

HBL

ASSET MANAGEMENT LTD.  
ایس ایٹ مینجمنٹ لمیٹڈ

AMC Rating : AM2+ by JCR-VIS



FUND  
MANAGER'S  
REPORT  
June 2018

0.3035

19.00

3.3045

11.3040

17.855

## ECONOMIC REVIEW

During last month, the country's macroeconomic landscape continued to deteriorate reflected by slowdown in LSM growth, uptrend in inflation and burgeoning current account deficit. Moreover, policy makers allowed PKR to depreciate by another 5% during Jun-18 to PKR121.9 per USD, taking FY18TD PKR depreciation to 16%.

CPI inflation for the month of Jun-18 clocked in at 5.2% YoY while MoM inflation increased by 0.6% MoM driven by food prices (+0.9%) and transport segment (+2.9%) mainly due to seasonal pickup in prices during Ramzan and Eid days and gradual increase in fuel prices. YoY inflation increase was driven by education and transport segment. Meanwhile, LSM growth remained slowed in Apr-18 rising by 4.1% YoY, translating into 10MFY18 LSM growth to 5.8% (compared to . . . Exports increased by whopping 32.4% YoY in May-18, translating into 11MFY18 growth of 15.3%. However, imports also continued to grow at a pace of 14.8% YoY during the month leading to an increase of 14.1% in the ongoing fiscal year. Consequently, the country continued to face external account concerns where 11MFY18 current account deficit increased to USD15.96bn resulting in the current account rising to 5.5% as a percentage of GDP against 4% during same period last year.

Going forward, we expect policy makers to face increasing external account concerns where IMF repayments start in the FY19. We expect the economic managers to take more stringent steps to curb macroeconomic risks and secure sustainable growth of economy.

## MONEY MARKET REVIEW

During the month of Jun-18, SBP conducted two T-bill auctions with a cumulative target of PKR 550bn against maturity of PKR 161bn. The participation was lower in the second T-Bill auction as market participants had accumulated the amount in the first auction post MPS, the entire amount was funded through SBP's OMO. The total accepted amount combined in the auctions were PKR 1,337.4bn out of which PKR 1,335.9bn was for 3M tenor (excluding non-competitive bids). The cut-off yields increased by 46bps and 48bps in 3M and 6M tenor and were recorded at 6.7596% and 6.8545% for 3M and 6M tenor respectively while no bid was received in 12M tenor. SBP conducted PIB auction during third week of the month with a target of PKR50bn against maturity of PKR 15bn. Cumulative participation of only PKR 8.9bn was received in 3Y, 5Y and 10Y tenors. The government accepted PKR 2.5bn, PKR 0.25bn and PKR 0.62bn in 3, 5 and 10 year tenors respectively. The cutoffs were 7.5000% (up 30 bps), 8.4795% (up 45 bps) and 8.6999% (up 23 bps) for 3, 5 and 10 year tenors respectively.

In the last week, Government conducted the floating rate Pakistan Investment Bonds Auction. Against the participation of PKR 122.1bn, government only accepted PKR 13.8bn (target of 50bn) at same cut-off margin of 50bps over the benchmark. In the last week of the month, Government injected PKR 1,460bn at 6.53% p.a through an OMO. During the month, yields across all the tenors increased by 14-46bps due to expectation of hike in the next monetary policy. Going forward, due to increased macroeconomic risks, we expect interest rates to increase by 100bps during FY19.

## EQUITY MARKET REVIEW

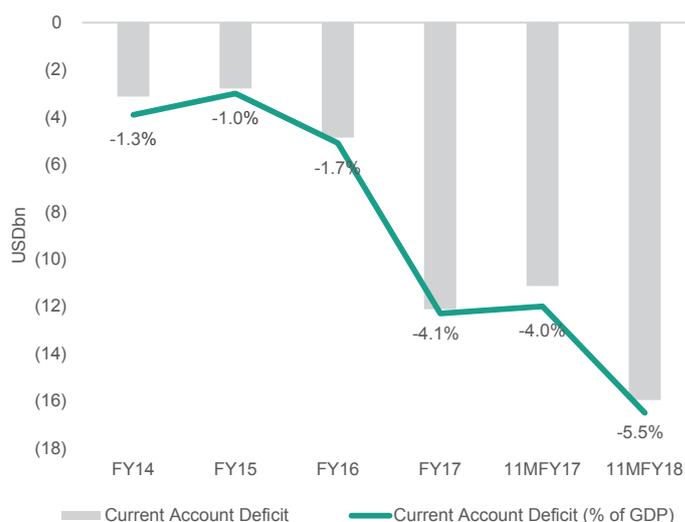
Pakistan Equities remained under pressure during Jun-18 owing to continued foreign selling, deteriorating macros along with another round of PKR depreciation.

Pakistan equities benchmark KSE100 Index lost 936 points (2.2%) during Jun-18 due to continued foreign selling. During the month, foreign investors divested stocks worth USD74mn likely due to increased concerns over PKR depreciation. On a sectoral basis, cements (326 points), automobiles (142 points) and power (119 points) had the biggest drag on the index. Decline in cements and automobiles continued as the sector remained marred by compressing margins amid high commodity prices and currency depreciation. Moreover, power stocks remained in pressure due to lackluster investor interest on account of expected interest rate increase.

Going forward, we expect the market to remain choppy owing to deteriorating macros and continued political noise as the country moves towards general elections (25th July 2018). However, these factors have already opened up valuations (current 12M forward PE of 8.4x) and offer good entry opportunities. Moreover, we would like to highlight that long term returns of Pakistan equities have been 20%+ for the past 25 years which reaffirms Warren Buffet's quote:

"The stock market is a device for transferring money from the impatient to the patient"

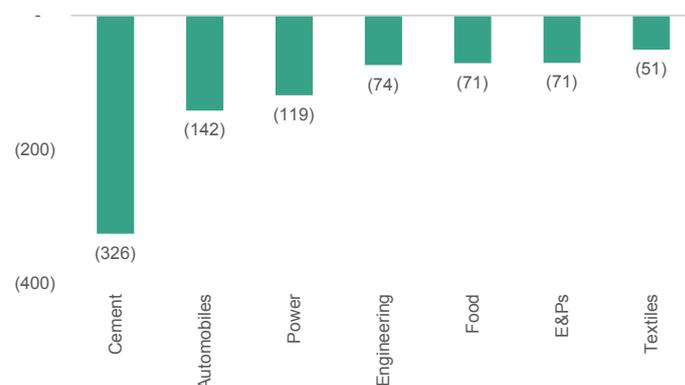
## Current Account Trend



## Yield Curve



## Points Contribution to KSE-100 Index in May-18





# Conventional Funds

## INVESTMENT OBJECTIVE

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

## FUND MANAGER'S COMMENTS

The fund earned an annualized return of 5.90% (an improvement of 101 bps MoM) against the benchmark return of 5.91%. On YTD basis, HBL MMF posted an annualized return of 5.32% versus the benchmark performance of 5.35%. Currently, the fund holds no Government Securities in order to benefit from higher deposit rates offered by Banks due to year end deposit requirement. At the end of the month, fund increased its exposure in Daily Product Account to 92.91% of total assets compared to 0.45% in last month. On the other hand, placement with Banks and DFIs stood 6.83% of total assets. Weighted average time to maturity of the fund stood at 3 days compared to 33 days in May. Going forward, we expect returns to improve from existing levels due to extensive placements in deposits at highly attractive rates.

## FUND INFORMATION

|                                    |  |
|------------------------------------|--|
| Net Assets                         | PKR 7,249 mn   |
| Net Assets excluding Fund of Funds | PKR 7,249 mn   |
| NAV                                | 107.1869   |
| Launch Date                        | 14-Jul-10  |
| Management Fee                     | 10% of gross earning with floor of 0.75% & cap of 1% of the avg. daily N A of the scheme |
| Expense Ratio with Levies          | 1.41%  |
| Expense Ratio without Levies       | 1.10%  |
| Listing                            | Pakistan Stock Exchange  |
| Trustee                            | Central Depository Co. of Pakistan   |
| Auditor                            | Deloitte Yousuf Adil Pakistan  |
| Benchmark                          | 70% 3M PKRV & 30% 3M avg. deposits rate of 3 AA and above rated Banks                    |
| Type                               | Open End   |
| Category                           | Money Market Scheme  |
| Front end Load                     | Nil  |
| Back end Load                      | Nil  |
| AMC Rating                         | AM2+ ( JCR VIS) 29-Dec-17  |
| Dealing Days                       | As per SBP/PSX   |
| Cut off time                       | 9 AM to 4:00 PM & Same day redemption 9:30 AM  |
| Price Mechanism                    | Backward Pricing   |
| Fund Stability Rating              | AA(f) (JCR VIS) 5-Jan-17   |
| Leverage                           | Nil  |
| Risk                               | Low  |
| Weighted Average Maturity (Days)   | 3  |

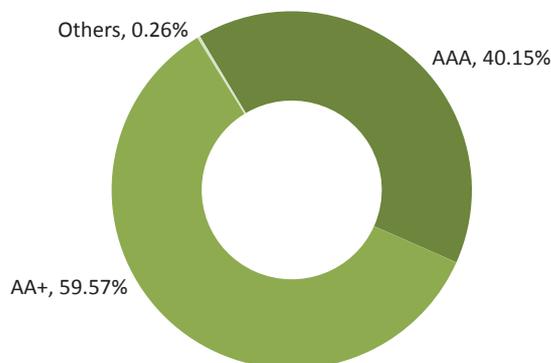
## ASSET ALLOCATION (% of Total Assets)

|                              | Jun-18  | May-18  |
|------------------------------|---------|---------|
| Cash                         | 92.91%  | 0.45%   |
| Placements with Banks & DFIs | 6.83%   | 7.34%   |
| T-Bills                      | 0.00%   | 92.13%  |
| Commercial Paper             | 0.00%   | 0.00%   |
| PIBs                         | 0.00%   | 0.00%   |
| Others Including receivables | 0.26%   | 0.08%   |
| Total Including Fund of Fund | 100.00% | 100.00% |
| Total Excluding Fund of Fund | 100.00% | 100.00% |

## FUNDS RETURNS (%)\*

|   | HBL MMF* | BENCHMARK |
|---|----------|-----------|
| Annualized Return Since Inception       | 11.08%   | 7.40%     |
| Year to Date Annualized Return          | 5.32%    | 5.35%     |
| Calendar Year to Date Annualized Return | 5.48%    | 5.53%     |
| 1 Month Annualized Return               | 5.90%    | 5.91%     |
| 3 Month Annualized Return               | 5.40%    | 5.69%     |
| 6 Month Annualized Return               | 5.48%    | 5.53%     |
| 1 Year Annualized Return                | 5.32%    | 5.35%     |
| 3 Years Annualized Return               | 5.96%    | 5.39%     |
| 5 Years Annualized Return               | 7.72%    | 6.39%     |

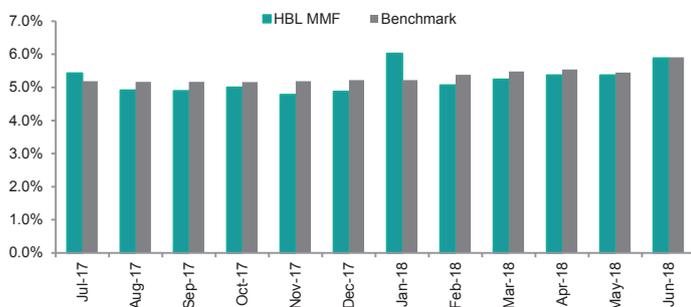
## ASSET QUALITY (% Total Assets)



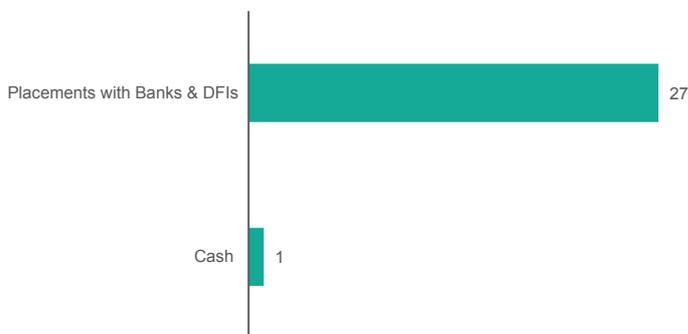
## INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Faizan Saleem         | Head of Fixed Income     |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

## HBL MONEY MARKET FUND vs BENCHMARK (MoM Returns)



## WEIGHTED AVERAGE MATURITY (DAYS)



## NON-COMPLIANT INVESTMENTS

NIL

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

### INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity. The Fund will aim to maximize returns through efficient utilization of investment and liquidity management tools.

### FUND MANAGER'S COMMENTS

The fund earned an annualized return of 5.83% against the benchmark return of 5.91%. On YTD basis, HBL CF posted an annualized return of 5.49% versus the benchmark performance of 5.35%, an outperformance of 14 bps. During the month, the fund size reduced to PKR 12,040mn compared to 13,932mn in May due to planned year end redemptions. As year-end deposit rates improved, the fund increased its exposure in Bank Deposits and Placements with DFIs while offloading the exposure in Treasury Bills. At the end of month, investment in DPA and Placement with Banks & DFIs stood at 81.03% & 18.61% of total assets respectively. Weighted average time to maturity of the fund decreased to 6 days from 33 days. Going forward, we anticipate higher portfolio accruals due to placement with banks at highly attractive rates (~65 to 75 bps above T-Bill yield).

