
EXCELLENCE**

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited.

Chairman	Mr. Agha Sher Shah	(Non-Executive Director)
Directors	Mr. Farid Ahmed Khan	(Executive Director)
	Ms. Ava A. Cowasjee	(Non-Executive Director)
	Mr. Shabbir Hussain Hashmi	(Non-Executive Director)
	Mr. Shahid Ghaffar	(Non-Executive Director)
	Mr. Raymond H. Kotwal	(Non-Executive Director)
	Mr. Rizwan Haider	(Non-Executive Director)

Audit Committee

Chairman	Mr. Shabbir Hussain Hashmi	(Non-Executive Director)
Members	Mr. Raymond Kotwal	(Non-Executive Director)
	Ms. Ava Ardeshir Cowasjee	(Non-Executive Director)
	Mr. Shahid Ghaffar	(Non-Executive Director)
	Mr. Rizwan Haider	(Non-Executive Director)

Human Resource Committee

Chairman	Mr. Agha Sher Shah	(Non-Executive Director)
Members	Mr. Raymond H. Kotwal	(Non-Executive Director)
	Mr. Farid Ahmed Khan	(Executive Director)

Risk & Investment Committee

Chairman	Mr. Rizwan Haider	(Non-Executive Director)
Members	Mr. Shahid Ghaffar	(Non-Executive Director)
	Mr. Farid Ahmed Khan	(Executive Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

'AM2'+ (Positive Outlook)

Legal Advisors

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

Website

www.hblasset.com

Head Office

7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi.

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS ENDED MARCH 31, 2018

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with the financial statements for the nine months ended March 31, 2018 of the following funds:

1. HBL Islamic Money Market Fund
2. HBL Islamic Income Fund
3. HBL Islamic Stock Fund
4. HBL Islamic Equity Fund
5. HBL Islamic Asset Allocation Fund
6. HBL Islamic Financial Planning Fund

Economic Review

Pakistan's economic indicators remained mixed during 9MFY18 with strong LSM growth, lower inflation and better private sector credit off-take whilst increase in external account pressures. During 3QFY18, current account deficit remained the key highlight leading to decline of forex reserves with continued pressure on local currency. During 3QFY18, Government took policy actions to address macroeconomic challenges by increasing the policy rate by 25bps (in Jan-18 Monetary Policy), allowing the PKR to depreciate by a further 5% (first round completed in Dec-17) and announcing an amnesty scene to increase tax base and the dollar inflow in the country.

Average inflation remained muted during 9MFY18 with an average of 3.78% YoY on the back of adequate food supplies and lower than expected increase in fuel prices. However, core inflation (measured by non-food-non-energy CPI), was recorded higher at 5.5% in 9MFY18 as compared to 4.9% during same period last year, reflecting the underlying demand pressures in the economy. Sustaining core inflation coupled with the impact of 9.5% PKR depreciation in 9MFY18 and higher international oil prices (+40%) would keep inflation at higher levels in the coming months. Due to recent uptick in inflationary pressures as evident in Mar-18 NFNE of 5.8%, monthly CPI inflation reading would likely reach 5 - 5.5% YoY by the end of FY18 while average for FY18 is expected to remain below 4.5%.

Large-scale manufacturing (LSM) posted 6.2% YoY growth during 8MFY18 mainly led by Electronics (+38.8%), Iron & Steel Products (30.9%), Automobiles (+19.6%) and Non-metallic Mineral Products (+11.9%). Promising growth of the manufacturing sector along with an encouraging assessment of major crops (except cotton) is likely to bode well for the services sector and in turn strong GDP growth in FY18. However so far, faster economic growth (driven by higher machinery imports particularly related to power plants for CPEC and petroleum imports) has caused imbalances on the external front with 8MFY18 current account deficit soaring to USD 10.8bn (4.8% of GDP) vs. USD 7.2bn (3.6% of GDP) during same period last year. In 8MFY18, import of goods surged by 17.3% YoY to USD 35.6bn while exports grew by 12.2% to USD 16.0bn resulting in a trade deficit of USD 19.7bn against USD 16.2bn during same period last year. As a result, SBP forex reserves decreased by USD 4.5bn since Jun-17 to reach USD 11.6bn at the end of 9MFY18. Going forward, we foresee continuation of stringent policy measures (monetary tightening and import curtailment) as external account risks are still persistent. However successful amnesty scheme and issuance of international bond can alleviate some pressure on the current account.

Money Market Review

In the 9MFY18, the yield curve steepened with secondary market yields on 3, 5 and 10-year PIBs increased by 142, 145 and 69 bps respectively. Meanwhile, yields on the 3, 6 and 12 month T-Bills increased by 41, 57 and 71 bps respectively. Government of Pakistan raised PKR 54.2bn through the PIB auction held in Jul-17 while next eight PIB auctions held were all scrapped. The last cut-off yields stood at 6.4091%, 6.8961% and 7.9360% p.a. for 3, 5 and 10-year PIBs respectively. Overall trading in longer tenures remained lackluster during 9MFY18 reflecting market participants' expectations of further increase in interest rates.

During 9MFY18, Government retired PKR 1,378bn from scheduled banks against a net retirement of PKR 97bn same period last year due to multiple scrapped PIB Auctions. Meanwhile, Government borrowing from SBP increased by PKR 2,237bn during the period against PKR 802bn during same period last year. GoP raised PKR 11,765bn (excluding NCB) through T-Bills compared to the cumulative target of PKR 12,875bn and maturities of PKR 11,928bn. In the last T-Bill Auction held in Mar-17 no amount was accepted in the 6 and 12 month T-Bills. The cutoff yield was 6.2591% for the 3 month T-Bills. During the Jan-18 Monetary policy, SBP increased the policy rate by 25bps as a preemptive move to mitigate economic risks pertaining to overheating of aggregate demand and ballooning of current account deficit. However in Mar-18 MPS, SBP maintained policy rate at 6% against consensus expectations of 25-50bps hike and suggested "wait-and-see" approach up to next MPS until results of recent policy measures (25bps hike in Jan-18 and PKR depreciation in two steps) are reflected in economic indicators. However, we believe that it's just a timing difference and we expect interest rate to increase by a further 25-50 bps in this fiscal year due to macroeconomic risks in the economy.

Stock Market Review

During the 9MFY18, the KMI30 Index lost 1,610 (2%) points to close at 76,988 points primarily due to strong performance during the latest quarter as the market had accumulated 12.7% loss during 1HFY18. This came against the back drop of recent PKR depreciation and continued news flow about the upcoming budget after the earlier half of the year was marred by political instability following the ouster of ex-PM and concerns on the economic front emanating from ballooning current account deficit which created pressure on foreign exchange reserves.

Cement sector was the worst performer during the period under review, where the weakness was led by 15% and 19% value attrition in LUCK and DGKC respectively. This performance was led by the market fears of a price war in the segment as upcoming expansions lead to an oversupply situation but the recent increase of ~PKR50/bag in cement prices have provided the sector some relief. Oil & Gas Marketing (-20%), Power Generation (-8%) and Refinery sector (-31%) dragged the market due to prospects of earnings decline in OMCs and Power sector following the governments' decision to reduce reliance on furnace oil for power generation. SNGP was also amongst the major losers, declining 19% subsequent to OGRA's decision to initiated discussions for changing gas pricing and return mechanism creating uncertainty over sustainability of earnings growth going forward.

Index heavyweight, Oil & Gas exploration sector posted stellar gain during 9MFY18, buoyed by 53%, 49% and 29% returns in POL, PPL and OGDC respectively partially offset by MARI (-6%). This strong gains were mainly driven by 40% increase in international oil prices and PKR devaluation.

Moving ahead, we anticipate the market to continue its positive momentum as the index heavyweights (Oil & Gas - E&Ps, Textiles and IPPs) reap full benefit of recent PKR depreciation. However, momentum of banking stocks may temporarily slowdown owing to recent MPS stance. With increased macroeconomic risks, we shall continue to follow "bottom-up" approach and focus on stocks with strong earnings potential.

FUND'S PERFORMANCE

HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 34.23 million and Rs. 24.50 million respectively during the nine months ended March 31, 2018. The Net Asset Value (NAV) of the Fund increased from Rs 100.6277 per unit as on June 30, 2017 to Rs 103.7397 per unit as on March 31, 2018; thereby giving an annualized return of 4.11%. During the same period the benchmark return (3 Month bank deposit rates) was 2.58%.

JCR-VIS Credit Rating Company Limited has reaffirmed AA(f) Fund Stability Rating to the Fund.

HBL Islamic Income Fund (Formerly: PICIC Islamic Income Fund)

The total income and net income of the Fund was Rs. 201.62 million and Rs. 163.61 million respectively during the nine months ended March 31, 2018. The Net Asset Value (NAV) of the Fund increased from Rs 101.0691 per unit as on June 30, 2017 to Rs 104.9167 per unit as on March 31, 2018; thereby giving an annualized return of 5.07%. During the same period the benchmark return (6 Month bank deposit rates) was 2.47%.

JCR-VIS Credit Rating Company Limited has reaffirmed Fund Stability Rating of A+(f) to the Fund.

HBL Islamic Stock Fund

The Fund incurred total loss and net loss of Rs 5.21 million and Rs 47.93 million respectively during the nine months ended March 31, 2018. The Net Asset Value (NAV) of the Fund decreased from Rs 130.0225 per unit as on June 30, 2017 to Rs 117.8192 per unit as on March 31, 2018 giving a negative return of 9.38% during the period against the benchmark return (KMI 30 Index) of negative 2.05%.

HBL Islamic Equity Fund (Formerly: PICIC Islamic Stock Fund)

The Fund incurred total loss and net loss of Rs 20.04 million and Rs 52.05 million respectively during the nine months ended March 31, 2018. The Net Asset Value (NAV) of the Fund decreased from Rs 105.4755 per unit as on June 30, 2017 to Rs 97.6184 per unit as on March 31, 2018 giving a negative return of 7.44% during the period against the benchmark return (KMI 30 Index) of negative 2.05%.

HBL Islamic Asset Allocation Fund

The Fund incurred total income and net loss of Rs 19.47 million and Rs 33.96 million respectively during the nine months ended March 31, 2018. The Net Asset Value (NAV) of the Fund decreased from Rs 105.5962 per unit as on June 30, 2017 to Rs 105.4603 per unit as on March 31, 2018 thereby giving a negative return of 0.13% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of 1.30%.

HBL Islamic Financial Planning Fund

HBL Islamic Financial Planning Fund is a Shariah Complaint Fund of Funds scheme. The Fund comprises of three sub funds (plans) namely Active allocation plan, Conservative allocation plan and Strategic allocation plan. The Benchmark of the Fund is 'Weighted Average Return of KMI-30 Index, 6M (AA-) and 3M (AA) Avg. deposit Rate of three Islamic Banks'.

The Fund as a whole earned total and net income of Rs. 184.22 million and Rs. 167.61 million respectively during the period under review. The fund size of the fund stood at Rs. 4.73 billion. Performance review for plan is given below:

Active Allocation Plan

During the period under review, the Active allocation plan earned total and net income of Rs. 9.91 million and Rs 8.99 million respectively. The net assets of the Active allocation plan stood at Rs. 301 million representing Net Asset Value (NAV) of Rs. 102.6981 per unit as at March 31, 2018. The plan earned a return of 2.69% for the period under review. During the same period, the Benchmark return of the Fund was 3.89%.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 0.93 million and Rs 0.74 million respectively. The net assets of the Conservative allocation plan stood at Rs. 41 million representing Net Asset Value (NAV) of Rs. 101.4943 per unit as at March 31, 2018. The plan earned a return of 1.48% for the period under review. During the same period, the Benchmark return of the Fund was 1.27%.

Strategic Allocation Plan

During the period under review, the Strategic allocation plan earned total and net income of Rs. 173.38 million and Rs 157.88 million respectively. The net assets of the Strategic allocation plan stood at Rs. 4.38 billion representing Net Asset Value (NAV) of Rs. 103.7507 per unit as at March 31, 2018. The plan earned a return of 3.61% for the period under review. During the same period, the Benchmark return of the Fund was 4.58%.

MANAGEMENT COMPANY RATING

The JCR-VIS Credit Rating Company Limited (JCR-VIS) has upgraded the management quality rating to 'AM2+' (AM Two Plus) to the Management Company and the outlook on the assigned rating has been assessed as 'Stable'.

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and patronage. It would like to place on record its appreciation for the help and guidance provided by Securities & Exchange Commission of Pakistan, Central Depository Company of Pakistan as Trustee, the Pakistan Stock Exchange Limited and State Bank of Pakistan.

The Board also wishes to place on record its appreciation for the hard work and dedication shown by the staff.

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

Director

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

انجینیئر ایل ایسٹ مینجمنٹ لینڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2018 کو اختتام پزیر ہونے والے نو ماہ کے لیے مندرجہ ذیل فنڈز کے لیے مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے پر خوش محسوس کرتے ہیں:

- ۱۔ انجینیئر ایل ایسٹ کم ماریٹ فنڈ
- ۲۔ انجینیئر ایل ایسٹ انگریز
- ۳۔ انجینیئر ایل ایسٹ اسٹاک فنڈ
- ۴۔ انجینیئر ایل ایسٹ ایکٹیو فنڈ
- ۵۔ انجینیئر ایل ایسٹ ایسٹ ایلیٹیشن فنڈ
- ۶۔ انجینیئر ایل ایسٹ فنانشل پلاننگ فنڈ

اقتصادی جائزہ

9MFY18 کے دوران پاکستان کے معاشی انڈیکس مضبوط LSM کی ترقی، کم افراط زر اور نجی شعبے کے بہتر گریڈ آف ٹیک کے ساتھ مخلوط طور سے جبکہ خارجہ کازنٹ کے دباؤ میں اضافہ ہوا۔ 3QFY18 کے دوران، کرنٹ اکاؤنٹ ڈیفیٹ شرح میں رہا جس کے سبب فارنیکس ریزرو میں کمی کے ساتھ مقامی کرنسی پر مسلسل دباؤ جاری رہا۔ 3QFY18 کے دوران حکومت نے میکرو اکنامک چیلنجز پر توجہ دیتے ہوئے پالیسی کی شرح کو 25bps تک بڑھانے کے پالیسی اقدامات کیے (جنوری-18 کی مالیاتی پالیسی)، جس سے روپیہ کی قدر میں مزید 5% کمی ہوئی (دسمبر-17 میں پہلا راکونڈیکس ہوا) اور ملک میں ٹیکس میں اور ڈالر کے بہاؤ کو بڑھانے کے لئے ایٹمیٹی اسٹیٹیم کا اعلان کیا گیا۔

9MFY18 کے دوران افراط زر مناسب خوراک کی فراہمی کے باعث اور ایندھن کی قیمتوں میں توقع سے کم اضافے کی وجہ سے 3.78% YoY اوسط کے ساتھ رہی۔ تاہم بنیادی افراط زر (غیر خوراک غیر توانائی CPI سے بیان شدہ) گزشتہ سال کی اسی مدت کے دوران 4.9% کے مقابلے میں 9MFY18 کے دوران 5.5% کی اونچے سطح پر ریکارڈ پر کیا گیا جو کہ معیشت پر طلب کے دباؤ کی عکاسی کرتا ہے۔ بڑھتی ہوئی بنیادی افراط زر جو کہ 9MFY18 میں روپیہ کی قدر میں 9.5% کی کمی اور بڑھتی ہوئی بین الاقوامی آئل کی قیمتیں (+40%) کی وجہ سے آنے والے مہینوں میں افراط زر کو اونچے سطح پر رکھیں گی۔ افراط زر کے دباؤ میں حالیہ اضافے کے سبب جو کہ مارچ-18 میں NFNE کے 5.8% سے واضح ہے، ماہانہ CPI افراط زر FY18 کے اختتام تک 5% -5.5% YoY تک پہنچ جانے کا امکان ہے، جبکہ FY18 کے لیے اوسط 4.5% سے نیچے رہنے کی توقع ہے۔

8MFY18 کے دوران بڑے پیمانے پر میٹھو پیٹرنگ (LSM) میں 6.2% YoY کا اضافہ ہوا۔ جس کی خاص طور پر ایکٹر گیس (+38.8%)، آئرن اور اسٹیل مصنوعات (30.9%)، آٹوموبائل (+19.6%) اور غیر دھاتی معدنی مصنوعات (+11.9%) نے قیادت کی۔ میٹھو پیٹرنگ سیکٹر کی امید افزا ترقی کے ساتھ اہم فصلوں کی حوصلہ افزا، ٹیمپینہ کاری (کیپاس کے علاوہ) سروس سیکٹر کے لئے ایک اچھا ٹھکانا ثابت ہوگا اور 8MFY18 میں مضبوط GDP کی ترقی کا امکان ہے۔ تاہم اب تک تیز اقتصادی ترقی (مشینری درآمدات کی حوصلہ افزائی جو کہ خصوصاً CPEC اور پیٹرولیم درآمدات کے لئے پاور پلانٹس سے متعلق ہے) نے 8MFY18 میں خارجی حماز پر عدم توازن کا باعث بنی جس کے سبب کرنٹ اکاؤنٹ خسارہ بڑھ کر 10.8 بلین ڈالر (GDP کا 4.8%) ہو گیا ہے جو کہ مقابلہ گزشتہ سال کی اسی مدت کے دوران 7.2 بلین ڈالر (GDP کا 3.6%) تھا۔ 8MFY18 میں ایشیاء کی درآمدات میں 17.3% YoY کے اضافے کے ساتھ 35.6 بلین ڈالر (رہی۔ جبکہ ایشیاء کی درآمدات 12.2% اضافے کے ساتھ 16.0 بلین ڈالر ہو گئیں جس کے نتیجے میں تجارتی خسارہ گزشتہ سال کی اسی مدت کے دوران ہونے والے 16.2 بلین ڈالر کے خسارے کے مقابلے میں 19.7 بلین ڈالر ہوا۔ SBP کے فارنیکس ریزرو 17-Jun-2017 سے 4.5 بلین ڈالر سے کم ہو کر 9MFY18 کے آخر تک 11.6 بلین ڈالر تک پہنچ گئے۔ آگے بڑھتے ہوئے، ہم ختم پالیسی اقدامات کے تسلسل کی پیش گوئی کرتے ہیں (مالیاتی مضبوطی اور درآمد کی تخفیف) جیسا کہ خارجہ کازنٹ کے خطرات اب بھی موجود ہیں۔ البتہ کامیاب ایٹمیٹی اسٹیٹیم اور بین الاقوامی ایٹما جرا کرنٹ کازنٹ پر دباؤ کو کچھ تک کم کر سکتا ہے۔

منی ماریٹ کا جائزہ:

9MFY18 میں ثانوی ماریٹ میں 5.3 اور 10 سالہ PIBs کی شرح سود میں تاثریہ 145.142 اور 69.9 bps کا اضافہ ہوا۔ اسی دوران 6.3 اور 12.0 مہینے کی۔ بلز کی شرح سود میں تاثریہ 41.57 اور 71.1 bps کا اضافہ ہوا۔ حکومت پاکستان نے جولائی-17 میں PIB کی بنیادی ڈرے کے ذریعے 54.2 بلین پاکستانی روپیہ اکٹھے کیے جبکہ ملکی معتمد ہونے والی اٹھ PIB کی بنیاد میں

منسوخ کردی گئیں۔ آخری کٹ-آف کی شرح سود بالترتیب 5،3 اور 10 سالہ PIBs کے لیے 6.4091%، 6.8961% اور 7.9360% p.a پر موجود رہی۔ مجموعی طور پر 9MYF18 کے دوران طویل المدتی بانڈز میں تجارت مایوس کن رہی جو مارکیٹ میں شرکاء کی شرح سود میں مزید اضافی کی توقعات کی عکاسی کرتی ہے۔

18MYF9 کے دوران حکومت نے بینکوں سے 1,378 بلین پاکستانی روپے لیے جو گزشتہ سال اسی مدت کے مقابلے میں PIB کی متعدد منسوخ بنیلامیوں کی وجہ سے 97 بلین پاکستانی روپے کی ادائیگیاں تھیں۔ اسی دوران SBP سے حاصل کردہ حکومتی قرضوں میں دوران مدت 2,237 بلین پاکستانی روپے سے اضافہ ہوا جو کہ گزشتہ سال اسی مدت کے دوران 802 بلین پاکستانی روپے تھے۔ حکومت پاکستان نے 12,875 بلین پاکستانی روپے کے مجموعی ہدف اور میچورٹیز سے حاصل کردہ 11,928 بلین پاکستانی روپے کے مقابلے میں ٹی-بلیز کے ذریعے 11,765 بلین پاکستانی روپے (NCB کو چھوڑ کر) اکٹھے کیے۔ مارچ-17 میں منعقد ہونے والی آخری ٹی-بلی کی نیلامی میں 6 اور 12 ماہ کے ٹی-بلیز میں کوئی رقم قبول نہیں کی گئی۔ تین ماہ کے ٹی-بلیز کے لئے کٹ-آف شرح سود % 25.916 حاصل ہوئی۔ جنوری 18 کی مالیاتی پالیسی کے دوران SBP نے مجموعی طور پر طلب میں اضافے اور بڑھتے ہوئے گزشتہ اکاؤنٹ ڈیفینس سے متعلق اقتصادی خطرات کو کم کرنے کے لئے پالیسی کی شرح میں 25 bps سے اضافے کا اقدام کیا۔ تاہم، مارچ-18 MPS میں SBP نے 25-50bps میں متوقع اضافے کے خلاف پالیسی کی شرح کو 6% پر برقرار رکھا اور اگلے MPS کے لئے "دیکھو اور منتظر رہو" کے نقطہ نظر کی تجویز پیش کی، جب تک حالیہ پالیسی کے اقدامات (جنوری 18 میں 25bps کے اضافے اور دو مراحل میں PKR کی تخفیف) کے نتائج اقتصادی انڈیکسٹرز میں نظر آتے ہیں۔ البتہ ہم اس بات کا یقین کرتے ہیں کہ یہ صرف وقت کا فرق ہے اور ہم امید کرتے ہیں کہ مصیبت میں میکرو اکنامک خطرات کے باعث اس مالی سال میں سود کی شرح میں مزید 25-50bps کا اضافہ ہو جائے گا۔

