

HBL

ASSET MANAGEMENT LTD.

ايسيت مينجمنت لميتد



PICIC Investment Fund

QUARTERLY
REPORT 2018

For the Quarter ended March 31, 2018

MOVING TOWARDS
EXCELLENCE

TABLE OF CONTENTS

PICIC INVESTMENT FUND

Corporate Information	02
Fund Information	03
Report of the Directors of the Management Company	04-08
Condensed Interim Statement of Assets and Liabilities	09
Condensed Interim Income Statement	10
Condensed Interim Statement of Other Comprehensive Income	11
Condensed Interim Distribution Statement	12
Condensed Interim Statement of Movement in Certificate Holders	13
Condensed Interim Cash Flow Statement	14
Condensed Interim Statement of Movement in Unit Holders' Fund	15
Notes to the Condensed Interim Financial Information	16-25

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. Rayomond H. Kotwal	(Non-Executive Director)
	Mr. Rizwan Haider	(Non-Executive Director)

Audit Committee

Chairman	Mr. Shabbir Hussain Hashmi	(Non-Executive Director)
Members	Mr. Rayomond 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. Rayomond 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.

FUND INFORMATION

Name of Fund	PICIC Investment Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Banks	MCB Bank Limited JS Bank Limited HBL Bank Limited

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, the Management Company of PICIC Investment Fund (PIF or Fund), is pleased to present its report together with financial statements of PICIC Investment Fund for the nine months ended March 31, 2018.

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 KSE100 Index lost 1,005 points (2%) to close at 45,560 points after strong performance during the latest quarter as the market had accumulated 13% 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, losing 1,232 points to the benchmark index 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 by 290 points, 284 points and 235 points respectively 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 initiate discussions for changing gas pricing and return mechanism creating uncertainty over sustainability of earnings growth going forward.

The banking sector remained flattish during the period under review despite falling 16% during 1HFY18 primarily after hike in benchmark policy rate by SBP and expectations of further increase. Large scale banks underperformed board market following the imposition of a penalty on one of the largest commercial banks of Pakistan and decision by Supreme Court in pension case in favor of pensioners against largest public sector bank. Meanwhile smaller banks experienced strong performance where BAHL, HMB and BAFL have risen 43%, 40% and 35% respectively. Index heavyweight, Oil & Gas exploration sector posted stellar gain of 26% during 9MFY18 contributing 1,719 points 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 average 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.

Operating Results

During the period under review, the Fund occurred a gross loss of Rs. 90 million which includes unrealized loss of Rs. 33 million. Realized capital loss during the period stood at Rs 291 million. The dividend income during the period stood at Rs 206 million. Total expenditure during the period stood at Rs 114 million.

Tax provision for the current period amounted to NIL due to tax exemption under Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 and Regulation 63 of NBFC & NE Regulations, 2008.

The net loss for the period stood at Rs 204 million. This translates into loss per certificate of Rs 0.72 for the period.

The net assets decreased from Rs 6,331 million as on June 30, 2017 to Rs 5,644 million as on March 31, 2018 and accordingly the net asset value per certificate decreased from Rs 22.28 per certificate as on June 30, 2017 to Rs 19.86 per certificate as on March 31, 2018 after incorporating dividends of Rs. 1.35 per certificate, which translates into negative return of 5.01% during the period under review against the benchmark (KSE 100 Index) of negative 2.16%.

Management Company Quality 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

Finally, we once again avail this opportunity to thank all our valued certificate holders and correspondents for their continuing patronage and support. We would also like to thank the Ministry of Finance, Securities & Exchange Commission of Pakistan, State Bank of Pakistan, Central Depository Company of Pakistan Limited (Trustee), National Clearing Company of Pakistan Limited and other regulatory authorities, financial institutions and the auditors for their continued guidance and assistance. The Board also wishes to place on record its appreciation for the staff for their commitment and hard work and to the certificate-holders for the trust and confidence reposed in us.

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

Director

پبلک انویسٹمنٹ فنڈ مینیجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ برائے نومبر اختتام از 31 مارچ 2018

انجینیئر ایل ایسٹ مینیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز جو کہ پبلک انویسٹمنٹ فنڈ (PIF) کی مینیجمنٹ کمپنی ہے، 31 مارچ 2018 کو اختتام پذیر ہونے والے نومبر کے پبلک انویسٹمنٹ فنڈ کے مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

اقتصادی جائزہ

9MFY18 کے دوران پاکستان کے معاشی اڈیکسٹریٹو لسمٹڈ (LSM) کی ترقی کم افراط زر اور نجی شعبے کے بہتر کرپٹڈ آف ٹیک کے ساتھ مخلوط رہے جبکہ خارجہ اکاؤنٹ کے دباؤ میں اضافہ ہوا۔ 3QFY18 کے دوران، کرنٹ اکاؤنٹ ڈیفیسیٹ شرح فی میں رہا جس کے سبب فارنیکس بیزو میں کمی کے ساتھ مقامی کرنسی پر مسلسل دباؤ جاری رہا۔ 3QFY18 کے دوران حکومت نے منگروا ٹیکس کا پینل پر توجہ دینے ہونے 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 راولہ مکمل ہوا) اور ملک میں ٹیکس میں اور ڈالر کے بہاؤ کو بڑھانے کے لئے آئٹنٹی اسٹیٹیم کا اعلان کیا گیا۔