### FUND INFORMATION

|                                    |   |
|------------------------------------|---|
| Net Assets                         | PKR 12,040 mn   |
| Net Assets excluding Fund of Funds | PKR 11,763 mn   |
| NAV                                | PKR 106.0021  |
| Launch Date                        | 13-Dec-10   |
| Management Fee                     | 7.5% of gross return subject to a floor of 0.50% and a cap of 1% of average annual net assets |
| Expense Ratio with Levies          | 0.96%   |
| Expense Ratio without Levies       | 0.70%   |
| Listing                            | Pakistan Stock Exchange   |
| Trustee                            | Central Depository Co. of Pakistan  |
| Auditor                            | Deloitte Yousuf Adil Pakistan   |
| Benchmark                          | 70% 3M PKRV+30% 3M Avg. Deposit Rate of 3 AA rated Banks as per Mufap                         |
| Type                               | Open End  |
| Category                           | Money Market Scheme   |
| Front end Load                     | Up to 1%  |
| Back end Load                      | Nil   |
| AMC Rating                         | AM2+ (JCR VIS) 29-Dec-17  |
| Dealing Days                       | As per SBP / PSX  |
| Cut off time                       | 9 AM to 4:00 PM & Same day redemption 9:30 AM   |
| Price Mechanism                    | Backward Pricing  |
| Fund Stability Rating              | AA(f) (JCR VIS) 05-Jan-17   |
| Leverage                           | Nil   |
| Risk                               | Low   |
| Weighted Average Maturity (Days)   | 6   |

### INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Faizan Saleem         | Head of Fixed Income     |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

### HBL CASH FUND vs BENCHMARK (MoM Returns)



### NON-COMPLIANT INVESTMENTS

NIL

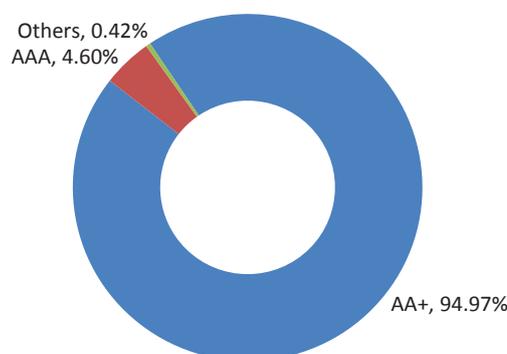
### ASSET ALLOCATION (% of Total Assets)

|                              | Jun-18  | May-18  |
|------------------------------|---------|---------|
| Cash                         | 81.03%  | 9.11%   |
| T-Bills                      | 0.00%   | 75.53%  |
| Commercial Paper             | 0.00%   | 0.00%   |
| Placements with Banks & DFIs | 18.61%  | 15.20%  |
| Others Including Receivables | 0.36%   | 0.16%   |
| Total including Fund of Fund | 100.00% | 100.00% |
| Total excluding Fund of Fund | 97.70%  | 97.76%  |

### FUND RETURNS\*

|   | HBL CF | BENCHMARK |
|---|--------|-----------|
| Annualized Return Since Inception       | 11.35% | 6.83%     |
| Year to Date Annualized Return          | 5.49%  | 5.35%     |
| Calendar Year to Date Annualized Return | 5.47%  | 5.53%     |
| 1 Month Annualized Return               | 5.83%  | 5.91%     |
| 3 Month Annualized Return               | 5.54%  | 5.69%     |
| 6 Month Annualized Return               | 5.47%  | 5.53%     |
| 1 Year Annualized Return                | 5.49%  | 5.35%     |
| 3 Years Annualized Return               | 6.63%  | 5.02%     |
| 5 Years Annualized Return               | 8.71%  | 5.81%     |

### ASSET QUALITY (% Total Assets)



### WEIGHTED AVERAGE MATURITY



\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

**INVESTMENT OBJECTIVE**

The objective of the Fund is to provide a stable stream of income with moderate level of risk by investing in fixed income securities.

**FUND MANAGER'S COMMENTS**

The fund posted an annualized return of 5.61% against the benchmark return of 6.98% while fund size decreased to PKR 2,456 million from 3,081 mn in May'18. Due to reduction in fund size, exposure in TFCs (including Government backed Instrument) increased to 45.40% of total assets compared to 37.45% last month. Placements with banks and DFIs was reduced to 8.29% of total assets compared to 19.91% last month while exposure in commercial paper was matured during the month. However, bank deposit in DPA was increased to 40.74% of total assets compared to 35.36% in May'18 due to higher rates offered by banks on account of year end. Weighted average time to maturity of the fund increased to 928 days due to reduction in fund size compared to 761 days last month. Going forward, we expect returns to improve due to higher exposure in KIBOR linked assets.

**FUND INFORMATION**

|                                    |   |
|------------------------------------|---|
| Net Assets                         | PKR 2,456 mn  |
| Net Assets excluding Fund of Funds | PKR 2,392 mn  |
| NAV                                | PKR 111.2890  |
| Launch Date                        | 17-Mar-07   |
| Management Fee                     | 12.5% of gross earning with floor of 1.25% & cap of 1.50% of the avg. daily net asset of the scheme |
| Expense Ratio with Levies          | 2.16%   |
| Expense Ratio without Levies       | 1.78%   |
| Listing                            | Pakistan Stock Exchange   |
| Trustee                            | Central Depository Co. of Pakistan  |
| Auditor                            | Deloitte Yousuf Adil Pakistan   |
| Benchmark                          | 6 Month KIBOR   |
| Type                               | Open End  |
| Category                           | Income Scheme   |
| Front end Load                     | upto 1.5%   |
| Back end Load                      | Nil   |
| AMC Rating                         | AM2 + (JCR VIS) 12/29/2017  |
| Dealing Days                       | As per SBP / PSX  |
| Cut off time                       | 9:00 AM-4:00 PM   |
| Price Mechanism                    | Forward Pricing   |
| Fund Stability Rating              | A(f) (JCR VIS) 1/11/2017  |
| Leverage                           | Nil   |
| Weighted Average Maturity (Days)   | 928   |
| Risk                               | Moderate  |

**ASSET ALLOCATION (% of Total Assets)**

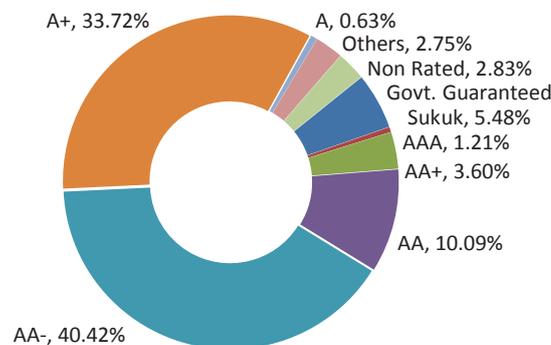
|                              | Jun-18  | May-18  |
|------------------------------|---------|---------|
| Cash                         | 40.74%  | 35.36%  |
| Placement with Banks & DFI   | 8.29%   | 19.91%  |
| TFCs                         | 39.92%  | 33.02%  |
| Govt. Guaranteed TFCs        | 5.48%   | 4.43%   |
| T-Bills                      | 0.00%   | 0.00%   |
| Spread Transaction           | 2.83%   | 0.87%   |
| Commercial Paper             | 0.00%   | 4.12%   |
| Others Including receivables | 2.75%   | 2.30%   |
| Total Including Fund of Fund | 100.00% | 100.00% |
| Total Excluding Fund of Fund | 97.38%  | 97.92%  |

**FUND RETURNS\***

**HBL IF\* BENCHMARK**

|   |        |        |
|---|--------|--------|
| Annualized Return Since Inception       | 14.43% | 10.05% |
| Year to Date Annualized Return          | 4.98%  | 6.35%  |
| Calendar Year to Date Annualized Return | 5.49%  | 6.54%  |
| 1 Month Annualized Return               | 5.61%  | 6.98%  |
| 3 Month Annualized Return               | 5.03%  | 6.68%  |
| 6 Month Annualized Return               | 5.49%  | 6.54%  |
| 1 Year Annualized Return                | 4.98%  | 6.35%  |
| 3 Years Annualized Return               | 5.53%  | 6.33%  |
| 5 Years Annualized Return               | 8.81%  | 7.56%  |

**ASSET QUALITY (% Total Assets)**



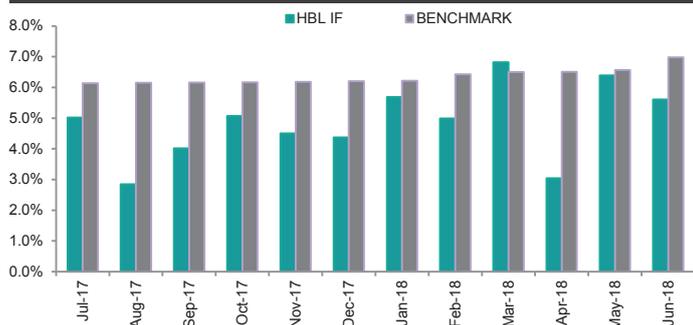
**TOP TEN HOLDINGS TFCs (% of Total Assets)**

|                              |        |
|------------------------------|--------|
| Dawood Hercules Co. Ltd.     | 10.09% |
| The Bank of Punjab           | 8.08%  |
| JS Bank Ltd. II              | 7.89%  |
| WAPDA                        | 5.48%  |
| Soneri Bank Ltd.             | 5.37%  |
| Jahangir Siddiqui & Co. Ltd. | 3.59%  |
| JS Bank Ltd.                 | 2.29%  |
| TPL Corp.                    | 1.98%  |
| Ghani Gass Ltd.              | 0.63%  |

**INVESTMENT COMMITTEE**

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Faizan Saleem         | Head of Fixed Income     |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

**HBL INCOME FUND vs BENCHMARK (MoM Returns)**



**NON-COMPLIANT INVESTMENTS**

| Non-Compliant Investment         | Type of Investment | Value before Provision (PKR mn) | Provision Held (PKR mn) | Value of Investment after Provision (PKR mn) | Limit  | % of Net Assets | % of Gross Assets |
|----------------------------------|--------------------|---------------------------------|-------------------------|--|--------|-----------------|-------------------|
| New Allied Electronics           | TFC                | 19.02                           | 19.02                   | -  | -      | -               | -                 |
| New Allied Electronics           | Sukuk              | 44.15                           | 44.15                   | -  | -      | -               | -                 |
| Agri Tech Limited                | TFC                | 9.99                            | 9.99                    | -  | -      | -               | -                 |
| Saudi Pak Leasing Co. Ltd.       | TFC                | 5.55                            | 5.55                    | -  | -      | -               | -                 |
| World Telecom Limited            | TFC                | 47.77                           | 47.77                   | -  | -      | -               | -                 |
| Dawood Hercules Corporation Ltd. | Sukuk              | 255.51                          | 0.00                    | 255.51                                       | 10.00% | 10.40%          | 10.08%            |
| JS Bank Limited                  | TDR                | 257.86                          | 0.00                    | 257.86                                       | 10.00% | 10.50%          | 10.18%            |

The scheme holds certain non-compliant investments. Before making any investment decision, investors should review this document and latest financial statements.

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

**Risk Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved including risk disclosure for special feature.

### INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide consistent returns to its investors through active investments in a blend of short, medium and long term securities issued and / or guaranteed by Government of Pakistan. The Fund will aim to provide superior risk adjusted returns through active duration and liquidity management tools.

### FUND MANAGER'S COMMENTS

The fund earned an annualized return of 5.96% against the benchmark return of 6.84% while the fund size remain stagnant at PKR 314million in June 2018. HBL Government Securities Fund (GSF) maintains minimum exposure of 70% in government securities (on monthly average) as per the regulatory requirement which enhances the asset quality and liquidity profile of the fund. However, at the end of the month exposure in DPA was increased to 98.68% by offloading T-Bills in order to get benefit of high rates offered by banks on year end. Weighted average time to maturity of the portfolio reduced to 1 day compared to 4 days last month. Going ahead, we will maintain low duration portfolio to avoid volatility in returns as we foresee more adjustment in bond market owing to pressure on CAD and expectation of higher inflation number in 1HFY19. Our short term strategy will be to generate alpha by maximizing on trading opportunities.

### FUND INFORMATION

|                                    |   |
|------------------------------------|---|
| Net Assets                         | PKR 314 mn  |
| Net Assets excluding Fund of Funds | PKR 314 mn  |
| NAV                                | PKR 110.4244  |
| Launch Date                        | 23-Jul-10   |
| Management Fee                     | 12.5% of Gross Earning with floor of 1% & cap of 1.25% of the avg. daily net assets of the fund |
| Expense Ratio with Levies          | 2.13%   |
| Expense Ratio without Levies       | 1.79%   |
| Listing                            | Pakistan Stock Exchange   |
| Trustee                            | Central Depository Co. of Pakistan  |
| Auditor                            | Deloitte Yousuf Adil Pakistan   |
| Benchmark                          | 6 Month PKRV Rates  |
| Type                               | Open End  |
| Category                           | Sovereign Income Scheme   |
| Front end Load                     | Up to 2%  |
| Back end Load                      | Nil   |
| AMC Rating                         | AM2+ (JCR VIS) 29-Dec-17  |
| Dealing Days                       | As per SBP / PSX  |
| Cut off time                       | 9:00 AM-4:00 PM   |
| Price Mechanism                    | Forward Pricing   |
| Fund Stability Rating              | A+(f)(JCR VIS)15-Jan-2018   |
| Leverage                           | Nil   |
| Risk                               | Moderate  |
| Weighted Average Maturity (Days)   | 1   |

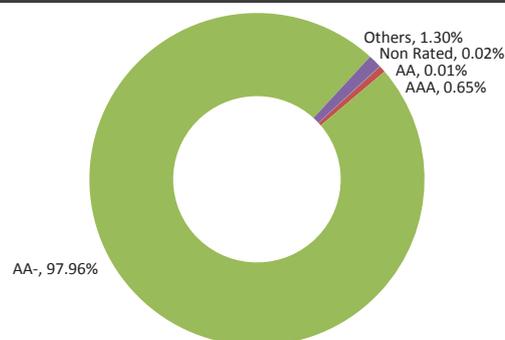
### ASSET ALLOCATION (% of Total Assets)

|                              | Jun-18  | May-18  |
|------------------------------|---------|---------|
| Cash                         | 98.68%  | 52.24%  |
| Placement with Banks & DFI   | 0.00%   | 0.00%   |
| TFCs                         | 0.00%   | 0.00%   |
| PIBs                         | 0.00%   | 0.00%   |
| T-Bills                      | 0.00%   | 47.02%  |
| MTS / Spread Transactions    | 0.02%   | 0.13%   |
| Others Including receivables | 1.30%   | 0.61%   |
| Total including Fund of Fund | 100.00% | 100.00% |
| Total excluding Fund of Fund | 100.00% | 100.00% |

### FUND RETURNS \* HBL GSF BENCHMARK

|   |        |       |
|---|--------|-------|
| Annualized Return Since Inception       | 12.21% | 8.93% |
| Year to Date Annualized Return          | 4.74%  | 6.20% |
| Calendar Year to Date Annualized Return | 4.96%  | 6.39% |
| 1 Month Annualized Return               | 5.96%  | 6.84% |
| 3 Month Annualized Return               | 5.02%  | 6.54% |
| 6 Month Annualized Return               | 4.96%  | 6.39% |
| 1 Year Annualized Return                | 4.74%  | 6.20% |
| 3 Years Annualized Return               | 6.41%  | 6.12% |
| 5 Years Annualized Return               | 8.99%  | 7.34% |

### ASSET QUALITY (% Total Assets)



### INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Faizan Saleem         | Head of Fixed Income     |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

### HBL GOVT. SECURITIES FUND vs. BENCHMARK (MoM Returns)



### NON-COMPLIANT INVESTMENTS

NIL

### WEIGHTED AVERAGE MATURITY (DAYS)



\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

**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 securities, continuous funding system, derivatives, money market instruments, etc.

**FUND MANAGER'S COMMENTS**

The fund posted a return of negative 0.55% during the month an outperformance of 50 bps compared to the benchmark return of -1.05%. Fiscal year 2018 proved to be a disappointing year for Pakistan's equity market posting a negative return of 10% (26% in USD terms), a negative reading after almost 8 years. The promotion to MSCI EM status failed to put halt to foreign outflows as foreigners sold USD289mn, a third consecutive year of outflows. Jun'18 proved to be a volatile month for the equity market where the index shed 936 points, declining by 2.2% on MoM basis. The primary reasons for this dismal performance was the critical decision of FATF of placing Pakistan on the grey list and the change in Moody's outlook of Pakistan's B3 rating to negative. Another key highlight of Jun'18 was ambiguous progress on much-awaited Amnesty Scheme for assets declaration. Consequently, foreigners yet again remained net sellers as net outflow of USD 74mn was witnessed during the month. During the month allocation was largely maintained, the notable change was the decrease in exposure in Commercial Banks and Power Generation & distribution sector. The fund was invested in equities up to 53.14%. Politics and macro will be the two major drivers of market direction in the second half of CY18 and beyond. We believe market will remain volatile and may continue to be range bound owing to upcoming general elections and weak economic outlook on the back of growing CAD and rising inflation. Therefore, we would like to advise our investors to ride out the short term volatility and focus on the long term picture which in our view is very enticing, evident from the current market multiples (12M forward PE of 8.4x) and discount from MSCI EM and frontier counterparts.