اسٹاک مارکیٹ کا جائزہ :

18MYF9 کے دوران KMI-30 انڈیکس گزشتہ سہ ماہی کے دوران مضبوط کارکردگی کے بعد 1,610 پوائنٹس (2%) کی کمی کے ساتھ 76,988 پوائنٹس پر بند ہو گیا جبکہ 18MYF1 کے دوران مارکیٹ میں یہیکل 12.7% کی کمی دیکھی گئی۔ یہ پس منظر حالیہ روپے کی قدر میں کمی اور آئندہ آنے والے بجٹ کے بارے میں جاری خبروں کے بہاؤ جو سال کے پہلے نصف میں سابقہ دور پر معظم کی معزوری کے بعد سیاسی عدم استحکام کے شراب ہونے اور گزشتہ اکاؤنٹ خسارہ سے متعلق بڑھتے والے معاشی حماز کے بارے میں خدشات جس نے غیر ملکی کرنسی کے ذخائر پر دباؤ پیدا کیا، کے رد عمل میں آیا۔

زیر جائزہ مدت کے دوران سیمنٹ سیکٹور نے بدترین کارکردگی کا مظاہرہ کیا، ہینج مارک انڈیکس میں 1,232 پوائنٹس کی کاسب بنا۔ 15 اور 19% قیمت کی قدر میں کمی کے ساتھ LUCK اور DGKC بالترتیب سرفہرست رہے۔ سیکٹور میں اس کارکردگی کی وجہ مارکیٹ میں قیمتوں کی جنگ کے خدشات کی وجہ سے گئی تھی جیسا کہ مختصر عرصے ہونے والی توسیعیات ضرورت سے زیادہ رسد کی ایک صورت حال کی جانب لے جائیں گی۔ لیکن حالیہ سیمنٹ کی قیمتوں میں PKR50 - / bag کے اضافے نے شعبہ کو پکھڑ بیٹھ فرام کیا ہے۔ بجلی پیدا کرنے کے لئے فرانس آئل پراٹھار کو کم کرنے سے متعلق حکومتی فیصلے کے بعد OMCS اور پاور سیکٹور کی آمدنی میں کمی کے امکانات کے باعث آئل اور گیس مارکیٹنگ (% 20-)، بجلی کی پیداوار (% 8-) اور ریفاٹری سیکٹر (% 31-) نے مارکیٹ میں تیزی سے بالترتیب 290 پوائنٹس، 284 پوائنٹس اور 235 پوائنٹس کی کمی کا سبب بنے۔ اوگرا کے گیس کی قیمتوں کے تعین اور اسی کے طریق کار کو تبدیل کرنے کے بارے میں بات چیت کے آغاز کے فیصلے جس سے بڑھتی آمدنی کی ترقی میں پایداری سے متعلق غیر یقینی صورتحال کی تشکیل کے سبب 19% کمی کے ساتھ SNGP بھی اہم خسارے میں رہا۔

انڈیکس بیوی ویف، آئل اینڈ گیس ایکسپلوریشن کا شعبہ میں 18MYF9 کے دوران 26% کے شاندار اضافے کے ساتھ 1,719 پوائنٹس کے مجموعی اضافے کا سبب بنا۔ POL، PPL اور OGDC میں بالترتیب 53%، 49% اور 29% کا اضافہ ہوا۔ جبکہ MARI (% 6-) رہا۔ یہ زبردست اضافہ بنیادی طور پر اوسط بین الاقوامی تیل کی قیمتوں میں 40% اضافے اور روہیلہ قدر میں کمی کے باعث تھا۔

آگے بڑھتے ہوئے، ہم توقع کرتے ہیں کہ مارکیٹ مثبت رفتار کو جاری رکھتے ہوئے جیسا کہ انڈیکس بیوی ویف (آئل اور گیس-E&P، بجلائس اور IPPs) حالیہ روپے کی قدر میں کمی سے مکمل فائدہ حاصل کرے گی۔ البتہ بینکنگ اسٹاکس کی رفتار قیاسی MPS کے موقف کی وجہ سے معاشی طور پر کم ہو سکتی ہے۔ میکرو اکنامک خطرات کے ساتھ، ہم بانٹاپ (نیچے سے پر) کی اپدوچ پر عمل کریں گے اور مضبوط آمدنی کے امکانات کے ساتھ اسٹاک پورٹفولیو کو زرخیز رکھیں گے۔

فنڈ کی کارکردگی:

ایچ بی ایل اسلامک منی مارکیٹ فنڈ:

31 مارچ 2018 کو ختم ہونے والے 9 ماہ کے دوران فنڈ کی مجموعی آمدنی اور خالص آمدنی بالترتیب 34.23 ملین روپے اور 24.50 ملین روپے تھی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) جو کہ 30 جون 2017 کا 100.6277 روپے فی یونٹ تھی اسٹانڈ ہونے کے بعد 31 مارچ 2018 کو فی یونٹ 103.7397 روپے فی یونٹ ہو گئی۔ جس سے 4.11% کا سالانہ نفع کیا۔ اسی مدت کے دوران شیئرمارک ریٹرن 3 ماہ کے بینک ڈپازٹ ریٹ سے 2.58% رہا۔

VIS-JCR کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کے لیے AA(f) فیڈ آئیلٹی ریٹنگ کی تصدیق کر دی ہے۔

ایچ بی ایل اسلامک انکم فنڈ (سابقہ: پی آئی سی آئی سی اسلامک انکم فنڈ):

31 مارچ 2018 کو ختم ہونے والے 9 ماہ کے دوران فنڈ کی مجموعی آمدنی اور خالص آمدنی بالترتیب 201.62 ملین روپے اور 163.61 ملین روپے تھی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) جو کہ 30 جون 2017 کا 101.069 روپے فی یونٹ تھی اسٹانڈ ہونے کے بعد 31 مارچ 2018 کو فی یونٹ 104.9167 روپے فی یونٹ ہو گئی۔ جس سے 5.07% کا سالانہ نفع کیا۔ اسی مدت کے دوران شیئرمارک ریٹرن 6 ماہ کے بینک ڈپازٹ ریٹ سے 2.47% رہا۔

VIS-JCR کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کے لیے A+(f) فیڈ آئیلٹی ریٹنگ کی تصدیق کر دی ہے۔

ایچ بی ایل اسلامک اسٹاک فنڈ:

31 مارچ 2018 کو ختم ہونے والے 9 ماہ کے دوران فنڈ کا مجموعی نقصان اور خالص نقصان بالترتیب 5.21 ملین روپے اور 47.93 ملین روپے تھا۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) جو کہ 30 جون 2017 کا 130.0225 روپے فی یونٹ سے کم ہو کر 31 مارچ 2018 کا 117.8192 روپے فی یونٹ ہو گئی اور 2.05% منفی کے نتیجے میں مارکیٹ میں اس مدت کے دوران 9.38% کا منفی ریٹرن حاصل ہوا۔

ایچ بی ایل اسلامک ایکویٹی فنڈ (سابقہ: پی آئی سی آئی سی اسلامک اسٹاک فنڈ):

31 مارچ 2018 کو ختم ہونے والے 9 ماہ کے دوران فنڈ کا مجموعی نقصان اور نیٹ نقصان بالترتیب 20.04 ملین روپے اور 52.05 ملین روپے تھا۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) جو کہ 30 جون 2017 کا 105.4755 روپے فی یونٹ سے کم ہو کر 31 مارچ 2018 کا 97.6184 روپے فی یونٹ ہو گئی اور 2.05% کے منفی نتیجے میں مارکیٹ میں اس مدت کے دوران 7.44% کا منفی ریٹرن حاصل ہوا۔

ایچ بی ایل اسلامک ایسیٹ ایلوکیشن فنڈ:

31 مارچ 2018 کو ختم ہونے والے 9 ماہ کے دوران فنڈ کا مجموعی نقصان اور خالص نقصان بالترتیب 19.47 ملین روپے اور 33.96 ملین روپے تھا۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) جو کہ 30 جون 2017 کا 105.596 روپے فی یونٹ کی کمی کے بعد 31 مارچ 2018 کا 105.4603 روپے فی یونٹ ہو گئی اور 1.30% کے منفی نتیجے میں مارکیٹ میں اس مدت کے دوران 0.13% کا منفی ریٹرن حاصل ہوا۔

ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ:

انٹرنیشنل اسلامک فنانشل پلاننگ فنڈ زاکیم کا ایک شریعہ کمپلائڈ فنڈ ہے۔ اس فنڈ میں تین ذیلی فنڈز پلان شامل ہیں جن کے نام ایکٹیو ایلوکیشن پلان، کزنڈریو ایلوکیشن پلان اور اسٹریٹجک ایلوکیشن پلان ہیں۔ فنڈ کے پینچمارک میں Index30KMI کا حجم ہے اور اسٹریٹجک ایلوکیشن پلان کی اوسط ڈپازٹ شرح "بشمول ہیں۔

فنڈ نے زیر جائزہ مدت کے دوران مجموعی اور نیٹ آمدنی بالترتیب 184.22 ملین روپے اور 167.61 ملین روپے حاصل کی۔ فنڈ کے اثاثہ جات 4.73 ملین روپے رہے۔ پلان کی کارکردگی کا جائزہ ذیل میں بیان کیا گیا ہے:

ایکٹیو ایلوکیشن پلان:

زیر جائزہ مدت کے تحت ایکٹیو ایلوکیشن پلان نے مجموعی اور خالص آمدنی بالترتیب 9.91 ملین روپے اور 8.99 ملین روپے حاصل کیے۔ ایکٹیو ایلوکیشن پلان کے نیٹ اثاثہ جات 301 ملین روپے رہے جو 31 مارچ 2018 تک 102.6981 روپے کی یونٹ کی نیٹ ایسیٹ ویلیو (NAV) کی نمائندگی کرتے ہیں۔ زیر جائزہ مدت کے تحت پلان نے اس منصوبے کے لئے 2.69% کا نفع اٹھایا۔ اسی مدت کے دوران فنڈ کا شیئ مارک ریٹرن 3.89% رہا۔

کنزرویٹو ایلوکیشن پلان:

زیر جائزہ مدت کے تحت کنزرویٹو ایلوکیشن پلان نے مجموعی اور خالص آمدنی بالترتیب 0.93 ملین روپے اور 0.74 ملین روپے حاصل کیے۔ کنزرویٹو ایلوکیشن پلان کے نیٹ اثاثہ جات 41 ملین روپے رہے جو 31 مارچ 2018 تک 101.4943 روپے کی یونٹ کی نیٹ ایسیٹ ویلیو (NAV) کی نمائندگی کرتے ہیں۔ زیر جائزہ مدت کے تحت پلان نے اس منصوبے کے لئے 1.48% کا نفع اٹھایا۔ اسی مدت کے دوران فنڈ کا شیئ مارک ریٹرن 1.27% رہا۔

اسٹریٹجک ایلوکیشن پلان:

زیر جائزہ مدت کے تحت اسٹریٹجک ایلوکیشن پلان نے مجموعی اور خالص آمدنی بالترتیب 173.38 ملین روپے اور 167.61 ملین روپے حاصل کیے۔ اسٹریٹجک ایلوکیشن پلان کے نیٹ اثاثہ جات 4.38 ملین روپے رہے جو 31 مارچ 2018 تک 103.7507 روپے کی یونٹ کی نیٹ ایسیٹ ویلیو (NAV) کی نمائندگی کرتے ہیں۔ زیر جائزہ مدت کے تحت پلان نے اس منصوبے کے لئے 3.61% کا نفع اٹھایا۔ اسی مدت کے دوران فنڈ کا شیئ مارک ریٹرن 4.58% رہا۔

مینجمنٹ کمپنی کی کوالٹی ریٹنگ:

VIS-JCR کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS-JCR) نے مینجمنٹ کمپنی کو مینجمنٹ کمپنی کی درجہ بندی میں (AM2+) پر اپ گریڈ کر دیا ہے۔

اظہار تشکر:

بورڈ اس موقع پر اپنے قابل قدر یونٹ ہولڈرز کو ان کے اعتماد اور سہ پرستی کے لیے شکریہ ادا کرتا ہے۔ ریسکیورٹیز اینڈ ایجوکیشن کمیشن آف پاکستان، سنٹرل ڈیپازٹری کمیٹی آف پاکستان کا بطور رٹرنی، اور پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی فراہم کردہ مدد اور رہنمائی کے لیے تعریف کرنا چاہتا ہے۔ بورڈ اسٹاف کی جانب سے دکھائی گئی محنت اور لگن کے لیے بھی ان کی تعریف ریکارڈ کرنا چاہتا ہے۔

من جانب بورڈ

ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ

15 اگست

چیف ایگزیکٹو آفیسر

مورخہ 23 اپریل 2018ء

بہ مقام: کراچی

HBL

Islamic Money Market Fund

FUND INFORMATION

Name of Fund	HBL Islamic Money Market Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al-Hilal Shariah Advisors (Pvt.) Ltd
Banks	Bank Al-Habib Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited Askari Bank Limited Allied Bank Limited Faysal Bank Limited
Fund Rating	'AA(f)' (JCR-VIS)

HBL Islamic Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at March 31, 2018

		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	846,466	839,601
Accrued mark-up on deposit with banks		4,026	3,265
Prepayments		104	59
Total assets		850,595	842,925
Liabilities			
Payable to the Management Company	5	660	791
Payable to the Trustee		118	112
Payable to Securities and Exchange Commission of Pakistan		452	471
Accrued expenses and other liabilities	6	4,623	6,269
Total liabilities		5,853	7,643
Net assets		844,742	835,282
Unit holders' fund (as per statement attached)		844,742	835,282
		----- (Number of units) -----	
Number of units in issue		8,142,908	8,300,721
		----- (Rupees) -----	
Net assets value per unit		103.7397	100.6277

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months and quarter ended March 31, 2018

Note	Nine months ended		Quarter Ended		
	March 31,		March 31,		
	2018	2017	2018	2017	
(Rupees in '000)					
Income					
Mark-up on deposit with banks	31,766	24,919	10,790	8,945	
Mark-up on term deposit receipts	2,465	-	1,058	-	
	34,231	24,919	11,848	8,945	
Expenses					
Remuneration of the Management Company	5.1 & 5.2	6,329	4,965	1,800	1,910
Remuneration of the Trustee		1,023	746	342	288
Annual fee to the Securities and Exchange Commission of Pakistan		452	329	151	126
Allocation of expenses related to registrar services, accounting, operation and valuation services	5.3	603	438	202	168
Auditors' remuneration		264	267	88	89
Settlement and bank charges		81	27	6	7
Fee and subscription		357	368	139	68
Printing and stationary		124	228	54	57
Total expenses		9,231	7,368	2,781	2,713
Net income from operating activities		25,000	17,551	9,067	6,232
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.6	-	2,670	-	(1,303)
Provision for Sindh Workers' Welfare Fund		(500)	1,478.00	(181)	1,478
Net income for the period before taxation		24,500	21,699	8,887	6,407
Taxation	7	-	-	-	-
Net income for the period after taxation		24,500	21,699	8,887	6,407
Allocation of net income for the period:					
Net income / loss for the period after taxation		24,500			
Income already paid on redemption of units	3.6	(3,672)			
		20,828			
Accounting income available for distribution:					
- Relating to capital gains		-			
- Excluding capital gains		20,828			
		20,828			

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Statement of other Comprehensive Income (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Nine months ended		Quarter ended,	
	March 31,		March 31,	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Net income for the period after taxation	24,500	21,699	8,887	6,407
Other comprehensive income for the period				
Items that will be reclassified to income statement	-	-	-	-
Total comprehensive income for the period	24,500	21,699	8,887	6,407

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the nine months ended March 31, 2018

Note	Nine months ended March 31,					
	2018			2017		
	(Rupees in '000)					
	Capital Value	Undistributed Income/(Accumulated Loss)	Total	Capital Value	Undistributed Income/(Accumulated Loss)	Total
Net assets at beginning of the period	830,183	5,099	835,282	-	-	506,741
Amount received on Issuance of 26,107,650 units (2017: 3,849,621 units)	565,873	9,513	575,386	-	-	395,015
Amount paid on redemption of 17,806,929 units (2017: 2,278,611 units)	(581,754)	(8,672)	(590,426)	-	-	(234,373)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-	(2,670)
Net income for the period after taxation	-	24,500	24,500	-	-	21,699
Other comprehensive income for the period	-	-	-	-	-	-
Net income for the period less distribution	-	24,500	24,500	-	-	21,699
Net assets at end of the period	814,302	30,440	844,742	-	-	686,412
Undistributed income brought forward						
- Realised		5,099			3,176	
- Unrealised		-			-	
		5,099			3,176	
Accounting income available for distribution		20,828				
Net income for the period - for prior period	3.6	-			21,699	
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to Distribution statement					963	
Undistributed income carried forward		25,927			25,838	
Undistributed income carried forward						
Relating to realised gain		25,927			25,838	
Relating to unrealised gain		-			-	
		25,927			25,838	
Net assets value per unit at beginning of the period			100.6277			100.6132
Net assets value per unit at end of the period			103.7397			103.8832

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months ended March 31, 2018

	Nine Month ended	
	March 31,	
	2018	2017
Note	(Rupees in '000)	
Cash flows from operating activities		
Net income for the period before taxation	24,500	21,699
Adjustments for:		
Mark-up on deposit with banks	(31,766)	(10,790)
Mark-up on term deposit receipts	(2,465)	(1,058)
Provision for Sindh Worker's Welfare Fund	500	181
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(2,670)
(Increase) / decrease in assets	(9,231)	7,362
Advances, prepayment and other receivables	(45)	1,973
(Decrease) / increase in liabilities		
Payable to the Management Company	(131)	197
Payable to the Trustee	7	27
Payable to Securities and Exchange Commission of Pakistan	(19)	(20)
Accrued expenses and other liabilities	(2,142)	9,079
	(2,285)	9,283
	(11,561)	18,618
Mark-up on deposit with banks received	33,466	10,843
	33,466	10,843
Net cash generated from operating activities	21,905	29,461
Cash flows from financing activities		
Amount received on issue of units	575,386	395,015
Payments against redemption of units	(590,426)	(234,373)
Net cash (used in) / generated from financing activities	(15,040)	160,642
Net increase in cash and cash equivalents	6,865	190,103
Cash and cash equivalents at beginning of the period	839,601	514,268
Cash and cash equivalents at end of the period	846,466	704,371

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

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

For the nine months and quarter ended March 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

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 Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at par from May 9, 2011 to May 10, 2011.

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

JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+ (AM Two Plus) to the Management Company.

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. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

- 2.1.1** This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.
- 2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2017.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

- 3.1** 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 audited financial statements of the Fund for the year, ended June 30, 2017 except as explained in note 3.6 and 3.7.
- 3.2** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3** The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017.

- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2017.
- 3.6 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to 'element of income' and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'income statement' and 'statement of movement in unit holders' fund', whereas disclosure with respect to 'distribution statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'income statement' and 'statement of movement in unit holders' fund', prospectively from July 1, 2017 as required by email dated February 08, 2018. Accordingly, corresponding figures have not been restated. The 'distribution statement' has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been higher by Rs. 0.841 million. However, the change in accounting policy does not have any impact on the 'cash flow statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'statement of assets and liabilities' and 'statement of movement in unit holders' fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'income statement' and 'statement of movement in unit holders' fund' which have been incorporated in these statements.

		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	Note	----- (Rupees in '000) -----	
4	BANK BALANCES		
Balances with banks in:			
Savings accounts	4.1	<u>846,466</u>	<u>839,601</u>
		<u>846,466</u>	<u>839,601</u>
4.1	This represents bank accounts held with different banks. Mark up rates on these accounts range between 3.57% - 5.95% (June 2017: 4% - 5.50%) per annum.		
		(Un-Audited)	(Audited)
		March 31, 2018	June 30, 2017
	Note	----- (Rupees in '000) -----	
5	PAYABLE TO THE MANAGEMENT COMPANY		
Management Fee	5.1	523	643
Sindh Sales Tax	5.2	68	84
Allocation of expenses related to registrar services, accounting, operation and valuation services	5.3	70	64
		<u>660</u>	<u>791</u>

- 5.1 The Management Company has charged its remuneration at the rate of 1% per annum for the current year till January 14, 2018. Effective from January 15, 2018 the rate of fee is revised through amendment in the Offering Documents of the Scheme as 10% of the gross earnings of the scheme, calculated on a daily basis subject to a cap of 1.00% and a floor of 0.75% of the average daily net assets. The fee is payable monthly in arrears.
- 5.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on the remuneration of the Management Company through Finance Act, 2015 effective from July 1, 2016
- 5.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged the aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

6	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-Audited)	(Audited)
			March 31, 2018	June 30, 2017
			----- (Rupees in '000) -----	
	Auditors' remuneration		216	300
	Federal Excise Duty	6.1	2,185	2,185
	Withholding tax payable		-	1,898
	Provision for Sindh Workers' Welfare Fund	6.2	1,995	1,496
	Other payable		227	390
			<u>4,623</u>	<u>6,269</u>

- 6.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2017, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 2.185 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2018 would have been higher by Rs. 0.27 per unit (June 30, 2017: 0.26 per unit).

- 6.2 The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare fund is the same as disclosed in note 11.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 1.995 million as at March 31, 2018 in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2018 would have been higher by Rs. 0.25 per unit (June 30, 2017: Rs. 0.18 per unit).

7 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2018 to its unit holders.

