

HBL

ASSET MANAGEMENT LTD.
ایس ایٹ مینجمنٹ لمیٹڈ

AMC Rating : AM2+ by JCR-VIS



QUARTERLY REPORT 2018

For the period ended September 30, 2018

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors

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

Audit Committee

Chairman	Mr. Shabbir Hussain Hashmi	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shahid Ghaffar	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)

Human Resource Committee

Chairman	Mr. Agha Sher Shah	(Independent Director)
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)

Risk Management Committee

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

Company Secretary &

Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2+ (Stable Outlook)

Legal Advisors

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

Website

www.hblasset.com

Head Office & Registered Office

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

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE THREE MONTH ENDED SEPTEMBER 30, 2018

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of for the three months ended September 30, 2018. of the following funds:

01. HBL Income Fund
02. HBL Government Securities Fund
03. HBL Money Market Fund
04. HBL Cash Fund
05. HBL Stock Fund
06. HBL Equity Fund
07. HBL Energy Fund
08. HBL Multi Asset Fund
09. HBL Financial Planning Fund
10. HBL Growth Fund (Formerly: PICIC Growth Fund)
11. HBL Investment Fund (Formerly: PICIC Investment Fund)

Economic Review

Pakistan's economic landscape has deteriorated considerably with twin deficits, increasing inflationary pressures, rising international commodity prices and depleting FX reserves. These dwindling factors led to monetary tightening and PKR depreciation during the quarter while fiscal issues enforced new government to pursue fiscal tightening (through lower public spending) to achieve its fiscal deficit target of 5.1% for FY19.

Reversal in macroeconomic indicators' trend would likely affect economic growth trajectory which is also reflected in 1.2% decline in LSM during 2MFY19 compared to 12.1% YoY during same period last year. PKR remained volatile during the quarter with 6% depreciation up to Jul-18 which was reversed after PTI won elections, limiting overall PKR depreciation for the quarter to 0.7%. Trade data released by PBS reflected some respite as export growth outpaced import growth during 1QFY19 dragging trade deficit by 1.6% to USD 8.9bn. Current account deficit (CAD) for 2MFY19 clocked in at USD 2.7bn (5.3% of GDP) compared to USD 2.5bn (4.6% of GDP) during same period last year. These changes in trade balance and CAD trend reflected lag impact on aggregate demand due to 16% PKR depreciation during FY18 and imposition of duties (regulatory, customs and antidumping). Due to sustained CAD, foreign exchange reserves dropped to USD 14.9bn while SBP reserves depleted to USD 8.4bn (less than 2 months of import cover).

Rising international oil prices and PKR depreciation has also contributed to overall inflationary pressures. CPI increased by 5.6% YoY during 1QFY19 compared to 3.4% YoY during same period last year. Higher CPI was mainly due to transport prices (+17%YoY) and housing segment (+6% YoY) during 1QFY19. Core inflation (non-food & non-energy) also depicted underlying inflationary pressure reaching 8% during Sep-18, taking 1QFY19 average to 7.8% compared to 5.5% during 1QFY18. In view of these factors and higher international oil prices (+1.3% QoQ and +46% YoY), central bank increased policy rate by 200bps in last two monetary policy announcements (July and Sep). During the quarter, newly elected Government also presented "mini-budget" and revised fiscal deficit target to 5.1% of GDP.

Going forward, we expect macroeconomic challenges would persist (particularly twin deficits and high inflation) while policy makers would pursue austerity measures for sustainable growth.

Stock Market Review

Pakistan Equity Markets witnessed a decline in the outgoing quarter as increased macroeconomic risks dent overall investor sentiment. Political uncertainty reduced during the quarter after successful political transition post General Elections 2018. However, lack of policy direction from new government coupled with dwindling macros (mainly depleting FX reserves) aggravated concerns dragging market performance.

The benchmark KSE100 Index fell 912 points to close at 40,999 points (↓2.2%). The performance was driven by consumer discretionary sectors as market anticipated weakness in demand following monetary tightening by the SBP and fiscal consolidation by the new Government via the mini-budget. Consequently, Food and Personal Care and Automobile sector caused a combined attrition of 439 points. The Auto sector demand concerns also increased after continuation of ban on non-filers from purchasing cars and news flow of allowance of import of used tractors. Oil & Gas Marketing Companies were also laggards with uncertainty

around gas pricing decision, with 15.6% and 11.1% decline in SSGC and SNGP respectively.

Despite rising interest rates, PKR depreciation and higher oil prices, performance of the Banking and Oil & Gas Exploration sectors remained muted. Banking sectors performance was marred by the underperformance of index heavy weights owing to fears of foreign provisioning. However, E&Ps static performance was driven by 1.7% decline in OGDC's stock price mainly due to continued foreign selling.

Foreigners continued to remain net sellers in the market, divesting equities worth USD189mn during the quarter ended Sep-18. These flows were absorbed by Insurance companies and Individuals with investment of USD102mn and USD97mn respectively.

Looking ahead, Pakistan equities are expected to remain range bound as the market continues to await clarity on the government's policy. However, we highlight that the current macro-economic environment bodes well for index heavy weights (E&Ps and Banks) while recent underperformance has opened up valuations of cyclical stocks. We believe Pakistan equities offers a good entry opportunity for long term investors.

Money Market Review

SBP continued its policy of monetary tightening in 1QFY19 to control the rising current account deficit and in anticipation of increasing inflationary pressures. During the quarter, longer tenor yields increased by 77-102 bps with yields of shorter tenor government securities increased by 136-143bps. Secondary market yields of 3, 5 and 10-year PIBs increased by 98, 77 and 102 bps respectively while yields of 3, 6 and 12 month T-Bills increased by 143, 136 and 142 bps respectively. Government of Pakistan raised only PKR 19bn through the PIB auction against a target of PKR 150bn due to lack of interest as market participants expected interest rates to increase with rising commodity prices and inflationary pressures. Latest cut-off yields stood at 9.25% for the 5-year PIB.

During the quarter, Government shifted its borrowing from scheduled banks to SBP. Government retired PKR 1,187bn from scheduled banks against borrowing of PKR 168bn during same period last year due to lack of interest in the auctions. Meanwhile, Government borrowing from SBP increased by PKR 1,115bn during the period against PKR 201bn during same period last year. Government largely managed its borrowing requirements through domestic sources, and raised PKR 4,477bn via T-bills (excluding NCB) compared to the cumulative target of PKR 5,450bn and maturities of PKR 5,661bn. SBP increased the policy rate by 100bps in July and a further 100bps in September to 8.50% to contain aggregate demand and rising current account deficit.

Going forward, we foresee another interest rate hike of 50-100bps in the calendar year on the back of increasing inflation expectation and expected entry into the IMF program.

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 44.17 million and Rs. 31.91 million respectively during the period ended September 30, 2018. The Net Asset Value (NAV) per unit of the Fund was Rs. 111.2890 per unit as on June 30, 2018 which decreased to Rs. 107.3005 per unit as on September 30, 2018 (after incorporating dividend of Rs. 5.50 per unit); thereby giving an annualized return of 5.66%. During the same period, the benchmark (6 Month KIBOR) return was 7.85%. The size of Fund was Rs. 1.93 billion as on September 30, 2018 as compared to Rs. 2.46 billion at the start of the year.

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

HBL Government Securities Fund

The total income and net income of the Fund was Rs. 11.13 million and Rs. 8.62 million respectively during the period ended September 30, 2018. The Net Asset Value (NAV) per unit of the Fund was Rs. 110.4244 per unit as on June 30, 2018 which decreased to Rs. 107.6081 per unit as on September 30, 2018 (after incorporating dividend of Rs. 4.75 per unit); thereby giving an annualized return of 7.25%. During the same period the benchmark (6 Month PKRV Rates) return was 7.76%. The size of Fund was Rs. 452 million as on September 30, 2018 as compared to Rs. 314 million at the start of the year.

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

HBL Money Market Fund

The total income and net income of the Fund was Rs. 164.26 million and Rs. 136.49 million respectively during the period ended September 30, 2018. The Net Asset Value (NAV) per unit of the Fund was Rs. 107.1869 per unit as on June 30, 2018 which decreased to Rs. 103.7142 per unit as on September 30, 2018 (after incorporating dividend of Rs. 5.15 per unit) ; thereby giving an annualized return of 6.52%. During the same period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 6.61%.The size of Fund was Rs. 8.73 billion as on September 30, 2018 as compared to Rs. 7.25 billion at the start of the year.

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

HBL Cash Fund

The total income and net income of the Fund was Rs. 253.78 million and Rs. 218.64 million respectively during the period ended September 30, 2018. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 106.0021 per unit as on June 30, 2018. The NAV of the Fund was Rs 102.4671 per unit as on September 30, 2018 (after incorporating dividend of Rs. 5.25 per unit); thereby giving an annualized return of 6.75%. During the same period, the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 6.61%.The size of Fund was Rs 12.61 billion as on September 30, 2018 as compared to Rs.12.04 billion at the start of the year.

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

HBL Stock Fund

The Fund incurred a total and net loss of Rs. 30.45 million and Rs. 80.51 million respectively during the period ended September 30, 2018. The Net Asset Value (NAV) per unit of the Fund was Rs 107.0620 per unit as on June 30, 2018. The NAV of the Fund was Rs. 105.7638 per unit as on September 30, 2018; thereby giving a negative return of 1.20%. During the same period, the benchmark KSE 30 index yielded a negative return of 1.92%.The size of Fund was Rs 6.09 billion as on September 30, 2018 as compared to Rs. 5.96 billion at the start of the year.

HBL Equity Fund

The Fund incurred a total and net loss of Rs. 1.53 million and Rs. 4.47 million respectively during the period ended September 30, 2018. The Net Asset Value (NAV) per unit of the Fund was Rs. 110.4602 per unit as on June 30, 2018. The NAV of the Fund was Rs. 109.3227 per unit as on September 30, 2018; thereby giving a negative return of 1.02%. During the same period, the benchmark KSE 100 index yielded a negative return of 2.18%.The size of Fund was Rs. 0.31 billion as on September 30, 2018 as compared to Rs. 0.29 billion at the start of the year.

HBL Energy Fund

The Fund incurred a total and net loss of Rs. 19.89 million and Rs. 28.69 million respectively during the period ended September 30, 2018. The Net Asset Value (NAV) per unit of the Fund was Rs. 14.6857 per unit as on June 30, 2018. The NAV of the Fund was Rs. 14.2922 per unit as on September 30, 2018; thereby giving a negative return of 2.67%. During the same period, the benchmark KSE 30 index yielded a negative return of 1.92%.The size of Fund was Rs. 1.01 billion as on September 30, 2018 as compared to Rs. 1.06 billion at the start of the year.

HBL Multi Asset Fund

The Fund earned and incurred a total income and net loss of Rs. 0.36 million and Rs. 2.18 million respectively during the period ended September 30, 2018. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 105.0519 per unit as on June 30, 2018. The NAV of the Fund was Rs 104.1769 per unit as on September 30, 2018; thereby giving a negative return of 0.84%. During the same period, the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a negative return of 0.58%. The size of Fund was Rs 0.30 billion as on September 30, 2018 as compared to Rs. 0.32 billion at the start of the year.

HBL Financial Planning Fund

The Fund comprises of three sub funds (plans) namely Active allocation plan, Conservative allocation plan and Strategic allocation plan.

The Fund as a whole incurred total and net loss of Rs. 1.20 million and Rs. 2.08 million respectively during the period under review. The fund size of the fund stood at Rs. 0.53 billion as on September 30, 2018.

Performance review for plans is given below:

Active Allocation Plan

During the period under review, the Active allocation plan incurred total and net loss of Rs. 3.11 million and Rs 3.39 million respectively. The net assets of the Active allocation plan stood at Rs. 0.20 billion representing Net Asset Value (NAV) of Rs. 102.4351 per unit as at September 30, 2018. The plan posted a negative return of 0.21% for the period under review. The plan is invested to the extent of 70% in equity funds & 28% in fixed income funds.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 1.48 million and Rs 1.26 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.13 billion representing Net Asset Value (NAV) of Rs. 104.7604 per unit as at September 30, 2018. The plan earned a return of 0.97% for the period under review. The plan is invested to the extent of 20% in equity funds & 79% in fixed income funds.

Strategic Allocation Plan

During the period under review, the Strategic allocation plan earned total and net income of Rs. 0.43 million and Rs 0.05 million respectively. The net assets of the Strategic allocation plan stood at Rs. 0.21 billion representing Net Asset Value (NAV) of Rs. 102.5470 per unit as at September 30, 2018. The plan earned a return of 0.03% for the period under review. The plan is invested to the extent of 60% in equity funds & 39% in fixed income funds.

HBL Growth Fund (Formerly PICIC Growth Fund)

During the year under review the fund converted into an open-ended collective investment scheme from a closed-ended Fund effective from July 2, 2018. The matter related to conversion of the fund is disclosed in detail in note 1.3 of the condensed interim Financial Information of the Fund. Post conversion the Fund comprises of two separate segments i.e. Class-A Segment & Class-B Segment. The Fund as a whole incurred total and net loss of Rs. 13.35 million and Rs. 111.65 million respectively during the period under review. The fund size of the fund stood at Rs. 12.44 billion as on September 30, 2018.

Performance of each segment is given below:

Class-A Segment

During the period under review, Class-A earned total income of Rs. 2.03 million and incurred a net loss of Rs 52.35 million. The net assets of the class stood at Rs. 7.08 billion representing Net Asset Value (NAV) of Rs. 24.9740 per unit as at September 30, 2018. The class posted a negative return of 2.09% for the period under review.

Class-B Segment

During the period under review, Class-B incurred a total and net loss of Rs. 15.38 million and Rs 59.30 million respectively. The net assets of the class stood at Rs. 5.36 billion representing Net Asset Value (NAV) of Rs. 18.9877 per unit as at September 30, 2018. The class posted a negative return of 1.10% for the period under review.

HBL Investment Fund (Formerly PICIC Investment Fund)

During the year under review the fund converted into an open-ended collective investment scheme from a closed-ended Fund effective from July 2, 2018. The matter related to conversion of the fund is disclosed in detail in note 1.3 of the condensed interim Financial Information of the Fund. Post conversion the Fund comprises of two separate segments i.e. Class-A Segment & Class-B Segment. The Fund as a whole incurred total and net loss of Rs. 8.64 million and Rs. 51.73 million respectively during the period under review. The fund size of the fund stood at Rs. 5.34 billion as on September 30, 2018.

Performance of each category is given below:

Class-A Segment

During the period under review, Class-A earned a total income of Rs. 0.80 million and incurred a net loss of Rs 19.01 million. The net assets of the class stood at Rs. 2.54 billion representing Net Asset Value (NAV) of Rs. 8.9388 per unit as at September 30, 2018. The class posted a negative return of 1.65% for the period under review.

Class-B Segment

During the period under review, Class-B incurred a total and net loss of Rs. 7.20 million and Rs 30.48 million respectively. The net assets of the class stood at Rs. 2.80 billion representing Net Asset Value (NAV) of Rs. 9.9291 per unit as at September 30, 2018. The class posted a negative return of 1.09% for the period under review.

MANAGEMENT COMPANY RATING

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

AUDITORS

On the recommendation of Board Audit Committee, the Board has appointed M/s Deloitte Yousuf Adil, Chartered Accountants as external auditor for the year ending June 30, 2019 of HBL Income Fund, HBL Money Market Fund, HBL Stock Fund, HBL Multi Asset Fund, HBL Growth Fund (Formerly: PICIC Growth Fund) and HBL Investment Fund (Formerly: PICIC Investment Fund)

The Board has also appointed M/s BDO Ebrahim & Co., Chartered Accountants as external auditor for the year ending June 30, 2019 of HBL Government Securities Fund, HBL Cash Fund, HBL Equity Fund, HBL Energy Fund and HBL Financial Planning Fund.