9MFY18 کے دوران افراط زر مناسب خورداک کی فراہمی کے باعث اور اینڈسٹری کی قیمتوں میں توقع سے کم اضافے کی وجہ سے YoY 3.78% اوسط کے ساتھ رہی۔ تاہم بنیادی افراط زر (غیر خورداک غیر توانائی CPI) نے پینالٹیشن شدہ گزشتہ سال کی اسی مدت کے دوران 4.9% کے مقابلے میں 9MFY18 کے دوران 5.5% کی اونچے سطح پر کارڈ پر کیا گیا جو کہ معیشت پر طلب کے دباؤ کی عکاسی کرتا ہے۔ بروہتی ہوئی بنیادی افراط زر جو کہ 9MFY18 میں روپیہ کی قدر میں 9.5% کمی کی اور بروہتی 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 عالیہ اضافے کے سبب جو کہ مارچ 18- NFNE کے 5.8% سے واضح ہے، ماہانہ CPI افراط زر 5% تک 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 مینوفیکچرنگ (LSM) میں YoY 6.2% اضافہ ہوا۔ جس کی خاص طور پر الیکٹریکس (38.8%+)، آئرن اور اسٹیل مصنوعات (30.9%)، آٹوموبائل (+19.6%) اور غیر حاتی معدنی مصنوعات (+11.9%) نے قیادت کی۔ مینوفیکچرنگ سیکٹر کی امید افزا ترقی کے ساتھ اہم فصلوں کی حوصلہ افزا تنظیم کاری (کپاس کے علاوہ) سروسز سیکٹر کے لئے ایک اچھا نشان ثابت ہوگا اور 8MFY18 میں مضبوط GDP ترقی کا امکان ہے۔ تاہم سب تک تیز اقتصادی ترقی (مشینری درآمدات کی حوصلہ افزائی جو کہ خصوصاً CPEC اور پٹرولیم درآمدات کے لئے پاور پلانٹس سے متعلق ہے) نے 8MFY18 میں غاربی نماز پر عدم توازن کا باعث بنی جس کے سبب کرنٹ اکاؤنٹ خسارہ بڑھ کر 10.8% (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 ڈالر درآمدات میں YoY 17.3% اضافے کے ساتھ 35.6% بلین ڈالر رہی۔ جبکہ اشیاء 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۔ نتیجتاً SBP کے فارنیکس ریزرو Jun-17 سے 4.5% بلین ڈالر سے کم ہو کر 9MFY18 کے آخر تک 11.6% بلین ڈالر تک پہنچ گئے۔ آگے بڑھتے ہوئے، ہم سخت پالیسی اقدامات کے تسلسل کی پیش گوئی کرتے ہیں (مالیاتی مضبوطی اور درآمد کی تخفیف) جیسا کہ خارجہ اکاؤنٹ کے خطرات اب بھی موجود ہیں۔ البتہ کامیاب آئٹنٹی اسٹیٹیم اور بین الاقوامی باڈی کا اجراء کرنٹ اکاؤنٹ پر دباؤ کو کچھ حد تک کم کر سکتا ہے۔

منی مارکیٹ کا جائزہ:

9MFY18 میں ثانوی مارکیٹ میں 5.3 اور 10 سالہ PIBs کی شرح سود میں بائرتیب 145.142 اور 69.0 bps کا اضافہ ہوا۔ اسی دوران 6.3 اور 12 مہینے کے ٹی-بلز کی شرح سود میں بائرتیب 57.41 اور 71.0 bps کا اضافہ ہوا۔ حکومت پاکستان نے جولائی 17- میں PIB کی بنیادی کے ذریعے 54 بلین پاکستانی روپے اٹھائے جسے جبکہ گلی معتقد ہونے والی اٹھ PIB کی بنیاد میں منسوخ کر دی گئیں۔ آخری کٹ-آف کی شرح سود بائرتیب 5.3 اور 10 سالہ PIBs کے لیے 6.4091% اور 6.8961% ہیں جو کہ مجموعی طور پر 9MFY18 کے دوران طویل المدتی بانڈز میں تجارت مایوس کن رہی جو مارکیٹ میں شرکاء کی شرح سود میں مزید اضافہ کی توقعات کی عکاسی کرتی ہے۔

9MFY18 کے دوران حکومت نے بینکوں سے 1,378 بلین پاکستانی روپے لیے جو کہ گزشتہ سال اسی مدت کے مقابلے میں PIB کی متعدد منسوخ بنیاد میں کی وجہ سے 97 بلین پاکستانی روپے کی

ادا کی گئیں تھیں۔ اسی دوران SBP نے 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 میچور پیڑ سے حاصل کردہ 11,928 بلین پاکستانی روپے کے مقابلے میں نئی۔ بلز کے ذریعے 11,765 بلین پاکستانی روپے (NCB کو چھوڑ کر) اکٹھے کیے۔ مارچ۔ 17 میں منعقد ہونے والی آخری ٹی۔ بیل کی نیلامی میں 12 اور 6 ماہہ کی۔ بلز میں کوئی رقم قبول نہیں کی گئی۔ تین ماہہ کی۔ بلز کے لئے کف۔ آف شرح سود % 6.2591 حاصل ہوئی۔ 18 کی مالیاتی پالیسی کے دوران SBP نے مجموعی طور پر طلب میں اضافے اور بڑھتے ہوئے کرنٹ اکاؤنٹ ڈیفیٹ سے متعلق اقتصادی خطرات کو کم کرنے کے لئے پالیسی کی شرح میں 25 bps کے اضافے کا اقدام کیا۔ تاہم، مارچ۔ 18 MPS18 میں SBP نے 25-50 bps میں متوقع اضافے کے خلاف پالیسی کی شرح کو % 6 پر برقرار رکھا اور گٹلے MPS کے لئے "دیکھو اور انتظار کرو" 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 ائڈیکٹرز 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 معیشت میں نیکرو اکانٹا خطرات کے باعث اس مالی سال میں سود کی شرح میں مزید 25-50bps کا اضافہ ہو جائے گا۔

اسٹاک مارکیٹ کا جائزہ :

18MFY18 کے دوران KSE100 انڈیکس گزشتہ سہ ماہی کے دوران مضبوط کارکردگی کے بعد 1,005 پوائنٹس (2%) کی کمی کے ساتھ 45,560 پوائنٹس پر بند ہو گیا جبکہ 18MFY18 کے دوران مارکیٹ میں یکم 13% کی کمی دیکھی گئی۔ یہ سب منظر عالیہ روپے کی قدر میں کمی اور آئندہ آنے والے بجٹ کے بارے میں جاری خبروں کے بہاؤ جو سال کے پہلے نصف میں سائینڈو براؤننگ کی معزولی کے بعد سیاہی عدم استحکام کے خراب ہونے اور کرنٹ اکاؤنٹ خسارے سے متعلق بڑھنے والے معاشی تنازع کے بارے میں خدشات جس نے غیر ملکی کرنسی کے ذخائر پر دباؤ پیدا کیا، کے ردعمل میں آیا۔