8	CASH AND CASH EQUIVALENTS	Note	(Un-Audited)	(Audited)
			March 31, 2018	June 30, 2017
			----- (Rupees in '000) -----	
	Bank balances	4.1	<u>846,466</u>	<u>839,601</u>
			<u>846,466</u>	<u>839,601</u>

9. TRANSACTIONS WITH CONNECTED PERSONS

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 during the period and balances with them at period end, otherwise not disclosed elsewhere in these condensed interim financial information are as follows:

	(Un-Audited)	
	Nine month ended	
	March 31,	
	2018	2017
	----- (Rupees in '000) -----	
9.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management fee including sales tax thereon	6,329	4,965
Allocation of expenses related to registrar services, accounting, operation and valuation services	603	438
Issue of units 27,577 units(2016:Nil)	2,814	-
Habib Bank Limited - Sponsor		
Mark-up earned during the period	630	318
Executives and key management personnel		
Issue of 435,786 units (2017: 10,175 units)	44,824	1,044
Redemption of 428,431 units (2017: 18,896 units)	44,099	1,933
MCBFSL Trustee HBL Islamic Financial Planing Fund-Strategic Allocation Plan-Associate		
Issue of 974,853 units (2017: Nil)	100,000	-
Redemption of 1,759,925 units (2017: Nil)	179,425	-
Atlas battery limited - Connected person due to holding 10% or more		
Issue of 447,025 units (2017: Nil)	46,010	-
Redemption of 223,512 units (2017: Nil)	23,010	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee Remuneration	1023	746

	(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	----- (Rupees in '000) -----	
9.2 Amounts outstanding as at period end		
HBL Asset Management Limited - Management Company		
Management fee	523	643
Sindh Sales Tax	68	84
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	70	64
Investment held in the Fund: 27,577 units (June 30, 2017: Nil)	2,861	-
Habib Bank Limited - Sponsor		
Investment held in the Fund: 3,838,107 units (June 30, 2017: 3,838,107 units)	398,164	386,220
Bank balances	15,604	13,370
Markup receivable	15	53
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	118	112
Executives and key management personnel		
Investment held in the Fund: 7,364 units (June 30, 2017: 5,250)	764	530,096
Atlas battery limited - Connected person due to holding 10% or more		
Investment held in the Fund: 1,116,891 units (June 30, 2017: 893,378 units)	115,866	89,899
MCBFSL Trustee HBL Islamic Financial Planning Fund-Strategic Allocation Plan-Associate		
Investment held in the Fund: Nil units (June 30,2017: 785,072 units)	-	79,000

10. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the Nine months ended March 31, 2018 is 1.21% (2017: 1.24%) which includes 0.23% (2017: 0.20%) representing government levy, Worker's Welfare Fund and SECP fees.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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 reporting 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.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" 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.

		March 31, 2018						
		Carrying amount			Fair Value			
		Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets not measured at fair value								
	11.1							
Bank balances		846,466	-	846,466				
Accrued mark-up		4,026	-	4,026				
		<u>850,491</u>	<u>-</u>	<u>850,491</u>				
Financial liabilities not measured at fair value								
	11.1							
Payable to the Management Company		-	660	660				
Payable to the Trustee		-	118	118				
Accrued expenses and other liabilities		-	442	442				
Unit holder's fund		-	844,737	844,737				
		<u>-</u>	<u>845,958</u>	<u>845,958</u>				
		(Rupees in '000)						
		June 30, 2017						
		Carrying amount			Fair Value			
		Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets not measured at fair value								
Bank balances		839,601	-	839,601				
Accrued mark-up		3,265	-	3,265				
		<u>842,866</u>	<u>-</u>	<u>842,866</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company		-	791	791				
Payable to the Trustee		-	112	112				
Accrued expenses and other liabilities		-	2,186	2,186				
Unit holder's fund		-	835,282	835,282				
		<u>-</u>	<u>838,371</u>	<u>838,371</u>				

11.1 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.

11.2 Transfers during the period

There were no transfers between various levels of fair value hierarchy during the period.

12. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on **April 23, 2018**.

13. GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Income Fund

FUND INFORMATION

Name of Fund	HBL Islamic Income Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al-Hilal Shariah Advisors (Pvt.) Ltd
Banks	Habib Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited Al Baraka Bank Pakistan Limited United Bank Limited Burj Bank Limited Faysal Bank Limited Allied Bank Limited Askari Bank Limited Soneri Bank Limited Summit Bank Limited Bank Al-Habib Limited
Rating	'A+(f)'

HBL Islamic Income Fund
Condensed Interim Statement of Assets and Liabilities
As at March 31, 2018

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	2,647,766	3,192,747
Investments	5	1,805,169	1,803,410
Profit receivable		31,098	7,576
Preliminary expenses and floatation costs		944	1,557
Deposits and prepayments		4,465	102
Total assets		4,489,442	5,005,392
Liabilities			
Payable to the Management Company	6	3,560	1,320
Payable to the Trustee		449	265
Payable to Securities and Exchange Commission of Pakistan		2,472	353
Dividend payable		20	1,796
Payable against redemption of units		-	533,432
Accrued expenses and other liabilities	7	6,573	6,981
Total liabilities		13,074	544,147
Net assets		4,476,368	4,461,245
Unit holders' fund (as per statement attached)		4,476,368	4,461,245
		----- (Number of units) -----	
Number of units in issue		42,665,925	44,140,526
		----- (Rupees) -----	
Net assets value per unit		104.9167	101.0691

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2018	2017	2018	2017
Note	----- (Rupees in '000) -----			
Income				
Capital gain on sale of investments - net	13,819	477	503	477
Income from sukuks	48,765	3,679	19,490	2,461
Income from placements	-	-	-	-
Profit on bank deposits	150,181	11,860	52,835	3,820
	212,765	16,016	72,828	6,758
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(11,142)	1,517	3,434	1,089
	201,623	17,533	76,262	7,847
Expenses				
Remuneration of the Management Company	23,181	1,977	8,431	834
Remuneration to the Trustee	3,887	503	1,332	200
Annual fee to the Securities and Exchange Commission of Pakistan	2,472	196	855	78
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,298	271	1,142	104
Amortisation of preliminary expenses and floatation costs	613	613	201	201
Security transaction, settlement and bank charges	484	78	111	50
Auditors' remuneration	177	173	58	47
Fees and subscription	340	176	120	58
Printing charges	225	179	74	74
Other expenses	-	102	-	32
	34,677	4,268	12,324	1,678
Net income from operating activities	166,946	13,265	63,938	6,169
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	2,766	-	489
Provision for Sindh Workers' Welfare Fund	(3,339)	(278)	(1,277)	(133)
Net income for the period before taxation	163,607	15,753	62,661	6,525
Taxation	-	-	-	-
Net income for the period after taxation	163,607	15,753	62,661	6,525
Allocation of net income for the period				
Net income for the period after taxation	163,607			
Income already paid on units redeemed	(42,396)			
	121,211			
Accounting income available for distribution				
- Relating to capital gains	2,013			
- Excluding capital gains	119,198			
	121,211			

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Statement of other Comprehensive Income (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Net income for the period after taxation	163,607	15,753	62,661	6,525
Other comprehensive income for the period				
Items that may be reclassified subsequently to income statement	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	163,607	15,753	62,661	6,525

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the nine months ended March 31, 2018

For the nine months ended March 31,							
2018			2017				
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
Note ----- (Rupees in '000) -----							
Net assets at beginning of the period	4,414,052	47,193	4,461,245	-	-	226,967	
Amount received on Issuance of 25,779,393 units (2017: 5,409,499 units)	3.6	2,605,501	47,891	2,653,392	-	-	456,997
Amount paid on Redemption of 27,253,994 units (2017: 3,761,584 units)	3.6	(2,754,537)	(47,338)	(2,801,876)	-	-	(258,754)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-	-	(4,202)
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement	3.6	-	-	-	-	-	1,436
Net income for the period after taxation	-	163,607	163,607	-	-	-	15,753
Other comprehensive income for the period	-	-	-	-	-	-	-
Net income for the period less distribution	-	163,607	163,607	-	-	-	15,753
Net assets at end of the period	4,265,015	211,353	4,476,368	-	-	-	438,197
Undistributed income brought forward							
- Realised		34,077			1,146		
- Unrealised		13,116			522		
		<u>47,193</u>			<u>1,668</u>		
Accounting income available for distribution		121,211					
Net income for the period - for prior period	3.6				15,753		
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement	3.6				1,335		
Undistributed income carried forward		<u>49,206</u>			<u>18,756</u>		
Undistributed income carried forward							
- Realised		60,348			17,239		
- Unrealised		(11,142)			1,517		
		<u>49,206</u>			<u>18,756</u>		
				Rupees		Rupees	
Net assets value per unit at beginning of the period				<u>101.0691</u>		<u>100.7402</u>	
Net assets value per unit at end of the period				<u>104.9167</u>		<u>104.4967</u>	

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Nine months ended	
	March 31,	
	2018	2017
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net income for the period before taxation	163,607	15,753
Adjustments for:		
Capital gain on sale of investments - net	(13,819)	-
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	11,142	(1,517)
Amortisation of preliminary expenses and floatation costs	613	613
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(2,766)
Mark up / return on;		
- Bank profits	(150,181)	(11,860)
- Investments	(48,765)	(3,679)
Provision for Sindh Workers' Welfare Fund	3,339	278
	(34,064)	(3,178)
(Increase) / decrease in assets		
Investments - net	918	(101,171)
Advance against initial public offering	-	(43,000)
Deposits and prepayments	(4,363)	130
	(3,445)	(144,041)
(Decrease) / Increase in liabilities		
Payable to the Management Company	2,240	256
Payable to the Trustee	184	22
Payable to Securities and Exchange Commission of Pakistan	2,119	(64)
Payable against redemption of units	(533,432)	-
Accrued expenses and other liabilities	(3,747)	(9,304)
	(532,636)	(9,090)
Income received from sukuk	49,681	2,431
Profit received on bank deposits	125,744	11,852
	175,425	14,283
Net cash used in operations	(394,720)	(142,026)
Cash flow from financing activities		
Amount received on issue of units	2,653,392	456,997
Dividend paid	(1,777)	(2,040)
Payment against redemption of units	(2,801,876)	(258,754)
Net cash (used in) / generated from financing activities	(150,261)	196,203
Net (decrease) / increase in cash and cash equivalents	(544,981)	54,177
Cash and cash equivalents at beginning of the year	3,192,747	197,507
Cash and cash equivalents at end of the year	4 2,647,766	251,684

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund

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

For the nine months and quarter ended March 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

The HBL Islamic Income Fund ('the fund') was established under a trust deed executed between PICIC Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/PIIF/949/2014 dated April 4, 2014 and the trust deed was executed on February 20, 2014.

SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 through an order dated August 31, 2016. Effective from September 1, 2016 HBL Asset Management Limited became Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. After the merger, trust deed was revised on February 17, 2017.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund has been categorised as a Shariah Compliant Income Scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking into account liquidity considerations.

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

JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2+' (AM Two Plus) to the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2017.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 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 audited financial statements of the Fund for the year, ended June 30, 2017 except as explained in note 3.6 and note 3.7.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2017.
- 3.6 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its clarification dated February 7, 2018. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income / loss of the Fund would have been higher / lower by Rs 0.5630 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
Note		----- (Rupees in '000) -----	
4. BANK BALANCES			
In savings accounts	4.1	2,647,766	2,492,747
Term deposit receipt	4.2	-	700,000
		<u>2,647,766</u>	<u>3,192,747</u>

- 4.1 Mark-up rates on these accounts range between 5.60% - 6.00% per annum (June 30, 2017: 5.45% - 6.10% per annum).
- 4.2 These term deposit receipts carry mark up at the rate of 5.95% - 7.46% (June 30, 2017: 5.75% - 5.80% per annum). These will mature at various dates maximum by March 31, 2018.

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss' - held-for-trading			
- Privately placed sukuk certificates	5.1	1,183,150	102,755
Loans and receivable			
- Advance against initial public offering		110,000	39,600
- Commercial paper	5.3	167,019	-
- Term Deposit Receipt	5.4	345,000	-
		<u>1,805,169</u>	<u>142,355</u>

5.1 Privately placed sukuk certificates

Name of the Investee Company	Number of units				Market value as at Mar 31, 2018 (Rupees in '000)	Market value as a percentage of	
	As at July 1, 2017	Purchases during the period	Sales during the period	As at Mar 31, 2018		Total Investments	Net Assets
Corporate Sukuks							
K Electric Limited	-	5,000	4,200	800	3,449	0.19	0.08
International Brands Limited	-	1,040	-	1,040	104,000	5.76	2.32
Dawood Hercules Corporation Limited*	-	5,070	-	5,070	509,592	28.23	11.38
AGP Limited	-	3,491	831	2,660	228,135	12.64	5.10
Dubai Islamic Bank Limited	-	395	205	190	193,458	10.72	4.32
Ghani Gasses Limited	530	1,000	-	1,530	128,569	7.12	2.87
Engro Fertilizer Company Limited	-	6,000	-	6,000	15,947	0.88	0.36
Fatima Fertilizer Company Limited	10,943	27,162	38,105	-	-	-	-
	<u>11,473</u>	<u>49,158</u>	<u>43,341</u>	<u>17,290</u>	<u>1,183,150</u>	<u>66</u>	<u>26</u>

Cost of investments at March 31, 2018

1,194,292

*Associated Company due to Common Directorship.

5.1.1 These Sukuk carry semi annual mark-up at the rate ranging from 6.70% - 7.96% per annum. (June 30, 2017: semi annual mark-up at the rate of 7.14% & 7.25% per annum) respectively.

5.2 GOP Ijarah sukuk

Issue Date	Number of units				Market value as at Mar 31, 2018 (Rupees in '000)	Market value as a percentage of	
	As at July 1, 2017	Purchases during the period	Sales during the period	As at Mar 31, 2018		Total Investments	Net Assets
1-Jul-17	16,500	700,000	716,500	-	-	-	-
	<u>16,500</u>	<u>700,000</u>	<u>716,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Cost of investments at March 31, 2018

-

5.3 Commercial paper

Name of Company	As at July 1, 2017	Placement made during the period	Income Accrued	Matured during the period	As at Mar 31, 2018	Percentage of total value of investments	Percentage of Net Assets
----- (Rupees in '000) -----							
Hascol Petroleum Limited (5.3.1)	-	163,904	3,115	-	167,019	15.405	3.731

5.3.1 The clean placement carries mark-up at the rate of 7.46% per annum and will be matured on June 29, 2018.

5.4 The term deposit receipt carries mark-up at the rate of 6.15% per annum and will be matured on May 07, 2018.

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
6	PAYABLE TO THE MANAGEMENT COMPANY		
Management fee	6.1	2,612	858
Sindh sales tax	6.2	340	111
Sales load payable		226	233
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	382	117
		<u>3,560</u>	<u>1,320</u>

- 6.1** As per the offering document of the Fund, the Management Company shall charge a fee at the rate of 10% of gross earnings of the Scheme, calculated on daily basis not exceeding 1.50% of the average daily net assets of the Scheme and subject to a minimum fee of 0.50% of the average daily net assets of the Scheme subject to the guidelines as may be issued by the Commission from time to time. The fee is payable monthly in arrears.
- 6.2** The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3** As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
7	ACCRUED EXPENSES AND OTHER LIABILITIES		
Withholding tax payable		251	4,127
Federal excise duty	7.1	1,344	1,344
Provision for Sindh Workers' Welfare Fund	7.2	4,516	1,177
Auditors' remuneration		181	140
Payable to brokers		77	97
Printing charges		185	80
Other payables		19	16
		<u>6,573</u>	<u>6,981</u>

7.1 Provision for Federal Excise Duty

The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.344 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2018 would have been higher by Rs. 0.03 per unit (June 30, 2017: Rs. 0.03 per unit).

7.2 Provision for Sindh Workers' Welfare Fund

The legal status of applicability of Sindh workers' welfare fund (SWWF) is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 3.34 million for the nine months year ended March 31, 2018 in this Condensed Interim Financial Information. Had the provision not been made, net assets value per unit at March 31, 2018 would have been higher by Rs. 0.11 per unit (June 30, 2017: Rs. 0.02 per unit).

8. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether

realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2018 to its unit holders.

9. 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:

9.1 Transactions during the period	Nine months ended March 31,	
	2018	2017
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	20,514	275
Sindh Sales Tax on remuneration of Management Company	2,667	36
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,298	42
Habib Bank Limited - Sponsor		
Bank charges paid	45	2
Profit on bank deposits earned	166	30
HBL Asset Management Ltd Employess Gratuity Fund		
Issuance of units 2018: 4,124 (2017: Nil units)	428	-
HBL Asset Management Ltd Employess Provident Fund		
Issuance of units 2018: 22,169 (2017: Nil units)	2,313	-
Executives of the Management Company		
Issuance of units 2018: 147,655 (2017: 107,564 units)	15,132	1,200
Redemption of units 2018: 76,607 (2017: 75,576 units)	7,813	575
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	3,887	503
Central Depository Service charges	35	3
MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan*		
Issuance of units 2018: 1,521,984 (2017: 1,143,123 units)	155,600	-
Redemption of units 2018: 1,545,537 (2017: 1,128,259 units)	158,400	-

	Nine months ended	
	March 31,	
	2018	2017
	----- (Rupees in '000) -----	
MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan*		
Issuance of units 2018: 585,459 (2017: 466,554 units)	59,850	-
Redemption of units 2018: 661,122 (2017: 584,593 units)	67,650	-
MCBFSL Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan*		
Issuance of units 2018: 3,019,582 (2017: Nil units)	313,350	-
Redemption of units 2018: 19,346,057 (2017: 13,340,608 units)	1,987,410	-
CDC - Trustee HBL Income Fund		
Investment of Ghani Gasses held in the Fund :1,000 units	100,000	-
HBL Islamic Asset Allocation Fund		
Purchase of Dubai Islamic Bank Limited - Sukuk certificates	96,000	-
Jubilee Life Insurance Company Limited		
Sale of Ijarah Sukuk	700,000	-
	March 31,	June 30,
	2018	2017
	(Un-Audited)	(Audited)
	----- (Rupees in '000) -----	
9.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	2,612	858
Sindh Sales Tax on remuneration of the Management Company	340	111
Sales lead payable	226	233
Allocation of expenses related to registrar services, accounting, operation and valuation services	382	117
Habib Bank Limited - Sponsor		
Bank balances	1,202	8,722
HBL Asset Management Ltd Employess Gratuity Fund		
Issuance of units 2018: 4,124 (2017: Nil units)	433	-
HBL Asset Management Ltd Employess Provident Fund		
Issuance of units 2018: 22,169 (2017: Nil units)	2,326	-
Executives of the Management Company		
Investment held in the Fund : 203,701 units (June 30,2017: 131,223 units)	21,369	13,298
MCBFSL Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan-Associated company		
Investment held in the Fund : 21,080,133 units (June 30, 2017: 37,406,609 units)	2,211,350	3,790,651

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	----- (Rupees in '000) -----	
MCBFSL Trustee HBL Islamic Financial Planning		
Fund Active Allocation Plan		
Investment held in the Fund : 1,488,925 units (June 30, 2017: Nil units)	156,191	152,865
MCBFSL Trustee HBL Islamic Financial Planning		
Fund Conservative Allocation Plan		
Investment held in the Fund : 309,236 units (June 30, 2017: Nil units)	32,440	38,901
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	449	265
Security deposit	100	100

* Comparative transactions / balances of these parties have not been disclosed as these parties were not related parties in last period

10. FAIR VALUE AND CATEGORIES 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. Consequently, differences can arise between carrying values and the fair value estimates.

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 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.

The Fund classifies 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:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and"
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. 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.

March 31, 2018								
Carrying amount				Fair Value				
At fair value through profit or loss - 'held-for-trading'	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Note (Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Corporate sukuk certificates	1,183,150	-	-	1,183,150	-	1,183,150	-	1,183,150
- GOP Ijarah Sukuks	-	-	-	-	-	-	-	-
	<u>1,183,150</u>	<u>-</u>	<u>-</u>	<u>1,183,150</u>	<u>-</u>	<u>1,183,150</u>	<u>-</u>	<u>1,183,150</u>
Financial assets not measured at fair value								
10.1								
Bank balances	-	2,647,766	-	2,647,766				
Investments	-	167,019	-	167,019				
Profit receivable	-	31,098	-	31,098				
	<u>-</u>	<u>2,845,883</u>	<u>-</u>	<u>2,845,883</u>				
Financial liabilities not measured at fair value								
10.1								
Payable to the Management Company	-	-	3,560	3,560				
Payable to the Trustee	-	-	449	449				
Accrued expenses and other liabilities	-	-	454	454				
Payable against redemption of units	-	-	-	-				
Unit holders' fund	-	-	4,476,368	4,476,368				
	<u>-</u>	<u>-</u>	<u>4,480,831</u>	<u>4,480,831</u>				
June 30, 2017								
Carrying amount				Fair Value				
Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Note (Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Corporate sukuk certificates	1,763,810	39,600	-	1,803,410	-	1,803,410	-	1,803,410
	<u>1,763,810</u>	<u>39,600</u>	<u>-</u>	<u>1,803,410</u>	<u>-</u>	<u>1,803,410</u>	<u>-</u>	<u>1,803,410</u>
Financial assets not measured at fair value								
10.1								
Bank balances	-	3,192,747	-	3,192,747	-	-	-	-
Profit receivable	-	7,576	-	7,576	-	-	-	-
	<u>-</u>	<u>3,200,323</u>	<u>-</u>	<u>3,200,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
10.1								
Payable to the Management Company	-	-	1,320	1,320	-	-	-	-
Payable to the Trustee	-	-	265	265	-	-	-	-
Payable against redemption of units	-	-	533,432	533,432	-	-	-	-
Accrued expenses and other liabilities	-	-	333	333	-	-	-	-
Unit holders' fund	-	-	4,461,245	4,461,245	-	-	-	-
	<u>-</u>	<u>-</u>	<u>4,996,595</u>	<u>4,996,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

10.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

10.2 Transfers during the period

There were no transfers between various levels of fair value hierarchy during the period

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), 57the total expense ratio of the Fund for the nine months ended March 31, 2018 is 0.86% (2017: 1.29%%) which includes 0.20% (2017: 0.23%%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

12. 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 23, 2018**.

13. GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Stock Fund

FUND INFORMATION

Name of Fund	HBL Islamic Stock Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al-Hilal Shariah Advisors (Pvt.) Ltd
Banks	Habib Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited

HBL Islamic Stock Fund
Condensed Interim Statement of Assets and Liabilities
As at March 31, 2018

		(Un-Audited)	(Audited)
		March 31,	June 30,
		2018	2017
Note	----- (Rupees in '000) -----		
Assets			
Balances with Banks	4	302,154	67,149
Investments	5	2,185,800	1,046,359
Dividend and profit receivable		14,731	3,559
Receivable against sale of investment		41,954	-
Deposits, prepayments and other receivables		2,899	24,737
Total assets		2,547,538	1,141,804
Liabilities			
Payable to the Management Company	6	6,892	3,547
Payable to the Trustee		324	194
Payable to Securities and Exchange Commission of Pakistan		1,016	882
Payable against conversion and redemption of units		-	70,418
Accrued expenses and other liabilities	7	46,310	23,219
Total liabilities		54,542	98,260
Net assets		2,492,996	1,043,544
Unit holders' fund (as per statement attached)		2,492,996	1,043,544
		----- (Number of units) -----	
Number of units in issue		21,159,515	8,025,872
		----- (Rupees) -----	
Net assets value per unit		117.8192	130.0225

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Note	Nine months ended		Quarter ended	
		March 31,		March 31,	
		2018	2017	2018	2017
(Rupees in '000)					
Income					
Dividend income		50,877	28,210	21,763	5,750
Profit on bank deposits		10,632	2,305	5,331	736
Capital (loss) / gain on sale of investments - net		(89,232)	144,265	(26,406)	56,218
		(27,723)	174,780	688	62,704
Net unrealised appreciation on re-measurement of investments classified at fair value through profit or loss - held-for-trading		89,536	-	98,649	-
Impairment loss on investments classified as available for sale	5.4	(67,023)	-	-	-
		(5,210)	174,780	99,338	62,704
Expenses					
Remuneration of the Management Company	6.1 & 6.2	24,928	15,118	11,619	5,481
Remuneration of the Trustee		2,091	1,513	858	549
Annual fee to Securities and Exchange Commission of Pakistan		1,048	629	489	224
Selling and marketing expenses	6.3	4,409	332	2,057	332
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.4	1,103	663	328	237
Securities transaction costs		3,860	245	2,506	67
Auditors' remuneration		263	259	87	86
Settlement and bank charges		503	117	189	33
Shariah advisory fee		77	14	21	9
Fees and subscription		4,313	811	25	73
Printing charges		123	23	60	15
		42,717	19,725	18,238	7,106
		(47,927)	155,055	81,099	55,598
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.6	-	5,347	-	(3,204)
Provision for Sindh Workers' Welfare Fund	7.2	-	3,233	-	3,233
Net (loss) / income for the period before taxation		(47,927)	163,635	81,099	55,627
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		(47,927)	163,635	81,099	55,627
Allocation of net income for the period					
Net income / loss for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Statement of other Comprehensive Income (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Nine months ended		Quarter ended,	
	March 31,	2017	March 31,	2017
	2018		2018	
	(Rupees in '000)			
Net (loss) / income for the period after taxation	(47,927)	163,635	81,099	55,627
Other comprehensive income for the period				
Item that may be reclassified subsequently to Income Statement				
Unrealised gain on re-measurement of investments classified as available-for-sale	160,803	185,607	104,723	152,279
Net reclassification adjustments relating to available-for-sale	(157,523)	(144,265)	(26,406)	(56,218)
	3,281	41,342	78,317	96,061
Total comprehensive income for the period	(44,646)	204,977	159,416	151,688

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the nine months ended March 31, 2018

	Nine months ended							
	2018			March 31,				
	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
Note	(Rupees in '000)							
Net assets at beginning of the period	904,856	78,478	60,210	1,043,544	-	-	-	784,634
Amount received on Issuance of 14,654,992 units (2017: 1,180,165 units)	1,905,479	(234,937)	-	1,670,542	-	-	-	573,889
Amount paid on Redemption of 1,521,349 units (2017: 1,090,567 units)	(197,810)	21,365	-	(176,444)	-	-	-	(594,491)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-	-	-	(5,347)
Net (loss) / income for the period after taxation	-	(47,927)	-	(47,927)	-	-	-	163,635
Other comprehensive income for the period	-	-	3,281	3,281	-	-	-	41,342
Total comprehensive income for the period	-	(47,927)	3,281	(44,646)	-	-	-	204,977
Net assets at end of the period	2,612,525	(183,020)	63,491	2,492,996	-	-	-	963,662
Undistributed income brought forward								
- Realised		78,478				28,260		
- Unrealised		-				-		
		78,478				28,260		
Accounting income available for distribution			-					
Element of income and Capital gains including in prices of units issued less those in units redeemed - transferred to distribution statement	3.6		-			(5,334)		
(Accumulated loss) / undistributed income carried forward		30,551				186,561		
(Accumulated loss) / undistributed income carried forward								
- Realised		(58,985)				186,561		
- Unrealised		89,536				-		
		30,551				186,561		
				Rupees				Rupees
Net assets value per unit at beginning of the period				130,0225				128,0108
Net assets value per unit at end of the period				117,8192				162,2597

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months ended March 31, 2018

	Nine months ended March 31,	
	2018	2017
	Note	(Rupees in '000)
Cash flows from operating activities		
Net (loss) / income for the period before taxation	(47,927)	163,635
Adjustments		
Capital loss / (gain) during the period	89,232	(144,265)
Dividend Income	(50,877)	(28,210)
Profit on bank deposits	(10,632)	(2,305)
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss - held-for-trading	(89,536)	-
Impairment loss on investments classified as available for sale	67,023	-
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(5,347)
	(42,717)	(16,492)
(Increase) / decrease in assets		
Investments - net	(1,216,121)	59,922
Deposits, prepayments and other receivables	21,838	(20,302)
	(1,194,284)	39,620
Increase / (decrease) in liabilities		
Payable to the Management Company	3,345	662
Payable to the Trustee	130	35
Payable to Securities and Exchange Commission of Pakistan	134	(104)
Payable against conversion and redemption of units	(70,418)	-
Accrued expenses and other liabilities	(5,621)	(19,184)
	(72,430)	(18,591)
Net cash (used in) / generated from operations	(1,309,431)	4,537
Profit and dividend received	50,337	28,818
Net cash (used in) / generated from operating activities	(1,259,094)	33,355
Cash flows from financing activities		
Amount received on issue of units	1,670,542	573,889
Payment against redemption of units	(176,444)	(594,491)
Net cash generated from / (used in) financing activities	1,494,098	(20,602)
Net increase in cash and cash equivalents	235,004	12,753
Cash and cash equivalents at beginning of the period	67,149	48,402
Cash and cash equivalents at end of the period	4 302,154	61,155

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund

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

For the nine months and quarter ended March 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emereld Tower, G-19, Block-5, Main Clifton Road, Clifton, 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 Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from May 09, 2011 to May 10, 2011.

The principal activity of the Fund is to provide long-term capital growth by investing mainly in Shariah Compliant equity securities and short-term government securities.

JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+ (AM Two Plus) to the Management Company.

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. BASIS OF PREPARATION

2.1 Statement of Compliance

- 2.1.1** This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

- 3.1** 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 audited financial statements of the Fund for the year, ended June 30, 2017 except as explained in note 3.6.
- 3.2** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3** The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017.
- 3.4** Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial information.
-
-

3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2017.

3.6 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to 'element of income' and excludes the element of income from the expression 'accounting income' as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'income statement' and 'statement of movement in unit holders' fund', whereas disclosure with respect to 'distribution statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the income statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'income statement' and 'statement of movement in unit holders' fund', prospectively from July 1, 2017 as required by SECP vide its email dated February 8, 2018. Accordingly, corresponding figures have not been restated. The 'distribution statement' has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been Lower by Rs. 213.57 million. However, the change in accounting policy does not have any impact on the 'cash flow statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'statement of assets and liabilities' and 'statement of movement in unit holders' fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income statement' and 'statement of movement in unit holders' fund' which have been incorporated in these statements.

		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
Note		----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
savings accounts	4.1	302,154	67,033
current account		-	116
		<u>302,154</u>	<u>67,149</u>

4.1 The balance in savings accounts carry expected profit which ranges from 3.68% to 6.00% (June 30, 2017: 3.75% to 6.60%) per annum.

		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
Note		----- (Rupees in '000) -----	
5. INVESTMENTS			
Available-for-sale			
- Listed equity securities	5.1	271,024	1,046,359
Held-for-trading			
- Listed equity securities	5.2	1,914,776	-
		<u>2,185,800</u>	<u>1,046,359</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	As at	Purchases	Bonus /	Sales	As at	Market	Market value as	Market value	Par value as a
	July 01, 2017	during the period	Rights issue	during the period	March 31, 2018	value as at March 31, 2018	a percentage of Total Investments	as a percentage of Net Assets	percentage of issued capital of the investee company
	Number of shares					Rupees in '000'	%		
Personal Goods									
Nishat Mills Limited	386,800	-	-	229,000	157,800	25,073	1.15	1.01	0.04
Construction and Material									
D.G. Khan Cement Company Limited	201,600	-	-	201,600	-	-	-	-	-
Lucky Cement Limited	95,050	-	-	79,750	15,300	10,551	0.48	0.42	0.00
Pioneer Cement Limited	317,300	-	-	317,300	-	-	-	-	-
Cherat Cement Company Limited	178,300	-	-	178,300	-	-	-	-	-
	792,250	-	-	776,950	15,300	10,551	0.48	0.43	
Leather and Tanneries									
Service Industries Limited	7,150	-	-	7,150	-	-	-	-	-
Transport									
Pakistan National Shipping Corporation	85,900	-	-	85,900	-	-	-	-	-
Commercial Banks									
Meezan Bank Limited	278,000	-	-	278,000	-	-	-	-	-
Meezan Bank Limited - LoR	-	16,680	-	16,680	-	-	-	-	-
	278,000	16,680	-	294,680	-	-	-	-	-
Electricity									
The Hub Power Company Limited	527,900	-	-	80,000	447,900	45,014	2.06	1.81	0.04
Oil and Gas Exploration Companies									
Mari Petroleum Company Limited	27,210	-	-	3,500	23,710	35,104	1.61	1.41	0.02
Pakistan Oilfields Limited	59,800	-	-	44,400	15,400	10,019	0.46	0.40	0.01
Pakistan Petroleum Limited	171,800	-	-	171,800	-	-	-	-	-
Oil and Gas Development Company Limited	307,000	-	-	169,000	138,000	24,023	1.10	0.96	0.00
	565,810	-	-	388,700	177,110	69,146	3.17	2.78	
Fertilizers									
Engro Corporation Limited	167,900	-	-	64,000	103,900	32,173	1.47	1.29	0.02
Engro Fertilizer Limited	483,000	-	-	483,000	-	-	-	-	-
	650,900	-	-	547,000	103,900	32,173	1.47	1.29	
Chemicals									
Engro Polymer & Chemicals Limited	557,000	-	-	557,000	-	-	-	-	-
Paper and Board									
Packages Limited	34,850	-	-	28,500	6,350	3,738	0.17	0.15	0.01

Name of the Investee Company	As at	Purchases	Bonus /	Sales	As at	Market	Market value as	Market value	Par value as a
	July 01,	during the	Rights	during the	March	value as at	a percentage of	as a	percentage of
	2017	period	issue	period	31, 2018	March	Total	Net	issued capital of
						31, 2018	Investments	Assets	the investee
									company
	Number of shares						%		
						Rupees in '000'			
Cable and Electrical Goods									
Pak Elektron Limited	496,500	-	-	496,500	-	-	-	-	-
Pharma and Bio Tech									
Searle Company Limited	97,201	-	16,440	64,000	49,641	17,454	0.80	0.70	0.03
Automobile Assembler									
Pak Suzuki Motor Company Limited	39,200	-	-	39,200	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	12,050	-	-	12,050	-	-	-	-	-
Millat Tractors Limited	15,000	-	-	3,000	12,000	15,388	0.70	0.62	0.03
	66,250	-	-	54,250	12,000	15,388	0.70	0.62	
Automobile parts and Accessories									
Thal Limited (par value of Rs. 5 each)	16,400	-	-	16,400	-	-	-	-	-
Oil and Gas Marketing Companies									
Hascol Petroleum Limited	125,500	-	-	45,000	80,500	21,368	0.98	0.86	0.06
Pakistan State Oil Company Limited	74,000	14,000	9,400	58,000	39,400	12,667	0.58	0.51	0.01
Sui Northern Gas Pipeline Limited	355,000	-	-	355,000	-	-	-	-	-
	554,500	14,000	9,400	458,000	119,900	34,035	1.56	1.37	
Sugar and Allied Industries									
Faran Sugar Mills Limited	59,700	-	-	59,700	-	-	-	-	-
Engineering									
Amreli Steels Limited	125,000	-	-	125,000	-	-	-	-	-
International Industries Limited	62,500	-	-	62,500	-	-	-	-	-
International Steels Limited	440,500	-	-	281,300	159,200	18,453	0.84	0.74	0.04
Crescent Steel and Allied Products Limited	83,300	-	-	83,300	-	-	-	-	-
	711,300	-	-	552,100	159,200	18,453	0.84	0.74	
Grand total				4,695,830	1,249,101	271,024	12.40	10.88	
Cost of investments at March 31, 2018						283,922			

5.1.1 Investments include shares having market value aggregating to Rs. 79.524 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.

5.1.2 These includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.674 million at March 31, 2018 (June 30, 2017: Rs. 0.327 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

5.2 Listed equity securities - Held-for-trading

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

Name of the Investee Company	As at July 01, 2017	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2018	Market value as at March 31, 2018 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
	Number of shares						%		
Personal Goods									
Nishat Mills Limited	-	598,600	-	-	598,600	95,112	4.35	3.82	0.17
Construction and Material									
D.G. Khan Cement Company Limited	-	619,700	-	24,900	594,800	97,018	4.44	3.89	0.14
Lucky Cement Limited	-	148,850	-	-	148,850	102,650	4.70	4.12	0.05
Fauji Cement Company Limited	-	2,172,000	-	900,000	1,272,000	37,206	1.70	1.49	0.09
Pioneer Cement Limited	-	150,000	-	150,000	-	-	-	-	-
Kohat Cement Limited	-	390,900	-	88,000	302,900	48,612	2.22	1.95	0.20
Cherat Cement Company Limited	-	55,000	-	55,000	-	-	-	-	-
	-	3,336,450	-	1,217,900	2,318,550	285,486	13.06	11.45	
Leather and Tanneries									
Service Industries Limited	-	240	-	240	-	-	-	-	-
Transport									
Pakistan National Shipping Corporation	-	157,300	-	54,000	103,300	10,746	0.49	0.43	0.08
Commercial Banks									
Meezan Bank Limited	-	818,180	-	16,680	801,500	63,831	2.92	2.56	0.08
Electricity									
K-Electric	-	8,778,000	-	400,000	8,378,000	58,730	2.69	2.36	0.02
The Hub Power Company Limited	-	1,047,600	-	-	1,047,600	105,284	4.82	4.22	0.09
	-	9,825,600	-	400,000	9,425,600	164,014	7.51	6.58	
Oil and Gas Exploration Companies									
Mari Petroleum Company Limited	-	54,820	-	-	54,820	81,164	3.71	3.26	0.05
Pakistan Oilfields Limited	-	157,250	-	-	157,250	102,301	4.68	4.10	0.07
Pakistan Petroleum Limited	-	776,100	-	54,600	721,500	153,564	7.03	6.16	0.04
Oil and Gas Development Company Limited	-	895,800	-	-	895,800	155,941	7.13	6.26	0.02
	-	1,883,970	-	54,600	1,829,370	492,970	22.55	19.78	
Fertilizers									
Engro Corporation Limited	-	383,000	-	-	383,000	118,596	5.43	4.76	0.07
Fauji Fertilizer Company Limited	-	736,000	-	325,000	411,000	38,655	1.77	1.55	0.03
Engro Fertilizer Limited	-	1,847,500	-	156,000	1,691,500	116,866	5.35	4.69	0.13
	-	2,966,500	-	481,000	2,485,500	274,116	12.55	11.00	
Chemicals									
Engro Polymer & Chemicals Limited	-	1,044,500	-	1,044,500	-	-	-	-	-
Paper and Board									
Packages Limited	-	55,950	-	-	55,950	32,933	1.51	1.32	0.06

Name of the Investee Company		As at July 01, 2017	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2018	Market value as at March 31, 2018 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
		----- Number of shares -----						----- % -----		
Cable and Electrical Goods										
Pak Elektron Limited	PAEL	-	1,034,000	-	357,500	676,500	30,585	1.40	1.23	0.14
Pharma and Bio Tech										
AGP Limited	AGP	-	324,750	-	130,000	194,750	17,662	0.81	0.71	0.20
Searle Company Limited	Searl	-	80,150	-	-	80,150	28,182	1.29	1.13	0.04
		-	404,900	-	130,000	274,900	45,843	2.10	1.84	
Automobile Assembler										
Pak Suzuki Motor Company Limited	PSMC	-	16,300	-	16,300	-	-	-	-	-
Millat Tractors Limited	MTL	-	34,300	-	-	34,300	43,985	2.01	1.76	0.08
Thal Limited	THALL	-	102,400	-	-	102,400	52,803	2.42	2.12	0.25
		-	153,000	-	16,300	136,700	96,788	4.43	3.88	
Oil and Gas Marketing Companies										
Hascol Petroleum Limited	HASCOL	-	102,200	-	-	102,200	27,128	1.24	1.09	0.07
Hascol Petroleum Limited - LoR	HASCOL	-	19,100	-	19,100	-	-	-	-	-
Pakistan State Oil Company Limited	PSO	-	279,000	2,400	-	281,400	90,467	4.14	3.63	0.09
Sui Northern Gas Pipeline Limited	SNGP	-	535,000	-	16,200	518,800	58,474	2.68	2.35	0.08
		-	935,300	2,400	35,300	902,400	176,069	8.06	7.06	
Technology & Communication										
Systems Limited	SYS	-	263,000	-	-	263,000	25,411	1.16	1.02	0.24
Engineering										
Amreli Steels Limited	ASTL	-	490,400	-	242,700	247,700	22,796	1.04	0.91	0.08
International Industries Limited	INIL	-	178,700	-	49,500	129,200	36,744	1.68	1.47	0.11
International Steels Limited	ISL	-	242,900	-	-	242,900	28,155	1.29	1.13	0.06
Mughal Iron & Steels Industries Limited	MUGHAL	-	452,000	-	-	452,000	33,177	1.52	1.33	0.18
Crescent Steel and Allied Products Limited	CSAP	-	47,000	-	47,000	-	-	-	-	-
		-	1,411,000	-	339,200	1,071,800	120,872	5.53	4.85	
Grand total						4,147,220	20,943,670	1,914,776	87.60	73.75
Cost of investments at March 31, 2018							1,825,239			

		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	Note	----- (Rupees in '000) -----	
5.3 Net unrealised (diminution) / appreciation on re-measurement of investments classified as available for sale			
Market value / carrying value of investments	5.1	271,024	1,046,359
Cost of investments	5.1	283,922	995,514
Provision against equity securities	5.4	(76,388)	(9,365)
		207,533	986,149
		63,491	60,210
5.4 Movement in impairment against investments			
Opening balance		9,365	10,525
Add: Charge for the period / year		67,023	9,365
Less: Reversals made during the year		-	(10,525)
Net charge / (reversals)		67,023	(1,160)
Closing balance		76,388	9,365
6. PAYABLE TO THE MANAGEMENT COMPANY			
Management fee	6.1	4,062	1,783
Sindh Sales Tax on Management Company's remuneration	6.2	528	232
Sales load payable		50	51
Selling and marketing payable	6.3	2,057	1,392
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.4	195	89
		6,892	3,547
		6,892	3,547
6.1	As per the offering document of the fund, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 2.00 percent of average annual net assets. The Management Company has charged its remuneration at the rate of 2.00 percent per annum (June 30, 2017: 2.00 percent per annum) of the average net assets for the current period. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.		
6.2	The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		
6.3	SECP vide its circular No.SCD/PRDD/Circular/361/2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. According to said circular, the selling and marketing expenses have been allowed initially for a period of three years (from January 01, 2017 till December 31, 2019) being chargeable to open end equity, asset allocation and index funds. Maximum cap on the expenses has been set at 0.4% per annum of net assets of fund or actual expenses, whichever is lower.		
6.4	As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.		

		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	Note	----- (Rupees in '000) -----	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Payable against purchase of investments		28,712	-
Federal Excise Duty	7.1	6,793	6,793
Provision for Sindh Workers' Welfare Fund	7.2	6,312	6,312
Charity payable	7.3	4,129	155
Withholding tax payable		-	8,464
Auditors' remuneration		216	300
Payable to brokers		-	989
Others		148	206
		46,310	23,219

- 7.1** The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.793 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2018 would have been higher by Rs. 0.32 per unit (June 30, 2017: 0.85 per unit).

- 7.2** The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 14 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

As there is loss for the half year ended March 31, 2018, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2018 would have been higher by Rs. 0.2983 per unit (June 30, 2017: 0.79 per unit).

- 7.3** This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

8. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2018 to its unit holders.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties 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 agreed / contracted rates and terms determined in accordance with market rates. and the Trust Deed respectively.