Acknowledgement

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

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت اپنی رپورٹ مع 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے لئے ایچ بی ایل انکم فنڈ، ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ، ایچ بی ایل منی مارکیٹ فنڈ، ایچ بی ایل کیش فنڈ، ایچ بی ایل اسٹاک فنڈ، ایچ بی ایل ایکویٹی، ایچ بی ایل انرجی فنڈ، ایچ بی ایل ملٹی ایسیٹ فنڈ اور ایچ بی ایل فنانشل پلاننگ فنڈ، ایچ بی ایل گروتھ فنڈ (سابق پک اک گروتھ فنڈ) اور ایچ بی ایل انویسٹمنٹ فنڈ (سابق پک اک انویسٹمنٹ فنڈ) (دی فنڈز) کے مالیاتی حسابات پیش کر رہے ہیں۔

معیشت کا جائزہ

پاکستان کا اقتصادی منظر نامہ دہرے خسارے، افراط زر کے بڑھتے ہوئے دباؤ، اشیائے صرف کے بڑھتے ہوئے عالمی نرخوں اور غیر ملکی ذخائر میں کمی کے ساتھ خاصا تشویشناک ہو چکا ہے۔ ان قابل غور عناصر کے نتیجے میں سہ ماہی کے دوران کڑی مانیٹری پالیسی اور پاک روپے کی قدر میں کمی آئی جبکہ مالیاتی معاملات نے نئی حکومت کو سخت مالیاتی نظم و ضبط (عوام الناس کے اخراجات میں کمی کے ذریعے) پر راغب کیا تاکہ مالیاتی سال 2019 کیلئے 5.1 فیصد کے مالیاتی خسارے کا ہدف حاصل کیا جاسکے۔

میکرو اکنامک اشاریے کے رجحانات میں بدلاؤ مکمل طور پر معاشی ترقی کی تیز رفتاری کو متاثر کرے گا جس میں مالیاتی سال 19 کے 2 ماہ کے دوران ایل ایس ایم میں 1.2 فیصد کمی بھی آچکی ہے جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران YoY % 12.1 تھی۔ سہ ماہی کے دوران پاک روپے کی قدر میں اتار چڑھاؤ رہا اور جولائی 18 تک 6 فیصد تک کمی آئی جس میں پی ٹی آئی کے عام انتخابات میں کامیابی کے بعد تبدیلی آئی اور سہ ماہی کے لئے پاک روپے کی قدر میں کمی 0.7 فیصد تک محدود رہی۔ پی ٹی آئی کی جانب سے جاری کردہ تجارتی ڈیٹا کچھ مہلت کا عکاس ہے کیونکہ مالیاتی سال 19 کی پہلی سہ ماہی کے دوران برآمدی ترقی نے درآمدات کی گروتھ کو کم کیا اور تجارتی خسارے کو 1.6 فیصد تک گھسیٹ کر 8.9 ارب امریکی ڈالر تک کر دیا۔ مالیاتی سال 19 کے 2 ماہ کے لئے کرنٹ اکاؤنٹ خسارہ (CAD) 2.7 ارب امریکی ڈالر (جی ڈی پی کا 5.3 فیصد) تک پہنچ چکا ہے جو گزشتہ سال کی اسی مدت کے دوران 2.5 ارب امریکی ڈالر (جی ڈی پی کا 4.6 فیصد) تھا۔ تجارتی توازن میں یہ تبدیلیاں اور سی اے ڈی کے رجحانات نے مالیاتی سال 18 کے دوران پاک روپے کی قدر میں 16% تک کمی اور ڈیویڈنڈ (ریگولیشنز، کسٹمز اور اینٹی ڈمپنگ) کے نفاذ کے باعث مجموعی طلب پر طویل اثرات مرتب کئے۔ سی اے ڈی برقرار رہنے کے باعث غیر ملکی زرمبادلہ کے ذخائر کم ہو کر 14.9 ارب ڈالر رہ گئے جبکہ ایس بی پی کے ذخائر 8.4 ارب امریکی ڈالر (2 ماہ سے بھی کم درآمدی ادائیگی) تک محدود ہو گئے۔

تیل کے عالمی نرخوں میں اضافے اور پاک روپے کی قدر میں کمی نے بھی مجموعی طور پر افراط زر کا دباؤ بڑھایا۔ سی پی آئی مالی سال 19 کی پہلی سہ ماہی کے دوران YoY % 5.6 تک بڑھ گیا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے دوران YoY % 3.4 تھا۔ بلند تر سی پی آئی کی بنیادی وجہ مالی سال 19 کی پہلی سہ ماہی کے دوران ٹرانسپورٹ کے نرخوں (YoY % +17) اور ہاؤسنگ کے شعبے میں (YoY % +6) تھا۔ بنیادی افراط زر (نان-فوڈ اور نان-انرجی) نے بھی افراط زر کے دباؤ کو بڑھایا اور ستمبر 2018 کے دوران 8% تک پہنچ گیا جو مالی سال 19 کی پہلی سہ ماہی میں 7.8% کی اوسط پر چلا گیا جبکہ یہ مالی سال 18 کی سہ ماہی میں اس کے مقابلے میں 5.5% پر تھا۔ ان عناصر کو مد نظر رکھتے ہوئے اور بلند تر بین الاقوامی تیل کے نرخوں کے پیش نظر (QoQ % +1.3 اور % +46 YoY) مرکزی بینک نے گزشتہ دو مانیٹری پالیسی کے اعلانات (جولائی اور ستمبر) میں پالیسی ریٹ کو 200 bps تک بڑھا دیا۔ سہ ماہی کے دوران نئی منتخب کردہ حکومت نے ”مٹی بجٹ“ بھی پیش کیا اور مالیاتی خسارے کے ہدف پر نظر ثانی کرتے ہوئے اسے جی ڈی پی کا 5.1% کر دیا۔

آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ میکرو اکنامک چیلنجز موجود رہیں گے (بالخصوص دہرا خسارہ اور بلند تر افراط زر) جبکہ پالیسی ساز پائیدار ترقی کے لئے مستحکم اقدامات کی جانب توجہ مرکوز رکھیں گے۔

بازار حصص کا جائزہ

پاکستان کی ایکویٹی مارکیٹس نے جاری سہ ماہی میں کمی کا سامنا کیا جیسا کہ بڑھتے ہوئے میکرو اکنامک خطرات نے سرمایہ کاری کے مجموعی رجحانات کو متاثر کیا۔ سیاسی بے یقینی میں عام انتخابات 2018 کے بعد نئی سیاسی جماعت کو اقتدار منتقل کرنے کے بعد سہ ماہی کے دوران قدرے کمی آئی تاہم نئی حکومت کی جانب پالیسی کی سمتیں

وضع کرنے میں فقدان کے ساتھ میگزین ہوتی کمی (بالخصوص زرمبادلہ کے ذخائر میں کمی) نے مجموعی طور پر مارکیٹ کی صورتحال میں بے چینی اور تشویش کو برقرار رکھا۔

ٹیچ مارک KSE-100 انڈیکس 912 پوائنٹس تک گر کر 40,999 پوائنٹس (2.2% ↓) پر بند ہوا۔ کارکردگی کا انحصار صارف کے صوابدیدی شعبوں پر منحصر رہا کیونکہ ایس بی پی کی جانب سے کڑی مالیاتی پالیسی اور نئی حکومت کی جانب سے منی بجٹ کے ذریعے مالیاتی کنٹریولیشن کے بعد مارکیٹ کے اندر طلب میں کمزوری آئی۔ اس کے نتیجے میں فوڈ و پوسٹل کیئر اور آٹوموبائل سیکٹر نے مشترکہ طور پر 439 پوائنٹس کی فرسودگی ظاہر کی۔ آٹو سیکٹر کی طلب میں کاروں کی خریداری اور استعمال شدہ ٹریکٹرز کی درآمد کے الاؤنس کے نئے بہاؤ کے ضمن میں نان فائلرز پر پابندی کے تسلسل کے بعد صورتحال مزید سنگین ہو گئی۔ آئل اور گیس مارکیٹنگ کمپنیاں بھی ایس ایس جی سی اور ایس این جی پی میں بالترتیب 15.6% اور 11.1% کمی کے ساتھ گیس کے نرخوں پر فیصلے سے بے یقینی کے خطرات میں مبتلا ہو گئیں۔

بڑھتے ہوئے شرح سود، پاک روپے کی قدر میں کمی اور تیل کے بلند نرخوں کے باوجود بیکنگ اور آئل اور گیس ایکسپلوریشن سیکٹرز کی کارکردگی خاموش سطح پر رہی۔ بینکاری کے شعبے کی کارکردگی غیر ملکی فراہمی کے خوف کے باعث انڈیکس کے ہیوی ویٹس کی کمتر کارکردگی کے باعث متاثر ہوئی تاہم ای اینڈ پیز کی جامد کارکردگی اوجی ڈی سی کے اسٹاک پرائس میں 1.7% کمی کے ذریعے جاری تھی جس کی نمایاں وجہ مستقل طور پر غیر ملکی فروخت تھی۔

غیر ملکی اس دوران مستقل طور پر مارکیٹ میں خالص فروخت کنندگان رہے اور انہوں نے ستمبر 2018 کو ختم ہونے والی سہ ماہی کے دوران 189 ملین ڈالر مالیت کی ایکویٹیز کی سرمایہ کاری واپس لی۔ ان بہاؤ کو بیمہ کمپنیوں اور افراد کے ذریعے بالترتیب 102 ملین ڈالر اور 97 ملین امریکی ڈالر کی سرمایہ کاری کے ساتھ جذب کیا گیا۔ آگے بڑھتے ہوئے پاکستان ایکویٹیز کے ضمن میں توقع ہے کہ رینج محدود رہے گی کیونکہ مارکیٹ ابھی حکومت کی پالیسی کے واضح ہونے کا انتظار کر رہی ہے لیکن ہم واضح کرتے ہیں کہ موجودہ میکر و کنٹراکٹ صورتحال کے اثرات انڈیکس کے ہیوی ویٹس (ای اینڈ پیز اور بینکنگ) پر زیادہ مرتب ہوں گے جبکہ حالیہ منجلی کارکردگی نے زیر گردش اسٹاکس کی قدر و قیمت کو متاثر کیا ہے۔ ہمیں یقین ہے کہ پاکستان ایکویٹیز طویل مدتی سرمایہ کاروں کے لئے بہتر مواقع فراہم کریں گے۔

بازار زر کا جائزہ

ایس بی پی نے مالی سال 2019 کی پہلی سہ ماہی میں بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کو کنٹرول کرنے کے لئے کڑی مالیاتی پالیسی کا تسلسل جاری رکھا اور بڑھتے ہوئے افراط زر کے دباؤ کو روکنے کی کوشش کی۔ سہ ماہی کے دوران طویل مدتی منافع 102-77 bps تک بڑھ گیا جبکہ مختصر مدتی سرکاری سیکورٹیز میں منافع 143-136 bps بڑھا۔ 5،3 اور 10 سالہ پی آئی بی کی سیکنڈری مارکیٹ کا منافع بالترتیب 98، 77 اور 102 بی پی ایس تک بڑھ گیا جبکہ 3، 6 اور 12 ماہ کے ٹریڈری بلز منافع میں بالترتیب 143، 136 اور 142 بی پی ایس کا اضافہ ہوا۔ حکومت پاکستان نے 150 ارب پاک روپے کے برعکس پی آئی بی آکشن کے ذریعے صرف 9 ارب روپے بڑھائے جس کی وجہ دلچسپی کا فقدان تھا کیونکہ مارکیٹ میں موجود شرکت کنندگان کو توقع تھی کہ ایشیا کے صرف بڑھتے ہوئے نرخوں اور افراط زر کے دباؤ کے ساتھ شرح سود میں اضافہ ہوگا۔ تازہ ترین کٹ-آف منافع 5 سالہ پی آئی بی کے لئے 9.25 فیصد پر موجود ہے۔

سہ ماہی کے دوران حکومت نے اپنے قرضہ جات کو شیڈولڈ بینکوں سے ایس بی پی کو منتقل کیا۔ حکومت نے نیلام میں دلچسپی کے فقدان کے باعث گزشتہ سال کی اسی مدت کے دوران لئے گئے 168 ارب روپے کے قرضے کے تحت شیڈولڈ بینکوں سے 1,187 ارب روپے ریٹائر کئے۔ اس دوران ایس بی پی سے حکومت کے قرضے اس مدت کے لئے 1,115 ارب پاک روپے تک بڑھ گئے جو گزشتہ سال کی اس مدت کے دوران 201 ارب پاک روپے تھے۔ حکومت نے اپنے قرضوں کی ضروریات کا بندوبست زیادہ تر مقامی وسائل سے کیا اور ٹی بلز (ماسوائے این سی جی) کے ذریعے 4,477 ارب روپے بڑھائے جبکہ مجموعی ہدف 5,450 ارب پاک روپے اور چھوڑی 5,661 ارب پاک روپے تھا۔ ایس بی پی نے جولائی میں پالیسی ریٹ 100 bps تک بڑھایا اور ستمبر میں مزید 100 bps اضافہ کر کے 8.50% کر دیا تاکہ بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے اور مجموعی طلب کو پورا کیا جائے۔

آگے بڑھتے ہوئے ہم بڑھتی ہوئی افراط زر کی توقعات اور متوقع آئی ایم ایف پروگرام کے تناظر میں تقویمی سال کے دوران شرح سود میں مزید 50-100 bps کا اضافہ دیکھ رہے ہیں۔

فنزڈ کی کارکردگی اور ادائیگیاں:

ایچ بی ایل انکم فنڈ:

30 ستمبر 2018 کو ختم ہونے والی مدت کے دوران فنڈ کی گُل آمدن اور خالص آمدن علی الترتیب 44.17 ملین روپے اور 31.91 ملین روپے رہی۔ بمطابق 30 جون 2018 فنڈ کے خالص مالیت اثاثہ (NAV) فی یونٹ 111.2890 روپے تھی جو 30 ستمبر 2018 کے مطابق کم ہو کر 107.3005 روپے فی یونٹ (5.50 روپے فی یونٹ کے منافع منقسمہ کی تقسیم کے بعد) ہو گئی۔ جس کے ذریعے 5.66% کا سالانہ منافع دیا گیا۔ اسی مدت کے دوران بینچ مارک منافع (6 ماہ کاٹی بور) 7.85% تھا۔ فنڈ کی جسامت بمطابق 30 ستمبر 2018، 1.93 ارب روپے تھی جو اس کے مقابلے میں سال کے آغاز پر 2.46 ارب روپے تھی۔

جے سی آر- وی آئی ایس کریڈیٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کو اے (ایف) فنڈ اسٹیمپلیٹی ریٹنگ کی توثیق کی ہے۔

ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ

30 ستمبر 2018 کو ختم ہونے والی مدت کے دوران فنڈ کی گُل آمدن اور خالص آمدن علی الترتیب 11.13 ملین روپے اور 8.62 ملین روپے رہی۔ فنڈ کی خالص مالیت اثاثہ بمطابق 30 جون 2018، 110.4244 روپے فی یونٹ تھی جو 30 ستمبر 2018 کے مطابق کم ہو کر 107.6081 روپے فی یونٹ (4.75 روپے فی یونٹ کے منافع منقسمہ کی تقسیم کے بعد) ہو گئی۔ جس کے ذریعے 7.25% کا سالانہ منافع دیا گیا۔ اسی مدت کے دوران بینچ مارک منافع (6 ماہ پی کے آروی شرحیں) 7.76% تھا۔ فنڈ کی جسامت بمطابق 30 ستمبر 2018، 425 ملین روپے تھی جو سال کے آغاز پر 314 ملین روپے تھی۔

جے سی آر- وی آئی ایس کریڈیٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کے لئے اے پلس (ایف) فنڈ اسٹیمپلیٹی ریٹنگ کی توثیق کی ہے۔

ایچ بی ایل منی مارکیٹ فنڈ:

30 ستمبر 2018 کو ختم ہونے والی مدت کے دوران فنڈ کی گُل آمدن اور خالص آمدن علی الترتیب 164.26 ملین روپے اور 136.49 ملین روپے رہی۔ فنڈ کی خالص مالیت اثاثہ 30 جون 2018 کے مطابق 107.1869 روپے فی یونٹ تھی جو 30 ستمبر 2018 کے مطابق کم ہو کر 103.7142 روپے فی یونٹ (5.15 روپے فی یونٹ کے منافع منقسمہ کی تقسیم کے بعد) ہو گئی۔ جس کے ذریعے 6.52% کا سالانہ منافع دیا گیا۔ اسی مدت کے دوران بینچ مارک منافع 6.61% (70% تین ماہ پی کے آروی اور 30% تین ماہ ڈپازٹ شرحیں) تھا۔ فنڈ کی جسامت بمطابق 30 ستمبر 2018، 8.73 ارب روپے تھی جو سال کے آغاز پر اس کے مقابلے میں 7.25 ارب روپے تھی۔

جے سی آر- وی آئی ایس کریڈیٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کے لئے اے اے (ایف) فنڈ اسٹیمپلیٹی ریٹنگ کی توثیق کی ہے۔

ایچ بی ایل کیش فنڈ

30 ستمبر 2018 کو ختم ہونے والے سال کے دوران فنڈ کی گُل آمدن اور خالص آمدن علی الترتیب 253.78 ملین روپے اور 218.64 ملین روپے رہی۔ فنڈ کی فی یونٹ سابقہ منافع منقسمہ خالص مالیت اثاثہ 30 جون 2018 کے مطابق 106.0021 روپے فی یونٹ تھی۔ فنڈ کی خالص مالیت اثاثہ بمطابق 30 ستمبر 2018، 102.4671 روپے فی یونٹ (5.25 روپے فی یونٹ کے منافع منقسمہ کی تقسیم کے بعد) تھی جس کے ذریعے 6.75% کا سالانہ منافع دیا گیا۔ اسی مدت کے دوران بینچ مارک منافع 6.61% (70% تین ماہ پی کے آروی اور 30% تین ماہ ڈپازٹ شرحیں) تھا۔ فنڈ کی جسامت بمطابق 30 ستمبر 2018، 12.61 ارب روپے تھی جو سال کے آغاز میں اس کے مقابلے میں 12.04 ارب روپے تھی۔

جے سی آر- وی آئی ایس کریڈیٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کے لئے اے اے (ایف) فنڈ اسٹیمپلیٹی ریٹنگ کی توثیق کی ہے۔

ایچ بی ایل اسٹاک فنڈ

30 ستمبر 2018 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی حاصل کردہ آمدن اور خالص خسارہ علی الترتیب 30.45 ملین روپے اور 80.51 ملین روپے رہا۔ فنڈ کی نی یونٹ خالص مالیت اثاثہ 30 جون 2018 کے مطابق 107.0620 روپے فی یونٹ تھی۔ فنڈ کی خالص مالیت اثاثہ فی یونٹ بمطابق 30 ستمبر 2018، 105.7638 روپے فی یونٹ رہی۔ جس کے ذریعے 1.20% کا منفی منافع دیا گیا۔ اسی مدت کے دوران بیسٹ مارک کے ایس ای 30 انڈیکس کا منفی منافع 1.92% تھا۔ فنڈ کی جسامت بمطابق 30 ستمبر 2018، 6.09 ارب روپے تھی جو سال کے آغاز پر اس کے مقابلے میں 5.96 ارب روپے تھی۔

ایچ بی ایل ایکویٹی فنڈ

30 ستمبر 2018 کو ختم ہونے والی مدت کے دوران فنڈ کا مجموعی اور خالص خسارہ علی الترتیب 1.53 ملین روپے اور 4.47 ملین روپے رہا۔ فنڈ کی نی یونٹ خالص مالیت اثاثہ 30 جون 2018 کے مطابق 110.4602 روپے فی یونٹ تھی۔ فنڈ کی نی یونٹ مالیت اثاثہ فی یونٹ بمطابق 30 ستمبر 2018، 109.3227 فی یونٹ رہی۔ جس کے ذریعے 1.02% کا منفی منافع دیا گیا۔ اسی مدت کے دوران بیسٹ مارک کے ایس ای 100 انڈیکس کا منفی منافع 2.18% تھا۔ فنڈ کی جسامت بمطابق 30 ستمبر 2018، 0.31 بلین روپے تھی جو سال کے آغاز پر اس کے مقابلے میں 0.29 بلین روپے تھی۔

ایچ بی ایل انرجی فنڈ

30 ستمبر 2018 کو ختم ہونے والی مدت کے دوران فنڈ کا مجموعی اور حاصل کردہ خالص خسارہ علی الترتیب 19.89 ملین روپے اور 28.69 ملین روپے رہا۔ فنڈ کی نی یونٹ خالص مالیت اثاثہ 30 جون 2018 کے مطابق 14.6857 روپے فی یونٹ تھی۔ فنڈ کی خالص مالیت اثاثہ جات فی یونٹ بمطابق 30 ستمبر 2018، 14.2922 روپے فی یونٹ رہی۔ جس کے ذریعے 2.67% کا منفی منافع دیا گیا۔ اسی مدت کے دوران بیسٹ مارک کے ایس ای 30 انڈیکس کا منفی منافع 1.92% تھا۔ فنڈ کی جسامت بمطابق 30 ستمبر 2018، 1.01 ارب روپے تھی جو سال کے آغاز پر اس کے مقابلے میں 1.06 ارب روپے تھی۔

ایچ بی ایل ملٹی ایسیٹیٹ فنڈ

30 ستمبر 2018 کو ختم ہونے والے سال کے دوران فنڈ کی مجموعی آمدنی اور خالص خسارہ علی الترتیب 0.36 ملین روپے اور 2.18 ملین روپے رہا۔ فنڈ کی نی یونٹ سابقہ منافع منقسمہ خالص مالیت اثاثہ (NAV) بمطابق 30 جون 2018، 105.0519 روپے فی یونٹ تھی۔ فنڈ کی خالص مالیت اثاثہ بمطابق 30 ستمبر 2018، 104.1769 روپے فی یونٹ تھی۔ جس کے ذریعے 0.84% کا منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیسٹ مارک انڈیکس منافع (بھاری اوسط روزانہ کے ایس ای 100 منافع اور 6 ماہ کی پی کے آروی شرحیں) منفی 0.58% تھا۔ فنڈ کی جسامت بمطابق 30 ستمبر 2018، 0.30 ارب روپے تھی جو سال کے آغاز پر 0.32 ارب روپے تھی۔

ایچ بی ایل فنانشل پلاننگ فنڈ

ایچ بی ایل فنانشل پلاننگ فنڈ تین ذیلی فنڈز (پلانز) بنام ایکٹو ایکشن پلان، کنزرویٹو ایکٹو ایکشن پلان اور اسٹریٹجک ایکٹو ایکشن پلان پر مشتمل ہے۔

فنڈ نے مجموعی طور پر زیر جائزہ عرصے کے دوران کل اور خالص خسارہ علی الترتیب 1.20 ملین روپے اور 2.08 ملین روپے حاصل کی۔ 30 ستمبر 2018 کے مطابق فنڈ کا کل حجم 0.53 ارب روپے رہا۔

پلانز کے لئے کارکردگی کا جائزہ درج ذیل ہے:

ایکٹو ایکشن پلان:

زیر جائزہ عرصے کے دوران ایکٹو ایکشن پلان نے علی الترتیب 3.11 ملین روپے اور 3.39 ملین روپے کا کل اور خالص خسارہ حاصل کیا۔ ایکٹو ایکشن پلان کے

خالص اثاثہ جات (NAV) 0.20 ملین روپے پر رہے جو بمطابق 30 ستمبر 2018، 102.4351 روپے فی یونٹ خالص مالیت اثاثہ (NAV) کو ظاہر کرتا ہے۔ زیر جائزہ عرصے کے لئے پلان نے 0.21% کا منفی منافع حاصل کیا۔ پلان نے 70% کی حد تک ایکویٹی فنڈ ز اور 28% کی حد تک فیکسڈ انکم فنڈز میں سرمایہ کاری کی۔

کنزرویٹو ایلوکیشن پلان:

زیر جائزہ مدت کے دوران کنزرویٹو ایلوکیشن پلان نے علی الترتیب 1.48 ملین روپے اور 1.26 ملین روپے کی گھل اور خالص آمدن حاصل کی۔ کنزرویٹو ایلوکیشن پلان کے خالص اثاثہ جات 0.13 بلین روپے پر قائم رہے جو بمطابق 30 ستمبر 2018، 104.7604 روپے فی یونٹ کی خالص مالیت اثاثہ جات (NAV) کو ظاہر کرتا ہے۔ زیر جائزہ عرصے کے لئے پلان نے 0.97% کا منافع کمایا۔ پلان نے 20% کی حد تک ایکویٹی فنڈ ز اور 79% کی حد تک فیکسڈ انکم فنڈز میں سرمایہ کاری کی۔

اسٹریٹجک ایلوکیشن پلان:

زیر جائزہ عرصے کے دوران اسٹریٹجک ایلوکیشن پلان نے علی الترتیب 0.43 ملین روپے اور 0.05 ملین روپے کی گھل اور خالص آمدن حاصل کی۔ اسٹریٹجک ایلوکیشن پلان کے خالص اثاثہ جات 0.21 ارب روپے پر قائم رہے جو بمطابق 30 ستمبر 2018، 102.5470 روپے فی یونٹ کی خالص مالیت اثاثہ جات کو ظاہر کرتی ہے۔ زیر جائزہ عرصے کے لئے پلان نے 0.03% کا منافع حاصل کیا۔ پلان نے 60% کی حد تک ایکویٹی فنڈ ز اور 39% کی حد تک فیکسڈ انکم فنڈز میں سرمایہ کاری کی۔

ایچ بی ایل گروتھ فنڈ (سابق پک اک گروتھ فنڈ)

زیر جائزہ سال کے دوران فنڈ مورخہ 2 جولائی 2018 سے ایک کلوزڈ- اینڈڈ فنڈ سے ایک اوپن- اینڈڈ اجتماعی سرمایہ کار اسکیم میں منتقل ہو گیا۔ فنڈ کی منتقلی کے بارے میں معاملات کو فنڈ کی کنڈینسڈ عبوری مالیاتی انفارمیشن کے نوٹ 1.3 میں تفصیل سے ظاہر کر دیا گیا ہے۔ فنڈ منتقلی کے بعد دو الگ شعبوں یعنی کلاس- اے سیگمنٹ اور کلاس- بی سیگمنٹ پر مشتمل ہے۔ فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران علی الترتیب 13.35 ملین روپے اور 111.65 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی جسامت 30 ستمبر 2018 کے مطابق 12.44 ارب روپے تھی۔

ہر ایک سیگمنٹ کی کارکردگی درج ذیل ہے:

کلاس- اے سیگمنٹ

زیر جائزہ مدت کے دوران کلاس اے نے 2.03 ملین کی مجموعی آمدنی اور 52.35 ملین روپے کا خالص خسارہ حاصل کیا۔ کلاس کے خالص اثاثہ جات 17.08 ارب روپے پر موجود تھے جو 30 ستمبر 2018 کے مطابق 24.9740 روپے فی یونٹ کی خالص مالیت (NAV) کو ظاہر کرتے ہیں۔ کلاس نے زیر جائزہ مدت کے لئے 2.09% کا منفی منافع ظاہر کیا۔

کلاس- بی سیگمنٹ

زیر جائزہ مدت کے دوران کلاس- بی نے علی الترتیب 15.38 ملین روپے اور 59.30 ملین روپے کا گھل اور خالص خسارہ حاصل کیا۔ کلاس کے خالص اثاثہ جات 5.36 ارب روپے تھے جو 30 ستمبر 2018 کے مطابق 18.9877 روپے فی یونٹ کی خالص مالیت (NAV) کو ظاہر کرتے ہیں۔ کلاس نے زیر جائزہ مدت کے لئے 1.10% کا منفی منافع ظاہر کیا۔

ایچ بی ایل انویسٹمنٹ فنڈ (سابق پک اک انویسٹمنٹ فنڈ)

زیر جائزہ سال کے لئے فنڈ مورخہ 2 جولائی 2018 سے ایک کلوزڈ- اینڈڈ فنڈ سے ایک اوپن اینڈڈ اجتماعی سرمایہ کار اسکیم میں منتقل ہو گیا۔ فنڈ کی منتقلی سے متعلق معاملات کو فنڈ کی کنڈینسڈ عبوری مالیاتی انفارمیشن کے نوٹ 1.3 میں تفصیل سے ظاہر کر دیا گیا ہے۔ فنڈ منتقلی کے بعد دو الگ شعبوں یعنی کلاس- اے سیگمنٹ اور کلاس- بی سیگمنٹ پر مشتمل ہے۔ فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران علی الترتیب 8.64 ملین روپے اور 51.73 ملین روپے کا گھل اور خالص خسارہ حاصل کیا۔ فنڈ

کی جسامت 30 ستمبر 2018 کے مطابق 5.34 ارب روپے تھی۔

ہر ایک کٹیگری کی کارکردگی ذیل میں دی گئی ہے۔

کلاس اے سیگمنٹ

زیر جائزہ مدت کے دوران کلاس اے نے 0.80 ملین روپے کی گل آمدن اور 19.01 ملین روپے کا خالص خسارہ حاصل کیا۔ کلاس کے خالص اثاثہ جات 2.54 ارب روپے تھے جو 30 ستمبر 2018 کے مطابق 8.9388 روپے نی یونٹ کی خالص مالیت (NAV) کو ظاہر کرتے ہیں۔ کلاس نے زیر جائزہ مدت کے دوران 1.65% کا منفی منافع ظاہر کیا۔

کلاس بی سیگمنٹ

زیر جائزہ مدت کے دوران کلاس بی نے علی الترتیب 7.20 ملین روپے اور 30.48 ملین روپے کا کل اور خالص خسارہ حاصل کیا۔ کلاس کے خالص اثاثہ جات 2.80 ارب روپے تھے جو 30 ستمبر 2018 کے مطابق 9.9291 روپے نی یونٹ کی خالص مالیت (NAV) کو ظاہر کرتے ہیں۔ کلاس نے زیر جائزہ مدت کے دوران 1.09% کا منفی منافع ظاہر کیا۔

میجمنٹ کمپنی ریٹنگ (درجہ بندی):

جے سی آر-وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے میجمنٹ کمپنی کے لئے اے ایم 2 پوزیٹو (اے ایم ٹوپلس) کی میجمنٹ کوالٹی ریٹنگ (درجہ بندی) کو اپ گریڈ کیا ہے اور آؤٹ لک ”مستحکم“ تفویض کیا ہے۔

آڈیٹرز:

بورڈ کی آڈٹ کمیٹی کی سفارشات پر بورڈ نے میسرز ڈیلائیٹ یوسف عادل، چارٹرڈ اکاؤنٹینٹس کا سال مختتمہ 30 جون 2019 کے لیے ایچ بی ایل انکم فنڈ، ایچ بی ایل منی مارکیٹ فنڈ، ایچ بی ایل اسٹاک فنڈ، ایچ بی ایل ملٹی ایسیٹ فنڈ، ایچ بی ایل گروتھ فنڈ (سابق پک اک گروتھ فنڈ) اور ایچ بی ایل انویسٹمنٹ فنڈ (سابق پک اک انویسٹمنٹ فنڈ) کے ایکسٹرنل آڈیٹرز کی حیثیت سے تقرر کیا ہے۔

بورڈ نے میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کا بھی سال مختتمہ 30 جون 2019 کے لیے ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ، ایچ بی ایل ایل کیش فنڈ، ایچ بی ایل ایکویٹی فنڈ، ایچ بی ایل انرجی فنڈ اور ایچ بی ایل فنانشل پلاننگ فنڈ کے ایکسٹرنل آڈیٹرز کی حیثیت سے تقرر کیا ہے۔

اعتراف:

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے اپنے تمام یونٹ ہولڈرز کا ان کے اعتماد اور سرپرستی کے لئے دل کی گہرائیوں سے شکریہ ادا کرتا ہے۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سینٹرل ڈپازٹری کمپنی آف پاکستان بطور سٹی، پاکستان اسٹاک ایکسچینج لمیٹڈ اور بینک دولت پاکستان کی جانب سے فراہم کردہ اعانت اور راہنمائی کے لئے ان کی کاوشوں کی قدر کرتا ہے اور معترف بھی ہے۔ بورڈ عملے کی جانب سے انتھک محنت اور لگن کو بھی سراہتا ہے۔

منجانب بورڈ

ایچ بی ایل ایسیٹ میجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

HBL

Income Fund

FUND INFORMATION

Name of Fund	HBL Income Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Fatah Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited Samba Bank Limited MCB Bank Limited Askari Bank Limited Zarai Taraqiati Bank Limited Soneri Bank Limited Sindh Bank Limited Telenor Microfinance Bank Limited Meezan Bank Limited NRSP Microfinance Bank Limited
Rating	A(f) (JCR-VIS)

HBL Income Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

		September 30, 2018 (Un-Audited)	June 30, 2018 (Audited)
	<i>Note</i>	----- (Rupees in '000) -----	
Assets			
Bank balances	4	726,949	1,242,036
Investments	5	984,170	1,221,606
Accrued mark-up		21,347	21,696
Advances, deposits and other receivables		20,640	47,841
Receivable against sale of investments		228,063	24,984
Total assets		1,981,169	2,558,163
Liabilities			
Payable to Management Company	6	3,202	4,399
Payable to Central Depository Company of Pakistan Limited - Trustee		322	349
Payable to Securities and Exchange Commission of Pakistan		439	2,742
Accrued expenses and other liabilities	7	52,115	50,424
Payable against purchase of investment		-	43,789
Total liabilities		56,078	101,703
Net assets		1,925,091	2,456,460
Unit holders' fund (as per statement attached)		1,925,091	2,456,460
Contingencies and commitments	8		
		(Number of units)	
Number of units in issue		17,941,111	22,072,806
		(Rupees)	
Net assets value per unit		107.3005	111.2890

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For the three months ended September 30, 2018

	Three months ended September 30,	
	2018	2017
Note	----- (Rupees in '000) -----	
Income		
Mark-up on deposits with banks	20,620	25,390
Mark-up / return on investments	26,129	44,476
Capital (loss) / gain on sale of investments - net	(1,955)	7,379
Dividend Income	4,858	1,394
Unrealised (loss) / gain on revaluation of investments carried at fair value through profit or loss - held-for-trading	(10,131)	(11,722)
Other Income	6	253
	39,527	67,170
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds	4,638	-
	44,165	67,170
Expenses		
Remuneration of HBL Asset Management Limited - Management Company	8,558	18,378
Remuneration of Central Depository Company of Pakistan Limited - Trustee	805	1,274
Annual fee to Securities and Exchange Commission of Pakistan	439	813
Allocation of expenses related to registrar services, accounting, operation and valuation services	586	1,084
Settlement and bank charges	938	997
Auditors' remuneration	93	88
Other expenses	74	90
	11,493	22,724
Net income from operating activities	32,672	44,446
Provision for Sindh Workers' Welfare Fund	(763)	(1,124)
Net income for the period before taxation	31,909	43,322
Taxation	-	-
Net income for the period after taxation	31,909	43,322
Allocation of net income for the period:		
Income already paid on redemption of units	5,915	3,563
Accounting income available for distribution:		
-Relating to capital gains	-	-
-Excluding capital gains	25,994	39,759
	25,994	39,759
Net income for the period after taxation	31,909	43,322
Other comprehensive income for the period		
Total comprehensive income for the period	31,909	43,322
Earnings per unit		

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the three months ended September 30, 2018

	Three months ended September 30,					
	2018			2017		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	2,299,043	157,417	2,456,460	-	-	4,490,296
Issuance of 3,105,413 units (2017: 2,386,031 units)						
- Capital value (at net asset value per unit at the beginning of the period)	328,519	-	328,519	-	-	
- Element of income	1,139	-	1,139	-	-	
Total proceeds on issuance of units	329,658	-	329,658	-	-	253,635
Redemption of 7,237,108 units (2017: 6,380,383 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(765,607)	-	(765,607)	-	-	
- Amount relating to element of income	-	(5,915)	(5,915)	-	-	
- Relating to net income for the period after taxation	(13)	-	(13)	-	-	
Total payment on redemption of units	(765,620)	(5,915)	(771,535)	-	-	(679,684)
Total comprehensive income for the period	-	31,909	31,909	-	-	43,322
Refund of Capital	(13,463)	-	(13,463)	-	-	
Distribution during the period	-	(107,938)	(107,938)	-	-	-
Total comprehensive income for the period less distribution	(13,463)	(76,029)	(89,492)	-	-	43,322
Net assets at the end of the period	1,849,618	75,473	1,925,091	-	-	4,107,569
Undistributed income brought forward						
- Realised		224,607			117,670	
- Unrealised		2,352			(12)	
		226,959			117,658	
Accounting income available for distribution		25,994			39,759	
Distribution during the period		(107,938)			-	
Undistributed income carried forward		145,015			157,417	
Undistributed income carried forward						
- Realised		155,146			169,139	
- Unrealised		(10,131)			(11,722)	
		145,015			157,417	
				(Rupees)		
Net assets value per unit at beginning of the period			111.2890			107.0764
Net assets value per unit at end of the period			107.3005			106.0146

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the three months ended September 30, 2018

	Three months ended September 30,	
	2018	2017
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	31,909	43,322
Adjustments		
Capital Loss / (gain) on sale of investments - net	1,955	(7,379)
Unrealised Loss / (gain) on revaluation of investments carried at fair value through profit or loss	10,131	11,722
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-
	43,995	47,665
Decrease / (increase) in assets		
Investments - net	225,350	136,101
Accrued mark-up	349	(2,545)
Advances, deposits, and other receivables	27,201	764,514
Receivable against sale of investments	(203,079)	-
	49,821	898,070
(Decrease) / Increase in liabilities		
Payable to HBL Asset Management Limited - Management Company	(1,197)	(1,749)
Payable to Central Depository Company of Pakistan Limited - Trustee	(27)	(62)
Payable to Securities and Exchange Commission of Pakistan	(2,303)	(3,478)
Accrued expenses and other liabilities	1,543	71,235
Payable against purchase of investment	(43,789)	-
	(45,773)	65,946
Net cash generated from operating activities	48,043	1,011,681
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	329,658	253,635
Payment against redemption of units	(771,535)	(679,684)
Distributions paid	(121,253)	-
Net cash used in Financing activities	(563,130)	(426,049)
Net (decrease) / increase in cash and cash equivalents	(515,087)	585,632
Cash and cash equivalents at beginning of the period	1,242,036	881,829
Cash and cash equivalents at end of the period	726,949	1,467,461

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund

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

For the three months ended September 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Income Fund (the Fund) was established under a Trust Deed, dated September 06, 2006, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on July 25, 2006.

HBL Asset Management Limited is the Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Lahore Stock Exchange. The units of the Fund were initially offered for public subscription at par from March 15, 2007 to March 17, 2007.

The principal activity of the Fund is to make investments in fixed income securities. Other avenues of investments include ready future arbitrage in listed securities and transactions under Continuous Funding System.

JCR-VIS Credit Rating Agency has assigned an asset manager rating of 'AM2+' (AM Two Plus) to the Management Company and the fund stability rating of A(f) to the fund.

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

2. STATEMENT OF COMPLIANCE

2.1.1 This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS - 34) and provision of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS the requirements of NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

2.1.2 "The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018."

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

3.3 "The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018."

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

4 BANK BALANCES		(Unaudited) September 30, 2018	(Audited) June 30, 2018
	<i>Note</i>	(Rupees in '000)	
Balances with bank in:			
- Saving accounts	5.1	726,949	1,032,036
Term deposit receipt (TDR)		-	210,000
		<u>726,949</u>	<u>1,242,036</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 5.53% - 9.50% per annum.

5 INVESTMENTS		(Unaudited) September 30, 2018	(Audited) June 30, 2018
	<i>Note</i>	(Rupees in '000)	
Fair value through profit or loss			
- Term finance certificates and sukuk bonds - listed	5.1.1	234,510	391,551
- Term finance certificates and sukuk bonds - unlisted	5.1.2	743,801	758,349
- Investment in ready / future - spread transaction	5.4.1	5,859	71,706
		<u>984,170</u>	<u>1,221,606</u>

5.1 Fair value through profit or loss

All Term Finance Certificates and Sukuk bonds have a face value of Rs. 5,000 each unless stated otherwise.

5.1.1 Term Finance Certificates and Sukuk bonds - Listed

Name of the Investee Company	Number of certificates				Market value / Carrying value* as at June 30, 2018	Market value as a percentage of	
	As at July 1, 2018	Purchases during the period	Sales / Matured during the period	As at September 30, 2018		Total Investments	Net Assets
Financial Services							
Saudi Pak Leasing Company Limited - note 6.1.3	2,000	-	-	2,000	-	-	-
	2,000	-	-	2,000	-	-	-
Fixed Line Telecommunication							
Worldcall Telecom Limited - note 6.1.4	23,750	-	-	23,750	-	-	-
	23,750	-	-	23,750	-	-	-
Commercial Banks							
Soneri Bank Limited	27,100	-	27,100	-	-	-	-
	27,100	-	27,100	-	-	-	-
Fertilizer							
Fatima Fertilizer Company Limited	17,517	-	-	17,517	-	-	-
Dawood Hercules Corporation Limited*	2,550	-	210	2,340	234,510	23.83%	12.18%
	20,067	-	210	19,857	234,510	23.83%	12.18%
Total	72,917	-	27,310	45,607	234,510	23.83%	12.18%
Cost of investments at September 30, 2018					234,468		

5.1.2 Term Finance Certificates and Sukuk bonds - Unlisted

Multiutilities							
WAPDA TFC	55,160	-	-	55,160	118,511	12.04%	6.16%
	55,160	-	-	55,160	118,511	12.04%	6.16%
Chemicals							
Ghani Gases Limited	200	-	-	200	15,260	1.55%	0.79%
Agritech Limited - note 6.1.7	2,000	-	-	2,000	-	-	-
	2,200	-	-	2,200	15,260	1.55%	0.79%
Commercial Banks							
JS Bank Limited	11,600	-	4,150	7,450	37,389	3.80%	1.94%
JS Bank Limited - Sukuk*	2,000	-	-	2,000	198,060	20.12%	10.29%
Bank of Punjab*	2,050	-	-	2,050	197,194	20.04%	10.24%
TPL Corporation Limited*	500	-	-	500	50,045	5.08%	2.60%
Jahangir Siddiqui & Company Limited	18,000	10,000	-	28,000	127,342	12.94%	6.61%
	34,150	10,000	4,150	40,000	610,030	61.98%	31.69%
Others							
New Allied Electronics Industries (Pvt) Limited - note 6.1.8	9,000	-	-	9,000	-	-	-
New Allied Electronics Industries (Pvt) Limited - Sukuk - note 6.1.8	9,000	-	-	9,000	-	-	-
	18,000	-	-	18,000	-	-	-
Total	109,510	10,000	4,150	115,360	743,801	75.58%	38.64%
Cost of investments at September 30, 2018					754,225		

* Face value of Rs 100,000

** In case of debt securities against which a provision has been made, these are carried at amortised cost less provision. For non-performing securities market value / valuation by MUFAP is not available.

5.1.3 Saudi Pak Leasing Company Limited defaulted towards payment falling due in September 2010. Accordingly, the exposure was classified as non-performing and provision was recognised in accordance with the SECP's provisioning guidelines.

Subsequently, on the request of the Issuer, TFC holders approved the restructuring of the facility by extending repayment period from 5 years to 9 years and by reducing mark-up rate to 6% for 24 months from restructuring date and 8% for next 24 months and thereafter fixing the mark-up rate at 1 month KIBOR. Further, half of the accrued mark-up is to be paid in cash and the balance is being deferred.

Debt security can be classified as performing once all arrears (principal & mark-up) have been received in cash and debt security is regular on all payments for the next two instalments. The above exposure had been classified as performing by the MUFAP as arrears due on the date of restructuring were rescheduled and the investee company has settled the next two instalments.

The Issuer defaulted again in the payment of principal and mark-up due on September 13, 2011. In accordance with the requirements of Circular No. 33 of 2012 dated October 24, 2012 issued by the Securities Exchange Commission of Pakistan (SECP), the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non performing exposure. A provision of Rs. 5.550 million equivalent to 100% of the amount outstanding has been made.

5.1.4 Worldcall Telecom Limited TFC's were classified by MUFAP as non-performing on November 8, 2012 after default of instalment due on October 7, 2012 (earlier default on April 7, 2012) for the second time. A restructuring agreement was signed on December 26, 2012. The restructuring included the extension of repayment period by 2 years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.767 million equivalent to 100% of the amount outstanding has been made.

During the period issuer repaid part of principle payment amounting to Rs. 4.638 million, after incorporating the same the remaining provision left was amounting to Rs 43.130 million.

5.1.5 These represent investments in privately placed Term Finance Certificates and Sukuk bonds of the investee company. These investments have been fully provided.

5.1.6 The Term Finance Certificates and Sukuk bonds held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage / pledge of fixed assets of the issuer.

5.1.7 Instalments amounting to Rs. 1.998 million became due for payment of the following TFCs / sukuks.

	(Unaudited) September 30, 2018	(Audited) June 30, 2018
	(Rupees in '000)	
Agritech Limited	1,998	1,998
	1,998	1,998

5.2 Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at September 30, 2018 are as follows:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates - Listed				
Soneri Bank Limited	4,994	6 Month KIBOR + 1.35%	08-Jul-15	08-Jul-23
Dawood Hercules Chemical Limited	100,000	3 Month KIBOR + 1%	16-Nov-17	16-Nov-22
Term Finance Certificates and Sukuk bonds - Unlisted				
Bank of Punjab	99,940	6 Month KIBOR + 1%	23-Feb-16	23-Feb-26
JS Bank Limited	4,997	6 Month KIBOR + 1.40%	14-Dec-16	16-Dec-23
JS Bank Limited - Sukuk	99,980	6 Month KIBOR + 1.40%	29-Dec-17	29-Dec-24
Jahangir Siddiqui & Company Limited	5,000	6 Month KIBOR + 1.40%	06-Mar-18	06-Mar-23
TPL Corporation Limited	100,000	3 Month KIBOR + 1.50%	19-Dec-17	19-Dec-19

5.3 Investment in Government Securities - Held-for-trading

Issue Date	Tenure	Face value			As at June 30, 2018	Market Value	
		As at July 1, 2018	Purchases during the year	Sales / Matured during the year		as at June 30, 2018	Market Value as a percentage of
						Total Investments	Net Assets
						(Rupees in '000)	
Treasury bill							
August 2, 2018	3 months	-	850,000	850,000	-	-	-
Total - as at September 30, 2018		-	850,000	850,000	-	-	-
Total - as at June 30, 2018		-	11,640,000	11,640,000	-	-	-
Government of Pakistan Ijara							
	3 Years	-	-	-	-	-	-
Total - as at September 30, 2018		-	-	-	-	-	-
Total - as at June 30, 2018		-	500,000	500,000	-	-	-
Pakistan Investment Bonds							
August 9, 2018	10 Years	-	550,000	550,000	-	-	-
Total - as at September 30, 2018		-	550,000	550,000	-	-	-
Total - as at June 30, 2018		-	100,000	100,000	-	-	-
Grand total- as at September 30, 2018		-	1,400,000	1,400,000	-	-	-
As at June 30, 2018		-	12,240,000	12,240,000	-	-	-

5.4 Quoted equity securities (spread transactions)

5.4.1 Listed equity securities

All equity shares have a face value of Rs. 10 each.