زیر جائزہ مدت کے دوران سینٹ میکٹریس ہدیز میں کارکردگی کا مظاہرہ کیا، بیٹھ مارک انڈیکس میں 1,232 پوائنٹس کی کمی کا سبب بنا۔ اور 15% اور 19% قیمت کی قدر میں کمی کے ساتھ LUCK اور DGKC بالترتیب سرفروست رہے۔ سیگنٹ میں اس کارکردگی کی وجہ سے مارکیٹ میں قیمتوں کی جنگ کے خدشات کی وجہ سے کمی گئی تھی جیسا کہ مختصر یہ ہونے والی توسیعات ضرورت سے زیادہ رسد کی ایک صورت حال کی جانب لے جائیں گی۔ لیکن حالیہ سینٹ کی قیمتوں میں 50 PKR- / bag کے اضافے کے نتیجے کو کچھ ریٹیف فرما کیا ہے۔ بجلی پیدا کرنے کے لئے نرس آئل پراٹھما کو کم کرنے سے متعلق حکومتی فیصلے کے بعد OMCS اور پاور سیکٹرز کی آمدنی میں کمی کے امکانات کے باعث آئل اور گیس مارکیٹنگ (% 20-)، بجلی کی پیداوار (% 8-) اور ریفرنسری سیکٹر (% 31-) نے مارکیٹ میں تیزی سے بالترتیب 290 پوائنٹس، 284 پوائنٹس اور 235 پوائنٹس کی کمی کا سبب بنے۔ اگر گیس کی قیمتوں کے تعین اور واپسی کے طریقہ کار کو تہدیل کرنے کے بارے میں بات چیت کے آغاز کے فیصلے جس سے بڑھتی ہوئی آمدنی کی ترقی میں پائیداری سے متعلق غیر یقینی صورتحال کی تشکیل کے سبب % 19 کی کمی کے ساتھ SNGP بھی اہم خسارے میں رہا۔

18MFY18 کے دوران بنیادی طور پر SBP کی جانب سے بیٹھ مارک پالیسی کی شرح میں ہونے والے اضافے مزید متوقع اضافے اور % 16 کی کمی کے باوجود زیر جائزہ مدت کے دوران بینکنگ سیکٹرز اپنی سطح پر برقرار رہا۔ پاکستان کے سب سے بڑے تجارتی بینکوں میں سے ایک پر چھاپی ماخذ ہونے اور سب سے بڑے پبلک سیکٹریٹک کے خلاف چیٹنن کے مقدمات میں سپریم کورٹ کا ہینشورز کے حق میں فیصلہ دینے کی وجہ سے لارج اسکیل بینکوں نے مارکیٹ کے مقابلے میں خراب کارکردگی دکھائی۔ جبکہ چھوٹے بینکوں نے مضبوط کارکردگی کا مظاہرہ کیا جہاں، HMB، BAH، L اور BAF کو بالترتیب % 43، % 40 اور % 35 کا اضافہ ہوا۔ انڈیکس بیوی، ویٹ، آئل اینڈ گیس ایکسپلوریشن کا شعبہ میں 18MFY18 کے دوران % 26 کے شاندار اضافے کے ساتھ 1,719 پوائنٹس کے مجموعی اضافے کا سبب بنا۔ اور PPL، POL 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 روپے کی قدر میں کمی کے باعث تھا۔

آگے بڑھتے ہوئے، ہم توقع کرتے ہیں کہ مارکیٹ مثبت رفتار کو جاری رکھتے ہوئے جیہا کہ انڈیکس بیوی ویٹ (آئل اور گیس، E&P، ٹیکنالوجی اور IPPs) حالیہ روپے کی قدر میں کمی سے مکمل فائدہ حاصل کرے گی۔ البتہ بینکنگ اسٹاکس کی رفتار حالیہ MPS کے موافق کی وجہ سے معاشی طور پر کم ہو سکتی ہے۔ نیکرو اکانٹا خطرات کے ساتھ، ہم بائٹم (نیچے سے اوپر) کی اپروچ پر عمل کریں گے اور مضبوط آمدنی کے امکانات کے ساتھ اسٹاک پورٹفولیو کو رکھیں گے۔

آپریٹنگ کے نتائج:

زیر جائزہ مدت کے دوران، فنڈز 90 ملین روپے کا مجموعی نقصان ہوا جس میں 33 ملین روپے کا غیر حاصل شدہ نقصان بھی شامل ہے۔ اس مدت کے دوران کیمپنل لاس 291 ملین روپے رہا۔ دوران مدت ڈیویڈنڈ ٹرم 206 ملین روپے رہی۔ اس مدت کے دوران مجموعی اخراجات 114 ملین روپے ہوئے۔

موجودہ مدت کے لئے ٹیکس کی فراہمی کی رقم، ٹیکس آرڈیننس، 2001 کے دوسرے شیڈول 2001 کی شق 99 کے پارٹ اور NBFC اور NE ریگولیشن 2008 کے ریگولیشن 63 کے تحت ٹیکس چھوٹ کے سبب سے صفر رہی۔

اس مدت کے لئے خاص نقصان 204 ملین روپے رہا جس کے مطابق دوران مدت فی سرٹیفکیٹ 0.72 روپے کا نقصان ہوا۔

جون 2017-30 کے نیٹ اثاثے 6,331 ملین روپے سے کم ہو کر 31 مارچ 2018 کو 5,644 ملین روپے ہو گئے۔ اور اسی طرح 30 جون 2017 کے نیٹ اثاثہ جات کی قدرتی سرٹیفکیٹ 22.28 روپے سے کم ہو کر 31 مارچ 2018 کو 1.35 روپے فی سرٹیفکیٹ منافع ادا کرنے کے بعد 19.86 روپے ہو گئی۔ جس کے مطابق زیر جائزہ مدت کے دوران منفی ریٹرن %5.01 رہا جبکہ شیئ مارک (KSE-100 Index) ریٹرن منفی %2.16 رہا۔

میںجمنٹ کمپنی کی کوالٹی ریٹنگ:

VIS-JCR کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS-JCR) نے میںجمنٹ کمپنی کو میںجمنٹ کمپنی کی درجہ بندی میں (AM2+) پراپ گریڈ کر دیا ہے

اظہار تشکر

آخر میں، ہم ایک بار پھر اس موقع کا فائدہ اٹھاتے ہوئے مسلسل سرپرستی اور حمایت کے لئے اپنے تمام قابل قدر سرٹیفکیٹ ہولڈرز اور نامہ نگاروں کا شکریہ ادا کرتے ہیں۔ ہم وزارت خزانہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، سینٹرل ڈیپازٹری کمپنی آف پاکستان (ڈبلیو) بینٹیل کیئرنگ کمپنی آف پاکستان لمیٹڈ اور دیگر ریگولیٹری حکام، مالیاتی ادارے اور آڈیٹرز کی جانب سے مسلسل رہنمائی اور معاونت کرنے پر شکریہ ادا کرتے ہیں۔ بورڈ اپنے اسٹاک ہولڈرز کا سخت محنت اور عزم کے لئے اور اپنے سرٹیفکیٹ ہولڈرز کے بحرو سے اور اعتماد کے لئے ان کی تعریف و تکریم کرنا چاہتا ہے۔

من جانب بورڈ
انجی بی ایل ایسٹ میںجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر
مورخہ 23 اپریل 2018ء
ہتھام: کراچی