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

Details of significant transactions with connected persons during the period / year and balances with them at period / year end, if not disclosed elsewhere in this condensed interim financial information are as follows:

	Nine months ended	
	March 31,	
	2018	2017
	----- (Rupees in '000) -----	
9.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management fee including sales tax thereon	24,928	15,118
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,103	663
Selling and marketing expenses	4,409	332
Habib Bank Limited - Sponsor		
Bank charges paid	151	20
Bank profit	1,728	574
International Steels Limited - Common Directorship		
Dividend earned	770	-
Executives and their relatives		
Issue of 2,040 units (2017: nil units)	250,001	-
Redemption 901 units (2017: 7,278 units)	100	1,150
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	2,091	1,513
Central Depository services charges	71	105
MCBFSL-Trustee HBL Islamic Financial Planning Fund Active Allocation Plan		
Issue of 653,736 units (2017: nil units)	73,400	-
MCBFSL-Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan		
Issue of 12,691 units (2017: nil units)	1,500	-
Redemption 2,821 (2017: nil units)	320	-
MCBFSL-Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan		
Issue of 10,004,788 units (2017: nil units)	1,124,500	-
	(Un-Audited)	(Audited)
	March 31,	June 30,
	2018	2017
	----- (Rupees in '000) -----	
9.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management fee	4,062	1,783
Sindh Sales Tax on Management Company's remuneration	528	232
Sales load payable	50	51
Selling and marketing payable	2,057	1,392
Allocation of expenses related to registrar services, accounting, operation and valuation services	195	89
Investment held in the Fund 215,061 units (June 30, 2017 : 215,061 units)	25,340	27,308

	(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	----- (Rupees in '000) -----	
Habib Bank Limited - Sponsor		
Investment held in the Fund 6,198,853 units (June 30, 2017 : 6,198,853 units)	730,391	792,817
Bank balances	36,223	50,608
Profit receivable	124	218
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	324	194
Security deposit	100	100
Executives and their relatives		
Investment held in the Fund : 18,166 units (June 30, 2017 : 16,067 units)	2,140	1,180
MCBFSL-Trustee HBL Islamic Financial Planning Fund Active Allocation Plan		
Investment held in the Fund : 653,736 units (June 30, 2017 : nil)	77,028	-
MCBFSL-Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan		
Investment held in the Fund : 9,870 units (June 30, 2017 : nil)	1,163	-
MCBFSL-Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan		
Investment held in the Fund : 10,004,788 units (June 30, 2017 : nil)	1,178,832	-

10. 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. Consequently, differences can arise between carrying values and the fair value estimates.

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 reporting 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 (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.

		March 31, 2018								
		Carrying amount				Fair Value				
	Note	Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value										
Investments										
- Listed equity securities	5	271,024	1,914,776	-	-	2,185,800	2,185,800	-	-	2,185,800
Financial assets not measured at fair value										
	10.1									
Balances with Banks		-		302,154	-	302,154	-	-	-	-
Dividend and profit receivable		-		14,731	-	14,731	-	-	-	-
Receivable against sale of investment				41,954	-	41,954	-	-	-	-
				358,840	-	358,840	-	-	-	-
Financial liabilities not measured at fair value										
	10.1									
Payable to the Management Company		-	-	-	6,364	6,364	-	-	-	-
Payable to the Trustee		-	-	-	286	286	-	-	-	-
Accrued expenses and other liabilities		-	-	-	33,205	33,205	-	-	-	-
Units holders' fund		-	-	-	2,492,996	2,492,996	-	-	-	-
		-	-	-	2,532,851	2,532,851	-	-	-	-
June 30, 2017										
		Carrying amount				Fair Value				
		Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value										
Investments										
- Listed equity securities		1,046,359	-	-	-	1,046,359	1,046,359	-	-	1,046,359
		1,046,359	-	-	-	1,046,359	1,046,359	-	-	1,046,359
Financial assets not measured at fair value										
	10.1									
Balances with Banks		-	-	67,149	-	67,149				
Dividend and profit receivable		-	-	3,559	-	3,559				
Other receivables		-	-	24,730	-	24,730				
		-	-	95,438	-	95,438				
Financial liabilities not measured at fair value										
at fair value										
Payable to the Management Company			-	-	3,547	3,547				
Payable to the Trustee			-	-	194	194				
Payable against conversion and redemption of units			-	-	70,418	70,418				
Accrued expenses and other liabilities			-	-	1,649	1,649				
Units holders' fund			-	-	1,043,544	1,043,544				
			-	-	1,119,352	1,119,352				

10.1 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.

10.2 Transfers during the period

There were no transfers between various levels of fair value hierarchy during the period.

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2018 is 2.90% (March 31, 2017: 2.41%), which includes 0.28% (March 31, 2017: 0.60%) representing government levy, Workers' Welfare Fund and SECP fee.

12 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 23, 2018**.

13. GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

13.3 This condensed interim financial information is unaudited. Further, the figures presented in condensed interim income statement and statement of comprehensive income for the nine months ended March 31, 2018 have not been reviewed.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Equity Fund

FUND INFORMATION

Name of Fund	HBL Islamic Equity Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al-Hilal Shariah Advisors (Pvt.) Ltd
Banks	Bank Islami Pakistan Limited Al Baraka Bank Pakistan Limited United Bank Limited Burj Bank Limited MCB Bank Limited Faysal Bank Limited Habib Bank Limited

HBL Islamic Equity Fund
Condensed Interim Statement of Assets and Liabilities
As at March 31, 2018

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	152,570	209,464
Investments	5	1,220,712	708,091
Dividends and profit receivable		10,391	2,678
Deposits, prepayments and other receivables		2,761	2,632
Receivable against sale of investments		26,430	-
Preliminary and floatation costs		234	386
Total assets		1,413,098	923,251
Liabilities			
Payable to the Management Company	6	4,101	2,293
Payable to the Trustee		228	216
Payable to Securities and Exchange Commission of Pakistan		870	451
Payable against redemption of units		18	116,993
Accrued expenses and other liabilities	7	10,199	13,391
Total liabilities		15,416	133,344
Net assets		1,397,682	789,907
Unit holders' fund (as per statement attached)		1,397,682	789,907
		----- (Number of units) -----	
Number of units in issue		14,317,808	7,489,015
		----- (Rupees) -----	
Net assets value per unit		97.6184	105.4755

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2018	2017	2018	2017
----- (Rupees in '000) -----					
Income					
Capital (loss) / gain on sale of investments - net		(86,768)	71,021	(21,721)	30,031
Dividend income		42,198	12,864	10,634	2,411
Profit on bank deposits		9,135	2,001	3,111	470
		(35,435)	85,886	(7,976)	32,912
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		15,395	34,457	144,700	(22,338)
		(20,040)	120,343	136,724	10,574
Expenses					
Remuneration of the Management Company	6.1 & 6.2	20,702	7,717	7,597	2,508
Remuneration of the Trustee		1,859	772	658	251
Annual fee to Securities and Exchange Commission of Pakistan		870	325	319	105
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	916	341	336	111
Selling and marketing expense	6.4	3,664	153	1,345	153
Securities transaction costs		2,905	2,808	1,107	654
Amortization of preliminary and floatation costs		152	152	50	50
Auditors' remuneration		177	174	58	47
Settlement and bank charges		349	336	100	108
Fees and subscription		190	144	68	44
Printing charges		225	199	76	73
		32,009	13,121	11,714	4,104
Net (loss) / income from operating activities		(52,049)	107,222	125,010	6,470
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	3.6	-	(12,550)	-	(12,183)
Provision for Sindh Workers' Welfare Fund	7.2	-	(2,286)	-	282
Net (loss) / income for the period before taxation		(52,049)	92,386	125,010	(5,431)
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		(52,049)	92,386	125,010	(5,431)
Allocation of net income / loss for the period					
Net (loss) / income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
Accounting income available for distribution		-	-	-	-
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Statement of other Comprehensive Income (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(52,049)	92,386	125,010	(5,431)
Other comprehensive income for the period				
Item that may be reclassified subsequently to Income Statement	-	-	-	-
Total comprehensive income for the period	(52,049)	92,386	125,010	(5,431)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the nine months and quarter ended March 31, 2018

Note	Nine months ended March 31,					
	2018			2017		
	(Rupees in '000)					
	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Total
Net assets at beginning of the period	748,901	41,006	789,907	-	-	348,924
Amount received on Issuance of 9,566,774 units (2017: 2,144,394 units)	1,009,061	(98,283)	910,778	-	-	438,652
Amount paid on Redemption of 2,737,981 units (2017: 3,761,584 units)	(288,790)	37,836	(250,954)	-	-	(453,825)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-	12,391
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distributed statement	3.6	-	-	-	-	159
Net income for the period after taxation	-	(52,049)	(52,049)	-	-	92,386
Other comprehensive income for the period	-	-	-	-	-	-
Net income for the period less distribution		(52,049)	(52,049)			92,386
Net assets at end of the period	1,469,172	(147,162)	1,397,682	-	-	438,688
Undistributed income brought forward						
- Realised		29,237			18,253	
- Unrealised		11,769			2,962	
		41,006			21,215	
Accounting income available for distribution		(52,049)				
Net Income for the period - for prior period					92,386	
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement	3.6	-			2,678	
(Accumulated loss) / undistributed income carried forward		(11,043)			116,279	
(Accumulated loss) / undistributed income carried forward						
- Realised		(26,438)			81,822	
- Unrealised		15,395			34,457	
		(11,043)			116,279	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		105.4755			106.4738	
Net assets value per unit at end of the period		97.6184			132.9773	

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Nine Months ended	
	March 31,	
	2018	2017
Note	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net (loss) / income for the period before taxation	(52,049)	92,386
Adjustments		
Dividend income	(42,198)	(12,864)
Profit from bank deposits	(9,135)	(2,001)
Capital loss / (gain) on sale of investments - net	86,768	(71,021)
Amortisation of preliminary and flotation costs	152	152
Unrealised appreciation on remeasurement of investments at fair value through profit or loss - held-for-trading - net	(15,395)	(34,457)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	12,550
Provision for Sindh Workers' Welfare Fund	-	2,286
	(31,857)	(12,969)
(Increase) / decrease in assets		
Investments - net	(583,994)	(22,602)
Deposits, prepayments and other receivables	(129)	(10)
Receivable against sale of investments	(26,430)	(5,408)
	(610,553)	(28,020)
Increase / (Decrease) in liabilities		
Payable to the Management Company	1,808	306
Payable to the Trustee	12	14
Payable to Securities and Exchange Commission of Pakistan	419	(52)
Payable against redemption of units	(116,975)	(13,060)
Accrued expenses and other liabilities	(3,192)	(5,994)
	(117,928)	(18,786)
	(760,338)	(59,775)
Dividend received	35,063	11,760
Profit received on bank deposit	8,557	2,085
Net cash used in operating activities	(716,718)	(45,930)
Cash flows from financing activities		
Amount received on issue of units	910,778	438,652
Payment against redemption of units	(250,954)	(453,825)
Dividend paid	-	(1,630)
Net cash generated from / (used in) financing activities	659,824	(16,802)
Net decrease in cash and cash equivalents	(56,894)	(62,732)
Cash and cash equivalents at beginning of the period	209,464	111,376
Cash and cash equivalents at end of the period	4	48,644

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Notes To The Condensed Interim Financial Information (Un-Audited)

For the nine months and quarter ended March 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Equity Fund ('the Fund') was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/PISF/965/2014 dated April 23, 2014 and the Trust Deed was executed on February 20, 2014.

The Fund has been categorised as a Shariah Compliant equity scheme as per the criteria laid down by the SECP for categorisation of Open-End Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 through an order dated August 31, 2016. Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund, which is a wholly owned subsidiary of Habib Bank Limited. After the merger, trust deed was revised on February 17, 2017.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The objective of HBL Islamic Equity Fund is to provide the maximum total return to the unit holders from investment in 'Shariah Compliant' equity investments for the given level of risk. Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

JCR-VIS Credit Rating Company has assigned an asset management quality rating of 'AM2+' (AM Two Plus) to the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 "This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2017.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING JUDGEMENT AND CHANGES THEREIN

3.1 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 audited financial statements of the Fund for the year ended June 30, 2017 except as explained in note 3.6 and note 3.7.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017.
- 3.4 "Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements of the Fund for the year ended June 30, 2017.
- 3.6 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to 'element of income' and excludes the element of income from the expression 'accounting income' as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'income statement' and 'statement of movement in unit holders' fund', whereas disclosure with respect to 'distribution statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'income statement' and 'statement of movement in unit holders' fund', prospectively from July 1, 2017 as required by email dated February 08, 2018. Accordingly, corresponding figures have not been restated. The 'distribution statement' has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been higher by Rs. 60,446 million. However, the change in accounting policy does not have any impact on the 'cash flow statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'statement of assets and liabilities' and 'statement of movement in unit holders' fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'income statement' and 'statement of movement in unit holders' fund' which have been incorporated in these statements.

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Current accounts		1,435	2,546
Savings accounts	4.1	151,135	206,918
		<u>152,570</u>	<u>209,464</u>
4.1	Mark-up rates on these accounts range between 5.45% to 6.00% p.a (June 30, 2017: 5.45% - 6.10% p.a).		
5. INVESTMENTS			
Financial assets 'at fair value through profit or loss' held for trading			
- Listed equity securities	5.1	1,220,712	708,091
		<u>1,220,712</u>	<u>708,091</u>

5.1 Financial assets 'at fair value through profit or loss' - held for trading - listed equity securities

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			Par value as a percentage of issued capital of the investee company	
	As at July 1, 2017	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2018	As at March 31, 2018 (Rupees in '000)	As a percentage of total Investments		As a percentage of net Assets
Automobile Assembler									
Millat Tractors Limited	11,000	19,500	-	3,000	27,500	35,265	2.89	2.52	0.06
Pak Suzuki Motor Company Limited	23,500	46,000	-	69,500	-	-	-	-	-
	34,500	65,500	-	72,500	27,500	35,265	2.89	2.52	
Automobiles Parts & Accessories									
Thal Limited (Par value Rs 5 per share)	8,000	54,950	-	8,000	54,950	28,335	2.32	2.03	0.07
Cable & Electrical Goods									
Pak Elektron Limited	387,500	560,000	-	568,000	379,500	17,157	1.41	1.23	0.08
Cement									
Cherat Cement Company Limited	145,400	30,000	-	175,400	-	-	-	-	-
D.G Khan Cement Company Limited	146,000	357,200	-	177,900	325,300	53,060	4.35	3.80	0.07
Fauji Cement Company Limited	-	1,265,000	-	550,000	715,000	20,914	1.71	1.50	0.05
Kohat Cement Limited	-	206,800	-	37,000	169,800	27,251	2.23	1.95	0.13
Lucky Cement Limited	78,300	90,500	-	77,300	91,500	63,100	5.17	4.51	0.03
Pioneer Cement Limited	240,400	155,000	-	395,400	-	-	-	-	-
	610,100	2,104,500	-	1,413,000	1,301,600	164,325	13.46	11.76	
Chemicals									
Engro Polymer & Chemicals Limited	388,000	955,000	-	1,343,000	-	-	-	-	-
Commercial Bank									
Meezan Bank Limited	146,500	451,290	-	155,290	442,500	35,241	2.89	2.52	0.04
Meezan Bank Limited - LoR	-	8,790	-	8,790	-	-	-	-	-
	146,500	460,080	-	164,080	442,500	35,241	2.89	2.52	
Engineering									
Amreli Steels Limited	42,500	387,600	-	284,500	145,600	13,400	1.10	0.96	0.05
Crescent Steel & Allied Products Limited	101,600	77,000	-	178,600	-	-	-	-	-
International Industries Limited	-	141,300	-	78,000	63,300	18,003	1.47	1.29	0.05
International Steels Limited	314,000	187,000	-	270,000	231,000	26,775	2.19	1.92	0.05
Mughal Iron & Steel Inds Ltd	-	250,000	-	-	250,000	18,350	1.50	1.31	0.10
	458,100	1,042,900	-	811,100	689,900	76,528	6.27	5.48	
Fertilizer									
Engro Corporation Limited	127,300	196,500	-	51,000	272,800	84,473	6.92	6.04	0.05
Engro Fertilizers Limited	195,000	974,000	-	230,000	939,000	64,876	5.31	4.64	0.07
Fauji Fertilizer Co. Ltd	-	231,000	-	-	231,000	21,726	1.78	1.55	0.02
	322,300	1,401,500	-	281,000	1,442,800	171,075	14.01	12.24	
Oil and Gas Exploration Companies									
Mari Petroleum Company Limited (5.1.1)	20,810	32,280	-	8,500	44,590	66,018	5.41	4.72	0.04
Oil & Gas Development Company Limited	181,600	588,000	-	189,100	580,500	101,053	8.28	7.23	0.01
Pakistan Oilfields Limited	40,100	126,700	-	70,000	96,800	62,974	5.16	4.51	0.04
Pakistan Petroleum Limited	189,200	400,000	-	181,000	408,200	86,881	7.12	6.22	0.02
	431,710	1,146,980	-	448,600	1,130,090	316,926	25.96	22.68	
Oil and Gas Marketing Companies									
Hascol Petroleum Limited	70,000	41,000	-	11,500	99,500	26,411	2.16	1.89	0.08
Hascol Petroleum Limited - LoR	-	15,200	-	15,200	-	-	-	-	-
Pakistan State Oil Company Limited (5.1.2)	49,500	176,500	10,400	54,500	181,900	58,479	4.79	4.18	0.06
Sui Northern Gas Pipeline Limited	250,500	328,000	-	289,200	289,300	32,607	2.67	2.33	0.05
	370,000	560,700	10,400	370,400	570,700	117,497	9.63	8.41	

Name of the Investee Company	Number of shares				Market value			Par value as a percentage of issued capital of the investee company	
	As at July 1, 2017	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2018	As at March 31, 2018 (Rupees in '000)	As a percentage of total Investments		As a percentage of net Assets
Power Generation & Distribution									
Hub Power Company Limited	378,100	625,000	-	161,800	841,300	84,551	6.93	6.05	0.07
K-Electric Limited	-	4,365,000	-	200,000	4,165,000	29,197	2.39	2.09	0.02
	378,100	4,990,000	-	361,800	5,006,300	113,748	9.32	8.14	
Pharmaceuticals									
Abbott Laboratories (Pakistan) Limited	14,850	-	-	14,850	-	-	-	-	-
AGP Limited	-	201,500	-	88,000	113,500	10,293	0.84	0.74	-
The Searle Company Limited (S.1.2)	52,850	69,000	18,070	64,500	75,420	26,518	2.17	1.90	0.04
	67,700	270,500	18,070	167,350	188,920	36,811	3.02	2.63	
Paper & Board									
Packages Limited	23,350	24,200	-	11,000	36,550	21,514	1.76	1.54	0.04
Transport									
Pakistan National Shipping Corp Ltd	-	135,300	-	75,700	59,600	6,200	0.51	0.44	0.05
Textile Composite									
Nishat Mills Limited	196,400	377,900	-	157,800	416,500	66,178	5.42	4.73	0.12
Technology & Communication									
Systems Limited (S.1.1)	102,000	141,000	-	99,000	144,000	13,913	1.14	1.00	0.13
March 31, 2018 Total:	3,924,260	14,291,010	28,470	6,352,330	11,891,410	1,220,712	100.00	87.36	
Carrying value as at March 31, 2018						1,205,317			

5.1.1 The above investments include shares with market value aggregating to Rs. 93.601 million (June 30, 2017: 39.157 million) which have been pledged with the National Clearing Company of Pakistan (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP.

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.484 million at March 31, 2018 (June 30, 2017: Rs. 0.473 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

6. PAYABLE TO THE MANAGEMENT COMPANY	Note	March 31, 2018	June 30, 2017
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
Remuneration to the Management Company	6.1	2,335	1,022
Sindh Sales Tax on Management Company's remuneration	6.2	304	133
Sales load payable to Management Company		1	402
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	116	51
Selling and marketing payable	6.4	1,345	685
		4,101	2,293

- 6.1 As per the offering document of the Fund, the Management Company is entitled to a remuneration at the rate of 2% of the average annual net assets on daily basis of the scheme subject to the guidelines as may be issued by the SECP from time to time. Therefore, the management fee is charged at 2%. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.
- 6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 % (June 30 2017: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged the aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.
- 6.4 SECP vide its circular No.SCD/PRDD/Circular/361/2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. According to said circular, the selling and marketing expenses have been allowed initially for a period of three years (from January 01, 2017 till December 31, 2019) being chargeable to open end equity, asset allocation and index funds. Maximum cap on the expenses has been set at 0.4% per annum of net assets of fund or actual expenses, whichever being lower.

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty on Management fee	7.1	3,268	3,268
Provision for Sindh Workers' Welfare Fund	7.2	3,194	3,194
Donation payable	7.3	2,968	1,535
Payable to brokers		376	522
Withholding tax payable		(6)	4,605
Auditors' remuneration		181	140
Printing charges		185	80
Zakat payable		9	-
Others		24	47
		10,199	13,391

- 7.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 3.268 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2018 would have been higher by Rs. 0.23 per unit (June 30, 2017: Rs. 0.44 per unit).

- 7.2 The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is the same as disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

As there is loss for the nine months ended March 31, 2018, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2018 would have been higher by Rs. 0.22 per unit (June 30, 2017: Rs. 0.43 per unit).

- 7.3 This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

8. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ended June 30, 2018 to its unit holders.

9. 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.

As mentioned in note 1, PICIC Asset Management Company Limited merged with and into HBL Asset Management Limited, therefore PICIC Asset Management Company Limited remained related party till August 31, 2016.