Name of the Investee Company	Number of shares		----- Rupees in '000 -----			Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
	As at September 30, 2018		Carrying cost	Market value as at September 30, 2018	Unrealised appreciation/ (diminution) on re-measurement			
Cement								
Maple Leaf Cement Factory Limited	52,000		2,545	2,549	4	0.26%	0.13%	0.01%
			2,545	2,549	4	0.26%	0.13%	0.01%
Cable & electrical goods								
Pak Elektron Limited	153,000	100,000	3,061	3,310	474	0.34%	0.17%	0.02%
			3,061	3,310	474	0.34%	0.17%	0.02%
As at September 30, 2018			5,606	5,859	478	0.60%	0.30%	0.03%
As at June 30, 2018			71,364	71,706	342	5.87%	2.92%	0.27%

5.4.2 The investment in equity securities represents spread transactions entered into by the Fund. The Fund purchases equity securities in ready settlement market and sells the securities in future settlement market on the same day, resulting in spread income due to difference in ready and future stock prices.

5.4.3 This includes unrealised mark-to-market gain on future sale transactions amounting to Rs. 0.111 m (June 30, 2018: Rs. 0.098 m)

5.5 Movement in provision against investments

	(Unaudited) September 30, 2018	(Audited) June 30, 2018
	(Rupees in '000)	
Opening balance	126,484	126,484
Add: Charge for the period	-	-
Less: Reversals / write-offs	4,638	-
Net charge	(4,638)	-
Closing balance	121,846	126,484
Classified under investments	121,846	124,486
Classified under other receivables - overrdue installments of term finance certificates	1,998	1,998
	123,844	126,484

6 PAYABLE TO MANAGEMENT COMPANY

	(Unaudited) September 30, 2018	(Audited) June 30, 2018
	(Rupees in '000)	
Management fee	2,379	6,413
Sindh Sales Tax	309	960
Sales load payable	334	526
Allocation of expenses related to registrar services, accounting, operation and valuation services	180	436
	3,202	8,335

6.1 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

6.2 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated November 25, 2015, the Management Company of the Fund is entitled for reimbursement of fee and expenses incurred by the Management Company in relation to registrar service, accounting, operation and valuation services related to Fund maximum up to 0.1% of average annual net assets of the scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operation charges amounting to Rs 1.084 million (2016: Rs 1.585 million) to the Fund during the year.

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Unaudited) September 30, 2018	(Audited) June 30, 2018
(Rupees in '000)				
	Auditors' remuneration		85	328
	Brokerage payable		1,180	573
	Federal Excise Duty payable	7.1	27,578	27,578
	Capital gain tax payable		690	352
	Withholding tax payable		80	41
	Provision for Sindh Workers' Welfare Fund	7.2	22,018	21,255
	Dividend payable		148	-
	Other payables		336	297
			52,115	50,424

7.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 27.57 million (June 30, 2018: Rs.27.57 million). Had the provision not been made, the Net Asset Value per unit as at september 30, 2018 would have been higher by Rs.1.537 (June 30, 2018: Rs. 1.249) per unit.

7.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

As there is loss for the half year ended September 30, 2018, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been made, net asset value per unit at September 30, 2018 would have been higher by Rs. 1.227 (June 30, 2018 Re. 0.963) per unit.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There were no contingencies or commitments outstanding as at September 30, 2018 and June 30, 2018.

8.2 Commitments

	2018	2017
	(Rupees in '000)	
Future sell/ (buy) transactions of equity securities entered into by the fund not settled as at quarter end	5,512	72,135

9 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

10 EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

11 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.53% (0.10% representing Government Levies, and SECP Fee).

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of the connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

	Quarter ended	
	2018	2017
	September 30,	
	(Rupees in '000)	
12.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Issuance of 55,226 units (2017: 422,082 units)	5,842	45,000
Redemption of 1,211,327 units (2017: Nil units)	129,374	45,000
Dividend paid	6,359	-
Refund of capital	2,917	-
Management fee	8,558	18,378
Allocation of expenses related to registrar services, accounting, operation and valuation services	586	1,084
Habib Bank Limited - Sponsor		
Issuance of 493,384 units (2017: Nil units)	52,195	-
Redemption of 3,365,558 units (2017: Nil units)	360,000	-
Profit on bank deposits earned	188	1,014
Profit received on bank deposits	188	702

		Quarter ended September 30,	
		2018	2017
		(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee			
	Remuneration	805	1,274
Directors and Executives of the Management Company and their relatives			
Executives and their relatives			
	Issuance of 3,220 units (2017: Nil units)	341	-
	Redemption of Nil units (2017: 33,231 units)	-	3,531
	Dividend paid	389	-
MCB FSL Trustee - HBL Financial Planning Fund Strategic Allocation Plan - Associate			
	Issuance of 30,098 units (2017: 422,082 units)	3,184	-
	Dividend paid	3,184	-
	Refund of capital	3,184	-
12.2	Balances outstanding as at period end	September 30, 2018	June 30, 2018
		(Rupees in '000)	
HBL Asset Management Limited - Management Company			
	Investment held by the management company in the fund: Nil units (June 30, 2018 : 1,156,101 units)	-	128,661
	Management fee	2,379	3,125
	Sindh Sales Tax	309	408
	Sales Load payable	334	617
	Allocation of expenses related to registrar services, accounting, operation and valuation services	180	249
Habib Bank Limited - Sponsor			
	Investment held by HBL in the Fund: 6,617,744 units (June 30, 2018: 9,489,918 units)	710,201	1,056,124
	Bank balances with HBL	5,905	14,381
MCB FSL Trustee - HBL Financial Planning Fund Strategic Allocation Plan - Associate			
	Investment held in the Fund: 609,023 units (June 30, 2018: 578,925 units)	65,327	64,428
Directors and Executives of the Management Company and their relatives			
Executives and their relatives			
	Investment held in the Fund: 11,944 units (2018: 11,472 units)	1,287	1,278
Central Depository Company of Pakistan Limited - Trustee			
	Remuneration payable	285	282
	Sindh Sales tax	37	37
	Security deposit	100	100
	CDC charges payable	70	30

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Note	September 30, 2018							
		Fair value through profit or loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Term Finance Certificates and Sukuk bonds - Listed		234,510	-	-	234,510	-	234,510	-	234,510
- Term Finance Certificates and Sukuk bonds - Unlisted		743,801	-	-	743,801	-	743,801	-	743,801
- Investment in ready / future - spread transaction		5,859	-	-	5,859	5,859	-	-	5,859
		<u>984,170</u>	<u>-</u>	<u>-</u>	<u>984,170</u>	<u>5,859</u>	<u>978,311</u>	<u>-</u>	<u>984,170</u>
Financial assets not measured at fair value									
Bank balances	13.1	-	726,949	-	726,949				
Investments									
- Placements	13.1	-	-	-	-				
Accrued mark-up		-	21,347	-	21,347				
Advances, deposits and other receivables		-	19,779	-	19,779				
		<u>-</u>	<u>768,075</u>	<u>-</u>	<u>768,075</u>				
Financial liabilities not measured at fair value									
Payable to Management Company	13.1	-	-	3,202	3,202				
Payable to Trustee		-	-	322	322				
Accrued expenses and other liabilities		-	-	1,749	1,749				
		<u>-</u>	<u>-</u>	<u>5,273</u>	<u>5,273</u>				

June 30, 2018

					Fair Value			
	Fair value through profit or loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Term Finance Certificates and Sukuk bonds - Unlisted	1,149,900	-	-	1,149,900	-	1,149,900	-	1,149,900
- Investment in ready / future - spread transaction	71,706	-	-	71,706	71,706	-	-	
	<u>1,221,606</u>	<u>-</u>	<u>-</u>	<u>1,221,606</u>	<u>71,706</u>	<u>1,149,900</u>	<u>-</u>	<u>1,149,900</u>
Financial assets not measured at fair value								
Bank balances	-	1,242,036	-	1,242,036				
Accrued mark-up	-	21,696	-	21,696				
Receivable against investment in shares	-	24,984	-	24,984				
Deposits and other receivables	-	46,931	-	46,931				
	<u>-</u>	<u>1,335,647</u>	<u>-</u>	<u>1,335,647</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	4,399	4,399				
Payable to Trustee	-	-	349	349				
Accrued expenses and other liabilities	-	-	1,198	1,198				
Payable against purchase of investment	-	-	43,789	43,789				
Unit holders' fund	-	-	2,456,460	2,456,460				
	<u>-</u>	<u>-</u>	<u>6,996,491</u>	<u>6,996,491</u>				

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

14 **DISCLOSURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - CATEGORISATION OF OPEN END SCHEME**

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding any non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment creteria. As at September 30, 2017, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
----- (Rupees in '000) -----						
New Allied Electronics Industries (Private) Limited	TFC	19,025	19,025	-	-	-
New Allied Electronics Industries (Private) Limited	Sukuk	44,149	44,149	-	-	-
Agritech Limited	TFC	9,991	9,991	-	-	-
Saudi Pak Leasing Company Limited	TFC	5,550	5,550	-	-	-
Worldcall Telecom Limited	TFC	43,130	43,130	-	-	-

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 17, 2018.

16 CORRESPONDING FIGURES

The corresponding figures has been adjusted as detailed below due to initial application of IFRS - 9.

Statement of Assets and liabilities:

June 2018
(Rupees in '000)

Investment classified as available for sale now classified as Financials Assets at fair value through profit in loss.

336,779

Condensed Interim Income Statement and Statement of Other Comprehensive Income:

September 2017
(Rupees in '000)

"Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale" in the Condensed Interim Statement of Other Comprehensive Income is now classified as "Net unrealized / (dumination) on re-measurements of investments at fair value through profit" in the Condensed Interim

(11,783)

17 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Government Securities Fund

FUND INFORMATION

Name of Fund	HBL Government Securities Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Allied Bank Limited JS Bank Limited Samba Bank Limited MCB Bank Limited Zarai Taraqati Bank Limited United Bank Limited Soneri Bank Limited MCB Bank Limited Sindh Bank Limited NRSP Microfinance Bank Limited

HBL Government Securities Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

		Un-audited September 30, 2018	Audited June 30, 2018
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	419,355	332,785
Investments	5	55,147	-
Receivable against Marginal Trading System		9,928	77
Profit receivable		482	2,054
Deposits, prepayments and other receivables		2,250	2,310
Total assets		<u>487,162</u>	<u>337,226</u>
LIABILITIES			
Payable to Management Company	6	579	344
Payable to the Trustee		76	24
Payable to Securities and Exchange Commission of Pakistan		89	514
Payable against redemption of units		11,562	523
Accrued expenses and other liabilities	7	22,766	22,184
Total liabilities		<u>35,072</u>	<u>23,589</u>
NET ASSETS		<u>452,090</u>	<u>313,637</u>
Unit Holders' Funds (As per statement attached)		<u>452,090</u>	<u>313,637</u>
CONTINGENCIES AND COMMITMENTS			
	8	----- (Number of Units) -----	
Number of unit in Issue		<u>4,201,264</u>	<u>2,840,288</u>
		----- (Rupees in '000) -----	
Net asset value per unit		<u>107.6081</u>	<u>110.4244</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Income Statement And Comprehensive Income (Un-Audited)
For the three months ended September 30, 2018

	Note	Three Months ended September 30,	
		2018	2017
		----- (Rupees in 000's) -----	
INCOME			
Capital gain / (loss) on sale of investments - net		872	(251)
Income from Government Securities		400	10,830
Income from Money Market Placements		403	3,658
Income from Margin Trading System		15	963
Profit on bank deposits		9,440	5,351
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss'-net		-	42
Total income		<u>11,130</u>	<u>20,594</u>
EXPENSES			
Remuneration of the Management Company		1,312	4,017
Sindh sales tax on remuneration of the Management Company		171	522
Remuneration of the Trustee		201	551
Annual fee to the Securities and Exchange Commission of Pakistan		89	241
Fund operations, accounting and related costs		118	321
Auditors' remuneration		112	114
Fees and subscription		111	90
Securities transaction cost		204	529
Bank charges		15	30
Printing charges		-	88
Total expenses		<u>2,333</u>	<u>6,504</u>
Net income from operating activities		<u>8,797</u>	<u>14,090</u>
Provision for Sindh Workers' Welfare Fund	7.1	(176)	(282)
Net income for the quarter before taxation		<u>8,621</u>	<u>13,809</u>
Taxation			
Net income for the quarter after taxation	9	<u>8,621</u>	<u>13,809</u>
Allocation of net income for the quarter:			
Income already paid on redemption of units		2,572	2,737
Accounting income available for distribution:			
-Relating to capital gains		587	168
-Excluding capital gains		5,462	10,903
		<u>6,049</u>	<u>11,071</u>
Net income for the quarter after taxation		<u>8,621</u>	<u>13,809</u>
Other comprehensive income		-	-
Total comprehensive income for the quarter		<u><u>8,621</u></u>	<u><u>13,809</u></u>
Earnings per unit	10		

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

	2018			2017		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Note	-----Rupees in '000'-----					
Net assets at beginning of the quarter	229,135	84,502	313,637	-	-	1,369,950
Issuance of 3,725,565 units (2017: 28,039,561 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	393,697	-	393,697			
- Element of income	2,851	-	2,851			
Total proceeds on issuance of units	396,548	-	396,548	-	-	23,154
Redemption of 2,364,589 units (2017: 35,140,975 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	249,876	-	249,876			
- Amount paid out of element of income	-	(2,572)	(2,572)			
- Relating to net income for the quarter after taxation	(500,529)	-	(500,529)			
Total payments on redemption of units	(250,653)	(2,572)	(253,225)	-	-	(379,797)
Total comprehensive income for the quarter	-	8,621	8,621	-	-	13,809
Refund of Capital	(196)	-	(196)	-	-	-
Distribution during the quarter	-	(13,295)	(13,295)	-	-	-
Net income for the quarter less distribution	-	(4,674)	(4,870)	-	-	13,809
Net assets at end of the quarter	375,030	77,256	452,090	-	-	1,027,115
Undistributed income brought forward						
- Realised		84,502			69,776	
- Unrealised		-			740	
		84,502			70,516	
Accounting income available for distribution						
- Relating to capital gains		587			168	
- Excluding capital gains		5,462			10,903	
		6,049			11,071	
Distribution during the quarter		(13,295)			-	
Undistributed income carried forward		77,256			81,587	
Undistributed income carried forward						
- Realised		77,256			81,545	
- Unrealised		-			42	
		77,256			81,587	
					(Rupees)	
Net assets value per unit at beginning of the quarter			110.4244			105.4266
Net assets value per unit at end of the quarter			107.6081			106.5792

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	Note	Three Months ended	
		2018	2017
		September 30,	
		(Rupees in 000's)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		8,621	13,809
Adjustments for:			
Capital (gain) / loss on sale of investments - net		(872)	251
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss'-net		-	(42)
		(872)	210
		7,749	14,018
(Increase) / Decrease in assets			
Investments - net		(54,275)	205,810
Receivable against Marginal Trading System		(9,851)	(16,152)
Profit receivable		1,572	7,475
Deposits, prepayments and other receivables		60	(1,371)
		(62,494)	195,762
Increase in liabilities			
Payable to Management Company		235	(436)
Payable to the Trustee		52	(304)
Payable to Securities and Exchange Commission of Pakistan		(425)	(1,211)
Accrued expenses and other liabilities		582	712,971
		444	711,020
Net cash generated from operating activities		(54,301)	920,800
Cash flows from Financing Activities			
Receipts from issue of units		396,548	23,154
Payment against redemption of units		(242,186)	(731,994)
Distributions paid		(13,491)	-
Net cash generated / (used in) financing activities		140,871	(708,840)
Net increase in cash and cash equivalents		86,570	211,960
Cash and cash equivalents at the beginning of the period		332,785	546,623
Cash and cash equivalents at the end of the period		419,355	758,583
CASH AND CASH EQUIVALENTS			
Bank balances		419,355	758,584
Term deposit receipt		-	-
		419,355	758,584

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Government Securities Fund (formerly PICIC income Fund) ("the Fund") was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. NBFC-II/DD/PICICIF/199 dated March 10, 2010 and the Trust Deed was executed on March 17, 2010.

SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 through an order dated August 31, 2016. Effective from September 1, 2016 HBL Asset Management Limited became Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. After the merger, trust deed was revised on February 17, 2017.

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

The Fund is an open-ended sovereign income scheme and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio.

JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (AM Two Plus) to the Management Company and a stability rating of 'A+(f)' to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2018.

2.1.3 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

3.3 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

		September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
4	BANK BALANCES	----- (Rupees in '000) -----	
	In savings accounts	4.1 419,346	332,776
	In current account	9	9
		<u>419,355</u>	<u>332,785</u>

4.1 Profit rates on these savings accounts range between 5.0% to 8.50% per annum (June 30, 2018: 3.75% to 7.50% per annum).

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Investments in Government securities:

Market Treasury Bills	5.1	4,989	-
Pakistan Investment Bonds	5.2	-	-
		<u>4,989</u>	<u>-</u>
GOP Ijara Sukuk Certificates	5.3	-	-
		<u>4,989</u>	<u>-</u>
Loans and receivables - at amortized cost	5.4	50,158	-
		<u>55,147</u>	<u>-</u>

5.1 Investment in Government securities - 'at fair value through profit or loss'

Issue date	Tenor	Face value				Balance as at September 30, 2018			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2018	Purchases during the period	Sales / matured during the period	As at September 30, 2018	Carrying value	Market value	Appreciation / (diminution)		
------(Rupees in '000)-----										
Market Treasury Bills										
April 26, 2018	3 Month	-	500,000	500,000	-	-	-	-	-	-
June 7, 2018	3 Month	-	1,100,000	1,100,000	-	-	-	-	-	-
July 19, 2018	3 Month	-	4,463,000	4,458,000	5,000	4,989	4,989	-	1.10%	9.05%
August 2, 2018	3 Month	-	2,575,000	2,575,000	-	-	-	-	-	-
Total - As at September 30, 2018		-	8,638,000	8,633,000	5,000	4,989	4,989	-	1%	9%
Total - As at June 30, 2018		-	-	-	-	-	-	-	-	-

5.1.1 T-Bills with face value aggregating to Rs. Nil (June 30, 2018: Rs. Nil) have been pledged with the National Clearing Company of Pakistan (NCCPL) as collateral against trading facility in Margin Trading System (MTS).

5.1.2 The effective yield on market treasury bills is 7.735% (June 30, 2018: Nil).

5.2 Pakistan Investment Bonds

August 9, 2018	10 Years	-	800,000	800,000	-	-	-	-	-	-
Total - As at September 30, 2018		-	800,000	800,000	-	-	-	-	-	-
Total - As at June 30, 2018		-	-	-	-	-	-	-	-	-

5.2.1 The effective yield on Pakistan Investment bonds range from Nil (June 30, 2018: Nil)

5.3 GOP Ijara Sukuk Certificates:

Issue details	Tenor	Face value				Balance as at September 30, 2018			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2018	Purchases during the period	Sales / matured during the period	As at September 30, 2018	Carrying value	Market value	Appreciation / (diminution)		
------(Rupees in '000)-----										
GOP Ijarah 19	3 Years	-	100,000	100,000	-	-	-	-	-	-
GOP Ijarah 17	3 Years	-	400,000	400,000	-	-	-	-	-	-
Total - As at September 30, 2018		-	500,000	500,000	-	-	-	-	-	-
Total - As at June 30, 2018		-	-	-	-	-	-	-	-	-

5.3.1 This carries semi annual coupon at the rate of Nil per annum (June 30, 2018: Nil)

5.4 Loans and receivables - at amortized cost	Note	September 30, 2018	June 30, 2018
		(Unaudited)	(Audited)
----- (Rupees in '000) -----			
Commercial Paper	5.4.1	50,158	-
		<u>50,158</u>	<u>-</u>

5.4.1 This commercial paper carries a profit rate of 8.95% (June 30, 2018: Nil) per annum with maturity on March 01, 2019 (June 30, 2018: Nil).

6 PAYABLE TO THE MANAGEMENT COMPANY

Management fee	6.1	474	262
Sindh Sales Tax on Management Company's remuneration	6.2	62	34
Sales load payable		-	22
Fund operations, accounting and related costs	6.3	43	26
		<u>579</u>	<u>344</u>

6.1 As per the offering document of the Fund, the Management Company charges a fee at the rate of 1.25% of the average annual net assets on daily basis of the Scheme subject to the guidelines issued by the Commission from time to time. However, on December 28, 2017 second supplement to the offering document was issued according to which the management company was to charge a fee at the rate of 12.5% of gross earnings with floor of 1.00% and cap of 1.25% of the average annual net assets on daily basis of the Scheme effective from January 15, 2018. Therefore, the management fee was charged accordingly. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2018: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

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

7 ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Sindh Workers' Welfare Fund	7.1	6,140	5,964
Provision for Federal Excise Duty and additional sales tax on management fee	7.2	15,531	15,531
Withholding tax		509	10
Auditors' remuneration		111	312
Printing charges		216	216
Others		261	151
		<u>22,768</u>	<u>22,184</u>

7.1 Provision for Sindh workers' welfare fund

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is the same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 6.14 million for the quarter ended September 30, 2018 in this condensed interim financial information. Had the provision not been made, net assets value per unit at September 30, 2018 would have been higher by Rs. 1.46 per unit (June 30, 2018: Rs. 2.10 per unit).

7.2 Provision for federal excise duty and additional sales tax

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

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2018 would have been higher by Rs. 3.6967 per unit (June 30, 2018: Rs. 5.4681 per unit).

8 CONTINGENCIES AND COMMITMENTS

	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
	----- (Rupees in '000) -----	
8.1 Commitments		
Payable against MTS investments	(5,031)	-
Receivable from MTS release including profit	1,759	-
	<u>(3,271)</u>	<u>-</u>

9 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the period, as reduced by capital gains, is distributed amongst the certificate holders. The Fund has not recorded provision for taxation as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year as reduced by capital gains, to its certificate holders.

10 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of management determination of cumulative weighted average number of outstanding units is not practicable.

11 TOTAL EXPENSE RATIO

The Scheme has maintained Total expense ratio (TER) 0.53%. (0.10% representing Government Levies, WWF and SECP Fee).

12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons include Habib Asset Management Limited being the Management Company, Habib Bank Limited being the holding company of the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, other associated companies of the Management Company and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and term determined in accordance with the market rates.

Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

Details of transactions carried out by the Fund with connected persons and balances with them other than those disclosed elsewhere in these financial statements, as at year end, are as follows:

	Three months ended September	
	2018 (Unaudited)	2017 (Unaudited)
(Rupees in '000's)		
Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	1,312	4,017
Sindh Sales Tax on remuneration of Management Company	171	522
Reimbursement of fund operations, accounting and related costs	118	321
Sales load Payable	-	-
Issue of 269,891 units (2017: Nil) units	28,702	-
Redemption of 1,186,764 units (2017: 847,699 Units)	127,048	90,000
Dividend Income	4,355	-
Habib Bank Limited Sponsor		
Bank charges paid	6	2
Profit on bank deposits	39	288
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	201	551
CDS charges	-	10
Executives of the Management Company		
Redemption of Nil units (2017: 4,733 units)	-	501
	September 30 2018 (Unaudited)	June 30, 2018 (Audited)
	----- (Rupees in '000) -----	
Balance outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	474	262
Sindh Sales Tax on remuneration of Management Company	62	34
Sales Load Payable	-	22
Allocation of expenses related to registrar services accounting, operation and valuation services	43	26
Investment held in the fund: Nil units (2018: 916,873 units)	-	101,245
Habib Bank Limited Sponsor		
Bank balances	2,509	1,905
Profit Receivable	14	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration Payable	76	17
CDC Charges Payable	4	7
Security Deposit	100	100
Director and Executives of the Management Company		
Investment held in the fund: Nil units (2018: Nil units)	-	-

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the company is current bid price.

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

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

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Note	September 30, 2018							
		Carrying amount				Fair Value			
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
Market Treasury Bills	5.1	4,989	-	-	4,989	-	4,989	-	4,989
Pakistan Investment Bonds	5.2	-	-	-	-	-	-	-	-
Corporate Sukuk Certificates	5.3	-	-	-	-	-	-	-	-
		<u>4,989</u>	<u>-</u>	<u>-</u>	<u>4,989</u>	<u>-</u>	<u>4,989</u>	<u>-</u>	<u>4,989</u>
Financial assets not measured at fair value									
Bank balances	4	-	419,355	-	419,355	-	-	-	-
Commercial Paper	5.4	-	50,158	-	50,158	-	-	-	-
Receivable against Margin Trading System		-	9,928	-	9,928	-	-	-	-
Profit receivable		-	482	-	482	-	-	-	-
		<u>-</u>	<u>479,923</u>	<u>-</u>	<u>479,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	579	579	-	-	-	-
Payable to the Trustee		-	-	76	76	-	-	-	-
Payable against redemption of units		-	-	11,562	11,562	-	-	-	-
Accrued expenses and other liabilities		-	-	588	588	-	-	-	-
		<u>-</u>	<u>-</u>	<u>12,805</u>	<u>12,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HBL

Money Market Fund

FUND INFORMATION

Name of Fund	HBL Money Market Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited Allied Bank Limited Meezan Bank Limited Askari Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited Sindh Bank Limited United Bank Limited
Fund Rating	AA(f) (JCR-VIS)

HBL Money Market Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

		September 30, 2018 (Un-Audited)	June 30, 2018 (Audited)
		(Rupees in '000)	
Assets	<i>Note</i>		
Bank balances	4	8,757,277	7,298,928
Investments	5	-	-
Accrued mark-up		41,976	18,703
Advance , Deposit and prepayments		323	104
Total assets		8,799,576	7,317,735
Liabilities			
Payable to Management Company	6	7,221	5,327
Payable to Trustee		669	532
Payable to Securities and Exchange Commission of Pakistan		1,576	4,064
Accrued expenses and other liabilities	7	61,173	58,310
Total liabilities		70,639	68,233
Net assets		8,728,937	7,249,502
Unit holders' fund (as per statement attached)		8,728,937	7,249,502
Cotingsencies and commitments	8.		
		(Number of units)	
Number of units in issue		84,163,385	67,634,199
		(Rupees)	
Net assets value per unit		103.7142	107.1869

The annexed notes 1 to 15 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Income Statement And Comprehensive Income (Un-Audited)
For the three months ended September 30, 2018

	Note	Three months ended September 30, 2018 2017 (Rupees in '000)	
Income			
Mark-up / return on investments		87,837	27,447
Mark-up on deposits with banks & TDRs		76,891	56,229
Gain / (Loss) on sale of investments - net		(471)	107
		164,257	83,783
Expenses			
Remuneration of Management Company		18,935	14,397
Remuneration of Trustee		1,994	1,293
Annual fee of Securities and Exchange Commission of Pakistan		1,576	953
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	2,101	1,275
Auditors' remuneration		150	95
Fees & Subscription		63	62
Settlement and bank charges		146	39
Securities transaction cost		9	55
Printing Charges		-	37
Legal Charges		5	2
		24,979	18,208
		139,278	65,575
Provision for Workers' Welfare Fund	7.2	(2,786)	(1,311)
Net income for the period before taxation		136,492	64,264
Taxation	10.	-	-
Net income for the period after taxation		136,492	64,264
Allocation of net income for the period:			
Income already paid on redemption of units		11,881	10,704
Accounting income available for distribution:			
-Relating to capital gains		-	89
-Excluding capital gains		124,611	53,471
		124,611	53,560
Net income / (loss) for the period after taxation		136,492	64,264
-Other comprehensive income		-	-
Total comprehensive income for the period		136,492	64,264
Earning Per Unit	12		

The annexed notes 1 to 15 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

	Three months ended September 30,					
	2018			2017		
	----- (Rupees in '000) -----					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	7,033,537	215,965	7,249,502	-	-	3,942,010
Issuance of 37,657,194 units (2017: 29,813,364 units)						
- Capital Value (at net asset value per unit at the beginning of the period)	3,842,423	-	3,842,423	-	-	2,329,452
- Element of income	19,883	-	19,883	-	-	-
Total proceeds on issuance of units	3,862,306		3,862,306			2,329,452
Redemption of 21,128,008 units (2017: 17,552,328 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(2,155,836)	-	(2,155,836)	-	-	(1,079,238)
- Amount paid out of element of income						
Relating to net income for the period after taxation	(3,329)	(11,881)	(15,210)	-	-	-
Total payment on redemption of units	(2,159,165)	(11,881)	(2,171,046)	-	-	(1,079,238)
Total comprehensive income for the period	-	136,492	136,492	-	-	64,264
Refund of Capital	(181,739)	-	(181,739)	-	-	-
Distribution during the period	-	(166,578)	(166,578)	-	-	-
Net income for the period less distribution	(181,739)	(30,086)	(211,825)	-	-	64,264
Net assets at the end of the period	8,554,939	173,998	8,728,937	-	-	5,256,488
Undistributed income brought forward						
- Realised		215,965			40,289	
- Unrealised		-			-	
		215,965			40,289	
Accounting income available for distribution						
- Relating to capital gains		-			89	
- Excluding capital gains		124,611			53,471	
		124,611			53,560	
Distribution during the period		(166,578)			-	
Undistributed income carried forward		173,998			93,849	
Undistributed income carried forward						
- Realised		173,998			93,849	
- Unrealised		-			-	
		173,998			93,849	
					----- (Rupees) -----	
Net assets value per unit at beginning of the period			107.1869			101.7683
Net assets value per unit at end of the period			103.7142			103.0761

The annexed notes 1 to 15 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	Three months ended September 30,	
	2018	2017
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	136,492	64,264
(Increase) / decrease in assets		
Investments - net	-	(1,919)
Accrued mark-up	(23,273)	(7,580)
Advances, deposits and other receivables	(219)	(240)
	(23,492)	(9,739)
Increase / (decrease) in assets		
Payable to HBL Asset Management Limited - Management Company	1,894	746
Payable to Central Depository Company of Pakistan Limited - Trustee	137	52
Payable to Securities and Exchange Commission of Pakistan	(2,488)	(2,172)
Accrued expenses and other liabilities	2,863	(30,906)
	2,406	(32,280)
Net cash generated from / in operating activities	115,406	22,245
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	3,862,306	2,329,452
Payment against redemption of units	(2,171,046)	(1,079,238)
Cash dividend paid	(348,317)	-
Net cash generated from financing activities	1,342,943	1,250,214
Net increase / (decrease) in cash and cash equivalents	1,458,349	1,272,459
Cash and cash equivalents at beginning of the period	7,298,928	3,542,143
Cash and cash equivalents at end of the period	8,757,277	4,814,602

The annexed notes 1 to 15 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Money Market Fund was established under a Trust Deed, dated March 18, 2010, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund has been authorised by the Securities and Exchange Commission of Pakistan (the SECP) as a unit trust scheme on April 9, 2010.

HBL Asset Management Limited is the Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription 'at par from July 12, 2010 to July 14, 2010.

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2 +' to the Management Company.

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

2. STATEMENT OF COMPLIANCE

2.1.1 This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS - 34) and provision of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS the requirements of NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

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

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

4	BANK BALANCES	Note	September 30, 2018	June 30, 2018
			(Rupees in '000)	
	Balances with bank in:			
	- PLS saving deposit accounts under mark-up arrangements	4.1	8,757,277	7,298,928
			8,757,277	7,298,928

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 4.00% - 8.45% per annum (June 30, 2017: 4.00% - 6.70% per annum).