PICIC Investment 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	455,755	350,631
Investments	5	5,323,152	6,095,223
Dividend and profit receivable		23,806	66,857
Receivable against sale of investment		19,577	-
Security deposits and other receivables		3,149	3,798
Total assets		5,825,439	6,516,509
Liabilities			
Payable to the Management Company	6	11,100	12,447
Payable to the Trustee		432	965
Payable to Securities and Exchange Commission of Pakistan		3,990	5,897
Payable against purchase of investment		-	4,108
Accrued expenses and other liabilities	7	79,881	81,273
Unclaimed dividend		86,446	81,250
Total liabilities		181,849	185,940
Net assets		5,643,590	6,330,569
Capital and reserves			
Issued, subscribed and paid-up capital		2,841,250	2,841,250
Premium on issue of certificates		984,688	984,688
Unappropriated profit		(230,201)	357,436
General reserve		225	225
Net unrealised appreciation on re-measurement of investments classified as "available-for-sale"	5.2	2,047,628	2,146,970
Total Certificate Holders' Funds		5,643,590	6,330,569
-----Rupees-----			
Net assets value per certificate		19.86	22.28

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

PICIC Investment 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, 2018	2017	March 31, 2018	2017
-----Rupees in '000-----					
Income					
Capital gain on sale of investments - net		(290,651)	214,940	(97,426)	120,825
Dividend income		206,459	147,097	24,629	27,814
Income from Government Securities		304	-	304	-
Profit on bank deposits		26,842	11,278	8,274	3,061
		(57,046)	373,315	(64,219)	151,700
Unrealised (diminution) / appreciation on re-measurement of investment at 'fair value through profit or loss - held-for-trading' - net		(32,692)	550,176	373,394	(120,439)
		(89,738)	923,491	309,175	31,261
Expenses					
Remuneration of the Management Company	6.1 & 6.2	94,918	102,248	31,175	37,225
Remuneration of the Trustee		3,538	3,722	1,168	1,320
Annual fee to Securities and Exchange Commission of Pakistan		3,990	4,298	1,311	1,565
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	4,200	4,559	1,380	1,681
Securities transaction costs		3,814	4,476	1,580	1,456
Auditors' remuneration		498	590	188	185
Conversion expense		925	-	925	-
Fee and subscription		1,195	1,079	26	28
Settlement and bank charges		1,253	627	937	199
		114,331	121,599	38,690	43,659
Net (loss) / income from operating activities		(204,069)	801,892	270,485	(12,398)
Provision for Sindh Workers' Welfare Fund	7.2	-	(39,448)	-	(39,448)
Net (loss) / income for the period before taxation		(204,069)	841,340	270,485	27,050
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		(204,069)	841,340	270,485	27,050
(Loss) / earning per certificate (Rupees)		(0.72)	2.96	0.95	0.10

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

PICIC Investment 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	(204,069)	841,340	270,485	27,050
Other comprehensive income for the period				
Items that will be reclassified to income statement				
Unrealised (diminution) / appreciation on re-measurement of investments classified as available-for-sale	(99,342)	549,544	246,718	88,960
Total comprehensive income for the period	(303,411)	1,390,884	517,203	116,010

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

PICIC Investment Fund
Condensed Interim Distribution Statement (Un-Audited)
For the nine months ended March 31, 2018

	Nine Months ended	
	March 31,	
	2018	2017
	-----Rupees in '000-----	
Unappropriated income / (accumulated loss) brought forward		
Realised loss	(80,439)	(483,766)
Unrealised gain	437,875	112,531
	<u>357,436</u>	<u>(371,235)</u>
Net (loss) / income for the period after taxation	(204,069)	841,340
Final cash dividend for the year ended June 30, 2017 at 13.5% (June 30, 2016: at 4.2%)		
	(383,568)	(119,332)
(Accumulated loss) / unappropriated income carried forward	<u>(230,201)</u>	<u>350,773</u>
(Accumulated loss) / unappropriated income comprising of:		
Realised loss	(197,509)	(199,403)
Unrealised (loss) / gain	(32,692)	550,176
	<u>(230,201)</u>	<u>350,773</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

PICIC Investment Fund
Condensed Interim Statement of Movement in Equity and Reserves Per Certificate (Un-Audited)
For the nine months ended March 31, 2018

	Nine Months ended	
	March 31,	
	2018	2017
	-----Rupees in '000-----	
Net assets value at the beginning of the period	22.28	18.48
Movement in net assets value from operating activities		
Capital (loss) / gain on sale of investments - net	(1.02)	0.76
Dividend income	0.73	0.52
Net unrealised (diminution) / appreciation on re-measurement of investment at 'fair value through profit or loss - held-for-trading'	(0.12)	1.94
Profit on bank deposits	0.09	0.04
	(0.32)	3.25
Operating expenses	(0.40)	(0.43)
Net (decrease) / increase in net assets value per certificate from operating activities	(0.72)	2.82
Movement in net assets value per certificate form financing activities		
Final dividend	(1.35)	(0.42)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available-for-sale'	(0.35)	1.93
Net (decrease) / increase in net assets value form financing and investing activities	(1.70)	1.51
Net assets value per certificate at the end of the period	19.86	22.81

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

PICIC Investment 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	(204,069)	841,340
Adjustments of non-cash items		
Capital loss / (gain) on sale of investments - net	290,651	(214,940)
Income from government securities	(304)	
Dividend income	(206,459)	(147,097)
Profit on bank deposits	(26,842)	(11,278)
Unrealised diminution / (appreciation) on re-measurement of investment at 'fair value through profit or loss - held-for-trading' - net		
	<u>32,692</u>	<u>(550,176)</u>
	(114,331)	(82,150)
(Increase) / decrease in assets		
Investments - net	326,005	23,076
Security deposits and other receivables	649	-
	<u>326,654</u>	<u>23,076</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,347)	2,412
Payable to the Trustee	(533)	21
Payable to Securities and Exchange Commission of Pakistan	(1,907)	(314)
Accrued expenses and other liabilities	(1,392)	(38,929)
Unclaimed dividend	5,196	2,655
	<u>17</u>	<u>(34,155)</u>
	212,340	(93,229)
Dividend received	250,003	158,997
Profit received on bank deposit	26,349	11,510
	<u>276,352</u>	<u>170,507</u>
Net cash generated from operating activities	488,692	77,278
Cash flow from financing activities		
Dividend paid	(383,568)	(119,332)
Net increase / (decrease) in cash and cash equivalents	105,124	(42,054)
Cash and cash equivalents at the beginning of the period	350,631	316,611
Cash and cash equivalents at the end of the period	455,755	274,557