**FUND INFORMATION**

|                              |  |
|------------------------------|--|
| Net Assets (mln)             | PKR 324  |
| NAV                          | PKR 105.0519   |
| Launch Date                  | 17-Dec-07  |
| Management Fee               | 2.0% p.a.  |
| Expense Ratio with Levies    | 2.98%  |
| Expense Ratio without Levies | 2.61%  |
| Listing                      | Pakistan Stock Exchange  |
| Trustee                      | Central Depository Co. of Pakistan   |
| Auditor                      | Deloitte Yousuf Adil Pakistan  |
| Benchmark                    | Weighted average daily return of KSE100 and 6M average PKRV rates based on the actual proportion of investment in Equity and Fixed Income/Money Market component |
| Type                         | Open End   |
| Category                     | Balanced Scheme  |
| Front end Load               | Upto 2.00%   |
| Back end Load                | Nil  |
| AMC Rating                   | AM2+ (JCR VIS) 29-Dec-17   |
| Dealing Days                 | As per SBP/PSX   |
| Cut-off time                 | 9:00 AM-4:00 PM  |
| Price Mechanism              | Forward Pricing  |
| Leverage                     | Nil  |
| Risk                         | Moderate to High   |

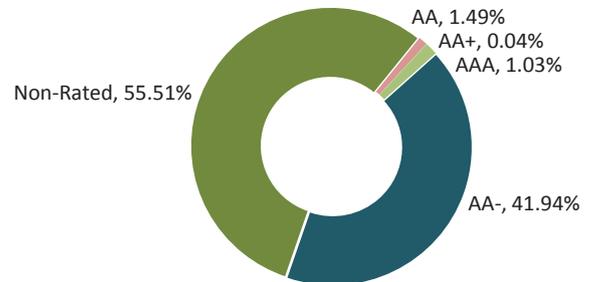
**ASSET ALLOCATION (% of Total Assets)**

|                              | Jun-18 | May-18 |
|------------------------------|--------|--------|
| Cash                         | 35.03% | 32.21% |
| Placement with Banks & DFIs  | 0.00%  | 0.00%  |
| TFCs                         | 9.48%  | 10.36% |
| PIBs                         | 0.00%  | 0.00%  |
| T-Bills                      | 0.00%  | 0.00%  |
| Stock/Equities               | 53.14% | 55.82% |
| Others Including Receivables | 2.35%  | 1.60%  |

**FUND RETURNS \* HBL MAF\* BENCHMARK**

|   |         |         |
|---|---------|---------|
| Cumulative Return Since Inception         | 194.75% | 151.80% |
| Year to Date Return (Cumulative)          | -6.28%  | -4.08%  |
| Calendar Year to Date Return (Cumulative) | 4.77%   | 3.36%   |
| 1 Month Cumulative Return                 | -0.55%  | -1.05%  |
| 3 Month Cumulative Return                 | -3.09%  | -4.04%  |
| 6 Month Cumulative Return                 | 4.77%   | 3.36%   |
| 1 Year Cumulative Return                  | -6.28%  | -4.08%  |
| 3 Year Cumulative Return                  | 17.54%  | 19.73%  |
| 5 Year Cumulative Return                  | 52.97%  | 63.86%  |
| Standard Deviation                        | 12.06%  | 10.82%  |

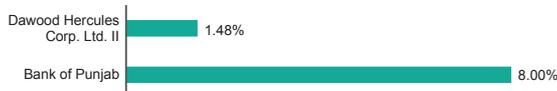
**ASSET QUALITY (% Total Assets)**



**INVESTMENT COMMITTEE**

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Jawad Naeem           | Specialist - Equity      |
| Adeel Abdul Wahab     | Specialist - Equity      |
| Faizan Saleem         | Head of Fixed Income     |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

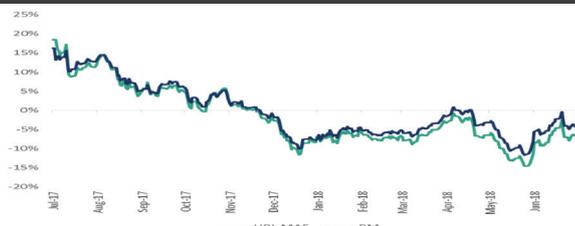
**TOP TEN HOLDINGS (TFCs/Sukuks)**



**SECTOR ALLOCATION (EQUITIES) - % of Total Assets**

|                                 | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Commercial Banks                | 14.98% | 16.26% |
| Oil & Gas Exploration Companies | 13.32% | 13.89% |
| Fertilizers                     | 6.79%  | 6.71%  |
| Oil & Gas Marketing Companies   | 4.41%  | 4.21%  |
| Power Generation & Distribution | 2.73%  | 3.93%  |
| Others                          | 10.92% | 10.82% |

**HBL MULTI ASSET FUND vs. BENCHMARK (12M Rolling Returns)**



**NON-COMPLIANT INVESTMENTS**

| Non-Compliant Investment       | Type of Investment | Value before Provision (PKR mn) | Provision Held (PKR mn) | Value of Investment after Provision (PKR mn) | % of Net Assets | % of Gross Assets |
|--------------------------------|--------------------|---------------------------------|-------------------------|--|-----------------|-------------------|
| Dewan Cement Ltd.              | TFC                | 25.00                           | 25.00                   | -  | 0.00%           | 0.00%             |
| Saudi Pak Leasing Company Ltd. | TFC                | 15.20                           | 15.20                   | -  | 0.00%           | 0.00%             |

**TOP TEN HOLDINGS (Equities)**

|                                 |       |
|---------------------------------|-------|
| Pakistan Petroleum Ltd.         | 4.06% |
| MCB Bank Ltd.                   | 3.39% |
| Pakistan Oilfields Ltd.         | 3.26% |
| Mari Petroleum Company Ltd.     | 3.25% |
| Habib Bank Ltd.                 | 3.23% |
| Engro Corporation Ltd.          | 2.98% |
| United Bank Limited             | 2.90% |
| Oil & Gas Development Co. Ltd.  | 2.75% |
| Bank Al-Falah Ltd.              | 2.62% |
| Pakistan State Oil Company Ltd. | 2.40% |

The scheme holds certain non-compliant investments. Before making any investment decision, investors should review this document and latest financial statements.

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

\*\*Calculated on 12Month trailing data.

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

**Risk Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved including risk disclosure for special feature.

## INVESTMENT OBJECTIVE

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

## FUND MANAGER'S COMMENTS

The fund posted a return of negative 1.38% during the month an outperformance of 20 bps compared to the benchmark return of -1.58%. Fiscal year 2018 proved to be a disappointing year for Pakistan's equity market posting a negative return of 10% (26% in USD terms), a negative reading after almost 8 years. The promotion to MSCI EM status failed to put halt to foreign outflows as foreigners sold USD289mn, a third consecutive year of outflows. Jun'18 proved to be a volatile month for the equity market where the index shed 936 points, declining by 2.2% on MoM basis. The primary reasons for this dismal performance was the critical decision of FATF of placing Pakistan on the grey list and the change in Moody's outlook of Pakistan's B3 rating to negative. Another key highlight of Jun'18 was ambiguous progress on much-awaited Amnesty Scheme for assets declaration. Consequently, foreigners yet again remained net sellers as net outflow of USD 74mn was witnessed during the month. During the month allocation was largely maintained, the notable change was the increase in exposure in Commercial Banks. The fund was invested in equities up to 89.49%.

Politics and macro will be the two major drivers of market direction in the second half of CY18 and beyond. We believe market will remain volatile and may continue to be range bound owing to upcoming general elections and weak economic outlook on the back of growing CAD and rising inflation. Therefore, we would like to advise our investors to ride out the short term volatility and focus on the long term picture which in our view is very enticing, evident from the current market multiples (12M forward PE of 8.4x) and discount from MSCI EM and frontier counterparts.

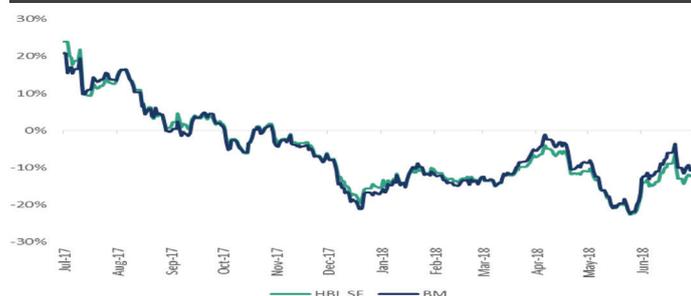
## FUND INFORMATION

|  |                                    |
|--|------------------------------------|
| Net Assets (mln)                         | PKR 5,958                          |
| Net Assets excluding Fund of Funds (mln) | PKR 5,630                          |
| NAV                                      | PKR 107.0620                       |
| Launch Date                              | 31-Aug-07                          |
| Management Fee                           | 2.0% p.a.                          |
| Expense Ratio with Levies                | 3.25%                              |
| Expense Ratio without Levies             | 2.88%                              |
| Selling & Marketing expense              | 0.40%                              |
| Listing                                  | Pakistan Stock Exchange            |
| Trustee                                  | Central Depository Co. of Pakistan |
| Auditor                                  | Deloitte Yousuf Adil Pakistan      |
| Benchmark                                | KSE30 (Total Return) Index         |
| Type                                     | Open End                           |
| Category                                 | Equity Scheme                      |
| Front end Load                           | Upto 2.50%                         |
| Back end Load                            | Nil                                |
| AMC Rating                               | AM2+ (JCR VIS) 29-Dec-17           |
| Dealing Days                             | As per SBP/PSX                     |
| Cut-off time                             | 9:00 AM-4:00 PM                    |
| Price Mechanism                          | Forward Pricing                    |
| Leverage                                 | Nil                                |
| Risk                                     | High                               |

## INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Jawad Naeem           | Specialist - Equity      |
| Adeel Abdul Wahab     | Specialist - Equity      |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

## HBL STOCK FUND VS. BENCHMARK (12M ROLLING RETURNS)



## NON-COMPLIANT INVESTMENTS

|                                  |                      |
|----------------------------------|----------------------|
| Name of Non-Compliant Investment | Dewan Cement Limited |
| Type of Investment               | TFC                  |
| Value before provision           | 25.00                |
| Provision Held                   | 25.00                |
| % of Net Assets                  | 0.00                 |

The equity scheme holds certain non-compliant investments. Before making any investment decision, investors should review this document and latest financial statements.

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

\*\*Calculated on 12Month trailing data

## ASSET ALLOCATION (% of Total Assets)

|                               | Jun-18  | May-18  |
|-------------------------------|---------|---------|
| Cash                          | 9.50%   | 13.18%  |
| Stock / Equities              | 89.49%  | 86.31%  |
| T-Bills                       | 0.00%   | 0.00%   |
| Others Including Receivables  | 1.01%   | 0.51%   |
| Total Including Fund of Funds | 100.00% | 100.00% |
| Total Excluding Fund of Funds | 94.50%  | 94.95%  |

## SECTOR ALLOCATION (% of Total Assets)

|                                 | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Commercial Banks                | 25.20% | 23.46% |
| Oil & Gas Exploration Companies | 20.66% | 20.29% |
| Fertilizer                      | 11.22% | 10.73% |
| Oil & Gas Marketing Companies   | 6.73%  | 6.32%  |
| Power Generation & Distribution | 5.22%  | 5.68%  |
| Others                          | 20.47% | 19.83% |

## FUND RETURNS \*

## HBL SF BENCHMARK

|   | HBL SF  | BENCHMARK |
|---|---------|-----------|
| Cumulative Return Since Inception         | 207.72% | 243.38%   |
| Year to Date Return (Cumulative)          | -11.85% | -10.03%   |
| Calendar Year to Date Return (Cumulative) | 4.96%   | 4.29%     |
| 1 Month Cumulative Return                 | -1.38%  | -1.58%    |
| 3 Month Cumulative Return                 | -5.82%  | -8.66%    |
| 6 Month Cumulative Return                 | 4.96%   | 4.29%     |
| 1 Year Cumulative Return                  | -11.85% | -10.03%   |
| 3 Year Cumulative Return                  | 11.91%  | 19.37%    |
| 5 Year Cumulative Return                  | 54.69%  | 95.48%    |
| Standard Deviation                        | 17.38%  | 19.34%    |

## TOP TEN HOLDINGS (% of Total Assets)

|                                |       |
|--------------------------------|-------|
| Pakistan Petroleum Ltd.        | 5.86% |
| MCB Bank Ltd.                  | 5.12% |
| Engro Corporation Ltd.         | 5.02% |
| Habib Bank Ltd.                | 4.96% |
| Pakistan Oilfields Ltd.        | 4.96% |
| Mari Petroleum Company Ltd.    | 4.93% |
| Oil & Gas Development Co. Ltd. | 4.91% |
| United Bank Limited            | 4.89% |
| Hub Power Company Ltd.         | 4.69% |
| Bank Al-Falah Ltd.             | 4.29% |

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

## FUND MANAGER'S REPORT

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**INVESTMENT OBJECTIVE**

The objective is to invest in securities defined in the energy sector to provide investors access to high quality blue chip stocks in the Energy sector.

**FUND MANAGER'S COMMENTS**

The fund posted a return of -0.82% during the month against the benchmark performance of -1.58%. The market remained volatile throughout the month as the Benchmark KSE100 index shed 936 points to close the year at 41,911 points – posting a negative 10% return for the FY18. The benchmark remained under pressure during the June on the back of FATF’s decision to keep Pakistan on the grey list, Moody’s changing the outlook of Pakistan’s B3 rating to negative, disappointment over the results of the Amnesty Scheme and continued foreign selling with a net outflow of USD 74mn during the month (taking cumulative outflow during FY18 to USD289mn). During the month, exposure was increased to Oil & Gas Marketing companies while booking gains in the Power Generation & distribution sector. Moving forward, we expect the market to remain volatile due to continued macro-economic concerns and political noise leading up to the general elections. At the end of the month, your fund was 90.13% invested in equities.