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:

	Nine months ended March 31,	
	2018	2017
	----- (Rupees in '000) -----	
9.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	18,320	5,428
Sindh Sales Tax on remuneration of the Management Company	2,382	706
Sales load paid	-	942
Allocation of expenses related to registrar services, accounting, operation and valuation services	916	264
Selling and marketing expense	3,664	-
Redemption of 787,166 units (2017: 738,542 units)	70,000	100,000
Executives of the Management Company		
Issue of nil units (2017: 4,130 units)	-	460
Redemption nil units (2017: 1,466) units	-	200
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	1,859	772
Central Depository Service charges	108	88
Connected person due to holding of more than 10%		
MCBFSL Trustee HBL Islamic Financial Planning Fund *		
Strategic Allocation Plan		
Issuance of units 8,183,464 units (2017: Nil units)	775,000	-
MCBFSL Trustee HBL Islamic Financial Planning Fund *		
Conservative Allocation Plan		
Issuance of units 108,943 units (2017: Nil units)	9,937	-
Redemption of 140,405 units (2017: Nil units)	13,290	-

		Nine months ended	
		March 31,	
		2018	2017
		----- (Rupees in '000) -----	
MCBFSL Trustee HBL Islamic Financial Planning Fund *			
Active Allocation Plan			
	Issuance of units 566,975 units (2017: Nil units)	54,000	-
	Redemption of 55,258 units (2017: Nil units)	5,000	-
		March 31,	June 30,
		2018	2017
		----- (Rupees in '000) -----	
9.3	Balances outstanding as at period / year end	(Un-Audited)	(Audited)
HBL Asset Management Company Limited			
	Units held: 914,962 (June 30, 2017: 1,702,128) units	89,323	179,533
	Management fee payable	2,639	1,155
	Sales load payable	1	402
Central Depository Company of Pakistan Limited - Trustee			
	Trustee Fee payable	228	216
Executives of the Management Company			
	Units held: 25,675 (June 30, 2017: 10,569) units	2,507	2,716
Connected Person due to holding more than 10% units:			
MCBFSL - Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan			
	Units held: 10,204,265 (June 30, 2017: 2,020,801) units	996,189	213,145
MCBFSL - Trustee HBL Islamic Financial Planning Fund Active Allocation Plan			
	Units held: 688,330 (June 30, 2017: 176,613) units	67,198	18,628
MCBFSL - Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan			
	Units held: 74,402 (June 30, 2017: 105,864) units	7,263	11,166

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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 reporting 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 (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.

		March 31, 2018							
		Carrying amount				Fair Value			
		Fair value through profit or loss - held-for- trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value									
	10.1								
Investments									
- Listed equity securities									
		1,220,712	-	-	1,220,712	1,220,712	-	-	1,220,712
		<u>1,220,712</u>	<u>-</u>	<u>-</u>	<u>1,220,712</u>	<u>1,220,712</u>	<u>-</u>	<u>-</u>	<u>1,220,712</u>
Financial assets not measured at fair value									
	10.1								
Bank balances									
		-	152,570	-	152,570				
Dividends and profit receivable									
		-	10,391	-	10,391				
Receivable against sale of investments									
		-	26,430	-	26,430				
		<u>-</u>	<u>189,391</u>	<u>-</u>	<u>189,391</u>				
Financial liabilities not measured at fair value									
	10.1								
Payable to the Management Company									
		-	-	4,101	4,101				
Payable to the Trustee									
		-	-	228	228				
Payable against redemption in units									
		-	-	18	18				
Accrued expenses and other liabilities									
		-	-	426	426				
Unit holders' fund									
		-	-	1,397,682	1,397,682				
		<u>-</u>	<u>-</u>	<u>1,402,455</u>	<u>1,402,455</u>				
June 30, 2017									
		Carrying amount				Fair Value			
		Fair value through profit or loss - held-for- trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value									
	10.1								
Investments									
- Listed equity securities									
		708,091	-	-	708,091	708,091	-	-	708,091
		<u>708,091</u>	<u>-</u>	<u>-</u>	<u>708,091</u>	<u>708,091</u>	<u>-</u>	<u>-</u>	<u>708,091</u>
Financial assets not measured at fair value									
	10.1								
Bank balances									
		-	209,464	-	209,464				
Dividends and profit receivable									
		-	2,678	-	2,678				
		<u>-</u>	<u>212,142</u>	<u>-</u>	<u>212,142</u>				
Financial liabilities not measured at fair value									
	10.1								
Payable to the Management Company									
		-	-	2,293	2,293				
Payable to the Trustee									
		-	-	216	216				
Payable against redemption in units									
		-	-	116,993	116,993				
Accrued expenses and other liabilities									
		-	-	789	789				
Unit holders' fund									
		-	-	789,907	789,907				
		<u>-</u>	<u>-</u>	<u>910,198</u>	<u>910,198</u>				

10.1 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.

10.2 Transfers during the period

No transfers were made between various levels of fair value hierarchy during the period.

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the fund for the nine months ended March 31, 2018 is 2.61% (June 2017: 4.32%) which includes 0.21% (June 2017: 0.98%) representing government levy and SECP fee.

12. 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 23, 2018**.

13. GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Asset Allocation Fund

FUND INFORMATION

Name of Fund	HBL Islamic Asset Allocation Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al-Hilal Shariah Advisors (Pvt.) Ltd
Banks	Bank Al-Habib Limited Habib Bank Limited Askari Bank Limited Allied Bank Limited Dubai Islamic Bank Limited Soneri Bank Limited Bank Islami Pakistan Limited Summit Bank Limited

HBL Islamic Asset Allocation Fund
Condensed Interim Statement Of Assets and Liabilities
As at March 31, 2018

		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	1,273,886	1,962,227
Investments	5	1,584,509	740,627
Dividend receivable and accrued mark-up		34,283	10,715
Preliminary expenses and floatation costs		606	758
Advances, deposits and other receivables	6	16,972	2,600
Total assets		2,910,256	2,716,927
Liabilities			
Payable to the Management Company	7	7,246	6,113
Payable to the Trustee		372	310
Payable to the Securities and Exchange Commission of Pakistan		1,909	1,344
Payable against purchase of investment		-	42,320
Accrued expenses and other liabilities	8	10,113	43,522
Total liabilities		19,640	93,609
Net assets		2,890,616	2,623,318
Unit holders' fund (as per statement attached)		2,890,616	2,623,318
		----- (Number of units) -----	
Number of units in issue		27,409,523	24,842,911
		----- (Rupees) -----	
Net assets value per unit		105.4603	105.5962

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Condensed Interim Income Statement (Un-audited)
For the nine months and quarter ended March 31, 2018

	Note	Nine months ended		Quarter ended	
		2018	2017	2018	2017
		(Rupees in '000)			
Income					
Mark-up / return on investments - net		19,871	12,239	9,273	2,757
Mark-up on deposits with banks		67,458	19,752	22,418	10,100
Dividend income		26,950	9,272	6,671	2,271
Capital (loss) / gain on sale of investments - net		(53,701)	60,114	(23,934)	10,389
		60,578	101,377	14,428	25,517
Net unrealised appreciation on remeasurement of investments classified at 'fair value through profit and loss - held-for-trading'		41,145	-	36,060	-
Impairment loss on equity securities classified as available-for-sale	5.7.1	(82,250)	-	-	-
		19,473	101,377	50,488	25,517
Expenses					
Remuneration to the Management Company	7.1 & 7.2	34,047	14,783	12,095	5,711
Remuneration of the Trustee		3,118	1,795	1,085	637
Annual fee to Securities and Exchange Commission of Pakistan		1,909	741	678	286
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.4	2,104	895	809	279
Selling and marketing expenses	7.3	7,939	485	2,759	485
Auditors' remuneration		277	311	93	71
Amortization of preliminary expenses and floatation costs		152	162	46	54
Settlement and bank charges		391	62	127	12
Printing charges		118	225	29	45
Fee and subscription		71	126	16	26
Charity expense		2,202	125	294	25
Securities transaction cost		993	-	441	-
Shariah advisory fee		110	125	37	25
		53,431	19,835	18,509	7,656
Net (loss) / income from operating activities		(33,958)	81,542	31,979	17,861
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	3.6	-	29,547	-	32,784
Provision for Sindh Workers' Welfare Fund	8.3	-	(2,695)	-	(1,012)
Net (loss) / income for the period before taxation		(33,958)	108,394	31,979	49,633
Taxation	9	-	-	-	-
Net (loss) / income for the period after taxation		(33,958)	108,394	31,979	49,633
Allocation of net (loss) / income for the period					
Net income for the period after taxation		-	-	-	-
Income already paid on redemption of units		-	-	-	-
Accounting income available for distribution:					
-Relating to capital gains / (losses)		-	-	-	-
-Excluding to capital gains / (losses)		-	-	-	-
		-	-	-	-

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Condensed Interim Statement Of Comprehensive Income (Un-audited)
For the nine months and quarter ended March 31, 2018

	Nine months ended		Quarter ended,	
	March 31,		March 31,	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(33,958)	108,394	31,979	49,633
Other comprehensive income for the period				
Item that may be reclassified subsequently to income statement				
Unrealised gain on re-measurement of investments classified as available-for-sale	188,108	(34,129)	92,502	(11,839)
Net reclassification adjustments relating to available-for-sale financial assets	(144,069)	60,114	(23,934)	10,389
	44,039	25,985	68,568	(1,450)
Total comprehensive income for the period	10,081	134,379	100,547	48,183

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-audited)
For the nine months and quarter ended March 31, 2018

	Nine months ended March 31,							
	2018				2017			
	Capital Value	Undistributed income / (accumulated loss)	Unrealised (losses) / gains on investment	Total	Capital Value	Undistributed income / (accumulated loss)	Unrealised (losses) / gains on investment	Total
Note	(Rupees in 000')							
Net assets as at the beginning of the period	2,490,358	105,876	27,084	2,623,318	-	-	-	1,349,890
Issuance of 10,601,757 units (2017: 9,970,961 units)	1,119,505	(29,085)	-	1,090,421	-	-	-	1,094,017
Redemption of 8,035,145 units (2017: 9,806,138 units)	(848,394)	15,190	-	(833,204)	-	-	-	(1,046,637)
Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-	-	-	(27,874)
Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed - transferred to Distribution statement - net	3.6	-	-	-	-	-	-	(1,673)
Net (loss) / income for the period	-	(33,958)	-	(33,958)	-	-	-	108,394
Other comprehensive income for the period	-	-	44,039	44,039	-	-	-	25,985
Total comprehensive income for the period	-	(33,958)	44,039	10,081	-	-	-	134,379
Net assets as at the end of the period	2,761,470	58,023	71,123	2,890,616	-	-	-	1,502,102
Undistributed income brought forward								
- Realised				105,876				10,329
- Unrealised				-				-
				105,876				10,329
Net loss for the period after taxation				(33,958)				-
Net income for the period - for prior period				-				108,394
Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed - transferred to Distribution statement - net				-				(1,673)
Undistributed income carried forward				71,918				117,050
Undistributed income carried forward								
- Realised				30,773				61,287
- Unrealised				41,145				-
				71,918				117,050
Net asset value per unit at the beginning of the period				105.5962				103.5411
Net asset value per unit at end of the period				105.4603				112.6927

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Condensed Interim Cash Flow Statement (Un-audited)
For the nine months and quarter ended March 31, 2018

	March 31, 2018	March 31, 2017
Note	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net (loss) / income for the period	(33,958)	108,394
Adjustments for non cash items:		
Capital loss / (gain) on sale of investments - net	53,701	(60,114)
Mark-up on deposits with banks	(67,458)	(19,752)
Mark-up / return on investments - net	(19,871)	(12,239)
Dividend income	(26,950)	(9,272)
Impairment loss on equity securities classified as available-for-sale	82,250	-
Amortization of preliminary expenses and floatation costs	152	162
Net unrealised appreciation on remeasurement of investments classified at fair value through profit and loss - held-for-trading	(41,145)	-
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	(29,547)
	(53,279)	(22,368)
(Increase) / decrease in assets		
Investments - net	(894,649)	331,536
Advances, deposits and other receivables	(14,372)	6,917
	(909,021)	338,453
(Decrease) / increase in liabilities		
Payable to the Management Company	1,133	313
Payable to the Trustee	62	98
Payable to Securities and Exchange Commission of Pakistan	565	364
Payable against purchase of investment	(42,320)	-
Accrued expenses and other liabilities	(33,409)	17,627
	(73,969)	18,402
Bank profit received	54,662	26,638
Dividend income received	22,565	10,997
Markup on investments received	13,484	6,571
	(945,558)	378,693
Net cash (used in) / generated from operating activities		
Cash flows from financing activities		
Amount received on issue of units	1,090,421	1,094,017
Payment / Payable against redemption of units	(833,204)	(1,046,637)
	257,217	47,380
Net cash generated from / (used in) financing activities		
Net decrease in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	1,962,227	608,618
Cash and cash equivalents at end of the period	1,273,886	1,034,691

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

Notes To The Condensed Interim Financial Information (Un-audited)

For the nine months and quarter ended March 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed, dated September 07, 2015, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on October 28, 2015.

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 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The initial public offer period was from January 07, 2016 to January 08, 2016 (both days inclusive). The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The primary objective of the Fund is to provide superior returns through investments in shari'ah compliant equity securities and shari'ah compliant income/ money market instruments.

JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2+' (AM Two Plus) to the Management Company.

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. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

- 2.1.1** This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

- 3.1** The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2017 except as explained in note 3.6.
- 3.2** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3** The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017.
- 3.4** Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting periods beginning on or after July 01, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5** The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2017.
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3.6 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to 'element of income' and excludes the element of income from the expression 'accounting income' as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'income statement' and 'statement of movement in unit holders' Fund', whereas disclosure with respect to 'distribution statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the income statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'income statement' and 'statement of movement in unit holders' fund', prospectively from July 1, 2017 as required by SECP vide its email dated February 08, 2017. Accordingly, corresponding figures have not been restated. The 'distribution statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been higher by Rs. 13.895 million. However, the change in accounting policy does not have any impact on the 'cash flow statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'statement of assets and liabilities' and 'statement of movement in unit holders' fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
4	BANK BALANCES	Note	----- (Rupees in '000) -----
	Balances with banks in:		
	PLS saving deposit accounts under shariah arrangements	4.1 <u>1,273,886</u>	<u>1,962,227</u>
		<u>1,273,886</u>	<u>1,962,227</u>
4.1	Mark-up on these accounts ranges between 3.75% - 5.80% per annum (June 30, 2017: 3.75% - 6.75%) per annum.		
		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
5	INVESTMENTS	Note	----- (Rupees in '000) -----
	Listed equity securities		
	- Available-for-sale	5.1 304,315	685,184
	- Held-for-trading	5.2 479,494	-
	Government of Pakistan - Ijarah sukuk		
	- Available-for-sale	5.4 -	-
	Listed Sukuk's certificates		
	- Available-for-sale	5.5 165,949	55,443
	- Held-for-trading	5.6 634,751	-
		<u>1,584,509</u>	<u>740,627</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 at March 31, 2018 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2017	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2018		Total Investments	Net Assets		
-----%-----										
Textile Composite										
Nishat Mills Limited	201,500	10,000	-	82,000	129,500	20,576	1.30	0.71	0.04	
Chemical										
Engro Polymer & Chemicals Limited	432,000	-	-	432,000	-	-	-	-	-	
Cement										
Cherat Cement Company Limited	121,400	-	-	121,400	-	-	-	-	-	
D G Khan Cement Company Limited	149,000	7,500	-	134,500	22,000	3,588	0.23	0.12	0.01	
Lucky Cement Limited	52,850	-	-	39,000	13,850	9,551	0.60	0.33	0.00	
Pioneer Cement Limited	236,400	-	-	140,000	96,400	6,752	0.43	0.23	0.04	
	559,650	7,500	-	434,900	132,250	19,892	1.26	0.69		
Power Generation & Distribution										
Hub Power Company Limited	323,100	93,700	-	82,000	334,800	33,647	3.84	1.16	-	
Engineering										
Amrell Steels Limited	122,000	-	-	122,000	-	-	-	-	-	
Crescent Steel & Allied Products Limited	73,300	-	-	73,300	-	-	-	-	-	
International Industries Limited	25,000	-	-	25,000	-	-	-	-	-	
International Steels Limited	220,000	-	-	146,000	74,000	8,577	0.54	0.30	0.02	
	440,300	-	-	366,300	74,000	8,577	0.54	0.30		
Automobile Assembler										
Honda Atlas Cars (Pakistan) Limited	18,900	-	-	18,900	-	-	-	-	-	
Millat Tractors Limited	13,500	-	-	900	12,600	16,158	1.02	0.55	0.03	
Pak Suzuki Motor Company Limited	18,900	3,000	-	21,900	-	-	-	0.17	-	
	51,300	3,000	-	41,700	12,600	16,158	1.02	0.72		
Automobile Parts & Accessories										
Thal Limited (Par value Rs.5 per share)	10,800	-	-	10,800	-	-	-	-	-	
Cable & Electrical Goods										
Pak Elektron Limited	282,000	20,000	-	242,000	60,000	2,713	0.17	0.09	0.01	
Transport										
Pakistan National Shipping Corp Limited	68,600	-	-	64,200	4,400	458	0.03	0.02	0.00	
Pharmaceuticals										
The Searle Company Limited	56,810	8,000	11,162	37,000	38,972	13,703	0.86	0.47	0.02	
Paper & Board										
Packages Limited	21,350	-	-	12,000	9,350	5,504	0.35	0.19	0.01	
Leather & Tanneries										
Service Industries Limited	7,460	-	-	7,460	-	-	-	-	-	
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	18,360	-	-	-	18,360	27,183	1.72	0.94	0.02	
Oil & Gas Development Company Limited	233,300	-	-	50,000	183,300	31,909	2.01	1.10	0.00	
Pakistan Oilfields Limited	39,400	-	-	36,500	2,900	1,887	0.12	0.07	0.00	
Pakistan Petroleum Limited	183,400	-	-	47,000	136,400	29,031	1.83	1.00	0.01	
	474,460	-	-	133,500	340,960	90,010	5.68	3.11		
Oil & Gas Marketing Companies										
Hascal Petroleum Limited	62,200	15,000	-	43,700	33,500	8,892	0.56	0.31	0.02	
Pakistan State Oil Company Limited	62,000	-	6,980	46,100	22,880	7,356	0.46	0.25	0.01	
Sui Northern Gas Pipeline Limited	207,500	17,000	-	96,500	128,000	14,427	0.91	0.50	0.02	
	331,700	32,000	6,980	186,300	184,380	30,675	1.94	1.06		
Fertilizer										
Engro Corporation Limited	141,700	11,000	-	19,000	133,700	41,400	2.61	1.43	0.03	
Engro Fertilizers Limited	394,000	-	-	90,000	304,000	21,003	1.33	0.73	0.02	
	535,700	11,000	-	109,000	437,700	62,404	3.94	2.16		
	3,796,730	185,200	18,142	2,241,160	1,758,912	304,315	20.93	10.70		
Carrying value as at March 31, 2018							<u>318,391</u>			

5.1.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.3531 million at March 31, 2018 (June 30, 2017: Rs. 0.067 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

5.2 Fair value through profit and loss - Held-for-trading

5.2.1 Listed equity securities

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 at March 31, 2018 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2017	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2018		Total Investments	Net Assets	
TEXTILE COMPOSITE									
Nishat Mills Limited	-	142,000	-	-	142,000	22,562	1.42	0.78	0.04
CEMENT									
D G Khan Cement Company Limited	-	202,000	-	-	202,000	32,948	2.08	1.14	0.05
Fauji Cement Company Limited	-	765,000	-	300,000	465,000	13,601	0.86	0.47	0.03
Kohat Cement Ltd	-	55,000	-	-	55,000	8,827	0.56	0.31	0.02
Lucky Cement Limited	-	44,900	-	-	44,900	30,964	1.95	1.07	0.01
Pioneer Cement Limited	-	18,000	-	-	18,000	1,261	0.08	0.04	0.01
	-	1,084,900	-	300,000	784,900	87,601	6.31	3.03	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	-	193,200	-	-	193,200	19,417	1.23	0.67	0.02
K- electric Limited	-	2,731,500	-	-	2,731,500	19,148	1.21	0.66	0.03
	-	2,924,700	-	-	2,924,700	38,564	2.43	0.94	
ENGINEERING									
Amreli Steels Limited	-	243,300	-	149,000	94,300	8,678	0.55	0.30	0.03
International Industries Limited	-	67,300	-	27,000	40,300	11,461	0.72	0.40	0.03
Mughal iron and steel industries Ltd	-	170,000	-	-	170,000	12,478	0.79	0.43	0.04
International Steels Limited	-	70,000	-	-	70,000	8,114	0.51	0.28	0.02
	-	550,600	-	176,000	374,600	40,731	3.68	1.26	
AUTOMOBILE ASSEMBLER									
Millat Tractors Limited	-	6,500	-	-	6,500	8,335	0.53	0.29	0.01
Pak Suzuki Motor Company Limited	-	8,500	-	8,500	-	-	-	-	-
	-	15,000	-	8,500	6,500	8,335	0.53	0.29	
CABLE & ELECTRICAL GOODS									
Pak Elektron Limited	-	313,000	-	-	313,000	14,151	0.89	0.49	0.06
TRANSPORT									
Pakistan National Shipping Corporation Limited	-	16,000	-	-	16,000	1,664	0.11	0.06	0.01
PHARMACEUTICALS									
AGP Limited	-	130,500	-	54,000	76,500	6,938	0.44	0.24	
The Searle Company Limited	-	10,000	-	-	10,000	3,516	0.22	0.12	0.01
	-	140,500	-	54,000	86,500	10,454	0.66	0.36	

