



ASSET MANAGEMENT

ايسيت مينجمنت

AMC Rating : AM2- by JCR-VIS

FUND MANAGER'S REPORT (Islamic Funds)

July 2016

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31-Jul-16

Fund Manager's Commentary

During the month of Jul'16, HBL Islamic Stock Fund posted return of 7.02% vs. benchmark KMI30 return of 5.93%. Index rally in the said month was quite broad-based with automobile (+13.8%), construction (+10.8%) and IPPs (+5.4%) being major contributors in KSE100 with expectations regarding ongoing result season and MSCI-related excitement having driven the index to new highs. On CYTD basis cements, E&Ps, autos and banks have been top performing sectors in KSE100. As far as Jun'16 results are concerned, we expect strong results from: cements (margin, volume), E&Ps (oil price recovery), OMCs (volume, margin and inventory gains) and IPPs (higher efficiency gains). In the upcoming month of Aug'16 we expect a brief period of index volatility and consolidation, thus allowing the momentum to take a breather. Meanwhile, the fund strategy is to remain invested in: (1) blue-chip stocks which offer a good option for playing MSCI upgrade theme and providing cushion from volatility, (2) high D/Y stocks in view of unpleasant shocks and expectation of flattish interest rate environment, and (3) position for Jun'16 results and payouts.

Investment Objective

The objective of HBL Islamic Stock fund is to achieve long-term capital growth by investing mainly in Shariah Compliant Equity securities

Investment Features

- Easy encashability
- Diversified Islamic Equity Portfolio
- No exit load

Fund Facts

Net Assets	Rs. 830.130 million (31-July-16)
NAV	PKR 136.9825*
Launch Date	10-May-11
Management Fee	2% p.a
Expense Ratio with ST & FED	2.87%
Expense Ratio without ST & FED	2.61%
Listing	Pakistan Stock Exchange
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Benchmark	KMI 30 Index
Type	Open End
Category	Equity Scheme
Front end Load	2.0%
Back end Load	Nil
AMC Rating	AM2- (by JCRVIS)
Dealing Days	Monday-Friday
Cut off time	9:00 AM-3:00 PM (Mon-Fri)
Price Mechanism	Forward Pricing
Leverage	Nil
Investment Committee	
Rehan N. Shaikh, Amir Khan & Samia Aslam, CFA, Akhtar Munir	

Provision against WWF liability

* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 8.274 mn if the same were not made, the NAV per unit/return would be higher by Rs. 1.37/1%.

Sector Allocation (% of Total Assets)

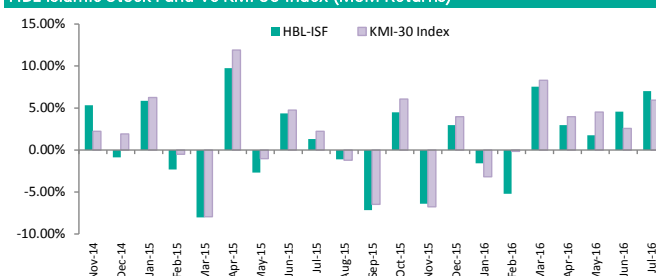
	July'16	Jun'16
Construction and materials	25.03%	24.70%
Power Generation & Dist.	15.75%	14.53%
Others	13.55%	13.00%
Engineering	10.21%	11.01%
OIL & GAS Exploration Co.	12.46%	13.54%
OIL & GAS Marketing Co.	1.73%	2.00%
Fertilizers	8.47%	10.54%
Automobile Assembler	3.37%	1.91%
Cable & Electrical Goods	3.13%	2.16%

Fund Returns (%)

	HBL-ISF*	Benchmark
Cumulative Return Since Inception	132.55%	245.84%
Year to Date Return (Cumulative)	7.02%	5.93%
Calendar Year to Date Return (Cumulative)	15.30%	26.05%
1 Month Cumulative Return	7.02%	5.93%
3 Month Cumulative Return	11.63%	15.78%
6 Month Cumulative Return	17.15%	30.19%
1 Year Cumulative Return	7.98%	19.70%
Daily Average Return (Since Inception)	0.04%	0.10%
Standard Deviation (Since Inception)	1.22%	0.95%
Since Inception (CAGR)	17.53%	26.81%
Return FY-15	11.63%	20.10%
Return FY-14	30.17%	29.89%
Return FY-13	44.87%	54.41%
Return FY-12	16.52%	13.57%
Return FY-11	n/a	n/a