**FUND INFORMATION**

|                              |                                    |
|------------------------------|------------------------------------|
| Net Assets (mln)             | PKR 1,061                          |
| NAV                          | PKR 14.6857                        |
| Launch Date ***              | 25-Jun-13                          |
| Management Fee               | 2% p.a                             |
| Expense Ratio with Levies    | 3.53%                              |
| Expense Ratio without Levies | 3.10%                              |
| Selling & Marketing expense  | 0.40%                              |
| Listing                      | Pakistan Stock Exchange            |
| Trustee                      | Central Depository Co. of Pakistan |
| Auditor                      | Deloitte Yousuf Adil Pakistan      |
| Benchmark                    | KSE 30 (Total Return)              |
| Type                         | Open End                           |
| Category                     | Equity Scheme                      |
| Front end Load               | Up to 2.00%                        |
| Back end Load                | Nil                                |
| AMC Rating                   | AM2+ (JCRVIS) 29-Dec-2017          |
| Dealing Days                 | As per PSX / SBP                   |
| Cut off time                 | 9:00 AM-4:00 PM                    |
| Price Mechanism              | Forward Pricing                    |
| Leverage                     | Nil                                |
| Risk                         | High                               |

**ASSET ALLOCATION (% of Total Assets)**

|                              | Jun-18 | May-18 |
|------------------------------|--------|--------|
| Cash                         | 9.18%  | 11.54% |
| Stock / Equities             | 90.13% | 87.82% |
| Others Including Receivables | 0.69%  | 0.64%  |

**SECTOR ALLOCATION (% of Total Assets)**

|                                 | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Oil & Gas Exploration Companies | 45.27% | 45.74% |
| Oil & Gas Marketing Companies   | 32.49% | 27.32% |
| Power Generation & Distribution | 9.69%  | 12.30% |
| Refinery                        | 2.69%  | 2.47%  |

**INVESTMENT COMMITTEE**

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Jawad Naeem           | Specialist - Equities    |
| Adeel Abdul Wahab     | Specialist - Equities    |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

**FUND RETURNS\***

**HBL EF BENCHMARK**

|   |        |         |
|---|--------|---------|
| Cumulative Return Since Inception         | 66.42% | 94.51%  |
| Calendar Year to Date Return (Cumulative) | 3.66%  | 4.29%   |
| Year to Date Return (Cumulative)          | -2.33% | -10.03% |
| 1 Month Cumulative Return                 | -0.82% | -1.58%  |
| 3 Month Cumulative Return                 | -3.28% | -8.66%  |
| 6 Month Cumulative Return                 | 3.66%  | 4.29%   |
| 1 Year Cumulative Return                  | -2.33% | -10.03% |
| 3 Year Cumulative Return                  | 23.46% | 19.37%  |
| Standard Deviation**                      | 13.76% | 19.34%  |

**HBL Energy Fund vs. Benchmark (12M Rolling Returns)**



**TOP TEN HOLDINGS**

|                                 |        |
|---------------------------------|--------|
| Pakistan Petroleum Ltd.         | 11.86% |
| Mari Petroleum Company Ltd.     | 11.71% |
| Pakistan Oilfields Ltd.         | 10.95% |
| Oil & Gas Development Co. Ltd.  | 10.74% |
| Pakistan State Oil Company Ltd. | 10.29% |
| Sui Northern Gas Pipeline Ltd.  | 9.21%  |
| Hub Power Company Ltd.          | 5.81%  |
| Hascol Petroleum Ltd.           | 5.07%  |
| Attock Petroleum Ltd.           | 4.72%  |
| K-Electric Limited              | 3.88%  |

**NON-COMPLIANT INVESTMENTS**

NIL

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

\*\*Calculated on 12Month trailing data

\*\*\*Conversion from Closed-end to open end fund

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### INVESTMENT OBJECTIVE

The fund objective is to provide its investors maximum risk adjusted returns over longer investment horizon by investing in a diversified equity portfolio that offers both capital gains and dividend income.

### FUND MANAGER'S COMMENTS

The fund posted a return of negative 1.26% during the month an outperformance of 92 bps compared to the benchmark return of -2.18%. Fiscal year 2018 proved to be a disappointing year for Pakistan's equity market posting a negative return of 10% (26% in USD terms), a negative reading after almost 8 years. The promotion to MSCI EM status failed to put halt to foreign outflows as foreigners sold USD289mn, a third consecutive year of outflows. Jun'18 proved to be a volatile month for the equity market where the index shed 936 points, declining by 2.2% on MoM basis. The primary reasons for this dismal performance was the critical decision of FATF of placing Pakistan on the grey list and the change in Moody's outlook of Pakistan's B3 rating to negative. Another key highlight of Jun'18 was ambiguous progress on much-awaited Amnesty Scheme for assets declaration. Consequently, foreigners yet again remained net sellers as net outflow of USD 74mn was witnessed during the month. During the month allocation was largely maintained, the notable change was the increase in exposure in Commercial Banks and reduction in Power Generation & distribution. The fund was invested in equities up to 84.69%.

Politics and macro will be the two major drivers of market direction in the second half of CY18 and beyond. We believe market will remain volatile and may continue to be range bound owing to upcoming general elections and weak economic outlook on the back of growing CAD and rising inflation. Therefore, we would like to advise our investors to ride out the short term volatility and focus on the long term picture which in our view is very enticing, evident from the current market multiples (12M forward PE of 8.4x) and discount from MSCI EM and frontier counterparts.

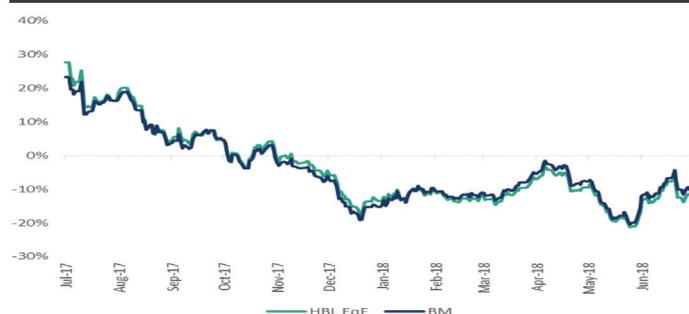
### FUND INFORMATION

|  |                                    |
|--|------------------------------------|
| Net Assets (mln)                         | PKR 294                            |
| Net Assets excluding Fund of Funds (mln) | PKR 294                            |
| NAV                                      | PKR 110.4602                       |
| Launch Date                              | 26-Sep-11                          |
| Management Fee                           | 2% p.a                             |
| Expense Ratio with Levies                | 3.87%                              |
| Expense Ratio without Levies             | 3.47%                              |
| Selling & Marketing expense              | 0.40%                              |
| Listing                                  | Pakistan Stock Exchange            |
| Trustee                                  | Central Depository Co. of Pakistan |
| Auditor                                  | Deloitte Yousuf Adil Pakistan      |
| Benchmark                                | KSE 100 Index                      |
| Type                                     | Open End                           |
| Category                                 | Equity Scheme                      |
| Front end Load                           | Upto 2.00%                         |
| Back end Load                            | Nil                                |
| AMC Rating                               | AM2+ (JCR VIS) 29-Dec-17           |
| Dealing Days                             | As per SBP/PSX                     |
| Cut off time                             | 9:00 AM-4:00 PM                    |
| Price Mechanism                          | Forward Pricing                    |
| Leverage                                 | Nil                                |
| Risk                                     | High                               |

### INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Jawad Naeem           | Specialist - Equity      |
| Adeel Abdul Wahab     | Specialist - Equity      |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

### HBL Equity Fund vs. Benchmark (12M Rolling Returns)



### NON-COMPLIANT INVESTMENTS

NIL

### ASSET ALLOCATION (% of Total Assets)

|                               | Jun-18  | May-18  |
|-------------------------------|---------|---------|
| Cash                          | 14.17%  | 14.17%  |
| Stock / Equities              | 84.69%  | 84.46%  |
| Others Including Receivables  | 1.14%   | 1.37%   |
| Total Including Fund of Funds | 100.00% | 100.00% |
| Total Excluding Fund of Funds | 100.00% | 100.00% |

### SECTOR ALLOCATION (% of Total Assets)

|                                 | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Commercial Banks                | 24.06% | 22.99% |
| Oil & Gas Exploration Companies | 20.28% | 19.70% |
| Fertilizer                      | 10.60% | 10.67% |
| Oil & Gas Marketing Companies   | 6.39%  | 6.16%  |
| Power Generation & Distribution | 4.48%  | 5.56%  |
| Others                          | 18.88% | 19.38% |

### FUND RETURNS \*

|   | HBL EF  | BENCHMARK |
|---|---------|-----------|
| Cumulative Return Since Inception         | 219.00% | 263.46%   |
| Year to Date Return (Cumulative)          | -11.38% | -10.00%   |
| Calendar Year to Date Return (Cumulative) | 5.33%   | 3.56%     |
| 1 Month Cumulative Return                 | -1.26%  | -2.18%    |
| 3 Month Cumulative Return                 | -5.56%  | -8.01%    |
| 6 Month Cumulative Return                 | 5.33%   | 3.56%     |
| 1 Year Cumulative Return                  | -11.38% | -10.00%   |
| 3 Year Cumulative Return                  | 20.73%  | 21.84%    |
| 5 Year Cumulative Return                  | 90.46%  | 99.52%    |
| Standard Deviation                        | 17.70%  | 18.29%    |

### TOP TEN HOLDINGS

|                                |       |
|--------------------------------|-------|
| Pakistan Petroleum Ltd.        | 5.74% |
| Pakistan Oilfields Ltd.        | 4.89% |
| Mari Petroleum Company Ltd.    | 4.88% |
| MCB Bank Ltd.                  | 4.85% |
| Engro Corporation Ltd.         | 4.84% |
| Habib Bank Ltd.                | 4.81% |
| Oil & Gas Development Co. Ltd. | 4.77% |
| United Bank Limited            | 4.73% |
| Bank Al-Falah Ltd.             | 4.19% |
| Engro Fertilizers Limited      | 3.77% |

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

\*\*Calculated on 12Month trailing data

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

**INVESTMENT OBJECTIVE**

To maximize the wealth of the certificate holders for which investments would be made in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

**FUND MANAGER'S COMMENTS**

The fund posted a return of 0.72% during the month against the benchmark performance of -2.18%. However, on an ex-frozen basis, the fund posted a return of 1.52% outperforming the benchmark by 3.70%. The market remained volatile throughout the month as the Benchmark index shed 936 points to close the year at 41,911 points – posting a negative 10% return for the FY18. The benchmark remained under pressure during the month on the back of FATF's decision to keep Pakistan on the grey list, Moody's changing the outlook of Pakistan's B3 rating to negative, disappointment over the results of the Amnesty Scheme and continued foreign selling with a net outflow of USD 74mn during the month (taking cumulative outflow during FY18 to USD289mn). During the month, exposures were largely maintained however we marginally increased our exposure to Commercial Banks while we booked gains in the Power Generation & distribution sector. Moving forward, we expect the market to remain volatile due to continued macro-economic concerns and political noise leading up to the general elections. At the end of the month, your fund was 92.79% invested in equities.

**FUND INFORMATION**

|                              |                                    |
|------------------------------|------------------------------------|
| Net Assets (mn)              | PKR 12,676                         |
| NAV                          | PKR 44.71                          |
| Launch Date                  | 01-Jul-04                          |
| Management Fee               | 2% per annum                       |
| Expense Ratio with Levies    | 2.71%                              |
| Expense Ratio without Levies | 2.33%                              |
| Listing                      | Pakistan Stock Exchange            |
| Trustee                      | Central Depository Co. of Pakistan |
| Auditor                      | Deloitte Yousuf Adil Pakistan      |
| Benchmark                    | KSE 100 Index                      |
| Type                         | Closed-end                         |
| Category                     | Equity Scheme                      |
| AMC Rating                   | AM2+ (JCRVIS) 29-Dec-2017          |
| Dealing Days                 | As per PSX / SBP                   |
| Leverage                     | Nil                                |
| Risk                         | High                               |

**ASSET ALLOCATION (% of Total Assets)**

|                              | Jun-18 | May-18 |
|------------------------------|--------|--------|
| Cash                         | 5.59%  | 7.13%  |
| Stock / Equities             | 92.79% | 92.70% |
| Others Including Receivables | 1.62%  | 0.17%  |

**SECTOR ALLOCATION (% of Total Assets)**

|                                 | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Oil & Gas Marketing Companies   | 56.60% | 56.73% |
| Commercial Banks                | 10.80% | 9.94%  |
| Oil & Gas Exploration Companies | 8.79%  | 8.91%  |
| Fertilizer                      | 4.93%  | 4.88%  |
| Power Generation & Distribution | 2.55%  | 2.92%  |
| Others                          | 9.13%  | 9.31%  |

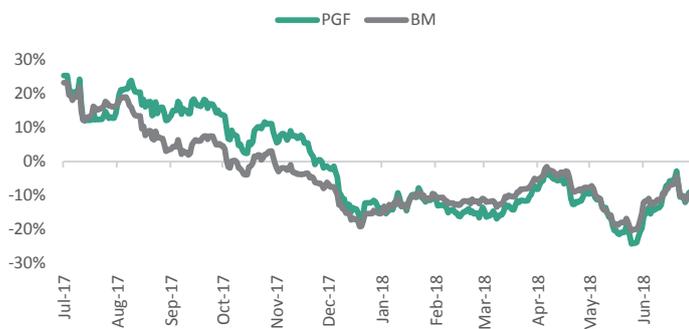
**INVESTMENT COMMITTEE**

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Jawad Naeem           | Specialist - Equities    |
| Adeel Abdul Wahab     | Specialist - Equities    |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

**FUND RETURNS \***

|   | PGF Total | PGF Frozen | PGF Ex Frozen | BENCHMARK |
|---|-----------|------------|---------------|-----------|
| Calendar Year to Date Return (Cumulative) | 6.78%     | 8.21%      | 5.05%         | 3.56%     |
| Year to Date Return (Cumulative)          | -8.23%    | -7.46%     | -7.40%        | -10.00%   |
| 1 Month Cumulative Return                 | 0.72%     | 0.09%      | 1.52%         | -2.18%    |
| 3 Month Cumulative Return                 | -3.25%    | -2.55%     | -4.10%        | -8.01%    |
| 6 Month Cumulative Return                 | 6.78%     | 8.21%      | 5.05%         | 3.56%     |
| 1 Year Cumulative Return                  | -8.23%    | -7.46%     | -7.40%        | -10.00%   |
| 3 Year Cumulative Return                  | 18.94%    | 10.49%     | 32.22%        | 21.84%    |
| 5 Year Cumulative Return                  | 59.90%    | 46.37%     | 75.69%        | 99.52%    |
| Standard Deviation**                      | 16.12%    | 22.57%     | 16.19%        | 18.29%    |

**PGF vs BENCHMARK (12M Rolling Returns)**



**TOP TEN HOLDINGS**

- United Bank Limited
- Sui Northern Gas Pipeline Ltd.
- Pakistan State Oil Company Ltd.
- Pakistan Petroleum Ltd.
- Pakistan Oilfields Ltd.
- Oil & Gas Development Co. Ltd.
- Mcb Bank Ltd.
- Mari Petroleum Company Ltd.
- Hub Power Company Ltd.
- Engro Corporation Ltd.

**NON-COMPLIANT INVESTMENTS**

NIL

\*Funds returns computed on NAV to NAV with the dividend reinvestment

\*\*Calculated on 12Month trailing data

## INVESTMENT OBJECTIVE

To maximize the wealth of the certificate holders for which investments would be made in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

## FUND MANAGER'S COMMENTS

The fund posted a return of 0.21% during the month against the benchmark performance of -2.18%. However, on an ex-frozen basis, the fund posted a return of 0.44% outperforming the benchmark by 2.62%. The market remained volatile throughout the month as the Benchmark index shed 936 points to close the year at 41,911 points – posting a negative 10% return for the FY18. The benchmark remained under pressure during the month on the back of FATF's decision to keep Pakistan on the grey list, Moody's changing the outlook of Pakistan's B3 rating to negative, disappointment over the results of the Amnesty Scheme and continued foreign selling with a net outflow of USD 74mn during the month (taking cumulative outflow during FY18 to USD289mn). During the month, exposures were largely maintained however we marginally increased our exposure to Commercial Banks while we booked gains in the Power Generation & distribution sector. Moving forward, we expect the market to remain volatile due to continued macro-economic concerns and political noise leading up to the general elections. At the end of the month, your fund was 91.93% invested in equities.