Name of the Investee Company	Number of shares					Market value as at March 31, 2018 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2017	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2018		Total Investments	Net Assets	
-----%									
PAPER & BOARD									
Packages Ltd	-	14,000	-	-	14,000	8,241	0.52	0.29	0.02
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	-	9,880	-	-	9,880	14,628	0.92	0.51	0.01
Oil & Gas Development Co Limited	-	222,200	-	-	222,200	38,681	2.44	1.34	0.01
Pakistan Oilfields Limited	-	68,500	-	-	68,500	44,563	2.81	1.54	0.03
Pakistan Petroleum Limited	-	150,400	-	-	150,400	32,011	2.02	1.11	0.01
	-	450,980	-	-	450,980	129,883	10.28	4.49	
OIL & GAS MARKETING COMPANIES									
Hascof Petroleum Limited	-	17,800	-	-	17,800	4,725	0.30	0.16	0.01
Pakistan State Oil Company Limited	-	72,300	-	-	72,300	23,244	1.47	0.80	0.02
Sui Northern Gas Pipeline Limited	-	101,800	-	-	101,800	11,474	0.72	0.40	0.02
	-	191,900	-	-	191,900	39,442	2.49	0.83	
FERTILIZER									
Engro Corporation Limited	-	49,300	-	-	49,300	15,266	0.96	0.53	0.01
Engro Fertilizers Limited	-	277,500	-	-	277,500	19,172	1.21	0.66	0.02
	-	326,800	-	-	326,800	34,438	2.17	1.19	
COMMERCIAL BANKS									
Meezan Bank Ltd	-	214,000	-	-	214,000	17,043	1.08	0.59	0.03
	-	214,000	-	-	214,000	17,043	1.08	0.59	
Chemicals									
Engro Polymer & Chemicals Limited	-	355,000	-	355,000	-	-	-	-	-
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	-	34,300	-	-	34,300	17,687	-	1	-
TECHNOLOGY & COMMUNICATION									
Systems Limited	-	90,000	-	-	90,000	8,696	-	0	-
Total as at March 31, 2018	-	6,394,880	-	839,500	5,970,180	479,494	31.06	13.77	
Carrying value as at March 31, 2018						439,624			

5.3 The above investments include shares with market value aggregating to Rs. 64.5707 million (June 30, 2017: Rs. 67.809 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

5.4 Government of Pakistan - Ijarah sukuk

Issue Date	Tenure	Face Value				Market Value as at March 31, 2018	Market value as a percentage of		
		As at July 01, 2017	Purchases during the period	Sales during the period	As at March 31, 2018		Total Investments	Net Assets	
----- (Number of certificates) ----- (Rs in '000) ----- % -----									
June 29, 2017	3 year	-	3,000	3,000	-	-	-	-	-

Cost of investments at March 31, 2018

5.5 Listed Sukuk's certificates- Available-for-sale

Name of the Investee Company	Tenure	As at July 1, 2017	Purchases during the period	Sales during the period	As at March 31, 2018	Market Value as at March 31, 2018	Market value as percentage of	
							Total Investments	Net Assets
		----- (Number of certificates) -----			----- (Rs 000) -----		----- % -----	
Fatima Fertilizer Company Limited	3 year	11,791	-	9,791	2,000	8,128	0.51	0.28
Dubai Islamic Bank Limited	10 year	-	271	116	155	157,821	9.96	5.46
		11,791	271	9,907	2,155	165,949	10.47	7.63
Cost of Investment at March 31, 2018						<u>163,000</u>		

Significant terms and conditions of Sukuk bonds outstanding as at March 31, 2018 are as follows:

Name of Security	Remaining Principal (per Sukuk)	Mark-up rate (per annum)	Issue Date	Maturity Date
Fatima Fertilizer Company Limited	4,000	6 months KIBOR +1.10%	28-Nov-16	28-Nov-21
Dubai Islamic Bank Limited	1,000,000	6 months KIBOR + 0.50%	14-Jul-17	14-Jul-27

5.6 Listed Sukuk's certificates - Held-for-trading

Name of the Investee Company	Tenure	As at July 1, 2017	Purchases during the period	Sales during the period	As at March 31, 2018	Market value as at March 31, 2018	Market value as percentage of	
							Total Investments	Net Assets
		----- (Number of certificates) -----			----- (Rs in '000) -----		----- % -----	
K-Electric Limited		-	30,000	-	30,000	129,349	8.16%	4.47%
Dawood Hercules Corporation Limited*		-	2,020	-	2,020	203,033	12.81%	7.02%
Dawood Hercules Corporation Limited*		-	2,000	-	2,000	200,000	12.62%	6.92%
AGP Limited		-	1,100	500	600	51,459	3.25%	1.78%
Dubai Islamic Bank Limited		-	50	-	50	50,910	3.21%	1.76%
		-	35,170	500	34,670	634,751	40.06%	21.96%
Cost of Investment at March 31, 2018						<u>633,480</u>		

Significant terms and conditions of Sukuk bonds outstanding as at March 31, 2018 are as follows:

Name of Security	Remaining Principal (per Sukuk)	Mark-up rate (per annum)	Issue Date	Maturity Date
K-Electric Limited	4,250	3 months KIBOR + 1.00%	17-Jun-15	17-Jun-22
Dawood Hercules Corporation Limited*	100,000	3 months KIBOR + 1.00%	16-Nov-17	16-Nov-22
Dawood Hercules Corporation Limited*	100,000	3 months KIBOR + 1.00%	1-Mar-18	1-Mar-23
AGP Limited	85,000	3 months KIBOR + 1.30%	9-Jun-17	9-Jun-22
Dubai Islamic Bank Limited	1,000,000	6 months KIBOR + 0.50%	14-Jul-17	14-Jul-27

*Associated Company due to Common Directorship.

		(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	Note	----- (Rupees in '000) -----	
5.7	Net unrealized appreciation on re-measurement of investments classified as available-for-sale		
	Market value of investments	470,264	740,627
	Cost of investments	481,391	716,931
	Provision against equity securities	(82,250)	(3,388)
		(399,141)	(713,543)
		71,123	27,084
5.7.1	Movement in impairment against equity securities		
	Opening balance	3,388	-
	Add: Charge for the period / year	82,250	3,388
	Closing balance	85,638	3,388
6	ADVANCES, 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
	Receivable against sale of investment	14,358	-
	Prepaid listing fee	14	-
		16,972	2,600
7	PAYABLE TO THE MANAGEMENT COMPANY		
	Management fee	3,670	2,889
	Sindh Sales Tax	477	375
	Sales load payable	-	-
	Selling and marketing expenses payable	2,759	2,657
	Allocation of expenses related to registrar services, accounting, operation and valuation services	340	192
		7,246	6,113
7.1	As per the offering document of the fund, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 3% of average annual net assets. The Management Company has charged its remuneration at the rate of 1.5% (June 30, 2017: 1.5%) of the average net assets for the current period. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.		
7.2	The Sindh Government had levied Sindh Sales Tax at the rate of 13% (June 30, 2017 : 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		
7.3	SECP vide its circular No.SCD/PRDD/Circular/361/2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. According to said circular, the selling and marketing expenses have been allowed initially for a period of three years (from January 01, 2017 till December 31, 2019) being chargeable to open end equity, asset allocation and index funds. Maximum cap on the expenses has been set at 0.4% per annum of net assets of fund or actual expenses, whichever being lower. The Fund has accrued expense on this account at 0.4% per annum of net assets of the Fund effective from March 01, 2017. During the period a clarification was received from the SECP on September 19, 2017 and as a result expense charged to the Fund amounting to Rs. 4.958 million have been reversed which includes Rs. 2.657 million pertaining to the year ended June 30, 2017.		

- 7.4 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

Note	(Un-Audited)	(Audited)
	March 31, 2018	June 30, 2017
	----- (Rupees in '000) -----	
8 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	211	300
Charity payable 8.1	2,202	103
Federal Excise Duty 8.2	1,063	1,063
Withholding tax payable	-	22,100
Advance received against sale of units	-	5
Payable to brokers	340	685
Provision for Sindh Workers' Welfare Fund 8.3	4,508	4,508
Payable against redemption of units	-	1,178
Dividend payable	1	459
Sales load - payable to related parties	1,355	12,984
Payable to NCCPL	82	-
Payable to Shariah advisory	12	-
Other payable	339	137
	<u>10,113</u>	<u>43,522</u>

- 8.1 This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

- 8.2 The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.063 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2018 would have been higher by Rs. 0.0388 per unit (June 30, 2017: 0.0428 per unit).

- 8.3 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is the same as that disclosed in note 13.3 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

As there is loss for the nine months ended March 31, 2018, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2018 would have been higher by Rs. 0.1645 per unit (June 30, 2017: 0.1815 per unit).

9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2018 to its unit holders.

10 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2018 is 1.99% (March 31, 2017: 1.90%) which includes 0.23% (March 31, 2017: 0.49%) representing government levy, Sindh Workers' Welfare Fund and SECP fee.

11 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 carried out 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 during the period and balances with them at period end, if not disclosed elsewhere in the condensed interim financial information are as follows:

	(Un-Audited) Nine months ended March 31, 2018	(Un-Audited) March 31, 2017
	----- (Rupees in '000) -----	
11.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management fee	30,130	13,379
Sindh Sales Tax	3,917	1,739
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,104	663
Selling and marketing expenses	7,939	332
Habib Bank Limited - Sponsor		
Issuance of 4,947,704 units	500,000	-
Bank charges	30	20
Mark-up earned during the period	824	574
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	3,118	1,513
CDC charges	60	105
CDC Trustee Islamic Income Fund		
Sale of Dubai Islamic Bank Limited - Sukuk certificates	96,000	-
	(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	(Rupees in '000)	
11.2 Amounts outstanding as at period end		
HBL Asset Management Limited - Management Company		
Management Fee	3,670	2,889
Sindh Sales Tax	477	375
Allocation of expenses related to registrar services, accounting, operation and valuation services	340	192
Sale load payable		
Selling and marketing expense	2,759	2,657
Habib Bank Limited - Sponsor		
Investment held in the Fund : 6,022,636 units (June 30, 2017: 1,074,932 units)	635,126	113,508
Bank balances	6,019	501,362
Mark-up receivable on deposits with banks	34	299
Sales load payable	1,355	12,984

	(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	(Rupees in '000)	
HBL Asset Management Limited - Employees Gratuity Fund - Associate		
Investment held in the Fund : 4,508 units (June 30, 2017: Nil units)	475	-
HBL Asset Management Limited - Employees Provident Fund - Associate		
Investment held in the Fund : 13,014 units (June 30, 2017 : Nil units)	1,372	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	329	275
Sindh Sales Tax	43	36
Security deposit	100	100
Executives of Management Company		
Units held : Nil units (June 30, 2017: 584 units)	-	62
Al Mizan Foundation - Connected Person due to holding more than 10% units		
Units held : 4,208,255 units (June 30,2017: 4,208,255 units)	443,788	444,373
SIUT Trust - Connected Person due to holding more than 10% units		
Units held : 2,798,347 units (June 30,2017: 2,798,347 units)	295,104	295,493
Sheikh Khalid Zaheer Siddiqui - Connected Person due to holding more than 10% units		
Units held : 3,079,217 units (June 30, 2017: Nil units)	324,723	-

Units outstanding as at March 31, 2018 are calculated on the basis of latest announced NAV i.e. March 30, 2018.

12 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. Consequently, differences can arise between carrying values and the fair value estimates.

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 reporting 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 (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.

		March 31, 2018 (Un-Audited)								
		Carrying amount				Fair Value				
		Available- for-sale	Held-for- trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investments										
- Listed equity securities										
		304,315	479,494	-	-	783,809	783,809	-	-	783,809
- Listed Sukuk bonds										
		165,949	634,751	-	-	800,700	-	800,700	-	800,700
		<u>470,264</u>	<u>1,114,245</u>	<u>-</u>	<u>-</u>	<u>1,584,509</u>	<u>783,809</u>	<u>800,700</u>	<u>-</u>	<u>1,584,509</u>
Financial assets not measured at fair value										
	12.1									
Bank balances										
		-	-	1,273,886	-	1,273,886				
Dividend receivable and accrued markup										
		-	-	34,283	-	34,283				
		<u>-</u>	<u>-</u>	<u>1,308,169</u>	<u>-</u>	<u>1,308,169</u>				
Financial liabilities not measured at fair value										
	12.1									
Payable to the Management Company										
		-	-	-	7,246	7,246				
Payable to Central Depository Company of Pakistan Limited - Trustee										
		-	-	-	372	372				
Accrued expenses and other liabilities										
		-	-	-	4,542	4,542				
Unit holders' fund										
		-	-	-	2,890,616	2,890,616				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,902,776</u>	<u>2,902,776</u>				
		June 30, 2017 (Audited)								
		Carrying amount				Fair Value				
		Available- for-sale	Held-for- trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investments										
- Listed equity securities										
		685,184	-	-	-	685,184	685,184	-	-	685,184
- Listed Sukuk bonds										
		55,443	-	-	-	55,443	-	55,443	-	55,443
		<u>740,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>740,627</u>	<u>685,184</u>	<u>55,443</u>	<u>-</u>	<u>740,627</u>
Financial assets not measured at fair value										
	12.1									
Bank balances										
		-	-	1,962,227	-	1,962,227				
Dividend receivable and accrued mark-up										
		-	-	10,715	-	10,715				
		<u>-</u>	<u>-</u>	<u>1,972,942</u>	<u>-</u>	<u>1,972,942</u>				
Financial liabilities not measured at fair value										
	12.1									
Payable to the Management Company										
		-	-	-	6,113	6,113				
Payable to Central Depository Company of Pakistan Limited - Trustee										
		-	-	-	310	310				
Accrued expenses and other liabilities										
		-	-	-	58,171	58,171				
Unit holders' fund										
		-	-	-	2,623,318	2,623,318				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,687,912</u>	<u>2,687,912</u>				

12.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

12.2 Transfers during the period

No transfers have been made between various levels of fair value hierarchy during the period.

13 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on **April 23, 2018**.

14 GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees.

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Financial Planning Fund

FUND INFORMATION

Name of Fund	HBL Islamic Financial Planning Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	MCB Financial Services Limited
Name of Shariah Advisor	Al-Hilal Shariah Advisors (Pvt.) Ltd
Banks	Bank Islami Pakistan Limited Habib Bank Limited Dubai Islamic Bank Limited

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities
As at March 31, 2018

Note	March 31, 2018 (Un-Audited)				June 30, 2017 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
----- (Rupees in '000) -----									
Assets									
Bank balances	4	1,155	41	1,140	2,336	25,286	5,166	2,018	32,470
Investments	5	300,417	40,870	4,386,372	4,727,659	171,493	50,067	4,072,801	4,294,361
Accrued mark-up		23	10	10	43	149	47	3,629	3,825
Receivable against sale of investment		-	-	-	-	-	-	131,500	131,500
Receivable against sale of units		-	-	-	-	32,217	11,240	27,282	70,739
Preliminary expenses and flotation costs		83	23	3,845	3,951	85	23	4,811	4,919
Other receivables		23	12	31	65	-	-	-	-
Total assets		301,701	40,956	4,391,397	4,734,055	229,230	66,543	4,242,041	4,537,814
Liabilities									
Payable to the Management Company	6	316	4	368	689	279	44	12,633	12,956
Payable to the Trustee		25	4	281	309	6	2	92	100
Payable to Securities and Exchange Commission of Pakistan		182	35	3,025	3,243	6	2	132	140
Accrued expenses and other liabilities	7	210	79	3,927	4,216	50	28	3,627	3,705
Dividend payable		-	-	-	-	2	-	-	2
Payable against redemption of units		-	-	-	-	34,683	8,129	-	42,812
Total liabilities		733	122	7,602	8,456	35,026	8,205	16,484	59,715
Net assets		300,968	40,834	4,383,795	4,725,597	194,204	58,338	4,225,557	4,478,099
Unit holders' fund (as per statement attached)		300,968	40,834	4,383,795	4,725,597	194,204	58,338	4,225,557	4,478,099
----- (Units) -----									
Number of units in issue		2,930,612	402,331	42,253,146	45,586,089	1,941,784	583,282	42,249,517	44,774,583
----- (Rupees) -----									
Net asset value per unit		102.6981	101.4943	103.7507		100.0133	100.0178	100.0143	

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months and quarter ended March 31, 2018

Note	Nine months ended March 31, 2018 (note 1.1)				Quarter ended March 31, 2018 (note 1.1)				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
(Rupees in '000)									
Income									
Mark-up on deposits with bank	583	150	5,821	6,553	60	13	381	453	
Capital gain / (loss) on sale of investment - net	1,085	(73)	30,734	31,746	993	129	15,984	17,106	
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	8,238	849	136,822	145,909	10,988	1,081	163,793	175,861	
Back end load	-	-	7	7	-	-	3	3	
	9,907	925	173,384	184,215	12,042	1,222	180,161	193,423	
Expenses									
Remuneration of the Management Company	6.1	104	24	1,171	1,299	9	3	55	67
Sindh Sales Tax on remuneration of the Management Company	6.2	13	3	152	169	1	-	7	8
Remuneration of the Trustee		195	38	2,557	2,790	70	10	851	931
Annual fee to the Securities and Exchange Commission of Pakistan		182	35	3,025	3,243	65	9	1,010	1,084
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	191	37	3,185	3,413	69	10	1,064	1,143
Amortisation of preliminary expenses and flotation costs		13	3	1,830	1,846	5	1	617	623
Auditors' remuneration		13	4	280	297	4	1	93	98
Printing charges		5	1	106	112	2	-	36	38
Bank charges		24	24	21	69	1	6	4	11
Fees and subscription		16	5	403	424	10	4	285	299
Shariah advisory fee		6	1	103	110	2	-	33	35
		761	178	12,833	13,772	238	44	4,055	4,337
Net income from operating activities		9,145	747	160,550	170,443	11,804	1,178	176,106	189,086
Reversal of selling and marketing expense	6.4	24	7	555	586	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.1	(183)	(15)	(3,222)	(3,421)	-	-	-	-
Net income for the period before taxation		8,986	739	157,883	167,608	11,804	1,178	176,106	189,086
Taxation	8	-	-	-	-	-	-	-	-
Net income for the period after taxation		8,986	739	157,883	167,608	11,804	1,178	176,106	189,086
Allocation of net income for the period									
Net income / loss for the period after taxation		8,986	739	157,883	167,608				
Income already paid on units redeemed		(86)	(67)	(6)	(159)				
Accounting income available for distribution		8,900	672	157,877	167,449				
- Relating to capital gains		8,900	672	157,877	167,449				
- Excluding capital gains		-	-	-	-				
		8,900	672	157,877	167,449				

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Statement of other Comprehensive Income (Un-Audited)
For the nine months and quarter ended March 31, 2018

	Nine months ended March 31, 2018 (note 1.1)				Quarter ended March 31, 2018 (note 1.1)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	----- (Rupees in '000) -----							
Net income for the period after taxation	8,986	739	157,883	167,608	11,804	1,178	176,106	189,086
Other comprehensive income for the period								
Item that may be reclassified subsequently to Income Statement	-	-	-	-	-	-	-	-
Total comprehensive income for the period	8,986	739	157,883	167,608	11,804	1,178	176,106	189,086

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the nine months ended March 31, 2018

	Nine months ended									
	March 31, 2018									
	Active Allocation Plan			Conservative Allocation Plan			Strategic Allocation Plan			
Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total		
(Rupees '000)										
Net assets at beginning of the period	194,178.00	26.00	194,204.00	58,328	10	58,338	4,224,907	650	4,225,557	
Amount received on Issuance of 2,106,284 units	210,656	(2,343)	208,313	-	-	-	-	-	-	
Amount received on Issuance of 650,445 units	-	-	-	65,056	(781)	64,276	-	-	-	
Amount received on Issuance of 10,838 units	-	-	-	-	-	-	1,084	(4)	1,081	
Total proceeds on issuance of units	210,656	(2,343)	208,313	65,056	(781)	64,276	1,084	(4)	1,081	
Amount paid on Redemption of 1,117,456 units	(111,760)	1,226	(110,535)	-	-	-	-	-	-	
Amount paid on Redemption of 831,396 units	-	-	-	(83,154)	635	(82,519)	-	-	-	
Amount paid on Redemption of 7,209 units	-	-	-	-	-	-	(721)	(5)	(726)	
Total payments on redemption of units	(111,760)	1,226	(110,535)	(83,154)	635	(82,519)	(721)	(5)	(726)	
Net income for the period after taxation	-	8,986	8,986	-	739	739	-	157,883	157,883	
Other comprehensive income of the period	-	-	-	-	-	-	-	-	-	
Net income for the period less distribution	-	8,986	8,986	-	739	739	-	157,883	157,883	
Net assets at end of the period	293,074	7,894	300,968	40,230	604	40,834	4,225,270	158,524	4,383,795	
Undistributed income brought forward										
- Realised		204			(39)			(834)		
- Unrealised		(178)			49			1,484		
Total Undistributed income brought forward		26			10			650		
Net loss for the period		8,986			739			157,883		
Accumulated loss carried forward		9,012			749			158,533		
Accumulated loss carried forward										
- Realised		773			(100)			21,711		
- Unrealised		8,238			849			136,822		
		9,012			749			158,533		
			(Rupees)			(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period			100.0133			100.0178			100.0143	
Net assets value per unit at end of the period			102.6981			101.4943			103.7507	

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months ended March 31, 2018

Nine months ended March 31, 2018 (note 1.1)				
Note	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
------(Rupees in '000)-----				
Cash flows from operating activities				
Net income for the period before taxation	8,986	739	157,883	167,608
Adjustments for non-cash items				
Mark-up on deposits with bank	(583)	(150)	(5,821)	(6,553)
Capital (gain) / loss on sale of investment - net	(1,085)	73	(30,734)	(31,746)
Unrealised appreciation on re-measurement of investments investments at 'fair value through profit or loss - held-for-trading' - net	(8,238)	(849)	(136,822)	(145,909)
Amortisation of preliminary expenses and flotation costs	13	3	1,830	1,846
	(908)	(183)	(13,663)	(14,754)
(Increase) / decrease in assets				
Investments	(119,600)	9,972	(146,015)	(255,643)
Other receivables	32,184	11,224	157,887	201,295
	(87,416)	21,197	11,872	(54,348)
Increase / (decrease) in liabilities				
Payable to the Management Company	37	(40)	(12,265)	(12,267)
Payable to the Trustee	19	2	189	209
Payable to Securities and Exchange Commission of Pakistan	176	33	2,893	3,103
Accrued expenses and other liabilities	(34,525)	(8,078)	300	(42,303)
	(34,293)	(8,083)	(8,882)	(51,258)
	(122,618)	12,931	(10,674)	(120,360)
Profit received on bank deposits	709	186	9,440	10,335
Net cash (used in) / generated from operating activities	(121,909)	13,117	(1,234)	(110,025)
Cash flows from financing activities				
Amount received / receivable on issue of units	208,313	64,276	1,081	273,671
Amount paid / payable on redemption of units	(110,535)	(82,519)	(726)	(193,780)
Net cash generated from / (used in) financing activities	97,778	(18,243)	355	79,891
Net (decrease) in cash and cash equivalents	(24,131)	(5,125)	(878)	(30,134)
Cash and cash equivalents at the beginning of the period	25,286	5,166	2,018	32,470
Cash and cash equivalents at the end of the period	4 1,155	41	1,140	2,336

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

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

For the nine months ended March 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Financial Planning Fund (the "Fund"), was established under the Trust Deed executed between HBL Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed on March 22, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 4, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton. The Fund commenced its operations from June 17, 2017.