* Returns have been calculated as per MUFAP's formula

HBL Islamic Stock Fund Vs KMI 30 Index (MoM Returns)



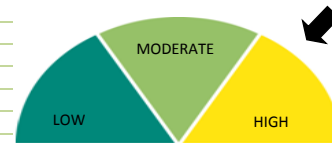
Asset Allocation (% of Total Assets)

	July'16	Jun'16
Cash	5.90%	5.80%
Stock/Equities	93.70%	93.39%
Others	0.41%	0.81%

Top Ten Holding (31-July-16)

Company	%
Lucky Cement Limited	9.85%
Hub Power Co. Ltd	8.59%
Engro Corporation Limited	8.47%
Pakistan Petroleum Ltd	5.94%
D.G. Khan Cement	5.06%
Kot Adu Co. Ltd.	4.35%
Packages Ltd.	4.11%
Pakistan Oilfields Ltd.	4.10%
Mughal Iron & Steel	4.02%
Searle Pakistan Limited	3.68%

Risk Level (High)



MUFAP's Recommended Format

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Fund Manager's Commentary

31-Jul-16

During the month, the fund posted a return of 3.91% against the benchmark return of 5.02%. The Fund continued to hold majority of its investment in Cash.

Investment Objective

The objective of HBL Islamic Money Market Fund is to seek high liquidity, competitive return and maximum possible preservation of capital for investors by investment in low risk Shariah Compliant securities

Investment Features

Easy encashability
Optimum returns
No front end and back end load

Fund Facts

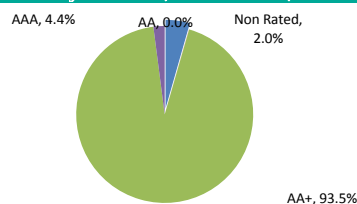
Net Assets	Rs. 515.382 million (31-Jul-16)
NAV	PKR 100.9471*
Launch Date	10-May-11
Management Fee	1% p.a
Expense Ratio with ST & 1.63%	
Expense Ratio without S	1.50%
Listing	Pakistan Stock Exchange
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Benchmark	3-Month Deposit Rate
Type	Open End
Category	Islamic Money Market Scheme
Front end Load	Nil
Back end Load	Nil
AMC Rating	AM2- (by JCRVIS)
Dealing Days	Monday-Friday
Cut off time	9:00 AM-3:00 PM (Mon-Fri)
Price Mechanism	Forward Pricing
Fund Stability Rating	N/A
Leverage	Nil
Investment Committee	
Rehan N. Shaikh, Amir Khan	
Fahad Aziz, Akhtar Munir	

Provision against WWF liability

* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 2.802 mn if the same were not made, the NAV per unit/return would be higher by Rs. 0.55/0.59%.

Weighted Average time to Maturity 1 Day

Asset Quality Portfolio (As at 31-Jul-16)

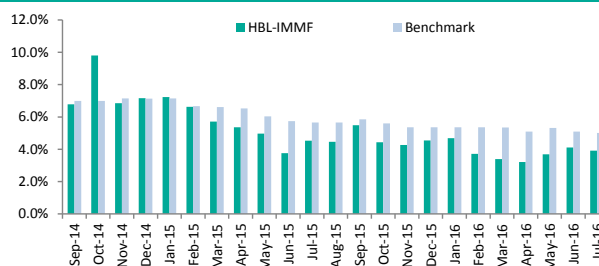


Fund Returns (%)