## FUND INFORMATION

|                              |                                    |
|------------------------------|------------------------------------|
| Net Assets (mn)              | PKR 5,435                          |
| NAV                          | PKR 19.13                          |
| Launch Date                  | 01-Apr-04                          |
| Management Fee               | 2% per annum                       |
| Expense Ratio with Levies    | 2.87%                              |
| Expense Ratio without Levies | 2.49%                              |
| Listing                      | Pakistan Stock Exchange            |
| Trustee                      | Central Depository Co. of Pakistan |
| Auditor                      | Deloitte Yousuf Adil Pakistan      |
| Benchmark                    | KSE 100 Index                      |
| Type                         | Closed-end                         |
| Category                     | Equity Scheme                      |
| AMC Rating                   | AM2+ (JCRVIS) 29-Dec-2017          |
| Dealing Days                 | As per PSX / SBP                   |
| Leverage                     | Nil                                |
| Risk                         | High                               |

## ASSET ALLOCATION (% of Total Assets)

|                              | Jun-18 | May-18 |
|------------------------------|--------|--------|
| Cash                         | 6.59%  | 8.16%  |
| Stock / Equities             | 91.93% | 91.55% |
| Others Including Receivables | 1.49%  | 0.30%  |

## SECTOR ALLOCATION (% of Total Assets)

|                                 | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Oil & Gas Marketing Companies   | 47.79% | 47.68% |
| Commercial Banks                | 12.97% | 12.01% |
| Oil & Gas Exploration Companies | 10.64% | 10.75% |
| Fertilizer                      | 5.98%  | 5.91%  |
| Engineering                     | 3.17%  | 3.51%  |
| Others                          | 11.38% | 11.69% |

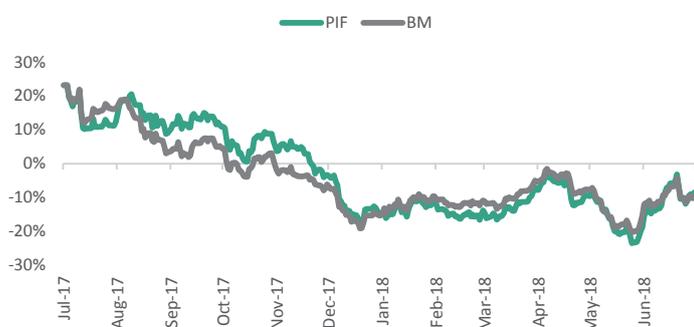
## INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Jawad Naeem           | Specialist - Equities    |
| Adeel Abdul Wahab     | Specialist - Equities    |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

## FUND RETURNS \*

|   | PIF Total | PIF Frozen | PIF Ex Frozen | BENCHMARK |
|---|-----------|------------|---------------|-----------|
| Calendar Year to Date Return (Cumulative) | 5.98%     | 8.33%      | 4.05%         | 3.56%     |
| Year to Date Return (Cumulative)          | -8.54%    | -5.74%     | -9.45%        | -10.00%   |
| 1 Month Cumulative Return                 | 0.21%     | -0.06%     | 0.44%         | -2.18%    |
| 3 Month Cumulative Return                 | -3.72%    | -2.09%     | -5.08%        | -8.01%    |
| 6 Month Cumulative Return                 | 5.98%     | 8.33%      | 4.05%         | 3.56%     |
| 1 Year Cumulative Return                  | -8.54%    | -5.74%     | -9.45%        | -10.00%   |
| 3 Year Cumulative Return                  | 17.29%    | 6.82%      | 28.24%        | 21.84%    |
| 5 Year Cumulative Return                  | 57.02%    | 41.51%     | 69.51%        | 99.52%    |
| Standard Deviation**                      | 15.25%    | 22.39%     | 15.90%        | 18.29%    |

## PIF vs BENCHMARK (12M Rolling Returns)



## TOP TEN HOLDINGS

United Bank Limited  
 Sui Northern Gas Pipeline Ltd.  
 Pakistan State Oil Company Ltd.  
 Pakistan Petroleum Ltd.  
 Pakistan Oilfields Ltd.  
 Oil & Gas Development Co. Ltd.  
 MCB Bank Ltd.  
 Mari Petroleum Company Ltd.  
 Hub Power Company Ltd.  
 Engro Corporation Ltd.

## NON-COMPLIANT INVESTMENTS

NIL

\*Funds returns computed on NAV to NAV with the dividend reinvestment

\*\*Calculated on 12Month trailing data

**INVESTMENT OBJECTIVE**

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

**FUND MANAGER'S COMMENTS**

**DEBT SUB FUND:** The Fund's return for the month of June'18 stood at 3.95% p.a, fund increase its exposure in cash and decrease exposure in T- Bills. Weighted average maturity of the fund stood at 468 days.

**MONEY MARKET SUB FUND:** The Fund's Monthly return stood at 4.59% p.a. During the month, Fund decreased exposure in T-bills and increased exposure in cash. Weighted average maturity of the fund stood at 25 days.

**EQUITY SUB FUND:** The Fund posted a return of -1.04% during the month vs KSE-100 Index return of -2.18% M/M during June'18. The equity exposure at the end of month stood at 88.04%.

**FUND INFORMATION**

|                 |                                    |
|-----------------|------------------------------------|
| Launch Date     | 16-Dec-11                          |
| Management Fee  | 1.5% p.a                           |
| Trustee         | Central Depository Co. of Pakistan |
| Auditor         | KPMG Taseer Hadi & Co.             |
| Category        | Pensions Scheme                    |
| Front end Load  | Upto 3%                            |
| Back end Load   | Nil                                |
| AMC Rating      | AM2+(JCRVIS) 29/12/2017            |
| Dealing Days    | As per SBP / PSX                   |
| Cut off time    | 9:00 AM-4:00 PM                    |
| Price Mechanism | Forward Pricing                    |
| Risk Profile    | Investor Dependent                 |

|             | MMSF     | DSF      | ESF      |
|-------------|----------|----------|----------|
| AUM Million | 145      | 180      | 252      |
| NAV(PKR)    | 147.2662 | 159.5394 | 366.3184 |
| WAM (Days)  | 25       | 468      |          |
| Leverage    | Nil      |          |          |

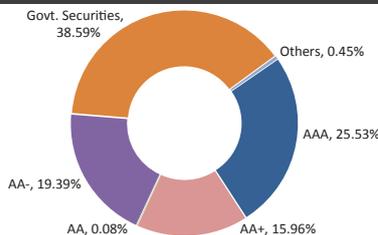
**INVESTMENT COMMITTEE**

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| Adeel Abdul Wahab     | Specialist-Equities      |
| Faizan Saleem         | Head of Fixed Income     |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

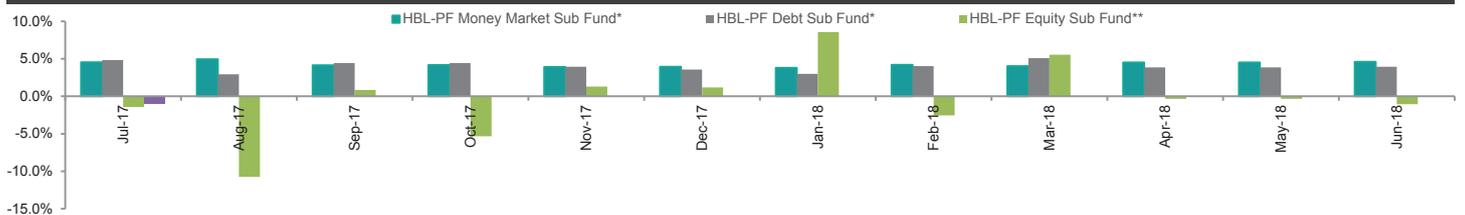
**FUND RETURNS \***

|   | MMSF  | DSF   | ESF     |
|---|-------|-------|---------|
| Return Since Inception                    | 7.22% | 9.10% | 266.32% |
| Calendar Year to Date Return (Cumulative) | 4.29% | 4.23% | 5.37%   |
| Year to Date Return (Cumulative)          | 4.38% | 3.99% | -10.24% |
| 1 Month Cumulative Return                 | 4.59% | 3.95% | -1.04%  |
| 3 Month Cumulative Return                 | 4.53% | 4.40% | -5.65%  |
| 6 Month Cumulative Return                 | 4.29% | 4.23% | 5.37%   |
| 1 Year Cumulative Return                  | 4.38% | 3.99% | -10.24% |
| 3 Year Cumulative Return                  | 4.53% | 5.76% | 24.53%  |
| 5 Year Cumulative Return                  | 6.03% | 7.99% | 105.77% |
| Standard Deviation**                      | 0.37% | 0.86% | 17.39%  |

**CREDIT QUALITY - HBL MONEY MARKET SUB FUND (% OF TOTAL ASSETS)**



**HBL PENSION FUND (MoM Returns)**



\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

\*\*Calculated on 12Month trailing data

**Risk Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved risk disclosure for special feature.

**ASSET ALLOCATION (% of Total Assets)**

| Money Market Sub Fund        | Jun-18 | May-18 |
|------------------------------|--------|--------|
| Tbills                       | 38.59% | 72.67% |
| Cash                         | 60.95% | 22.40% |
| Placement With Banks and DFI | 0.00%  | 0.00%  |
| Commercial Paper             | 0.00%  | 4.56%  |
| Others & receivables         | 0.45%  | 0.36%  |
| Debt Sub Fund                | Jun-18 | May-18 |
| Placement With Banks and DFI | 0.00%  | 0.00%  |
| Tbills                       | 28.17% | 65.40% |
| PIBs                         | 0.03%  | 0.03%  |
| TFCs                         | 23.90% | 25.81% |
| Govt. Guaranteed Sukuk       | 1.14%  | 1.13%  |
| Cash                         | 44.24% | 2.83%  |
| Commercial Paper             | 2.17%  | 4.30%  |
| Others & receivables         | 0.34%  | 0.51%  |
| Equity Sub Fund              | Jun-18 | May-18 |
| Stock / Equities             | 88.04% | 89.95% |
| Cash                         | 11.72% | 9.82%  |
| Others & receivables         | 0.24%  | 0.23%  |

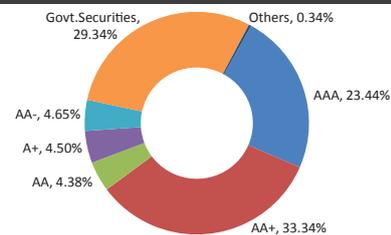
**SECTOR ALLOCATION EQUITY Jun-18 May-18**

| Sector                          | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Commercial Banks                | 24.35% | 23.56% |
| Oil & Gas Exploration Companies | 17.59% | 18.22% |
| Fertilizer                      | 10.83% | 11.00% |
| Power Generation & Distribution | 7.17%  | 6.95%  |
| Oil & Gas Marketing Companies   | 5.32%  | 5.24%  |
| Others                          | 22.78% | 24.97% |

**TOP TEN EQUITIES (% OF TOTAL ASSETS)**



**CREDIT QUALITY - HBL DEBT SUB FUND (% OF TOTAL ASSETS)**



Mutual Fund Association of Pakistan (MUFAP) Recommended Format

### INVESTMENT OBJECTIVE

To generate returns on Investment as per the respective Allocation Plan by investing in Mutual Funds in line with the risk tolerance of the Investor.

### FUND MANAGER'S COMMENTS

**CONSERVATIVE ALLOCATION PLAN:** The fund posted a return of 0.03% during the month under review against the benchmark return of -0.04%.

**ACTIVE ALLOCATION PLAN:** The fund posted a return of -0.84% during the month under review against the benchmark return of -1.15%.

**STRATEGIC ALLOCATION PLAN:** The fund posted a return of -0.51% during the month under review against the benchmark return of -0.78%.

### FUND INFORMATION

|                                    |   |
|------------------------------------|---|
| Launch Date                        | 10-Oct-17   |
| Management Fee                     | NIL (1.0% p.a. Management Fee will be charged if investment is made in funds other than HBL Asset Management)               |
| Listing                            | Pakistan Stock Exchange   |
| Trustee                            | MCB Financial Services Limited (MCB FSL)  |
| Auditor                            | Deloitte Yousuf Adil Pakistan   |
| Benchmark                          | Weighted Avg. Daily Return of KSE-100 Index, 6M KIBOR and 3M PKRV (70%) & 3M deposit avg.rate of three AA rated banks (30%) |
| Type                               | Open End  |
| Category                           | Fund of Funds Scheme  |
| Front end Load                     | Up-to 2%  |
| Back end Load                      | SAP:(1% for 1 Year and 0.5% thereon)  |
| AMC Rating                         | AM2+ (JCRVIS) 29/12/2017  |
| Dealing Days                       | As per PSX & SBP  |
| Cut off time                       | 9:00 AM-4:00 PM   |
| Price Mechanism                    | Forward Pricing   |
| Risk                               | Investor Dependent (Medium to High)   |
| Leverage                           | NIL   |
| Expense Ratio with Levies (CAP)    | 0.51%   |
| Expense Ratio with Levies (AAP)    | 0.39%   |
| Expense Ratio with Levies (SAP)    | 0.60%   |
| Expense Ratio without Levies (CAP) | 0.36%   |
| Expense Ratio without Levies (AAP) | 0.28%   |
| Expense Ratio without Levies (SAP) | 0.48%   |

### FUND SIZE

|             | CAP      | AAP      | SAP      |
|-------------|----------|----------|----------|
| AUM Million | 134      | 330      | 209      |
| NAV(PKR)    | 103.7607 | 102.6500 | 102.5230 |
| Leverage    |          | Nil      |          |

### INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Faizan Saleem         | Head of Fixed Income     |
| Jawad Naem            | Specialist - Equities    |
| Adeel Abdul Wahab     | Specialist - Equities    |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

### FUND RETURNS \*

|                        | FPF AAP | BENCHMARK |
|------------------------|---------|-----------|
| Return Since Inception | 2.65%   | 2.46%     |
| Year to Date           | 2.65%   | 2.46%     |
| Calendar Year to Date  | 1.42%   | 0.99%     |
| 1 Month Return         | -0.84%  | -1.15%    |
| 3 Months Return        | -3.36%  | -4.35%    |
| 6 Months Return        | 1.42%   | 0.99%     |
| 1 Year Return          | N.A.    | N.A.      |

### NON-COMPLIANT INVESTMENTS

Nil

Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

### ASSET ALLOCATION (% of Total Assets)

| Conservative Allocation Plan (CAP) | Jun-18 | May-18 |
|------------------------------------|--------|--------|
| Equity Funds                       | 19.82% | 20.10% |
| Fixed Income Funds                 | 79.04% | 78.67% |
| Cash                               | 0.33%  | 0.41%  |
| Others including receivables       | 0.81%  | 0.82%  |