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

PICIC Investment Fund
Condensed Interim Statement of Movement in Equity and Reserves (Un-Audited)
For the nine months ended March 31, 2018

	Issued, subscribed and paid-up capital	Premium on issue of certificates	General reserve	Unappropriated income / (accumulated loss)	Unrealised appreciation / (diminution) on re-measurement of investments classified as 'available-for-sale'	Total
-----Rupees in '000-----						
Balance as at July 01, 2016	2,841,250	984,688	225	(371,235)	1,796,329	5,251,257
Total comprehensive income for the period						
Net income for the period after taxation	-	-	-	841,340	-	841,340
Other comprehensive income						
Unrealised appreciation on re-measurement of investments classified as 'available-for-sale' - net	-	-	-	-	549,544	549,544
	-	-	-	841,340	549,544	1,390,884
Transactions with certificate holders						
Final dividend for the year ended June 30, 2016 at 4.2% declared on August 29, 2016	-	-	-	(119,332)	-	(119,332)
Balance as at March 31, 2017	<u>2,841,250</u>	<u>984,688</u>	<u>225</u>	<u>350,773</u>	<u>2,345,873</u>	<u>6,522,809</u>
Balance as at July 01, 2017	2,841,250	984,688	225	357,436	2,146,970	6,330,569
Total comprehensive income for the period						
Net loss for the period after taxation	-	-	-	(204,069)	-	(204,069)
Other comprehensive income						
Unrealised diminution on re-measurement of investments classified as 'available-for-sale' - net	-	-	-	-	(99,342)	(99,342)
	-	-	-	(204,069)	(99,342)	(303,411)
Transaction with certificate holders						
Final dividend for the year ended June 30, 2017 at 13.5% declared on August 28, 2017	-	-	-	(383,568)	-	(383,568)
Balance as at March 31, 2018	<u>2,841,250</u>	<u>984,688</u>	<u>225</u>	<u>(230,201)</u>	<u>2,047,628</u>	<u>5,643,590</u>

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PICIC Investment 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

- 1.1 PICIC Investment Fund is close-end equity scheme established under a Trust Deed, executed between PICIC Asset Management Company (Now HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2 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.
- 1.3 The Certificates of the Fund are listed on Pakistan Stock Exchange Limited. The principal business of the Fund is to invest in listed equity securities with an object to general capital growth.
- 1.4 The SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited through its order dated August 31, 2016. Consequently, HBL Asset Management Limited became Management Company of the Fund. As per the merger order of SECP, the Fund was required to be converted into open-end fund from closed end fund scheme by December 31, 2016. The Management Company after resolving certain legal and operational matter relating to the Conversion exercise with SECP called the meeting of the certificate holders to approve the Conversion Plan on March 27, 2017. However, the meeting was postponed on the advice of SECP with the directives to amend the conversion plan in the best interest of the certificate holders, which were made in due course.

Subsequent to period end, the Certificate Holders in Extra Ordinary General Meeting held on January 10, 2018 approved the Conversion Plan, which entailed the conversion of the fund into an open-end scheme. The management applied with the SECP for the approval of the Conversion plan duly approved by the Certificate Holders. In pursuant to the application filed, SECP vide its letter no SCD/AMCW/HBLAML/266/2018 dated February 16, 2018 has approved the conversion of PICIC Investment Fund into an open-end scheme and set a deadline of July 2, 2018 to complete the conversion of Fund. As per the Plan, existing certificate holders will be issued one unit each of class i.e. A and B against each certificate of PICIC Investment Fund. Class A units would represent frozen portfolio of the Fund which will be treated as close-end fund for the purpose continuous trading in the same manner as certificate of a listed close-end fund through Pakistan Stock Exchange. Class B units will represent unfrozen portfolio of the Fund which will be redeemable subject to back-end load by the Management Company.

- 1.5 JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (AM two plus) to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company 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 the International Accounting Standard 34, 'Interim Financial Reporting'. 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 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 currency and presentation currency.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGMENT 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.
 - 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.
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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.

		March 31, 2018	June 30, 2017
-----Rupees in '000-----			
4. BANK BALANCES	Note		
In savings accounts	4.1	364,340	261,960
In dividend accounts		91,415	88,671
		455,755	350,631

4.1 These accounts carries mark-up at rates ranging between 5.35% and 7.00% (June 30, 2017: 5.35% - 6.60%) per annum.

5. INVESTMENTS

Investment in marketable securities:

Financial assets at 'fair value through profit or loss - held-for-trading'	5.1	2,758,033	3,430,762
Available-for-sale	5.2	2,565,119	2,664,461
		5,323,152	6,095,223

Financial assets at fair value through profit or loss - held-for-trading

Market treasury bills	5.3	-	-
		-	-

5.1 Financial assets 'at fair value through profit or loss'

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

Name of investee company	Number of Shares					Carrying value as at March 31, 2018 (Rupees in '000)	Market value as at March 31, 2018 (Rupees in '000)	Appreciation / (diminution)	Capital (loss) / gain	Dividend Income	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 issue	Sales during the period	As at March 31, 2018						Total Investments	Net Assets	
Automobile Assembler													
Honda Atlas Cars (Pakistan) Limited	67,200	-	-	67,200	-	-	-	-	(23,184)	281	-	-	-
Indus Motor Company Limited	28,320	5,460	-	-	33,780	60,386	58,853	(1,533)	-	2,875	1.11	1.04	0.04
Pak Suzuki Motor Company Limited	70,000	-	-	70,000	-	-	-	-	(18,561)	-	-	-	-
	165,520	5,460	-	137,200	33,780	60,386	58,853	(1,533)	(41,745)	3,156	1.11	1.04	
Automobile Parts and Accessories													
Exide Pakistan Limited	43,290	-	-	20,500	22,790	21,388	9,002	(12,386)	(9,383)	541	0.17	0.16	0.29
General Tyre & Rubber Co of Pakistan Limited	111,000	-	-	111,000	-	-	-	-	(12,544)	-	-	-	-
Thal Limited (Par value Rs. 5 per share)	110,500	92,300	-	110,500	92,300	45,008	47,594	2,586	(4,864)	872	0.89	0.84	0.11
	264,790	92,300	-	242,000	115,090	66,396	56,596	(9,800)	(26,791)	1,413	1.06	1.00	
Cable and Electrical Goods													
Pak Elektron Limited	646,500	190,000	-	175,000	661,500	64,772	29,906	(34,866)	(8,518)	970	0.56	0.53	0.13
TPL Trakler Limited	1,211,500	-	-	1,211,500	-	-	-	-	(1,585)	185	-	-	-
	1,858,000	190,000	-	1,886,500	661,500	64,772	29,906	(34,866)	(10,103)	1,155	0.56	0.53	
Chemicals													
ICI Pakistan Limited	43,900	-	-	43,900	-	-	-	-	(13,298)	355	-	-	-
Engro Polymer & Chemicals Limited	1,250,000	1,437,500	-	2,677,000	10,500	316	374	58	(11,542)	1,452	0.01	0.01	0.00
	1,293,900	1,437,500	-	2,720,900	10,500	316	374	58	(24,840)	1,807	0.01	0.01	
Cement													
Cherat Cement Company Limited	990,000	-	-	990,000	-	-	-	-	(54,448)	1,470	-	-	-
D.G Khan Cement Company Limited	502,500	222,000	-	230,000	494,500	91,566	80,658	(10,908)	(14,465)	2,044	1.52	1.43	0.11
Fauji Cement Company Limited	-	1,625,000	-	580,000	1,045,000	29,013	30,566	1,553	651	-	0.57	0.54	0.08
Lucky Cement Limited	265,500	-	-	30,000	235,500	196,940	162,406	(34,534)	(3,118)	4,089	3.05	2.88	0.07
Pioneer Cement Limited	1,509,000	-	-	1,509,000	-	-	-	-	(56,876)	2,055	-	-	-
	3,267,000	1,847,000	-	3,339,000	1,775,000	317,519	273,630	(43,889)	(128,257)	9,658	5.14	4.85	