The Fund is an open ended shariah compliant fund of fund scheme and is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Conservative Allocation Plan, Active Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Strategic Allocation Plan were offered from June 15, 2016 to June 16, 2016. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may have a set time frame. Each Allocation Plan announce separate NAVs which rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

The objective of the Fund is to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the investor. The investment policy for each of the Plan are as follows;

- The "Conservative Allocation Plan" is an Allocation Plan under the Fund and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of shariah compliant investments in equity, income and money market funds. This Allocation Plan is suitable for investors who have moderate risk tolerance and have a short to medium term investment horizon.
- The "Active Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active asset allocation between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on the Fund Manager's outlook on the asset classes.
- The "Strategic Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active allocation of funds between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. Fund Manager take a medium term strategic view of the portfolio assets to deliver competitive returns to investors. The duration of this plan is 24 months (Two Years).

JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+ (AM Two Plus) to the Management Company.

Title to the assets of the Fund are held in the name of the trustee of the Fund.

- 1.1 No comparative figures / information in condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement have been disclosed in this condensed interim financial statements as the Fund commenced its operations on June 17, 2017 and this is the first condensed interim financial statements of the Fund since inception.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

'statement of movement in unit holders' fund' which have been incorporated in these statements.

2.3 Functional and presentation currency

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

- 3.1 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 audited financial statements of the Fund for the period ended June 30, 2017. except as explained in note 3.6.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the period from June 17, 2017 to June 30, 2017.
- 3.4 "Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the period ended June 30, 2017.
- 3.6 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to 'element of income' and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'income statement' and 'statement of movement in unit holders' fund', whereas disclosure with respect to 'distribution statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'income statement' and 'statement of movement in unit holders' fund', prospectively from July 1, 2017 as required by SECP vide its email dated February 8, 2018 Accordingly, corresponding figures have not been restated. The 'distribution statement' has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss would have been lower by Rs. 1.10 million in Active Allocation Plan, Rs. 0.15 million in Conservative Allocation Plan and Rs. 0.01 million in Strategic Allocation Plan. However, the change in accounting policy does not have any impact on the 'cash flow statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'statement of assets and liabilities' and 'statement of movement in unit holders' fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'income statement' and

4. BANK BALANCES

	March 31, 2018 (Un-Audited)				June 30, 2017 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
Note	(Rupees in '000)				(Rupees in '000)				
Savings accounts	4.1	1,155	41	1,140	2,336	25,286	5,166	2,018	32,470

- 4.1 The Fund is an open ended shariah compliant fund of fund scheme and is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Conservative Allocation Plan, Active Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Strategic Allocation Plan were offered from June 15, 2016 to June 16, 2016. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may

have a set time frame. Each Allocation Plan announce separate NAVs which rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

5. INVESTMENTS

Note	March 31, 2018 (Un-Audited)				June 30, 2017 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)				(Rupees in '000)			

Investments by category

At fair value through profit or loss - held-for-trading

Units of mutual funds	5.1	300,417	40,870	4,386,372	4,727,659	171,493	50,067	4,072,801	4,294,361
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5.1 Units of mutual funds

Name of Investee Funds	As at July 1, 2017	Purchases during the period	Redemptions during the period	As at March 31, 2018	Total carrying value as at March 31, 2018	Total market value as at March 31, 2018	Appreciation/ (diminution) as at March 31, 2018	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
	Number of units			(Rupees in '000)			%		
Active Allocation Plan									
HBL Islamic Income Fund (Formerly PICIC Islamic Income Fund)	1,512,478	1,521,984	1,545,537	1,488,925	151,865	156,191	4,326	51.90	51.99
HBL Islamic Equity Fund (Formerly PICIC Islamic Stock Fund)	176,613	566,975	55,258	688,330	66,913	67,198	285	22.33	22.37
HBL Islamic Stock Fund	-	653,736	-	653,736	73,400	77,028	3,628	25.59	25.64
	1,689,091	2,742,695	1,600,795	2,830,991	292,179	300,417	8,238	99.83	100.00
Conservative Allocation Plan									
HBL Islamic Income Fund (Formerly PICIC Islamic Income Fund)	384,899	585,496	661,122	309,273	31,657	32,443	786	79.45	79.38
HBL Islamic Equity Fund (Formerly PICIC Islamic Stock Fund)	105,864	108,943	140,405	74,402	7,197	7,264	66	17.79	17.77
HBL Islamic Stock Fund	-	12,691	2,821	9,870	1,167	1,163	(4)	2.85	2.85
	490,763	707,130	804,347	393,546	40,021	40,870	849	100.09	100.00
Strategic Allocation Plan									
HBL Islamic Income Fund (Formerly PICIC Islamic Income Fund)	37,406,609	3,019,582	19,346,058	21,080,133	2,136,905	2,211,350	74,445	50.44	50.41
HBL Islamic Equity Fund (Formerly PICIC Islamic Stock Fund)	2,020,801	8,183,464	-	10,204,265	988,145	996,189	8,045	22.72	22.71
HBL Islamic Money Market Fund	785,072	974,853	1,759,925	-	-	-	-	-	-
HBL Islamic Stock Fund	-	10,004,788	-	10,004,788	1,124,500	1,178,832	54,332	26.89	26.87
	40,212,483	22,182,687	21,105,982	41,289,187	4,249,550	4,386,372	136,822	100.08	100.00
Total as at March 31, 2018	42,392,337	25,632,512	23,511,124	44,513,724	4,581,750	4,727,659	145,909		

6. Payable to the Management Company

Note	March 31, 2018 (Un-Audited)				June 30, 2017 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)				(Rupees in '000)			
Formation cost	-	-	-	-	85	23	4,891	4,999
Management fee	6.1	2	0	2	54	11	484	549
Sindh Sales Tax on Management Company's remuneration	6.2	0	0	0	7	1	63	71
Allocation of expenses related to registrar services, accounting,	6.3	24	4	368	396	6	139	147
Selling and marketing expense	6.4	-	-	-	24	7	555	586
Sales load payable		290	-	0	291	103	6,501	6,604
	316	4	368	689	279	44	12,633	12,956

- 6.1 As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the plans. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.
- 6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.
- 6.3 "As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1 percent of the average annual net assets, being lower amount, to the Fund during the period.
- "
- 6.4 During the period Management Company has stopped charging these expenses to the Fund and reversed the entire provision till June 30, 2017, as these expenses are not applicable to the Fund of Fund category.

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2017 (Un-Audited)				June 30, 2017 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
Note	(Rupees in '000)								
Withholding tax	2	0.2	-	2	37	22	3,144	3,203	
Provision for Sindh Workers' Welfare Fund	7.1	190	19	3,550	3,759	7	4	330	341
Printing	3	1	79	84	4	1	95	100	
Auditors' remuneration	13	4	278	295	2	1	48	51	
Other payables	2	55	19	76	-	-	10	10	
	210	79	3,927	4,216	50	28	3,627	3,705	

7.1 Sindh Workers' Welfare Fund

The legal status of applicability of Sindh workers' welfare fund is same as that disclosed in note 9.1 to the audited financial statements of the Fund for the period from June 17, 2017 to June 30, 2017.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 0.19 million in Active Allocation Plan, Rs. 0.019 million in Conservative Allocation Plan and Rs. 3.55 million in Strategic Allocation Plan as at March 31, 2018. Had the provision not been retained, NAV per unit as at March 31, 2018 would have been higher by Rs. 0.0648, Rs. 0.0474 and Rs. 0.0840 per unit of Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan respectively (June 30, 2017: 0.0036, 0.0069 and 0.0078 per unit).

8. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2018 to its unit holders.

9. TRANSACTIONS WITH CONNECTED PERSONS

The Fund is an open ended shariah compliant fund of fund scheme and is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Conservative Allocation Plan, Active Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Strategic Allocation Plan were offered from June 15, 2016 to June 16, 2016. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may have a set time frame. Each Allocation Plan announce separate NAVs which rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

9.1 Transactions during the period

	Nine months ended March 31, 2018 (note 1.1)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
(Rupees in '000)				
HBL Asset Management Limited - Management Company				
Remuneration of the Management Company	104	24	1,171	1,299
Sindh Sales Tax on remuneration of the Management Company	13	3	152	169
Allocation of expenses related to registrar services, accounting, operation and valuation services	191	37	3,185	3,413
Habib Bank Limited - Sponsor				
Mark-up on deposits with bank	181	71	57	310
MCB Financial Services Limited - Trustee				
Remuneration of the Trustee	195	38	2,557	2,790
HBL Islamic Income Fund (Formerly PICIC Islamic Income Fund) - CIS managed by Management Company				
Purchase of 1,521,984 units	155,600	-	-	155,600
Purchase of 585,496 units	-	59,850	-	59,850
Purchase of 3,019,582 units	-	-	313,350	313,350
Redemption of 1,545,537 units	158,400	-	-	158,400
Redemption of 661,122 units	-	67,650	-	67,650
Redemption of 19,346,058 units	-	-	1,987,410	1,987,410
(Rupees in '000)				
HBL Islamic Equity Fund - CIS managed by Management Company				
Purchase of 566,975 units	54,000	-	-	54,000
Purchase of 108,943 units	-	9,937	-	9,937
Purchase of 8,183,464 units	-	-	775,000	775,000
Redemption of 55,258 units	5,000	-	-	5,000
Redemption of 140,405 units	-	13,290	-	13,290
HBL Islamic Money Market Fund - CIS managed by Management Company				
Purchase of 974,853 units	-	-	100,000	100,000
Redemption of 1,759,925 units	-	-	179,425	179,425

	Nine months ended March 31, 2018 (note 1.1)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
----- (Rupees in '000) -----				
HBL Islamic Stock Fund - CIS managed by Management Company				
Purchase of 653,736 units	73,400	-	-	73,400
Purchase of 12,691 units	-	1,500	-	1,500
Purchase of 10,004,788 units	-	-	1,124,500	1,124,500
Redemption of 2,821 units	-	320	-	320
Kulsoom Khan - Connected person due to 10% holding				
Issue of 500,665 units	50,000	-	-	50,000
Darayus Happy Minwalla - Connected Person due to 10% holding				
Issue of 2,383 units	-	-	237	237
Nashid Anam Shahid - Connected Person due to 10% holding				
Redemption of 19,944 units	-	1,980	-	1,980
Saba Muzammil - Connected Person due to 10% holding				
Redemption of 49,738 units	-	5,000	-	5,000
Imperial Developers & Builders (Pvt) Ltd - Connected Person due to 10% holding				
Issue of 1,574 units	-	-	157	157

9.2 Balances outstanding as at period / year end

	March 31, 2018 (Un-Audited)				June 30, 2017 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
----- (Rupees in '000) -----								
HBL Asset Management Limited - Management Company								
Management fee	2	0	0	2	54	11	484	549
Sindh Sales Tax on Management Company's remuneration	0	0	0	0	7	1	63	71
Selling and marketing expense	-	-	-	-	24	7	555	586
Allocation of expenses related to registrar services, accounting, operation and valuation services	24	4	368	396	6	2	139	147
Sales load payable	290	-	0	291	103	-	6,501	6,604
Formation cost	-	-	-	-	85	23	4,891	4,999

	March 31, 2018 (Un-Audited)				June 30, 2017 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
(Rupees in '000)								
Habib Bank Limited - Sponsor								
Mark-up receivable on deposits with bank	20	15	2	37	94	36	672	802
Balance in savings account	890	12	25	927	10,468	2,359	1,687	14,514
MCB Financial Services Limited - Trustee								
Remuneration payable to the Trustee	22	3	249	273	5	2	81	88
Sindh Sales Tax on Trustee's remuneration	3	-	32	35	1	-	11	12
Darayus Happy Minwalla - Connected Person due to 10% holding								
Units held 15,190,277 units (June 30, 2017: 15,187,894 units)	-	-	1,576,019	1,576,019	-	-	1,516,169	1,516,169
Kulsoom Khan - Connected person due to 10% holding								
Units held 500,665 units (June 30, 2017: nil units)	51,418	-	-	51,418	-	-	-	-
Imperial Developers & Builders (Pvt) Ltd - Connected Person due to 10% holding								
Units held 20,057,175 (June 30, 2017: 20,055,600 units)	-	-	2,080,968	2,080,968	-	-	2,002,100	2,002,100
Mohsin Safdar - Connected Person due to 10% holding								
Units held 59,748 (June 30, 2017: 59,748 units)	-	6,064	-	6,064	-	5,976	-	5,976
Jahanzeb Khan Jogezei - Connected Person due to 10% holding								
Units held 41,625 (June 30, 2017: 41,625 units)	-	4,225	-	4,225	-	4,145	-	4,145
Saba Muzammil - Connected Person due to 10% holding								
Units held 49,738 (June 30, 2017: nil units)	-	5,048	-	5,048	-	-	-	-
Nashid Anam Shahid - Connected Person due to 10% holding								
Units held 39,086 (June 30, 2017: 59,030 units)	-	3,967	-	3,967	-	5,878	-	5,878

	March 31, 2018 (Un-Audited)				June 30, 2017 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
(Rupees in '000)								
HBL Islamic Income Fund (Formerly PICIC Islamic Income) Fund - CIS managed by Management Company								
Units held 1,488,925 (June 30, 2017: 1,512,478 units)	156,191	-	-	156,191	152,865	-	-	152,865

	March 31, 2018 (Un-Audited)				June 30, 2017 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
(Rupees in '000)								
Units held 309,273 (June 30, 2017: 384,899 units)	-	32,443	-	32,443	-	38,901	-	38,901
Units held 21,080,133 (June 30, 2017: 37,406,609 units)	-	-	2,211,350	2,211,350	-	-	3,780,656	3,780,656
HBL Islamic Equity Fund (Formerly PICIC Islamic Stock) Fund - CIS managed by Management Company								
Units held 688,330 (June 30, 2017: 176,613 units)	67,198	-	-	67,198	18,628	-	-	18,628
Units held 74,402 (June 30, 2017: 105,864 units)	-	7,264	-	7,264	-	11,166	-	11,166
Units held 10,204,265 (June 30, 2017: 2,020,801 units)	-	-	996,189	996,189	-	-	213,145	213,145
HBL Islamic Money Market Fund - CIS managed by Management Company								
Units held Nil (June 30, 2017: 785,072 units)	-	-	-	-	-	-	79,000	79,000
HBL Islamic Stock Fund - CIS managed by Management Company								
Units held 653,736 (June 30, 2017: nil units)	77,028	-	-	77,028	-	-	-	-
Units held 9,870 (June 30, 2017: nil units)	-	1,163	-	1,163	-	-	-	-
Units held 10,004,788 (June 30, 2017: nil units)	-	-	1,178,832	1,178,832	-	-	-	-

Units as at March 31, 2018 are calculated on the basis of latest announced NAV i.e March 30, 2018.

10. FAIR VALUE AND CATEGORIES 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. Consequently, differences can arise between carrying values and the fair value estimates.

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. units of mutual funds are based on the quoted NAVs at the close of the reporting 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.

The Fund classifies 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:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. 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.

March 31, 2018 (Un-Audited)								
Active Allocation Plan								
Carrying amount				Fair Value				
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
Note ----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Units of mutual funds	300,417	-	-	300,417	300,417	-	-	300,417
	<u>300,417</u>	<u>-</u>	<u>-</u>	<u>300,417</u>	<u>300,417</u>	<u>-</u>	<u>-</u>	<u>300,417</u>
Financial assets not measured at fair value								
10.1								
Bank balances	-	1,155	-	1,155				
Accrued mark-up	-	23	-	23				
Other receivables	-	23	-	23				
	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>				
Financial liabilities not measured at fair value								
10.1								
Payable to the Management Company	-	-	316	316				
Payable to the Trustee	-	-	25	25				
Accrued expenses and other liabilities	-	-	18	18				
Dividend payable	-	-	-	-				
Unit Holders' Fund	-	-	300,968	300,968				
	<u>-</u>	<u>-</u>	<u>301,327</u>	<u>301,327</u>				
June 30, 2017 (Audited)								
Active Allocation Plan								
Carrying amount				Fair Value				
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
Note ----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Units of mutual funds	171,493	-	-	171,493	171,493	-	-	171,493
	<u>171,493</u>	<u>-</u>	<u>-</u>	<u>171,493</u>	<u>171,493</u>	<u>-</u>	<u>-</u>	<u>171,493</u>
Financial assets not measured at fair value								
10.1								
Bank balances	-	25,286	-	25,286				
Accrued mark-up	-	149	-	149				
Receivable against sale of units	-	32,217	-	32,217				
	<u>-</u>	<u>57,652</u>	<u>-</u>	<u>57,652</u>				
Financial liabilities not measured at fair value								
10.1								
Payable to the Management Company	-	-	279	279				
Payable to the Trustee	-	-	6	6				
Accrued expenses and other liabilities	-	-	6	6				
Dividend payable	-	-	2	2				
Payable against redemption of units	-	-	34,683	34,683				
Unit Holders' Fund	-	-	194,204	194,204				
	<u>-</u>	<u>-</u>	<u>229,180</u>	<u>229,180</u>				

March 31, 2018 (Un-Audited)

Conservative Allocation Plan

	Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)							
On-balance sheet financial instruments								
Financial assets measured at fair value								
Units of mutual funds	40,870	-	-	40,870	40,870	-	-	40,870
	<u>40,870</u>	<u>-</u>	<u>-</u>	<u>40,870</u>	<u>40,870</u>	<u>-</u>	<u>-</u>	<u>40,870</u>
Financial assets not measured at fair value								
Bank balances	-	41	-	41				
Accrued mark-up	-	10	-	10				
Receivable against sale of units	-	-	-	-				
Other receivables	-	12	-	12				
	<u>-</u>	<u>63</u>	<u>-</u>	<u>63</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	4	4				
Payable to the Trustee	-	-	4	4				
Accrued expenses and other liabilities	-	-	60	60				
Unit Holders' Fund	-	-	40,834	40,834				
	<u>-</u>	<u>-</u>	<u>40,903</u>	<u>40,903</u>				

June 30, 2017 (Audited)

Conservative Allocation Plan

	Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)							
On-balance sheet financial instruments								
Financial assets measured at fair value								
Units of mutual funds	50,067	-	-	50,067	50,067	-	-	50,067
	<u>50,067</u>	<u>-</u>	<u>-</u>	<u>50,067</u>	<u>50,067</u>	<u>-</u>	<u>-</u>	<u>50,067</u>
Financial assets not measured at fair value								
Bank balances	-	5,166	-	5,166				
Accrued mark-up	-	47	-	47				
Receivable against sale of units	-	11,240	-	11,240				
	<u>-</u>	<u>16,453</u>	<u>-</u>	<u>16,453</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	44	44				
Payable to the Trustee	-	-	2	2				
Accrued expenses and other liabilities	-	-	2	2				
Payable against redemption of units	-	-	8,129	8,129				
Unit Holders' Fund	-	-	58,338	58,338				
	<u>-</u>	<u>-</u>	<u>66,515</u>	<u>66,515</u>				

March 31, 2018 (Un-Audited)
Strategic Allocation Plan

	Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note (Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Units of mutual funds	4,386,372	-	-	4,386,372	4,386,372	-	-	4,386,372
	4,386,372	-	-	4,386,372	4,386,372	-	-	4,386,372
Financial assets not measured at fair value 10.1								
Bank balances	-	1,140	-	1,140				
Accrued mark-up	-	10	-	10				
Other receivables	-	31	-	31				
	-	1,181	-	1,181				
Financial liabilities not measured at fair value 10.1								
Payable to the Management Company	-	-	368	368				
Payable to the Trustee	-	-	281	281				
Accrued expenses and other liabilities	-	-	377	377				
Unit Holders' Fund	-	-	4,383,795	4,383,795				
	-	-	4,384,822	4,384,822				

June 30, 2017 (Audited)
Strategic Allocation Plan

	Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note (Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Units of mutual funds	4,072,801	-	-	4,072,801	4,072,801	-	-	4,072,801
	4,072,801	-	-	4,072,801	4,072,801	-	-	4,072,801
Financial assets not measured at fair value 10.1								
Bank balances	-	2,018	-	2,018				
Accrued mark-up	-	3,629	-	3,629				
Receivable against sale of investment	-	131,500	-	131,500				
Receivable against sale of units	-	27,282	-	27,282				
	-	164,429	-	164,429				
Financial liabilities not measured at fair value 10.1								
Payable to the Management Company	-	-	12,633	12,633				
Payable to the Trustee	-	-	92	92				
Accrued expenses and other liabilities	-	-	153	153				
Unit Holders' Fund	-	-	4,225,557	4,225,557				
	-	-	4,238,435	4,238,435				

10.1 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.

10.2 Transfers during the period

No transfers were made between various levels of fair value hierarchy during the period.

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the half year ended December 31, 2017 is 0.19%, 0.29% and 0.21% (YTD) which includes 0.05%, 0.07% and 0.06% representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan respectively.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on **April 23, 2018** by the Board of Directors of the Management Company.

13. GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been arranged and reclassified, wherever necessary, for the purpose of comparison and more appropriate presentation, the effect of which is not material.

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

Chief Financial Officer

Chief Executive Officer

Director

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






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HBL

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