### Active Allocation Plan (AAP)

| Active Allocation Plan (AAP) | Jun-18 | May-18 |
|------------------------------|--------|--------|
| Equity Funds                 | 58.63% | 50.18% |
| Fixed Income Funds           | 38.59% | 49.10% |
| Cash                         | 2.41%  | 0.33%  |
| Others including receivables | 0.38%  | 0.39%  |

### Strategic Allocation Plan (SAP)

| Strategic Allocation Plan (SAP) | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Equity Funds                    | 49.37% | 49.80% |
| Fixed Income Funds              | 50.10% | 49.65% |
| Cash                            | 0.07%  | 0.07%  |
| Others including receivables    | 0.46%  | 0.49%  |

### FUND RETURNS \*

|                        | FPF CAP | BENCHMARK |
|------------------------|---------|-----------|
| Return Since Inception | 3.76%   | 3.96%     |
| Year to Date           | 3.76%   | 3.96%     |
| Calendar Year to Date  | 2.87%   | 3.03%     |
| 1 Month Return         | 0.03%   | -0.04%    |
| 3 Months Return        | -0.25%  | -0.48%    |
| 6 Months Return        | 2.87%   | 3.03%     |
| 1 Year Return          | N.A.    | N.A.      |

### FUND RETURNS \*

|                        | FPF SAP | BENCHMARK |
|------------------------|---------|-----------|
| Return Since Inception | 2.52%   | 3.05%     |
| Year to Date           | 2.52%   | 3.05%     |
| Calendar Year to Date  | 1.49%   | 1.58%     |
| 1 Month Return         | -0.51%  | -0.78%    |
| 3 Months Return        | -3.24%  | -4.11%    |
| 6 Months Return        | 1.49%   | 1.58%     |
| 1 Year Return          | N.A.    | N.A.      |

Mutual Fund Association of Pakistan (MUFAP) Recommended Format



# Islamic Funds

## 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.

## FUND MANAGER'S COMMENTS

The fund earned an annualized return of 5.51% as compared to 4.18% in the last month and against the benchmark return of 2.61%. Fund returns improved as better rates were negotiated with Islamic banks due to year end phenomena. On YTD basis, HBL IMMF yielded an annualized return of 4.32%, showing an outperformance of 174 bps over the benchmark performance. During the month, fund size increased by 11.93% to close at PKR 957million compared to PKR 855million in May, 2018. At the end of the month, exposure in Placements with Islamic Banks and Cash in DPA stood at 8.82% & 90.67% of total assets respectively. Going forward, we expect returns to remain competitive due to placement of funds at higher rates.

## FUND INFORMATION

|                                    |   |
|------------------------------------|---|
| Net Assets                         | PKR.957 million   |
| Net Assets excluding Fund of Funds | PKR.957 million   |
| NAV                                | PKR.104.9735  |
| Launch Date                        | 10-May-11   |
| Management Fee                     | 10% of gross earning with floor of 0.75% and cap of 1% of the avg. daily N A of the scheme  |
| Expense Ratio with Levies          | 1.57%   |
| Expense Ratio without Levies       | 1.27%   |
| Listing                            | Pakistan Stock Exchange   |
| Trustee                            | Central Depository Co. of Pakistan  |
| Auditor                            | Deloitte Yousuf Adil Pakistan   |
| Benchmark                          | Three months average deposit rates of three (3) AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP. |
| Type                               | Open End  |
| Category                           | Islamic Money Market Scheme   |
| Front end Load                     | Nil   |
| Back end Load                      | Nil   |
| AMC Rating                         | AM2+ ( JCR VIS) 29/12/2017  |
| Dealing Days                       | As per SBP/PSX  |
| Cut off time                       | 9 AM to 4:00 PM & Same day redemption 9:30 AM   |
| Price Mechanism                    | Backward Pricing  |
| Fund Stability Rating              | AA(f) (JCR VIS) 01/05/2017  |
| Leverage                           | Nil   |
| Risk                               | Low   |
| Weighted Average Maturity (Days)   | 4   |

## INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Faizan Saleem         | Head of Fixed Income     |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

## HBL ISLAMIC MMF vs BENCHMARK (MoM Returns)



## NON-COMPLIANT INVESTMENTS

NIL

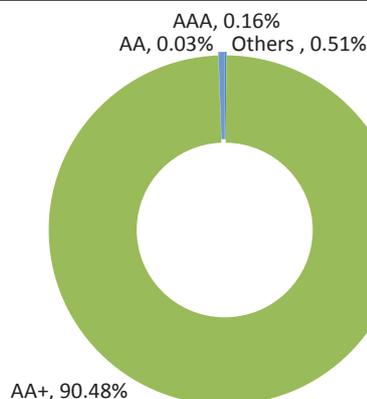
## ASSET ALLOCATION (% OF TOTAL ASSETS)

|                               | Jun-18  | May-18  |
|-------------------------------|---------|---------|
| Cash                          | 90.67%  | 99.53%  |
| Placement With Banks and DFIs | 8.82%   | 0.00%   |
| GoP Ijara Sukuks              | 0.00%   | 0.00%   |
| Others Including receivables  | 0.51%   | 0.47%   |
| Total Including Fund of Fund  | 100.00% | 100.00% |
| Total Excluding Fund of Fund  | 100.00% | 100.00% |

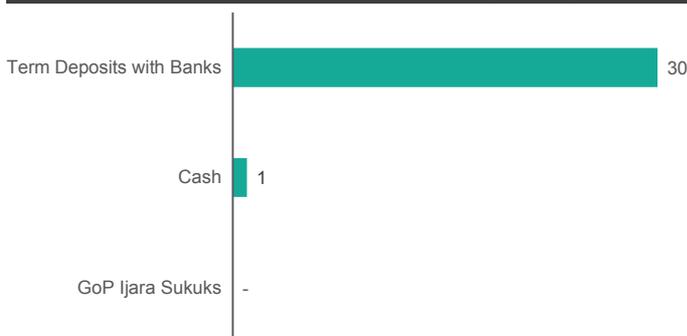
## FUND RETURNS (%) \* HBL IMMF\* Benchmark

|                                   | HBL IMMF* | Benchmark |
|-----------------------------------|-----------|-----------|
| Annualized Return Since Inception | 7.97%     | 5.62%     |
| Year to Date Annualized Return    | 4.32%     | 2.58%     |
| Calendar YTD Annualized Return    | 4.61%     | 2.59%     |
| 1 Month Annualized Return         | 5.51%     | 2.61%     |
| 3 Month Annualized Return         | 4.76%     | 2.60%     |
| 6 Month Annualized Return         | 4.61%     | 2.59%     |
| 12 Month Annualized Return        | 4.32%     | 2.58%     |
| 3 Years Annualized Return         | 4.45%     | 3.73%     |
| 5 Years Annualized Return         | 5.85%     | 4.91%     |

## ASSET QUALITY (% Total Assets)



## WEIGHTED AVERAGE MATURITY (DAYS)



\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

### INVESTMENT OBJECTIVE

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 in to account liquidity considerations.

### FUND MANAGER'S COMMENTS

The fund earned an annualized return of 5.60% against the benchmark of 2.38% while fund size reduced to PKR 4,042 million from 4,534mn in May'18. The fund increased its exposure in Bank Placements and Modarabas to 17.43% compared to 7.48% of total assets last month while Cash at Bank was reduced to 47.61% of total assets compared to 57.27% in May'18. On the other hand, exposure in Islamic Corporate Sukuk stood 33.39% of total assets compared to 30.64% in previous month. The weighted average time to maturity of the portfolio increased to 618 days compared to 570 days. Going forward, placement with Islamic banks at attractive rates are likely to boost short term returns.

### FUND INFORMATION

|                                    |  |
|------------------------------------|--|
| Net Assets                         | PKR 4,042 mn   |
| Net Assets excluding Fund of Funds | PKR 1,748 mn   |
| NAV                                | PKR 106.3013   |
| Launch Date                        | 28-May-14  |
| Management Fee                     | 10% of gross earnings subject to a min fee of 0.50% and a max fee of 1.50% of average daily net assets   |
| Expense Ratio with Levies          | 1.18%  |
| Expense Ratio without Levies       | 0.91%  |
| Listing                            | Pakistan Stock Exchange  |
| Trustee                            | Central Depository Co. of Pakistan   |
| Auditor                            | Deloitte Yousuf Adil Pakistan  |
| Benchmark                          | 6M average deposit rates of 3 A rated Islamic Banks or Islamic Widows of Conventional Banks as per MUFAP |
| Type                               | Open End   |
| Category                           | Shariah Compliant Income Scheme  |
| Front end Load                     | Up to 2%   |
| Back end Load                      | Nil  |
| AMC Rating                         | AM2+ (JCR VIS) 29-Dec-17   |
| Dealing Days                       | As per SBP / PSX   |
| Cut off time                       | 9:00 AM-4:00 PM  |
| Price Mechanism                    | Forward Pricing  |
| Fund Stability Rating              | A+(f) (JCR VIS) 05-Jan-17  |
| Leverage                           | Nil  |
| Risk                               | Low  |
| Weighted Average Maturity (Days)   | 618  |

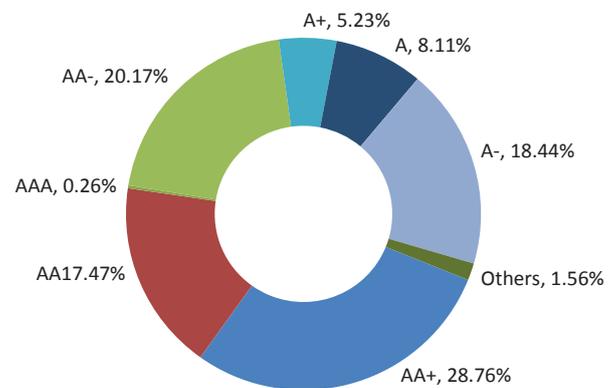
### ASSET ALLOCATION (% of Total Assets)

|                                  | Jun-18  | May-18  |
|----------------------------------|---------|---------|
| Cash                             | 47.61%  | 57.27%  |
| Placement with Banks & Modarabas | 17.43%  | 7.48%   |
| TFCs / Corporate Sukuks          | 33.39%  | 30.64%  |
| GOP Ijara Sukuk                  | 0.00%   | 0.00%   |
| Commercial Paper                 | 0.00%   | 3.67%   |
| Others Including receivables     | 1.56%   | 0.94%   |
| Total including Fund of Fund     | 100.00% | 100.00% |
| Total excluding Fund of Fund     | 43.24%  | 49.16%  |

### FUND RETURNS \* HBL IIF BENCHMARK

|   | HBL IIF | BENCHMARK |
|---|---------|-----------|
| Annualized Return Since Inception       | 6.62%   | 4.48%     |
| Year to Date Annualized Return          | 5.18%   | 2.44%     |
| Calendar Year to Date Annualized Return | 5.44%   | 2.43%     |
| 1 Month Annualized Return               | 5.60%   | 2.38%     |
| 3 Month Annualized Return               | 5.29%   | 2.36%     |
| 6 Month Annualized Return               | 5.44%   | 2.43%     |
| 1 Year Annualized Return                | 5.18%   | 2.44%     |
| 3 Years Annualized Return               | 5.45%   | 3.67%     |
| 5 Years Annualized Return               | N.A.    | N.A.      |

### ASSET QUALITY (% of Total Assets)



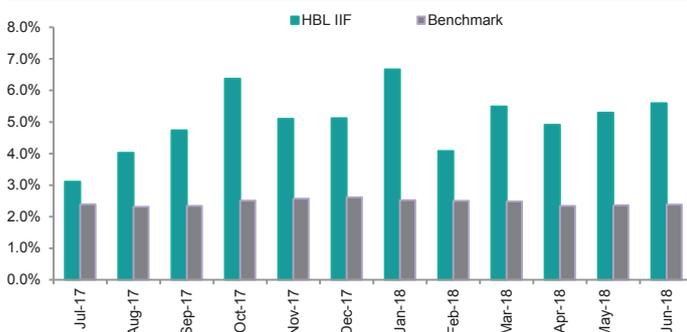
### TOP TEN HOLDINGS (% of Total Asset)

|                               |        |
|-------------------------------|--------|
| Dawood Hercules Corp. Ltd.    | 12.57% |
| AGP LTD.                      | 5.17%  |
| Dubai Islamic Bank Ltd.       | 4.65%  |
| Ghani Gasses Ltd.             | 2.94%  |
| Dawood Hercules Corp. Ltd. II | 2.41%  |
| International Brands Limited  | 2.50%  |
| Engro Fertilizer Limited      | 1.93%  |
| Meezan Bank Limited - Sukuk   | 1.22%  |

### INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Faizan Saleem         | Head of Fixed Income     |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

### HBL ISLAMIC INCOME FUND VS BENCHMARK (MOM RETURNS)



### NON-COMPLIANT INVESTMENTS

| Non-Compliant Investment (mn) | Type of Investment | Exposure (% of Total Assets) | Exposure (% of Net Assets) | Allowable Exposure | Excess Exposure (% of Total Assets) | Excess Exposure (% of Net Assets) |
|-------------------------------|--------------------|------------------------------|----------------------------|--------------------|-------------------------------------|-----------------------------------|
| Dawood Hercules Limited       | Sukuk              | 14.98%                       | 15.42%                     | 15%                | N.A                                 | 0.42%                             |

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

## INVESTMENT OBJECTIVE

The objective of the Fund is to provide superior returns through investments in Shariah Compliant equity securities and Shariah Compliant income /money market instruments.

## FUND MANAGER'S COMMENTS

The fund posted a return of negative 0.03% during the month an outperformance of 49 bps compared to the benchmark return of -0.52%. Fiscal year 2018 proved to be a disappointing year for Pakistan's equity market posting a negative return of 10% (26% in USD terms), a negative reading after almost 8 years. The promotion to MSCI EM status failed to put halt to foreign outflows as foreigners sold USD289mn, a third consecutive year of outflows. Jun'18 proved to be a volatile month for the equity market where the index shed 936 points, declining by 2.2% on MoM basis. The primary reasons for this dismal performance was the critical decision of FATF of placing Pakistan on the grey list and the change in Moody's outlook of Pakistan's B3 rating to negative. Another key highlight of Jun'18 was ambiguous progress on much-awaited Amnesty Scheme for assets declaration. Consequently, foreigners yet again remained net sellers as net outflow of USD 74mn was witnessed during the month. During the month allocation was largely maintained. The fund was invested in equities up to 27.31%. Politics and macro will be the two major drivers of market direction in the second half of CY18 and beyond. We believe market will remain volatile and may continue to be range bound owing to upcoming general elections and weak economic outlook on the back of growing CAD and rising inflation. Therefore, we would like to advise our investors to ride out the short term volatility and focus on the long term picture which in our view is very enticing, evident from the current market multiples (12M forward PE of 8.4x) and discount from MSCI EM and frontier counterparts.