Name of investee company	Number of Shares					Carrying value as at March 31, 2018 (Rupees in '000)	Market value as at March 31, 2018 (Rupees in '000)	Appreciation / (diminution)	Capital (loss) / gain	Dividend Income	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 issue	Sales during the period	As at March 31, 2018						Total Investments	Net Assets	
Commercial Banks													
Bank Al-Falah Limited	2,930,500	-	-	767,000	2,163,500	86,973	114,298	27,325	3,463	3,245	2.15	2.03	0.14
Bank Al-Habib Limited	-	374,000	-	85,000	289,000	19,808	22,397	2,589	1,174	126	0.42	0.40	0.03
Bank of Punjab Limited	-	2,838,500	-	-	2,838,500	26,405	28,044	1,639	-	-	0.53	0.50	0.54
Fayal Bank Limited	-	1,168,500	175,275	-	1,343,775	28,619	35,448	6,829	-	-	0.67	0.63	0.14
Habib Bank Limited**	788,800	475,000	-	438,800	825,000	179,755	175,024	(4,731)	(13,715)	1,790	3.29	3.10	0.06
MCB Bank Limited	730,500	-	-	138,000	592,500	124,680	130,427	5,747	(1,245)	7,782	2.45	2.31	0.05
United Bank Limited	851,900	64,000	-	193,200	722,700	167,904	150,965	(16,939)	(5,312)	8,021	2.84	2.67	0.06
	5,901,700	4,920,000	175,275	1,622,000	8,774,975	634,144	656,603	22,459	(15,635)	20,964	12.34	11.63	
Engineering													
Aisha Steel Mills Limited	1,103,600	-	-	-	1,103,600	22,447	22,403	(44)	-	-	0.42	0.40	0.13
Aisha Steel Mills Limited - Preference Shares	130,000	-	-	-	130,000	3,078	2,613	(465)	-	-	0.05	0.05	0.29
Aisha Steel Mills Limited - Conv Cum Pref Shares	1,065,000	-	-	-	1,065,000	45,848	45,795	(53)	-	-	0.86	0.81	36.58
Amreli Steel Limited	737,000	-	-	221,500	515,500	63,381	47,441	(15,940)	(6,434)	1,474	0.89	0.84	0.17
International Steels Limited	606,500	72,300	-	177,500	501,300	63,847	58,106	(5,741)	(1,961)	1,405	1.09	1.03	0.12
International Industries Limited	175,200	50,700	-	40,000	185,900	63,465	52,870	(10,595)	(1,330)	722	0.99	0.94	0.16
Crescent Steel & Allied Products Limited	100,000	-	-	100,000	-	-	-	-	(3,332)	150	-	-	0.94
Mughal Iron & Steel Inds Ltd	-	216,000	-	-	216,000	15,690	15,854	164	-	-	0.30	0.28	0.09
	3,917,300	339,000	-	539,000	3,717,300	277,756	245,082	(32,674)	(13,057)	3,751	4.60	4.34	
Fertilizer													
Engro Corporation Limited	485,100	50,000	-	41,000	494,100	158,115	152,999	(5,116)	(2,097)	6,610	2.87	2.71	0.09
Engro Fertilizers Limited	1,161,000	509,000	-	252,000	1,418,000	83,694	97,970	14,276	2,550	11,596	1.84	1.74	0.11
Fauji Fertilizers Bin Qasim Limited	619,500	-	-	619,500	-	-	-	-	(5,583)	62	-	-	-
Fauji Fertilizers Company Limited	-	812,500	-	343,000	469,500	42,414	44,156	1,742	2,952	694	0.83	0.78	0.04
	2,265,600	1,371,500	-	1,255,500	2,381,600	284,223	295,125	10,902	(2,178)	18,962	5.54	5.23	
Insurance													
TPI Direct Insurance Limited	153,708	-	-	50,000	103,708	2,551	2,074	(477)	(230)	-	0.04	0.04	0.14
Adamjee Insurance Co Limited	657,500	-	-	657,500	-	-	-	-	80	-	-	-	-
	811,208	-	-	707,500	103,708	2,551	2,074	(477)	(150)	-	0.04	0.04	
Oil and Gas Exploration Companies													
Oil and Gas Development Company	985,700	80,000	-	31,000	1,034,700	146,310	180,121	33,811	74	7,006	3.38	3.19	0.02
Pakistan Oilfields Limited	163,500	30,100	-	2,800	190,800	92,492	124,127	31,635	426	6,988	2.33	2.20	0.08
Pakistan Petroleum Limited	425,000	310,700	-	85,000	650,700	104,265	138,496	34,231	4,099	4,306	2.60	2.45	0.03
Mari Petroleum Company Limited	30,620	46,360	-	-	76,980	116,663	113,973	(2,690)	-	333	2.14	2.02	0.07
	1,604,820	467,160	-	118,800	1,953,180	459,730	556,717	96,987	4,599	18,633	10.46	9.86	
Oil & Gas Marketing Companies													
Pakistan State Oil Company Limited	-	312,800	-	-	312,800	96,036	100,562	4,526	-	-	1.89	1.78	0.01
Sui Northern Gas Pipeline Limited	215,000	522,500	-	265,000	472,500	56,313	53,255	(3,058)	(1,869)	2,850	1.00	0.94	0.07
	215,000	835,300	-	265,000	785,300	152,349	153,817	1,468	(1,869)	2,850	2.89	2.73	
Pharmaceuticals													
Abbott Laboratories (Pakistan) Limited	128,650	-	-	59,850	68,800	64,300	49,599	(14,701)	(13,212)	1,186	0.93	0.88	0.07
GlacoSmith Kline Pakistan Limited	285,000	-	-	285,000	-	-	-	-	(5,212)	855	-	-	-
GlacoSmith Kline Consumer Healthcare Pakistan Limited	420	-	-	420	-	-	-	-	15	-	-	-	-
Wyeth Pakistan Limited	11,220	-	-	11,220	-	-	-	-	(1,200)	1,014	-	-	-
The Searle Company Limited (S.1.1)	85,700	54,000	25,440	-	165,140	68,926	58,065	(10,861)	-	1,018	1.09	1.03	0.09
	510,990	54,000	25,440	356,490	233,940	133,226	107,664	(25,562)	(19,609)	4,073	2.02	1.91	
Power Generation and Distribution													
The Hub Power Company Limited	1,085,000	482,200	-	-	1,567,200	175,330	157,504	(17,826)	-	7,199	2.96	2.79	0.14
K-Electric Limited (Par value Rs. 3.50 per share)	2,531,500	4,527,000	-	2,531,500	4,527,000	28,827	31,734	2,907	(960)	-	0.60	0.56	0.02
Kot Addu Power Company Limited	764,000	-	-	764,000	-	-	-	-	(1,848)	2,750	-	-	-
	4,380,500	5,009,200	-	3,295,500	6,094,200	204,157	189,238	(14,919)	(2,808)	9,949	3.56	3.35	