5.	INVESTMENTS	Note	September 30, 2018	June 30, 2018
			(Rupees in '000)	
	Fair value through profit or loss - Held for Trading			
	- Government Securities	5.1	-	
	At amortized cost			
	- Clean placement	5.2	-	-
			-	-

5.1 Investment in Government Securities - Held for Trading

Issue Date	Tenor	Face value			Market Value as at September 30, 2018	Market value as a percentage of	
		As at July 1, 2018	Purchases during the period	Sales / Matured during the period		Total Investments	Net Assets
----- (Rupees in '000) -----							
Treasury bills							
April 26, 2018	3 month	-	1,309,500	1,309,500	-	-	-
June 21, 2018	3 month	-	300,000	300,000	-	-	-
July 19, 2018	3 month	-	17,618,000	17,618,000	-	-	-
August 2, 2018	3 month	-	8,550,000	8,550,000	-	-	-
Total		-	27,777,500	27,777,500	-	-	-

5.2 At amortized cost - Clean Placements

Name of Company	As at July 01, 2018	Placements made during the period	Matured during the period	As at September 30, 2018	Percentage of total value of investments	Percentage of Net Assets
----- (Rupees in '000) -----						
Zarai Taraqiati Bank Ltd.	-	500,000	(500,000)	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	750,000	(750,000)	-	-	-
Saudi Pak Ind & Agri Investment Co. (Pvt) Ltd.	-	200,000	(200,000)	-	-	-
	-	1,450,000	(1,450,000)	-	-	-

		September 30, 2018 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)			
6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee	6.1	5,992	4,231
Sindh Sales Tax	6.2	521	550
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	708	546
		7,221	5,327

6.1 As per the offering document of the Fund, the Management Company charge a fee at the rate of 1% of the average annual net assets on daily basis of the scheme subject to the guidelines as may be issued by the Commission from time to time. Effective from January 15, 2018 the rate of fee is revised through amendment in the offering documents of the scheme as 10% of the gross earnings of the scheme calculated on a daily basis subject to a cap of 1.00% and a floor of 0.75% of the average daily net assets of the scheme. The fee is payable monthly in arrears.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 ALLOCATION OF EXPENSES RELATED TO REGISTRAR SERVICES, ACCOUNTING, OPERATION AND VALUATION SERVICES

During the year, the Securities and Exchange Commission of Pakistan notified amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2007 dated November 25, 2015, where the asset management companies are allowed to charge fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less. In this regard, the Management Company has started charging these expenses effective from November 25, 2015.

7 ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	September 30, 2018	June 30, 2018
(Rupees in '000)			
Auditors' remuneration		150	542
Brokerage payable		33	-
Withholding tax payable		60	-
Dividend Payable		295	-
Federal Excise Duty	7.1	41,211	41,211
Capital gain tax payable		1,397	1,388
Advance against units to be issued		2,500	2,500
Provision for Sindh Workers' Welfare Fund	7.2	15,159	12,371
Other payable		368	298
		61,173	58,310

7.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 41.21 million (June 30, 2018 Rs. 41.21 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2018 would have been higher by Re. 0.49 (June 30, 2018: Re. 0.61) per unit.

7.2 PROVISION WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Woekers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

As there is a loss for the three months ended September 30, 2018, therefore, no provision for SWWF has been made recognised in this condensed interim financial information. Had the provision not been retained, net asset value per unit at September 30, 2018 would have been higher by Re. 0.18 (June 30, 2018 Re. 0.18) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2018 and June 30, 2018.

9. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.33% (0.08% representing Government Levies, and SECP Fee).

10. TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

11. EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company and directors of connected persons.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:

12.1	Transactions during the period	Three months ended	
		2018	2017
		September 30, (Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	18,935	14,397
	Allocation of expenses related to registrar services, accounting, operation and valuation services	2,101	1,275
	Investment of 44,538 units (2017: 536,016 units)	4,545	55,000
	Dividend	4,545	-
	Refund of capital	1,385	-
	Habib Bank Limited - Sponsor		
	Bank charges paid	76	14
	Mark-up earned during the period	11,551	5,158
	Mark-up received during the period	12,514	3,786
	Investment of 419,810 units (2017: Nil units)	42,836	-
	Dividend	42,836	-
	Refund of capital	33,121	-
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	1,994	1,293
	Directors, Executives and Key Management personnel		
	Investment of 547 Units (2017: Nil units)	56	-
	Redemption of 374 units (2017: 137,374 units)	38	13,996
	Dividend	2	-
	Refund of capital	2	-
	Fauji Fertilizer Company Limited - More than 10% Holding		
	Investment of 9,682,824 units (2017: Nil units)	992,000	-
	Pakistan Mobile Communication Limited - More than 10% Holding		
	Investment of 6,242,913 units (2017: Nil units)	642,180	-
	Dividend	27,642	-
	Refund of capital	24,565	-

12.2	Amounts outstanding as at period end	September 30, 2018	June 30, 2018
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management Fee	5,992	4,231
	Sindh Sales Tax	521	550
	Allocation of expenses related to registrar services, accounting, operation and valuation services	708	546
	Investment held in the Fund : 1,035,252 units (June 30, 2017: 990,713 units)	107,370	106,191
	Habib Bank Limited - Sponsor		
	Investment held in the Fund : 8,737,508 units (June 30, 2017: 8,317,697 units)	906,204	891,548
	Bank balances	3,681,042	479,807
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	669	532
	Directors, Executives and Key Management personnel		
	Investment held in the Fund :12,178 units (June 30, 2017: 36,604 units)	1,263	1,287
	Fauji Fertilizer Company Limited - More than 10% Holding		
	Investment held in the Fund : 9,682,824 units (June 30, 2017: Nil units)	1,004,246	-
	Pakistan Mobile Communication Limited - More than 10% Holding		
	Investment held in the Fund : 11,610,265 units (June 30, 2017: 5,367,351 units)	1,204,149	575,310

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 17, 2018 .

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Cash Fund

FUND INFORMATION

Name of Fund	HBL Cash Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited MCB Bank Limited Allied Bank Limited JS Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited United Bank Limited Sindh Bank Limited
Fund Rating	'AA(f)' (JCR-VIS)

HBL Cash Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2018

		September 30, 2018 (Un-Audited)	June 30, 2018 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	5	11,913,646	10,899,252
Investments	6	674,236	1,150,000
Accrued markup on bank balances and investments		61,553	43,554
Deposits and prepayments		153	199
Total assets		12,649,588	12,093,005
Liabilities			
Payable to Management Company	7	8,298	7,830
Payable to the Trustee		918	981
Payable to the Securities and Exchange Commission of Pakistan		2,448	7,921
Accrued expenses and other liabilities	8	28,806	36,539
Total liabilities		40,470	53,271
Net assets		12,609,118	12,039,734
Unit holders' fund (as per statement attached)		12,609,118	12,039,734
Contingencies and commitments	9		
		(Number of units)	
Number of units in issue		123,055,304	113,580,129
		(Rupees)	
Net assets value per unit		102.4671	106.0021

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

Condensed Interim Income Statement And Comprehensive Income (Un-Audited)

For the three months ended September 30, 2018

	Three Months ended September 30,	
	2018	2017
	Note -----(Rupees in '000)-----	
Income		
Capital (loss)/gain on sale of investments - net	(348)	157
Income from government securities	124,319	37,212
Income from money market placements	36,546	17,077
Profit on bank deposits	93,265	69,547
	253,782	123,993
Unrealized (diminution) on re-measurement of investments classified as ' financial assets at fair value through profit or loss - held-for-trading - net	-	-
	253,782	123,993
Expenses		
Remuneration of the Management Company	7.1 19,121	9,799
Sindh Sales Tax on remuneration of Management Company	7.2 2,486	1,274
Remuneration of the Trustee	2,854	1,880
Annual fee to the Securities and Exchange Commission of Pakistan	2,448	1,475
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3 3,264	1,966
Auditors remuneration	111	107
Fee & Subscription charges	74	99
Settlement and bank charges	325	190
Printing Expense	-	88
Total operating expense	30,683	16,878
Net income for the period from operating activities	223,099	107,115
Workers' Welfare Fund	8.1 (4,462)	(2,142)
Net income for the period before taxation	218,637	104,973
Taxation	10 -	-
Net income for the period after taxation	218,637	104,973
Allocation Of Net Income For The Period		
Income already paid on redemption	29,641	12,324
Accounting income available for distribution		
-Realting to capital gain	-	139
-Excuding capital gain	188,996	92,511
	188,996	92,649
Net income for the period after taxation	218,637	104,973
Other comprehensive income for the period	-	-
Total comprehensive income for the period	218,637	104,973

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

	Three Months ended September 30,					
	2018			2017		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the year	11,727,212	312,522	12,039,734	-	-	5,954,130
Issuance of 69,242,385 units (2017: 53,915,835 units)						
- Capital value (at net asset value per unit at the beginning of the year)	6,976,316	-	6,976,316	-	-	
- Element of income	34,414	-	34,414	-	-	
Total proceeds on issuance of units	7,010,730	-	7,010,730	-	-	5,392,342
Redemption of 59,767,210 units (2017: 21,845,890 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(6,021,672)	-	(6,021,672)	-	-	
- Amount paid out of element of income						
Relating to net income for the year after taxation	(12,374)	(29,641)	(42,015)	-	-	
Total payment on redemption of units	(6,034,046)	(29,641)	(6,063,687)	-	-	(2,151,581)
Total comprehensive income for the year	-	218,637	218,637	-	-	104,973
Refund of capital	(277,114)	-	(277,114)	-	-	-
Distribution during the year	-	(319,181)	(319,181)	-	-	-
Total comprehensive income for the year less distribution	(277,114)	(100,544)	(377,658)	-	-	104,973
Net assets at the end of the year	12,426,782	182,337	12,609,118	-	-	9,299,864
Undistributed income brought forward						
- Realised		312,522			28,963	
- Unrealised		-			-	
		312,522			28,963	
Accounting income available for distribution						
- Relating to capital gains		-			139	
- Excluding capital gains		188,996			92,511	
		188,996			92,649	
Distribution during the year		-			-	
Undistributed income carried forward		501,518			121,612	
Undistributed income carried forward						
- Realised		501,518			121,612	
- Unrealised		-			-	
		501,518			121,612	
				(Rupees)		
Net assets value per unit at beginning of the year		100.4888			100.5696	
Net assets value per unit at end of the year		106.0021			100.4888	

The annexed notes 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	Three Month ended September 30, 2018 2017 (Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	218,637	104,973
Adjustments		
Capital loss/(gain) on sale of investments-net	348	(157)
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		
Operating cash inflow before working capital changes	-	-
	218,985	104,816
(Increase) / Decrease in assets		
Investments - net	475,416	(251,762)
Profit Receivable	(17,999)	(34,512)
Prepayments and advances	46	48
	457,463	(286,226)
(Decrease) in liabilities		
Payable to the Management Company	468	1,691
Payable to Trustee	(63)	(249)
Payable to Securities and Exchange Commission of Pakistan	(5,473)	(1,795)
Accrued expenses and other liabilities	(7,733)	(34,517)
Payable against redemption of units	-	(1,173,862)
	(12,801)	(1,208,732)
Net cash generated from / (used in) operating activities	663,647	(1,390,142)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	7,010,730	5,392,342
Payments on redemption of units	(6,034,046)	(2,151,581)
Dividend paid	(596,295)	-
Net payments from issuance and redemptions of units	380,389	3,240,761
Net cash generated from financing activities	380,389	3,240,761
Net increase in cash and cash equivalents	1,044,036	1,850,619
Cash and cash equivalents at the beginning of the period	10,899,252	6,537,316
Cash and cash equivalents at the end of the period	11,943,287	8,387,935

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Cash Fund (the Fund) was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/NBFC-II/DD/PCF/844/2010 dated November 11, 2010 and the Trust Deed was executed on October 22, 2010.

Through an order dated August 31, 2016, SECP approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. Effective from September 1, 2016 HBL Asset Management Limited became Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

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

The Fund is an open-ended money market scheme and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The Fund has been categorised as a money market scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

The core 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.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2+' to the Management Company and a stability rating of AA(f) to the Fund.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS - 34) and provision of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS the requirements of NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018."

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

		September 30, 2018 Un-Audited	June 30, 2018 (Audited)
	Note	(Rupees in '000)	
5 BANK BALANCES			
In savings accounts	5.1	5,913,646	9,799,252
Call deposit receipts	5.2	<u>6,000,000</u>	<u>1,100,000</u>
		<u>11,913,646</u>	<u>10,899,252</u>

5.1 These accounts carry mark-up at rates ranging between 4% and 8.45% (2018: 3.75% and 7.50%) per annum

5.2 This carry return of 8.3% (June 30,2018: 7.4%) per annum.

		September 30, 2018 Un-Audited	June 30, 2018 (Audited)
	Note	(Rupees in '000)	
6 INVESTMENTS			
Financial assets at fair value through profit or loss - held-for-trading			
Market treasury bills	6.1	-	-
Loans and receivables	6.2	<u>674,236</u>	<u>1,150,000</u>
		<u>674,236</u>	<u>1,150,000</u>

**6.1 Financial assets at fair value through profit or loss - held - for - trading:
- Market treasury bills**

Issue date	Tenor	As at July 1, 2018	Purchases during the period	Sales / matured during the period	As at September 30, 2018	Balance as at September 30, 2018			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
------(Rupees in '000)-----										
April 26, 2018	3 months	-	72,900,000	72,900,000	-	-	-	-	-	-
May 10, 2018	3 months	-	8,500,000	8,500,000	-	-	-	-	-	-
June 21, 2018	3 months	-	7,000,000	7,000,000	-	-	-	-	-	-
July 19, 2018	3 months	-	243,950,000	243,950,000	-	-	-	-	-	-
August 2, 2018	3 months	-	42,000,000	42,000,000	-	-	-	-	-	-
Total - As at September 30, 2018		-	374,350,000	374,350,000	-	-	-	-		
Total - June 30, 2018					-	-	-	-		

	Note	Un-audited September 30, 2018 (Rupees in '000)	(Audited) June 30, 2018
6.2 Loans and receivables			
Commercial Paper	6.2.1	674,236	-
Placement	6.2.2	-	1,150,000
		674,236	1,150,000

6.2.1 These carry return of 8.95% (June 2018: NIL) per annum.

6.2.2 These carry return of NIL (June 2018: 6.7%) per annum.

	Note	Un-audited September 30, 2018 (Un-Audited) (Rupees in '000)	(Audited) June 30, 2018 (Audited)
--	------	-------------------------------------------------------------------------	--------------------------------------------

7 PAYABLE TO MANAGEMENT COMPANY

Management fee	7.1	6,418	5,922
Sindh sales tax payable	7.2	834	770
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	1,046	1,138
		8,298	7,830

7.1 As per the offering document of the fund, the Management Company shall charge a fee at the rate of 0.50 % of the average annual net assets of the Scheme calculated on a daily basis subject to the guidelines as may be issued by the SECP from time to time. Effective from June 29, 2017 the rate of fee is revised through amendment in the Offering Documents of the Scheme as 7.50% of the gross earnings of the scheme, calculated on a daily basis subject to a cap of 1.00% and a floor of 0.50% of the average daily net assets. The fee is payable monthly in arrears.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2018: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

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

	Note	September 30, 2018 (Un-Audited) (Rupees in '000)	June 30, 2018 (Audited)
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	8.2	17,631	13,167
Provision for Federal Excise Duty and additional sales tax on management fee	8.1	7,528	7,528
Withholding tax payable		3,208	14,978
Sales load - payable to related parties		116	313
Auditors' remuneration		112	313
Printing charges		107	110
Brokerage payable		58	115
Zakat Payable		46	15
		28,806	36,539

8.1 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund as a matter of abundant caution, recognized provision for SWWF amounting to 17.63 million as at September 30, 2018 in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2018 would have been higher by Rs. 0.14 per unit (June 30, 2018: 0.12 per unit).

8.2 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2018 would have been higher by Rs. 0.06 per unit (June 30, 2018: 0.07 per unit).

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2018 and June 30, 2018.