## FUND INFORMATION

|                              |   |
|------------------------------|---|
| Net Assets (mln)             | PKR 2,470   |
| NAV                          | PKR 104.7748  |
| Launch Date                  | 08-Jan-16   |
| Management Fee               | 1.5% p.a.   |
| Expense Ratio with Levies    | 2.65%   |
| Expense Ratio without Levies | 2.35%   |
| Selling & Marketing expense  | 0.40%   |
| Listing                      | Pakistan Stock Exchange   |
| Trustee                      | Central Depository Co. of Pakistan  |
| Auditor                      | Deloitte Yousuf Adil Pakistan   |
| Benchmark                    | Weighted average daily return of KMI30 and 6M deposit rate of A rated (and above) Islamic Banks or Islamic Banking windows of scheduled commercial banks, based on the actual proportion held by the scheme |
| Type                         | Open End  |
| Category                     | Islamic Asset Allocation Scheme   |
| Front end Load               | Up to 2.00%   |
| Back end Load                | Nil   |
| AMC Rating                   | AM2+ (JCR VIS) 29-Dec-17  |
| Dealing Days                 | As per SBP/PSX  |
| Cut-off time                 | 9:00 AM-4:00 PM   |
| Price Mechanism              | Forward Pricing   |
| Leverage                     | Nil   |
| Risk                         | Moderate to High  |

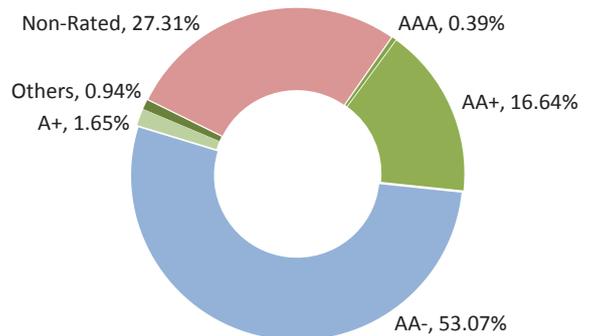
## ASSET ALLOCATION (% OF TOTAL ASSETS)

|                                     | Jun-18 | May-18 |
|-------------------------------------|--------|--------|
| Cash                                | 43.05% | 46.37% |
| Government of Pakistan Ijarah Sukuk | 0.00%  | 0.00%  |
| Sukuks                              | 28.69% | 26.37% |
| Stock/Equities                      | 27.31% | 26.50% |
| Others Including Receivables        | 0.96%  | 0.76%  |

## FUND RETURNS \* HBL IAAF\* BENCHMARK

|   |        |        |
|---|--------|--------|
| Cumulative Return Since Inception         | 12.63% | 14.53% |
| Year to Date Return (Cumulative)          | -0.78% | -0.28% |
| Calendar Year to Date Return (Cumulative) | 2.77%  | 1.88%  |
| 1 Month Cumulative Return                 | -0.03% | -0.52% |
| 3 Month Cumulative Return                 | -0.65% | -1.56% |
| 6 Month Cumulative Return                 | 2.77%  | 1.88%  |
| 1 Year Cumulative Return                  | -0.78% | -0.28% |
| Standard Deviation                        | 5.05%  | 4.75%  |

## ASSET QUALITY (% Total Assets)



## SECTOR ALLOCATION (% of Total Assets)

|                                 | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Oil & Gas Exploration Companies | 7.92%  | 7.71%  |
| Fertilizer                      | 3.86%  | 3.71%  |
| Power Generation & Distribution | 2.43%  | 2.71%  |
| Cement                          | 2.42%  | 2.15%  |
| Oil & Gas Marketing Companies   | 2.38%  | 2.34%  |
| Others                          | 8.30%  | 7.87%  |

## TOP TEN HOLDINGS (Equities)

|                                 |       |
|---------------------------------|-------|
| Pakistan Petroleum Ltd.         | 2.32% |
| Pakistan Oilfields Ltd.         | 2.14% |
| Engro Corporation Ltd.          | 2.05% |
| Oil & Gas Development Co. Ltd.  | 1.94% |
| Hub Power Company Ltd.          | 1.84% |
| Engro Fertilizers Limited       | 1.81% |
| Mari Petroleum Company Ltd.     | 1.53% |
| Lucky Cement Ltd.               | 1.30% |
| Pakistan State Oil Company Ltd. | 1.20% |
| Nishat Mills Ltd.               | 1.04% |

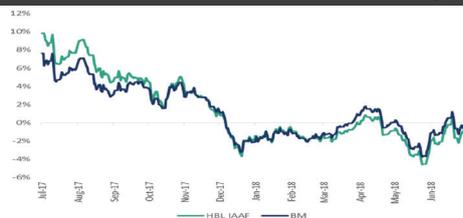
## INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Jawad Naeem           | Specialist - Equity      |
| Adeel Abdul Wahab     | Specialist - Equity      |
| Faizan Saleem         | Head of Fixed Income     |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

## TOP TEN HOLDINGS (Sukuks) - % of Total Assets



## HBL IAAF vs. BENCHMARK (12M Rolling Returns)



## NON-COMPLIANT INVESTMENTS

| Non-Compliant Investment (mn) | Type of Investment | Exposure (% of Total Assets) | Exposure (% of Net Assets) | Allowable Exposure | Excess Exposure (% of Total Assets) | Excess Exposure (% of Net Assets) |
|-------------------------------|--------------------|------------------------------|----------------------------|--------------------|-------------------------------------|-----------------------------------|
| Dawood Hercules Limited       | Sukuk              | 16.16%                       | 16.30%                     | 15%                | 1.16                                | 1.30%                             |

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

\*\*Calculated on 12Month trailing data.

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

### INVESTMENT OBJECTIVE

The objective of the Fund is to achieve long-term capital growth by investing mainly in Shariah Compliant equity securities.

### FUND MANAGER'S COMMENTS

The fund posted a return of negative 1.45% during the month an outperformance of 118 bps compared to the benchmark return of -2.63%. Fiscal year 2018 proved to be a disappointing year for Pakistan's equity market posting a negative return of 10% (26% in USD terms), a negative reading after almost 8 years. The promotion to MSCI EM status failed to put halt to foreign outflows as foreigners sold USD289mn, a third consecutive year of outflows. Jun'18 proved to be a volatile month for the equity market where the index shed 936 points, declining by 2.2% on MoM basis. The primary reasons for this dismal performance was the critical decision of FATF of placing Pakistan on the grey list and the change in Moody's outlook of Pakistan's B3 rating to negative. Another key highlight of Jun'18 was ambiguous progress on much-awaited Amnesty Scheme for assets declaration. Consequently, foreigners yet again remained net sellers as net outflow of USD 74mn was witnessed during the month. During the month allocation was reduced primarily in Oil & Gas exploration, Fertilizers and Power Generation & Distribution sectors. The fund was invested in equities up to 77.89%.

Politics and macro will be the two major drivers of market direction in the second half of CY18 and beyond. We believe market will remain volatile and may continue to be range bound owing to upcoming general elections and weak economic outlook on the back of growing CAD and rising inflation. Therefore, we would like to advise our investors to ride out the short term volatility and focus on the long term picture which in our view is very enticing, evident from the current market multiples (12M forward PE of 8.4x) and discount from MSCI EM and frontier counterparts.

### FUND INFORMATION

|  |                                    |
|--|------------------------------------|
| Net Assets (mln)                         | PKR 2,542                          |
| Net Assets excluding Fund of Funds (mln) | PKR 1,280                          |
| NAV                                      | PKR 111.8276                       |
| Launch Date                              | 10-May-11                          |
| Management Fee                           | 2.0% p.a.                          |
| Expense Ratio with Levies                | 3.84%                              |
| Expense Ratio without Levies             | 3.46%                              |
| Selling & Marketing expense              | 0.40%                              |
| Listing                                  | Pakistan Stock Exchange            |
| Trustee                                  | Central Depository Co. of Pakistan |
| Auditor                                  | Deloitte Yousuf Adil Pakistan      |
| Benchmark                                | KMI30 Index                        |
| Type                                     | Open End                           |
| Category                                 | Islamic Equity Scheme              |
| Front end Load                           | Upto 2.00%                         |
| Back end Load                            | Nil                                |
| AMC Rating                               | AM2+ (JCR VIS) 29-Dec-17           |
| Dealing Days                             | As per SBP/PSX                     |
| Cut-off time                             | 9:00 AM-4:00 PM                    |
| Price Mechanism                          | Forward Pricing                    |
| Leverage                                 | Nil                                |
| Risk                                     | High                               |

### ASSET ALLOCATION (% of Total Assets)

|                               | Jun-18  | May-18  |
|-------------------------------|---------|---------|
| Cash                          | 21.66%  | 15.79%  |
| Stock / Equities              | 77.89%  | 83.61%  |
| Others Including Receivables  | 0.45%   | 0.61%   |
| Total Including Fund of Funds | 100.00% | 100.00% |
| Total Excluding Fund of Funds | 50.36%  | 44.87%  |

### SECTOR ALLOCATION (% of Total Assets)

|                                 | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Oil & Gas Exploration Companies | 21.47% | 22.86% |
| Fertilizer                      | 12.41% | 13.50% |
| Oil & Gas Marketing Companies   | 6.73%  | 7.03%  |
| Cements                         | 6.59%  | 6.36%  |
| Power Generation & Distribution | 6.33%  | 8.61%  |
| Others                          | 24.36% | 25.25% |

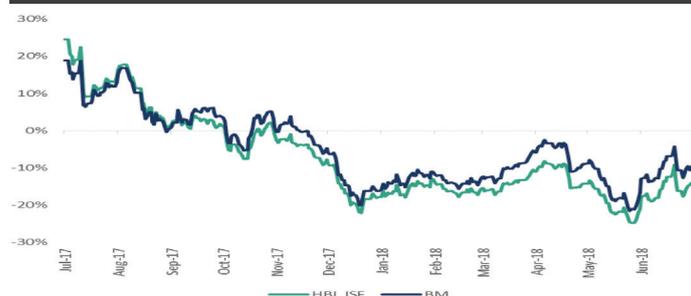
### FUND RETURNS \*

|   | HBL ISF | BENCHMARK |
|---|---------|-----------|
| Cumulative Return Since Inception         | 173.40% | 250.64%   |
| Year to Date Return (Cumulative)          | -13.99% | -9.59%    |
| Calendar Year to Date Return (Cumulative) | 4.00%   | 3.57%     |
| 1 Month Cumulative Return                 | -1.45%  | -2.63%    |
| 3 Month Cumulative Return                 | -5.09%  | -7.70%    |
| 6 Month Cumulative Return                 | 4.00%   | 3.57%     |
| 1 Year Cumulative Return                  | -13.99% | -9.59%    |
| 3 Year Cumulative Return                  | 8.17%   | 24.08%    |
| 5 Year Cumulative Return                  | 58.02%  | 93.55%    |
| Standard Deviation                        | 16.76%  | 18.75%    |

### INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Jawad Naeem           | Specialist - Equity      |
| Adeel Abdul Wahab     | Specialist - Equity      |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

### HBL ISLAMIC STOCK FUND VS BENCHMARK (12 ROLLING RETURNS)



### NON-COMPLIANT INVESTMENTS

NIL

### TOP TEN HOLDINGS (% of Total Asset)

|                                 |       |
|---------------------------------|-------|
| Pakistan Petroleum Ltd.         | 6.25% |
| Oil & Gas Development Co. Ltd.  | 5.72% |
| Engro Corporation Ltd.          | 5.69% |
| Pakistan Oilfields Ltd.         | 5.02% |
| Engro Fertilizers Limited       | 4.95% |
| Mari Petroleum Company Ltd.     | 4.48% |
| Hub Power Company Ltd.          | 4.45% |
| Lucky Cement Ltd.               | 3.70% |
| Meezan Bank Ltd.                | 3.62% |
| Pakistan State Oil Company Ltd. | 3.57% |

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

\*\*Calculated on 12Month trailing data.

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

### FUND MANAGER'S REPORT

**Risk Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved including risk disclosure for special feature.

## INVESTMENT OBJECTIVE

The objective of the 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.

## FUND MANAGER'S COMMENTS

The fund posted a return of negative 1.68% during the month an outperformance of 95 bps compared to the benchmark return of -2.63%. Fiscal year 2018 proved to be a disappointing year for Pakistan's equity market posting a negative return of 10% (26% in USD terms), a negative reading after almost 8 years. The promotion to MSCI EM status failed to put halt to foreign outflows as foreigners sold USD289mn, a third consecutive year of outflows. Jun'18 proved to be a volatile month for the equity market where the index shed 936 points, declining by 2.2% on MoM basis. The primary reasons for this dismal performance was the critical decision of FATF of placing Pakistan on the grey list and the change in Moody's outlook of Pakistan's B3 rating to negative. Another key highlight of Jun'18 was ambiguous progress on much-awaited Amnesty Scheme for assets declaration. Consequently, foreigners yet again remained net sellers as net outflow of USD 74mn was witnessed during the month. During the month allocation was largely maintained. The fund was invested in equities up to 87.46%. Politics and macro will be the two major drivers of market direction in the second half of CY18 and beyond. We believe market will remain volatile and may continue to be range bound owing to upcoming general elections and weak economic outlook on the back of growing CAD and rising inflation. Therefore, we would like to advise our investors to ride out the short term volatility and focus on the long term picture which in our view is very enticing, evident from the current market multiples (12M forward PE of 8.4x) and discount from MSCI EM and frontier counterparts.