Name of investee company	Number of Shares					Carrying value as at March 31, 2018 (Rupees in '000)	Market value as at March 31, 2018 (Rupees in '000)	Appreciation / (diminution)	Capital (loss) / gain	Dividend Income	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 issue	Sales during the period	As at March 31, 2018						Total Investments	Net Assets	
Technology & Communication													
System Limited	-	233,500	-	-	233,500	22,416	22,561	145	-	-	0.42	0.40	0.21
	-	233,500	-	-	233,500	22,416	22,561	145	-	-	0.42	0.40	
Textile													
Nishat (Chunian) Limited	50,000	-	-	50,000	-	-	-	-	(41)	-	-	-	-
Nishat Mills Limited	402,500	313,500	-	25,000	691,000	110,784	109,793	(991)	64	2,592	2.06	1.95	0.20
Gul Ahmed Textile Mills Limited	340,000	-	-	340,000	-	-	-	-	(735)	-	-	-	-
Mohib Textile Mills Limited*	40,820	-	-	-	40,820	-	-	-	-	-	-	-	0.27
Sunshine Cloth Limited*	50,000	-	-	-	50,000	-	-	-	-	-	-	-	0.64
	883,320	313,500	-	415,000	781,820	110,784	109,793	(991)	(712)	2,592	2.06	1.95	
Tobacco													
Pakistan Tobacco Company Limited	33,460	-	-	33,460	-	-	-	-	(7,472)	-	-	-	-
	33,460	-	-	33,460	-	-	-	-	(7,472)	-	-	-	-
Total - As at March 31, 2018	26,773,108	17,115,420	200,715	16,433,850	27,655,393	2,790,725	2,758,033	(32,692)	(290,627)	98,963	51.81	48.86	
Total - As at June 30, 2017	43,122,708	13,823,440	477,100	30,650,140	26,773,108	2,992,887	3,430,762	437,875	280,508	139,079	56	54.19	

*Suspended/Delisted Companies

**Sponsors of Management Company

5.1.1 0.5 million shares of United Bank Limited and 2 million shares of Bank Al-Falah Limited having market value amounting to Rs. 104 million and Rs. 105.66 million respectively (June 30, 2017: 0.8 million shares of Cherat Cement Company Limited and 2 million shares of Bank Al-Falah Limited having market value amounting to Rs. 176.99 million and Rs. 117.81 million respectively) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Stock Exchange.

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 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. 0.69 million at March 31, 2018 (June 30, 2017: Rs. Nil) 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 Available-for-sale

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

Name of investee company	Number of Shares					Carrying value as at March 31, 2018 (Rupees in '000)	Market value as at March 31, 2018 (Rupees in '000)	Appreciation / (diminution)	Capital gain	Dividend Income	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 issue	Sales during the period	As at March 31, 2018						Total Investments	Net Assets	
Oil and Gas Marketing Companies													
Pakistan State Oil Company Limited [5.2.2]	5,922,149	-	1,184,430	-	7,106,579	484,438	2,284,694	1,800,256	-	88,832	42.92	40.48	2.18
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	33,053	280,425	247,372	-	18,660	5.27	4.97	0.39
Total - As at March 31, 2018	8,410,173	-	1,184,430	-	9,594,603	517,491	2,565,119	2,047,628	-	107,492	48.19	45.45	
Total - As at June 30, 2017	8,410,173	-	-	-	8,410,173	517,491	2,664,461	2,146,970	-	103,638	44.00	42.00	

5.2.2 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 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. 19.04 million at March 31, 2018 (June 30, 2017: Rs. Nil) 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.

5.3 Financial assets at fair value through profit or loss - held-for-trading:

- Market treasury bills

Issue date	Tenure	As at July 1, 2017	Purchases during the period	Sales / matured during the period	As at March 31, 2018	Balance as at March 31, 2018			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
July 21, 2016	03 months	-	200,000	200,000	-	-	-	-	-	-
Total - As at March 31, 2018		-	200,000	200,000	-	-	-	-	-	-
Total - June 30, 2017		-	-	-	-	-	-	-	-	-

6. PAYABLE TO THE MANAGEMENT COMPANY

	Note	March 31, 2018	June 30, 2017
-----Rupees in '000-----			
Remuneration of the Management Company	6.1	9,407	10,548
Sindh Sales Tax on Management Company's remuneration	6.2	1,223	1,372
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	470	527
		11,100	12,447

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (June 30, 2017: two percent) of the average net assets of the Fund for the current period.

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 up to 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.