	HBL-IMMF*	Benchmark
Annualized Return Since Inception	8.58%	6.65%
Year to Date Annualized Return	3.91%	5.02%
Calendar Year to Date Annualized Return	3.85%	5.19%
1 Month Annualized Return	3.91%	5.02%
3 Month Annualized Return	3.91%	5.14%
6 Month Annualized Return	3.70%	5.16%
1 Year Annualized Return	4.24%	5.35%
Daily Average Return (Since Inception)	0.02%	0.02%
Standard Deviation (Since Inception)	0.11%	0.00%
Annualized Return FY-16	4.29%	5.40%
Annualized Return FY-15	6.70%	6.75%
Annualized Return FY-14	6.86%	6.62%
Annualized Return FY-13	8.45%	6.89%
Annualized Return FY-12	10.34%	7.41%

* Returns have been calculated as per MUFAP's formula

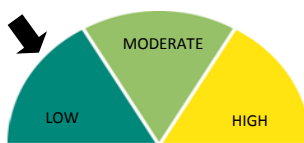
HBL Islamic Money Market Fund Vs benchmark (MoM Returns)



Asset Allocation (% of Total Assets)

	Jul'16	Jun'16
Cash	97.95%	95.86%
Govt Securities (Ijara Sukuk)	0.00%	0.00%
Others Including receivables	2.05%	4.14%
Term Deposit Receipts	0.00%	0.00%

Risk Level (Low)



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Fund Manager's Commentary

31-Jul-16

HBL Islamic Asset Allocation Fund posted the return of 1.66% in the month of July'16 while the benchmark was up by 1.89%. Exposure in equities increased by 3.30% to 27.76% in the month of July'16. Investment in Government Ijara stood at 29%. KMI 30 increased by 5.93% on MoM basis, mainly on the back of re-classification of Pakistan market in the MSCI Emerging markets (effective May, 17). Foreigners were net buyers of USD 23.20 million in the month of July'16. Average daily volume increased by 17 million shares to 189 million shares.

Investment Objective

The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes such as equity, equity related instruments, fixed income HBL Islamic Asset Allocation Fund aims to provide superior returns through investments in Shari'ah Compliant Equity Securities and Shari'ah Compliant Income / Money Market Instruments.

Investment Features

Easy encashability
Diversified Balanced Portfolio
No minimum holding period

Fund Facts

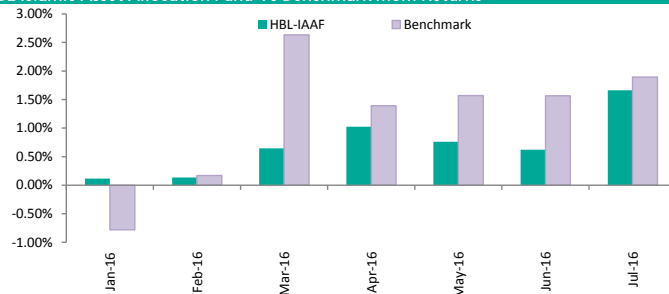
Net Assets	Rs. 1330.395 million (31-Jul-16)
NAV	104.2457
Launch Date	11-Jan-16
Management Fee	1.5% p.a
Expense Ratio with ST & FI	1.99%
Expense Ratio without ST	1.80%
Listing	Pakistan Stock Exchange
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Benchmark	30% KMI30 Index & 70% 6M Deposit Rate
Type	Open End
Category	Shariah Compliant Asset Allocation Scheme
Front end Load	upto 2%
Back end Load	Nil
AMC Rating	AM2- (by JCRVIS)
Dealing Days	Monday-Friday
Cut off time	9:00 AM-3:00 PM (Mon-Fri)
Price Mechanism	Forward Pricing
Fund Stability Rating	Not Rated
Leverage	Nil
Investment Committee	Rehan N. Shaikh, Amir Khan, Emmad Hashmi, Akhtar Munir
Provision against WWF liability	
* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR NIL	

Fund Returns (%)

	HBL-IAAF*	Benchmark
Year to Date Return (Cumulative)	1.66%	1.89%
Calendar Year to Date Return (Cumulative)	5.06%	8.72%
1 Month Cumulative Return	1.66%	1.89%
3 Month Cumulative Return	3.07%	5.11%
6 Month Cumulative Return	N/A	N/A
1 Year Cumulative Return	N/A	N/A
Daily Average Return (Since Inception)	0.02%	0.03%
Standard Deviation (Since Inception)	0.05%	0.29%
Return FY-16	3.35%	6.70%
Return FY-15	N/A	N/A
Return FY-14	N/A	N/A
Return FY-13	N/A	N/A
Return FY-12	N/A	N/A