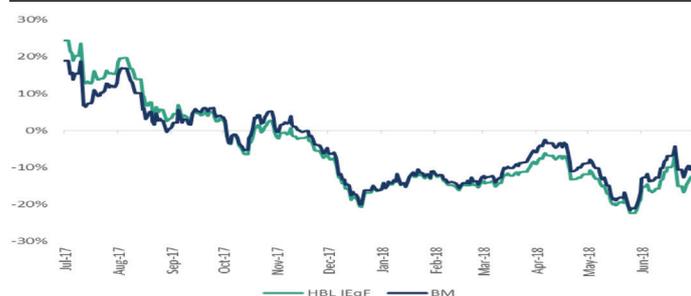
## FUND INFORMATION

|  |                                    |
|--|------------------------------------|
| Net Assets (mln)                         | PKR 1,318                          |
| Net Assets excluding Fund of Funds (mln) | PKR 307                            |
| NAV                                      | PKR 92.4834                        |
| Launch Date                              | 28-May-14                          |
| Management Fee                           | 2% p.a                             |
| Expense Ratio with Levies                | 3.47%                              |
| Expense Ratio without Levies             | 3.08%                              |
| Selling & Marketing expense              | 0.40%                              |
| Listing                                  | Pakistan Stock Exchange            |
| Trustee                                  | Central Depository Co. of Pakistan |
| Auditor                                  | Deloitte Yousuf Adil Pakistan      |
| Benchmark                                | KMI-30 Index                       |
| Type                                     | Open End                           |
| Category                                 | Islamic Equity Scheme              |
| Front end Load                           | Upto 2.00%                         |
| Back end Load                            | Nil                                |
| AMC Rating                               | AM2+ (JCR VIS) 29-Dec-17           |
| Dealing Days                             | As per SBP/PSX                     |
| Cut off time                             | 9:00 AM-4:00 PM                    |
| Price Mechanism                          | Forward Pricing                    |
| Leverage                                 | Nil                                |
| Risk                                     | High                               |

## INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Jawad Naeem           | Specialist - Equity      |
| Adeel Abdul Wahab     | Specialist - Equity      |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

## HBL IEF vs. BENCHMARK (12M Rolling Returns)



## NON-COMPLIANT INVESTMENTS

NIL

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

\*\*Calculated on 12Month trailing data

## ASSET ALLOCATION (% of Total Assets)

|                               | Jun-18  | May-18  |
|-------------------------------|---------|---------|
| Cash                          | 11.91%  | 13.60%  |
| Stock / Equities              | 87.46%  | 85.62%  |
| Others Including Receivables  | 0.63%   | 0.78%   |
| Total Including Fund of Funds | 100.00% | 100.00% |
| Total Excluding Fund of Funds | 23.26%  | 23.32%  |

## SECTOR ALLOCATION (% of Total Assets)

|                                 | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Oil & Gas Exploration Companies | 23.10% | 23.19% |
| Fertilizers                     | 13.99% | 13.80% |
| Power Generation & Distribution | 8.65%  | 8.67%  |
| Oil & Gas Marketing Companies   | 7.64%  | 7.34%  |
| Cement                          | 7.18%  | 6.44%  |
| Others                          | 26.89% | 26.18% |

## FUND RETURNS \*

## HBL IEF BENCHMARK

|   | HBL IEF | BENCHMARK |
|---|---------|-----------|
| Cumulative Return Since Inception         | 52.04%  | 52.08%    |
| Year to Date Return (Cumulative)          | -12.32% | -9.59%    |
| Calendar Year to Date Return (Cumulative) | 4.01%   | 3.57%     |
| 1 Month Cumulative Return                 | -1.68%  | -2.63%    |
| 3 Month Cumulative Return                 | -5.27%  | -7.70%    |
| 6 Month Cumulative Return                 | 4.01%   | 3.57%     |
| 1 Year Cumulative Return                  | -12.32% | -9.59%    |
| 3 Year Cumulative Return                  | 21.06%  | 24.08%    |
| 5 Year Cumulative Return                  | 0.00%   | 93.55%    |
| Standard Deviation                        | 16.60%  | 18.75%    |

## TOP TEN HOLDINGS

|                                 |       |
|---------------------------------|-------|
| Pakistan Petroleum Ltd.         | 6.91% |
| Hub Power Company Ltd.          | 6.58% |
| Engro Corporation Ltd.          | 6.48% |
| Oil & Gas Development Co. Ltd.  | 5.82% |
| Engro Fertilizers Limited       | 5.54% |
| Pakistan Oilfields Ltd.         | 5.50% |
| Mari Petroleum Company Ltd.     | 4.87% |
| Lucky Cement Ltd.               | 4.04% |
| Pakistan State Oil Company Ltd. | 3.98% |
| Meezan Bank Ltd.                | 3.93% |

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

### INVESTMENT OBJECTIVE

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

### FUND MANAGER'S COMMENTS

**MONEY MARKET SUB FUND:** The fund posted a return of 3.79% for the month. Majority of the AUMs were kept in deposits and TDRs as the banks were offering higher returns due to quarter end.

**DEBT SUB FUND:** The fund posted a return of 3.69% for the month under review. The returns have remained depressed as the demand in TFCs have dried recently with the anticipation in increase in interest rates and uncertainty prevailing on the political front.

**EQUITY SUB FUND:** The fund posted a return of -1.34% vs KMI-30 Index return of -2.63% M/M during June'18. The equity exposure at the end of the month stood at 87.20%.

### FUND INFORMATION

|                 |                                    |
|-----------------|------------------------------------|
| Launch Date     | 16-Dec-11                          |
| Management Fee  | 1.5% p.a                           |
| Trustee         | Central Depository Co. of Pakistan |
| Auditor         | KPMG Taseer Hadi & Co.             |
| Category        | Shariah Compliant Pension scheme   |
| Front end Load  | Upto 3%                            |
| Back end Load   | Nil                                |
| AMC Rating      | AM2+ (JCRVIS) 29/12/2017           |
| Dealing Days    | As per PSX & SBP                   |
| Cut off time    | 9:00 AM-4:00 PM                    |
| Price Mechanism | Forward Pricing                    |
| Risk            | Investor Dependent                 |

### FUND SIZE

|             | MMSF     | DSF      | ESF      |
|-------------|----------|----------|----------|
| AUM Million | 83       | 102      | 172      |
| NAV(PKR)    | 139.3646 | 141.8178 | 388.2683 |
| WAM (Days)  | 6        | 184      | -        |
| Leverage    |          | Nil      |          |

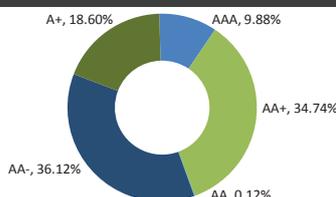
### INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Faizan Saleem         | Head of Fixed Income     |
| Jawad Naeem           | Specialist-Equities      |
| Adeel Abdul Wahab     | Specialist-Equities      |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

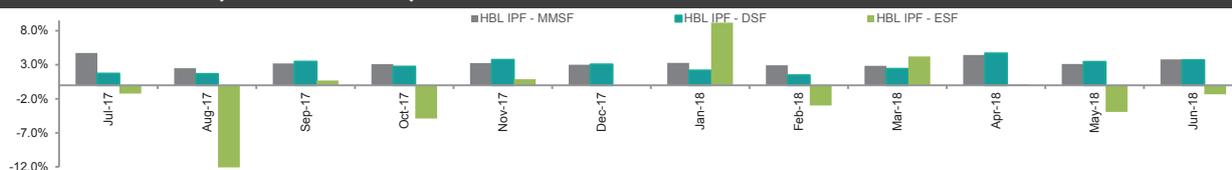
### FUND RETURNS\*

|   | MMSF  | DSF   | ESF     |
|---|-------|-------|---------|
| Return Since Inception                    | 6.01% | 6.39% | 288.27% |
| Year to Date Return (Cumulative)          | 3.41% | 2.89% | -12.02% |
| Calendar Year to Date Return (Cumulative) | 3.43% | 3.01% | 4.79%   |
| 1 Month Cumulative Return                 | 3.79% | 3.69% | -1.34%  |
| 3 Month Cumulative Return                 | 3.80% | 3.96% | -5.10%  |
| 6 Month Cumulative Return                 | 3.43% | 3.01% | 4.79%   |
| 1 Year Cumulative Return                  | 3.41% | 2.89% | -12.02% |
| 3 Year Cumulative Return                  | 3.58% | 3.86% | 18.46%  |
| 5 Year Cumulative Return                  | 4.74% | 5.09% | 115.43% |
| Standard Deviation**                      | 0.66% | 1.00% | 17.79%  |

### CREDIT QUALITY - HBL MONEY MARKET SUB FUND (% OF TOTAL ASSETS)



### HBL PENSION FUND (MoM Returns)



### NON-COMPLIANT INVESTMENTS

| Non-Compliant Investment | Type of Investment | Exposure Limit | Exposure (% of Total Assets) | Exposure (% of Net Assets) | Excess Exposure (% of Total Assets) | Excess Exposure (% of Net Assets) |
|--------------------------|--------------------|----------------|------------------------------|----------------------------|-------------------------------------|-----------------------------------|
| Quarterly Average        | Equities           | 90%            |                              | 89.57%                     |                                     | -0.43%                            |

The scheme holds certain non-compliant investments. Before making any investment decision, investors should review this document and latest financial statements.

\*Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

\*\*Calculated on 12Month trailing data

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

### FUND MANAGER'S REPORT

**Risk Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved including risk disclosure for special feature.

### ASSET ALLOCATION (% of Total Assets)

| Money Market Sub Fund (MMSF) | Jun-18 | May-18 |
|------------------------------|--------|--------|
| GoP Ijarah Sukuk             | 0.00%  | 0.00%  |
| Cash                         | 81.12% | 79.88% |
| Placement With Banks and DFI | 18.36% | 15.45% |
| CP Sukuk                     | 0.00%  | 3.72%  |
| Others including receivables | 0.53%  | 0.94%  |
| Debt Sub Fund (DSF)          | Jun-18 | May-18 |
| GoP Ijarah Sukuk             | 24.99% | 25.91% |
| Cash                         | 44.07% | 59.50% |
| Placement With Banks and DFI | 18.96% | 0.00%  |
| Government Guaranteed Sukuk  | 1.20%  | 1.25%  |
| Corporate Sukuk              | 9.68%  | 10.12% |
| CP Sukuk                     | 0.00%  | 2.00%  |
| Others including receivables | 1.08%  | 1.22%  |
| Equity Sub Fund (ESF)        | Jun-18 | May-18 |
| Stock / Equities             | 87.20% | 84.23% |
| Cash                         | 12.59% | 15.69% |
| Others including receivables | 0.20%  | 0.09%  |

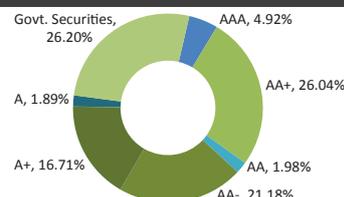
### SECTOR ALLOCATION EQUITY Jun-18 May-18

| Sector                          | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Oil & Gas Exploration Companies | 21.06% | 20.31% |
| Fertilizer                      | 14.83% | 14.21% |
| Oil & Gas Marketing Companies   | 10.36% | 8.63%  |
| Power Generation & Distribution | 6.97%  | 8.23%  |
| Cement                          | 6.15%  | 5.26%  |
| Others                          | 27.83% | 27.59% |

### TOP TEN EQUITIES (% OF TOTAL ASSETS)



### CREDIT QUALITY - HBL DEBT SUB FUND (% OF TOTAL ASSETS)



## INVESTMENT OBJECTIVE

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.

## FUND MANAGER'S COMMENTS

**CONSERVATIVE ALLOCATION PLAN:** The fund posted a return of 0.01% during the month under review against the benchmark return of -0.36%.

**ACTIVE ALLOCATION PLAN:** The fund posted a return of -0.89% during the month under review against the benchmark return of -1.56%.

**STRATEGIC ALLOCATION PLAN:** The fund posted a return of -0.74% during the month under review against the benchmark return of -1.11%.

## FUND INFORMATION

|                                    |   |
|------------------------------------|---|
| Launch Date                        | 16-Jun-17   |
| Management Fee                     | NIL (1.0% p.a. Management Fee will be charged if investment is made in funds other than HBL Asset Management) |
| Listing                            | Pakistan Stock Exchange   |
| Trustee                            | MCB Financial Services Limited (MCB FSL)  |
| Auditor                            | Deloitte Yousuf Adil Pakistan   |
| Benchmark                          | Weighted Avg Return of KMI-30 Index, 6M(AA-) and 3M(AA) Avg. Deposit Rate of three Islamic Banks              |
| Type                               | Open End  |
| Category                           | Shariah Compliant Fund of Funds Scheme  |
| Front end Load                     | Up-to 2%  |
| Back end Load                      | SAP:(1% for 1 Year and 0.5% thereon)  |
| AMC Rating                         | AM2+ (JCRVIS) 29/12/2017  |
| Dealing Days                       | As per PSX & SBP  |
| Cut off time                       | 9:00 AM-4:00 PM   |
| Price Mechanism                    | Forward Pricing   |
| Risk                               | Investor Dependent (Medium to High)   |
| Leverage                           | NIL   |
| Expense Ratio with Levies (CAP)    | 0.47%   |
| Expense Ratio with Levies (AAP)    | 0.42%   |
| Expense Ratio with Levies (SAP)    | 0.41%   |
| Expense Ratio without Levies (CAP) | 0.33%   |
| Expense Ratio without Levies (AAP) | 0.27%   |
| Expense Ratio without Levies (SAP) | 0.27%   |

## FUND SIZE

|             | CAP      | AAP      | SAP      |
|-------------|----------|----------|----------|
| AUM Million | 37       | 247      | 4,282    |
| NAV(PKR)    | 101.4151 | 100.4143 | 101.4938 |
| Leverage    |          | Nil      |          |

## INVESTMENT COMMITTEE

|                       |                          |
|-----------------------|--------------------------|
| Farid Ahmed Khan, CFA | Chief Executive Officer  |
| Muhammad Imran        | Chief Investment Officer |
| Faizan Saleem         | Head of Fixed Income     |
| Jawad Naem            | Specialist - Equities    |
| Adeel Abdul Wahab     | Specialist - Equities    |
| Noman Ameer           | Manager Risk             |
| Sateesh Balani, CFA   | Head of Research         |

## FUND RETURNS \*

|                        | IFPF AAP | BENCHMARK |
|------------------------|----------|-----------|
| Return Since Inception | 0.58%    | -0.04%    |
| Year to Date           | 0.40%    | -0.10%    |
| Calendar Year to Date  | 1.91%    | 1.19%     |
| 1 Month Return         | -0.89%   | -1.56%    |
| 3 Months Return        | -2.22%   | -3.84%    |
| 6 Months Return        | 1.91%    | 1.19%     |
| 1 Year Return          | 0.40%    | -0.10%    |

## NON-COMPLIANT INVESTMENTS

NIL

Funds returns computed on NAV to NAV with the dividend reinvestment (excluding sales load)

## ASSET ALLOCATION (% of Total Assets)

| Conservative Allocation Plan (CAP) | Jun-18 | May-18 |
|------------------------------------|--------|--------|
| Equity Funds                       | 19.90% | 20.13% |
| Fixed Income Funds                 | 79.45% | 79.17% |
| Cash                               | 0.54%  | 0.58%  |
| Others including receivables       | 0.11%  | 0.12%  |

| Active Allocation Plan (AAP) | Jun-18 | May-18 |
|------------------------------|--------|--------|
| Equity Funds                 | 59.85% | 50.05% |
| Fixed Income Funds           | 39.40% | 49.45% |
| Cash                         | 0.71%  | 0.45%  |
| Others including receivables | 0.04%  | 0.05%  |

| Strategic Allocation Plan (SAP) | Jun-18 | May-18 |
|---------------------------------|--------|--------|
| Equity Funds                    | 49.38% | 50.18% |
| Fixed Income Funds              | 50.53% | 49.70% |
| Cash                            | 0.02%  | 0.04%  |
| Others including receivables    | 0.07%  | 0.07%  |

## FUND RETURNS \*

|                        | IFPF CAP | BENCHMARK |
|------------------------|----------|-----------|
| Return Since Inception | 1.74%    | -0.01%    |
| Year to Date           | 1.40%    | 0.18%     |
| Calendar Year to Date  | 2.64%    | 1.79%     |
| 1 Month Return         | 0.01%    | -0.36%    |
| 3 Months Return        | -0.08%   | -1.07%    |
| 6 Months Return        | 2.64%    | 1.79%     |
| 1 Year Return          | 1.40%    | 0.18%     |

## FUND RETURNS \*

|                        | IFPF SAP | BENCHMARK |
|------------------------|----------|-----------|
| Return Since Inception | 1.87%    | 1.21%     |
| Year to Date           | 1.36%    | 1.01%     |
| Calendar Year to Date  | 1.84%    | 1.42%     |
| 1 Month Return         | -0.74%   | -1.11%    |
| 3 Months Return        | -2.18%   | -3.41%    |
| 6 Months Return        | 1.84%    | 1.42%     |
| 1 Year Return          | 1.36%    | 1.01%     |

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# HBL

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