		March 31, 2018	June 30, 2017
	Note	-----Rupees in '000-----	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and additional sales tax on management fee	7.1	55,961	55,961
Provision for Sindh Workers' Welfare Fund	7.2	21,075	21,075
Zakat payable		-	1,891
Printing charges		1,172	1,523
Auditors' remuneration		308	457
Security transaction costs		1,299	340
Withholding tax payable		66	26
		<u>79,881</u>	<u>81,273</u>

- 7.1** The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 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. 55,961 million. Had the provision not been retained, NAV per certificate of the Fund as at March 31, 2018 would have been higher by Rs. 0.20 per certificate (June 30, 2017: 0.20 per certificate).

- 7.2** The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is the same as that disclosed in note 12.2 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 December 31, 2017, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per certificate of the Fund as at March 31, 2018 would have been higher by Rs. 0.07 per certificate (June 30, 2017: 0.07 per certificate).

8. TAXATION

The Fund's income is exempt from income tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded 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 certificate 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:

		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	83,998	90,485
	Sales tax on remuneration of the management company	10,920	11,763
	Allocation of expenses related to registrar services, accounting, operation and valuation services	4,200	4,559
	Habib Bank Limited - Sponsor		
	Dividend income earned	1,790	8,809
	MCB Bank Limited (Connected person due to holding more than 10% certificate)		
	Profit on saving account	5,932	11,124
	Bank Charges	5	7
	Dividend income earned	7,782	9,266
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee Fee	2,370	3,722
	CDS Charges	245	374
		March 31, 2018	June 30, 2017
		(Un-Audited)	(Audited)
		-----Rupees in '000-----	
9.2	Balances at period / year end		
	HBL Asset Management Company Limited - Management Company		
	Payable to the Management Company	9,407	10,548
	Sindh Sales tax payable on remuneration to management company	1,223	1,372
	Allocation of expenses related to registrar services, accounting, operation and valuation services	470	527
	Habib Bank Limited - Sponsor		
	Bank balance	6,514	-
	Certificate Held: 48,662,161 (June 30, 2017: 48,662,161 certificate)	486,622	486,622
	Ordinary shares held: 825,000 shares (June 30, 2017: 788,800 shares)	175,024	212,298
	Jubilee General Insurance Company Limited		
	Certificate Held: 100,379 (June 30, 2017: 107,879 certificate)	1,003	1,078
	Jubilee General Insurance Company Limited Staff Provident Fund Trust		
	Certificate Held: 118,454 (June 30, 2017: 118,454 certificate)	1,184	1,184
	Jubilee General Insurance Company Limited Gratuity Fund Trust		
	Certificate Held: 224,000 (June 30, 2016: 224,000 certificate)	2,240	2,240
	Aga Khan University Employees Provident Fund Trust		
	Certificate Held: Nil (June 30, 2017: 588,000 certificate)	-	5,880

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	-----Rupees in '000-----	
Aga Khan University Employees Gratuity Fund Trust		
Certificate Held: 138,000 (June 30, 2017: 138,000 certificate)	<u>1,380</u>	<u>1,380</u>
NATIONAL INVESTMENT TRUST LIMITED - ADMINISTRATION FUND		
Certificate Held: 60,720 (June 30, 2017: Nil certificate)	<u>607</u>	<u>-</u>
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		
Certificate Held: 10,108,128 (June 30, 2017: Nil certificate)	<u>101,081</u>	<u>-</u>
MCB Bank Limited		
Connected Person Due to Holding more than 10% Certificate)		
Bank balance	<u>97,094</u>	<u>97,311</u>
Certificate Held: 66,090,021 (June 30, 2017: 48,042,021 certificate)	<u>660,900</u>	<u>480,420</u>
Ordinary shares held: 592,500 shares (June 30, 2017: 730,500 shares)	<u>130,427</u>	<u>153,719</u>
Profit receivable	<u>488</u>	<u>761</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	<u>395</u>	<u>892</u>
Security deposit held	<u>200</u>	<u>200</u>
CDC Charges Payable	<u>37</u>	<u>73</u>
Directors and Executives of the Management Company		
Certificate Held: 26,195 (June 30, 2017: 5,678 certificate)	<u>2,619</u>	<u>57</u>

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 are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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				
Fair value through profit and loss held-for-trading	Available-for-sale	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	2,758,033	2,565,119	-	-	5,323,152	5,323,152	-	-	5,323,152
	<u>2,758,033</u>	<u>2,565,119</u>	<u>-</u>	<u>-</u>	<u>5,323,152</u>	<u>5,323,152</u>	<u>-</u>	<u>-</u>	<u>5,323,152</u>
Financial assets not measured at fair value									
12.1									
Bank balances	-	-	455,755	-	455,755				
Dividend and Profit receivable	-	-	23,806	-	23,806				
Receivable against sale of investment	-	-	38,576	-	38,576				
	<u>-</u>	<u>-</u>	<u>479,561</u>	<u>-</u>	<u>479,561</u>				
Financial liabilities not measured at fair value									
12.1									
Payable to the Management Company	-	-	-	11,100	11,100				
Payable to the Trustee	-	-	-	432	432				
Accrued expenses and other liabilities	-	-	-	2,779	2,779				
Unclaimed dividend	-	-	-	86,446	86,446				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,757</u>	<u>100,757</u>				
June 30, 2017									
Carrying amount					Fair Value				
Fair value through profit and loss held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
..... (Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments - Listed equity securities	3,430,762	2,664,461	-	-	6,095,223	6,095,223	-	-	6,095,223
	<u>3,430,762</u>	<u>2,664,461</u>	<u>-</u>	<u>-</u>	<u>6,095,223</u>	<u>6,095,223</u>	<u>-</u>	<u>-</u>	<u>6,095,223</u>
Financial assets not measured at fair value									
12.1									
Bank balances	-	-	350,631	-	350,631				
Dividend and Profit receivable	-	-	66,857	-	66,857				
Receivable against sale of investment	-	-	-	-	-				
	<u>-</u>	<u>-</u>	<u>417,488</u>	<u>-</u>	<u>417,488</u>				
Financial liabilities not measured at fair value									
12.1									
Payable to the Management Company	-	-	-	12,447	12,447				
Payable to the Trustee	-	-	-	965	965				
Payable against purchase of investment	-	-	-	4,108	4,108				
Accrued expenses and other liabilities	-	-	-	4,211	4,211				
Unclaimed dividend	-	-	-	81,250	81,250				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,981</u>	<u>102,981</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

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), the total expense ratio of the Fund for the half year ended March 31, 2018 is 2.04% (March 31, 2017: 2.28%) which includes 0.28% (March 31, 2017: 0.55%) 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 **23 April, 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










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HBL

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