* Returns have been calculated as per MUFAP's formula

HBL Islamic Asset Allocation Fund Vs Benchmark MoM Returns



Asset Allocation (% of Total Assets)

	Jul'16	Jun'16
Cash	34.80%	38.73%
GoP Ijarah Sukuk	29.00%	28.47%
Stock/Equities	27.76%	24.45%
Sukuk	5.86%	5.78%
Others	2.58%	2.57%

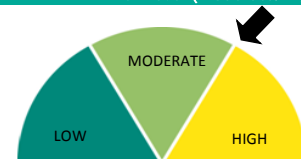
Sector Allocation (% of Total Assets)

	Jul'16	Jun'16
CEMENT	7.90%	5.55%
OIL & GAS EXPLORATION	4.27%	2.81%
POWER GENERATION & I	4.17%	2.05%
ENGINEERING	3.61%	3.17%
FERTILIZER	3.55%	1.73%
PHARMACEUTICALS	1.66%	1.56%
CABLE & ELECTRICAL GOC	0.82%	0.63%
AUTOMOBILE ASSEMBLEF	0.73%	0.51%
TEXTILE COMPOSITE	0.71%	0.00%

Top Ten Holding (31-Jul-16)

Engro Corp.	3.14%
Lucky Cement	2.07%
Pakistan Petroleum	1.96%
Hub Power Co.	1.74%
Mughal Steels	1.48%
Pioneer Cement	1.34%
Pakistan Oilfield	1.27%
DG Khan Cement	1.25%
Kot Addu Power	1.22%
K-Electric	1.21%

Risk Level (Moderate/High)



MUFAP's Recommended Format

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Fund Manager's Commentary

DF: The fund's exposure in government securities at the end of July'16 stood at 70.07%. The fund's return for the month stood at 7.89% p.a.

MMF: Exposure in government Securities at the end of July'16 stood at 29.03% of the fund size. Return of the fund for the month of July'16 stood at 5.37% p.a.

SF: In the month of July'16, the Fund return stood at 7.18%. Equity exposure at the end of month stood at 98.80% in terms of total Assets of the fund. In the month of July'16, KMI 30 Index increased by 5.93%. Net inflow of USD 23.20 million was witnessed in FIPI in the month of July. The liquidity slightly improved with average daily volume increased by 17 million shares to 189 million shares. In Equity Portfolio, Fund have heavy exposure on cement sector on the back of CPEC projects.

Investment Objective

To provide a secure and Shariah compliant source of savings and regular income after retirement to the Participants

Investment Features

- Hassle-free investment
- Competitive returns
- Flexible allocation schemes

Fund Facts

Launch Date	16-Dec-11
Management Fee	1.5% p.a
Trustee	Central Depository Co. of Pakistan
Auditor	Delloitte Pakistan
Type	Open End
Category	Shariah Compliant scheme
Front end Load	Max 3%
Back end Load	Nil
AMC Rating	AM2- (by JCRVIS)
Dealing Days	Monday-Friday
Cut off time	9:00 AM-3:00 PM (Mon-Fri)
Price Mechanism	Forward Pricing
Investment Committee	
Rehan N. Shaikh, Amir Khan, Samia Aslam, CFA, Akhtar Munir.	

Fund Size (million) as at 31-July-2016

Money Market	Debt	Equity
65.0965	88.0625	163.0546
NAV (PKR)		
129.9585	132.0297	346.2450
Leverage	Nil	

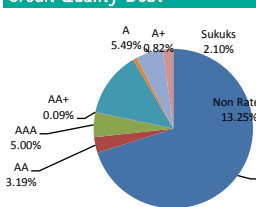
Fund Returns (%)

	Debt p.a	**Equity	MM p.a
Return Since Inception	6.86%	270.80%	6.42%
Year to Date Return	7.89%	7.18%	5.37%
Calendar Year to Date Return	4.14%	14.39%	3.22%
1 Month Return	7.89%	7.18%	5.37%
3 Month Return	6.45%	11.07%	5.74%
6 Month Return	5.59%	16.87%	4.13%
1 Year Return	3.50%	11.05%	2.86%
Daily Average Return (Since Inception)	0.02%	0.12%	0.02%
Standard Deviation (Since Inception)	0.10%	0.97%	0.06%
Return FY-15	4.97%	25.92%	5.28%
Return FY-14	7.04%	44.41%	6.08%
Return FY-13	8.67%	50.30%	7.70%
Return FY-12	n/a	n/a	n/a
Return FY-11	n/a	n/a	n/a

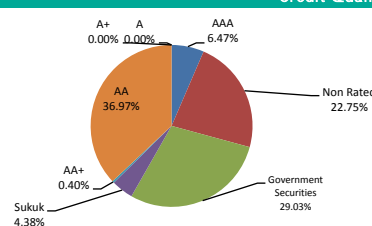
* Returns have been calculated as per MUFAP's formula

**Equity fund returns are cumulative

Credit Quality-Debt



Credit Quality-MMF



Provision against WWF liability

* The ESF, DSF and MSF of scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 1.397mn, PKR 0.269 mn, and PKR 0.223 mn respectively. If the same were not made, the NAV per unit/return of ESF, DSF, and MSF would be higher by Rs. 2.97/0.86%, Rs 0.4/0.30% and Rs 0.45/0.35% respectively.

Risk Level



Sector Allocation Equity

Sector Allocation Equity	%	Top 10 Equities	%
Cements	21.6%	Lucky Cement	9.2%
Oil & Gas Development	11.6%	Hub Power Company	9.1%
Fertilizers	10.8%	Engro Corp	6.6%
Power Generation	10.8%	Pakistan Petroleum	6.1%
Engineering	10.4%	DG Khan Cement	5.5%
Pharmaceuticals	7.6%	Packages	4.8%
Paper & Board	4.7%	Pakistan National Shipping	4.6%
Transport	4.6%	Pioneer Cement	4.4%
Cable and Distribution	4.2%	Pak Electron	4.2%
Others	13.6%	K- Electric	4.2%

Asset Allocation

	HBL Money Market		HBL Debt				HBL-Equity				
	31-Jul-16	30-Jun-16	31-Jul-16	30-Jun-16	31-Jul-16	30-Jun-16	31-Jul-16	30-Jun-16			
Govt. Securities	29.03%	29.78%	70.07%	71.38%	98.80%	89.43%					
Others	22.75%	0.99%	13.25%	3.35%	1.20%	0.42%					
Cash	43.84%	64.72%			0.00%	10.15%					
Sukuk	4.38%	4.51%	2.10%	2.14%							
			14.58%	23.13%							
Returns (%)*	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
HBL-IPF MMF*	0.31%	2.87%	1.98%	2.51%	-2.06%	0.50%	3.92%	2.76%	3.34%	8.53%	5.37%
HBL-IPF Debt*	2.11%	2.76%	1.75%	2.69%	-4.25%	3.03%	6.60%	4.10%	5.10%	6.26%	7.89%
HBL-IPF Equity**	-6.70%	4.55%	-5.19%	5.14%	-2.12%	-4.15%	7.21%	2.40%	2.10%	1.50%	7.18%

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HOW TO INVEST?

Invest as low as Rs. 1,000/= in our Islamic funds
Rs. 500/= in our Islamic Pension funds

Three Simple Steps to Invest:

1. Make payment through cheque / demand draft in favor of "CDC-Trustee HBL (Name of fund)"
E.g: CDC-Trustee HBL Islamic Money Market Fund
2. Attach the documents as specified in the Account Opening Form
3. Submit the required documents along with payment at our Karachi office, Lahore Office or Islamabad Office

Karachi Head Office Address

24-C, Khayaban-e-Hafiz, Phase VI,
D.H.A, Karachi

Tel: (92-21) 111-425-262

Fax: (92-21) 35240634

Lahore Office Address

102-103, Upper Mall,
Lahore

Tel: (92-42) 36281610

Fax: (92-42) 36281686

Islamabad Office Address

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Building, Jinnah Avenue, Islamabad

Tel: (92-51) 2821183

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