10 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders in cash. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to

distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders. Furthermore, as per regulation no. 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of net accounting income other than capital gains/loss to unit holders. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

11 EARNING PER UNIT (EPU)

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

	Three Month ended September 30,	
	2018	2017
	(Rupees in '000)	
11.1 Transaction during the period		
Management Company		
Remuneration of the Management Company	19,121	9,799
Sindh Sales Tax on remuneration of the Management Company	2,486	1,274
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,264	1,966
Issue of 389,957 units (2017: Nil units)	39,319	-
Redemption of 1,229,005 units (2017: 148,185 units)	125,175	15,000
Dividend paid	4,405	-
Refund of capital	3,833	-
Central Depository Company Of Pakistan Limited - Trustee		
Remuneration for the period	2,854	1,880
CDS connection charges	2	2
Habib Bank Limited - Sponsor		
Profit on bank deposits	14,824	7,311
Jubilee Life Insurance Company Limited		
Sales of T bills	5,000,000	-

	Three Month ended September 30,	
	2018	2017
	(Rupees in '000)	
Directors and Executives of the Management Company		
Issue of 72,442 units (2017: 38,977 units)	7,341	22,917
Redemption of 22,760 units (2017: 23,399 units)	2,315	2,362
Dividend paid	2,569	-
Refund of Capital	1,541	-
Financial Planning Fund - Active Allocation Plan - Associated Company		
Issue of 64,140 units (2017: NIL units)	6,462	-
Redemption of 757,460 units (2017: NIL units) units	76,742	-
Dividend paid	6,462	-
Refund of Capital	6,417	-
Financial Planning Fund - Conservative Allocation Plan - Associated Company		
Issue of 52,107 units (2017: NIL units)	5,250	-
Redemption of 61,194 units (2017: NIL units) units	6,224	-
Dividend paid	5,250	-
Refund of Capital	5,213	-
Financial Planning Fund - Strategic Allocation Plan - Associated Company		
Issue of 19,803 units (2017: NIL units)	1,995	-
Redemption of 244,023 units (2017: NIL units) units	24,910	-
Dividend paid	1,995	-
Refund of Capital	1,981	-
Connected Person due to holding of more than 10% units		
Fauji Fertilizer Company Limited		
Issue of 17,451,573 units (2017: Nil units)	1,775,000	-
Maple Leaf Capital Limited		
Issue of 2,530,056 units (2017: 1,987,188 units)	255,219	200,000
Redemption of 1,953,789 units (2017: 1,474,408 units) units	200,000	150,000
Dividend paid	59,976	-
Refund of Capital	28,269	-
Pakistan Telecommunication Company Limited		
Issue of 6,739,388 units (2017: 1,987,188 units)	681,288	200,000
Redemption of 34,239 units (2017: 1,474,408 units) units	3,500	150,000
Dividend paid	56,203	-
Refund of Capital	50,103	-

		September 30, 2018 (Un-Audited)	June 30, 2018 Audited
		(Rupees in '000')	
11.2	Balances outstanding at the period / year end		
	Management Company		
	Outstanding NIL (June 2018 : 839,048)	-	88,941
	Remuneration of the Management Company	6,418	5,922
	Sindh Sales Tax on remuneration of the Management Company	834	770
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1046	1,138
	Sales load payable	116	313
	Central Depository Company Of Pakistan Limited - Trustee		
	Trustee fee payable	918	981
	Security deposit held	100	100
	Habib Bank Limited - Sponsor		
	Bank balances	4,834,256	135,521
	Profit Receivable	14,113	455
	Directors and Executive of the Management Company		
	538,944 units held (June 2018: 502,978 units)	55,224	53,317
	Financial Planning Fund - Active Allocation Plan - Associated Company		
	537,582 units held (June 2018: 1,203,903 units)	55,084	130,478
	Financial Planning Fund - Conservative Allocation Plan - Associated Company		
	990,904 units held (June 2018: 999,990 units)	101,535	106,001
	Financial Planning Fund - Strategic Allocation Plan - Associated Company		
	155,824 units held (June 2018: 380,044 units)	15,967	40,285
	Connected person due to holding of more than 10% units		
	Fauji Fertilizer Company Limited		
	17,541,573 units held (June 2018: NIL units)	1,797,434	-
	Maple Leaf Capital Limited		
	12,000,198 units held (June 2017: 11,423,931 units)	1,229,625	1,210,961
	Pakistan Telecommunication Company Limited		
	17,410,456 units held (June 2017: 14,343,137 units)	1,783,999	1,520,403

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and measurement date

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		September 30, 2018						
		Carrying amount			Fair value			
	Fair value through profit or loss-held-for-trading.	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets not measured at fair value								
	13.1							
Bank balances	5	-	11,913,646	-	11,913,646	-	-	-
Accrued markup		-	61,553	-	61,553	-	-	-
Loans and receivables			-	674,236	674,236	-	-	-
		-	11,975,199	674,236	12,649,435	-	-	-

		September 30, 2018							
		Carrying amount				Fair value			
		Fair value through profit or loss-held-for-trading.	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)							
Financial liabilities not measured at fair value	13.1								
Payable to Management Company	7	-	-	8,298	8,298	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	918	918	-	-	-	-
Accrued expenses and other liabilities		-	-	439	439	-	-	-	-
Unit holders fund		-	-	12,609,118	12,609,118	-	-	-	-
		-	-	12,618,773	12,618,773	-	-	-	-

		June 30, 2018							
		Carrying amount				Fair value			
		Fair value through profit or loss-held-for-trading.	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets not measured at fair value	13.1								
Bank balances	5	-	10,899,252	-	10,899,252	-	-	-	-
Accrued markup		-	43,554	-	43,554	-	-	-	-
Loan and receivable		-	-	1,150,000	1,150,000	-	-	-	-
		-	10,942,806	1,150,000	12,092,806	-	-	-	-
Financial liabilities not measured at fair value	13.1								
Payable to Management Company	7	-	-	7,830	7,830	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	981	981	-	-	-	-
Accrued expenses and other liabilities		-	-	866	866	-	-	-	-
Unit Holders fund		-	-	12,039,734	12,039,734	-	-	-	-
		-	-	12,049,411	12,049,411	-	-	-	-

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

14 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the three month ended September 30, 2018 is 0.27% (YTD) which includes 0.07% representing government levy and SECP fee.

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management company on October 17, 2018.

16 GENERAL

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

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Stock Fund

FUND INFORMATION

Name of Fund	HBL Stock Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited

HBL Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

		September 30, 2018 (Un-Audited)	June 30, 2018 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	721,371	577,518
Investments	5	5,431,595	5,442,731
Dividend receivable and accrued mark-up		60,575	15,470
Receivable against sale of investments		11,771	43,063
Advance, deposits and other receivables		3,047	3,029
Total assets		6,228,360	6,081,811
Liabilities			
Payable to Management Company	6	17,784	23,982
Payable to Trustee		653	658
Payable to Securities and Exchange Commission of Pakistan		1,441	5,547
Payable against purchase of investments		36,680	17,010
Accrued expenses and other liabilities	7	80,547	76,244
Total liabilities		137,105	123,441
Net assets		6,091,255	5,958,370
Unit holders' fund (as per statement attached)		6,091,255	5,958,370
Contingencies and commitments	8		
		(Number of units)	
Number of units in issue		57,592,994	55,653,438
		(Rupees)	
Net assets value per unit		105.7638	107.0620

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

Condensed Interim Income Statement And Comprehensive Income (Un-Audited)

For the three months ended September 30, 2018

		Three months ended	
		2018	2017
		------(Rupees in '000)-----	
Income			
Dividend income		64,342	45,918
Mark-up on deposits with banks		15,417	11,072
Unrealized (dumination) on re-measurements of investments		(121,314)	(792,387)
Capital (loss) / gain on sale of investments - net		11,103	(16,054)
		(30,451)	(751,452)
Expenses			
Remuneration of Management Company		34,221	33,064
Remuneration of Trustee		2,143	1,997
Annual fee to Securities and Exchange Commission of Pakistan		1,441	1,392
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	1,514	1,463
Selling & Marketing Expense	6.4	6,056	(6,559)
Settlement, Bank Charges & Other Expenses		227	160
Auditors' remuneration		223	94
Printing Charges		-	44
Securities Transaction Cost		4,236	869
Legal Fee		-	24
		50,060	32,548
Net (loss) / income from operating activities		(80,511)	(783,999)
Provision for Workers' Welfare Fund	7.2	-	-
Net (loss) / income for the period before taxation		(80,511)	(783,999)
Taxation	10	-	-
Net (loss) / income for the period after taxation		(80,511)	(783,999)
Earning per unit	11		
Allocation of net income for the period:			
Income already paid on redemption of units		-	-
Accounting (loss) / income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(80,511)	(783,999)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

	For the year ended						
	2018			September 30,			
	(Rupees in '000)			2017			
Capital value	Undistributed income	Unrealized Gain/ (Loss)	Total	Capital value	Undistributed income	Total	
Net assets at the beginning of the period	6,270,547	(378,651)	66,474	5,958,370	-	-	6,354,672
Issuance of 3,915,491 units (2017: 3,820,493 units)							
- Capital value (at net asset value per unit at the beginning of the period)	419,200	-		419,200	-	-	
- Element of Income	636	-		636	-	-	
Total proceeds on issuance of units	419,837	-		419,837	-	-	559,979
Redemption of 1,975,936 units (2017: 4,763,246 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(211,548)	-		(211,548)	-	-	
- Amount relating to element of loss							
Relating to net income for the year after taxation	5,106	-		5,106	-	-	
Total payment on redemption of units	(206,441)	-		(206,441)	-	-	(657,937)
Total comprehensive income for the year less distribution	-	(80,511)	-	(80,511)	-	(783,999)	(783,999)
Net assets at the end of the period	6,483,942	(459,162)	66,474	6,091,255	-	(783,999)	5,472,714
Undistributed income brought forward							
- Realised		(378,651)				(96,624)	
- Unrealised		-				-	
		(378,651)				(96,624)	
Accounting (loss) / income available for distribution		(80,511)				(783,999)	
Distribution during the period		-				-	
Undistributed income carried forward		(459,162)				(880,623)	
Undistributed income carried forward							
- Realised		(337,848)				(88,236)	
- Unrealised		(121,314)				(792,387)	
		(459,162)				(880,623)	
					(Rupees)		
Net assets value per unit at beginning of the period				107.0620			121.4498
Net assets value per unit at end of the period				105.7638			106.5130

The annexed notes 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	Three Months ended September 30,	
	2018	2017
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	(80,511)	(783,999)
Adjustments		
Unrealized diminution on re-measurements of investments	121,314	42,624
	40,803	(741,376)
(Increase) / decrease in assets		
Investments - net	(110,178)	979,056
Dividend receivable and accrued mark-up	(45,105)	(32,669)
Receivable against sale of investments	31,292	-
Advances, deposits, prepayments and other receivables	(18)	187,646
	(124,009)	1,134,033
Increase / (decrease) in liabilities		
Payable to Management Company	(6,198)	(8,244)
Payable to Trustee	(5)	(814)
Payable to Securities and Exchange Commission of Pakistan	(4,106)	(5,331)
Payable against purchase of investments	19,670	-
Payable Against Redemption of Units	-	(4,011)
Dividend Payable	-	(121,471)
Accrued expenses and other liabilities	4,303	(15,794)
	13,664	(155,665)
Net cash generated from operating activities	(69,542)	236,992
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	419,837	559,979
Payment against redemption of units	(206,441)	(657,937)
Net cash generated from / (used in) financing activities	213,395	(97,958)
Net increase in cash and cash equivalents	143,853	139,034
Cash and cash equivalents at beginning of the period	577,518	650,713
Cash and cash equivalents at end of the period	721,371	789,747

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Stock Fund (the Fund) was established under a Trust Deed, dated August 09, 2007, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on August 21, 2007.

HBL Asset Management Limited is the Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Lahore Stock Exchange. The units of the Fund were initially offered for public subscription at par August 29, 2007 to August 31, 2017

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2+' (Stable) to the Management Company.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

2.1.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2018.

2.1.4 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

3.3 "The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018."

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

4	BANK BALANCE	<i>Note</i>	September 30, 2018	June 30, 2018
			(Rupees in '000)	
	Savings accounts		718,921	575,068
	Current accounts		2,450	2,450
			<u>721,371</u>	<u>577,518</u>

5	INVESTMENTS	<i>Note</i>	September 30, 2018	June 30, 2018
			(Rupees in '000)	
	Held For Trading			
	- Listed equity securities	5.1	5,431,595	4,555,728
			<u>5,431,595</u>	<u>5,442,731</u>

5.1 Listed Equity Securities

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

Name of the Investee Company	Number of shares				Market value as at September 30, 2018	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period		Total Investments	Net Assets		
(Rupees in '000)									
TEXTILE COMPOSITE									
Nishat Mills Ltd	1,058,600	63,500	-	283,000	839,100	117,969	2.17%	1.94%	0.24%
Kohinoor Textile Mills Ltd	-	607,000	-	-	607,000	32,924	0.61%	0.54%	0.57%
Nishat (Chunian) Ltd	-	556,000	-	-	556,000	28,445	0.52%	0.47%	0.23%
	1,058,600	1,226,500	-	283,000	2,002,100	179,338	3.30%	2.94%	
CEMENT									
Lucky Cement Ltd	361,050	30,000	-	35,000	356,050	182,632	3.36%	3.00%	0.11%
D G Khan Cement Co.Ltd.	-	595,000	-	-	595,000	60,934	1.12%	1.00%	0.14%
Kohat Cement Ltd	222,300	128,200	-	112,800	237,700	29,746	0.55%	0.49%	0.18%
Maple Leaf Cement Factory Ltd	-	1,260,000	-	-	1,260,000	59,346	1.09%	0.97%	0.24%
Pioneer Cement Limited	488,500	150,000	-	52,000	586,500	25,489	0.47%	0.42%	0.26%
	1,071,850	2,163,200	-	199,800	3,035,250	358,147	6.59%	5.88%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	3,093,400	675,000	-	618,000	3,150,400	275,565	5.07%	4.52%	0.27%
K-Electric Limited	5,724,500	7,987,500	-	2,268,500	11,443,500	61,223	1.13%	1.01%	0.04%
Nishat Chunian Power Ltd	-	638,000	-	-	638,000	15,733	0.29%	0.26%	0.17%
	8,817,900	9,300,500	-	2,886,500	15,231,900	352,521	6.49%	5.79%	
ENGINEERING									
Amreli Steels Limited	847,200	88,500	-	565,000	370,700	24,077	0.44%	0.40%	0.12%
International Industries Ltd	251,300	189,100	-	23,000	417,400	89,824	1.65%	1.47%	0.35%
International Steels Limited	587,000	226,800	-	140,000	673,800	61,296	1.13%	1.01%	0.15%
Mughal Iron & Steel Inds Ltd	983,165	383,000	-	739,500	626,665	30,663	0.56%	0.50%	0.25%
	2,668,665	887,400	-	1,467,500	2,088,565	205,860	0.04	0.03	
AUTOMOBILE ASSEMBLER									
Indus Motor Company Limited	55,160	2,840	-	58,000	-	-	0.00%	0.00%	-
Millat Tractors Ltd	101,670	3,000	-	95,666	9,004	9,131	0.17%	0.15%	0.02%
Honda Atlas Cars (Pakistan) Ltd	104,950	-	-	104,950	-	-	0.00%	0.00%	-
	261,780	5,840	-	258,616	9,004	9,131	0.17%	0.15%	
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	1,619,800	1,136,500	-	854,000	1,902,300	58,477	1.08%	0.96%	0.38%
	1,619,800	1,136,500	-	854,000	1,902,300	58,477	1.08%	0.96%	
PHARMACEUTICALS									
The Searle Company Ltd	167,984	25,000	-	185,000	7,984	2,522	0.05%	0.04%	-
	167,984	25,000	-	185,000	7,984	2,522	0.05%	0.04%	
Glass & Ceramics									
Shabbir Tiles & Ceramics Ltd	481,500	335,500	-	817,000	-	-	0.00%	0.00%	-
	481,500	335,500	-	817,000	-	-	0.00%	0.00%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	198,960	5,000	-	6,180	197,780	308,207	5.67%	5.06%	0.18%
Oil & Gas Development Co Ltd	1,919,400	570,100	-	109,000	2,380,500	364,193	6.71%	5.98%	0.06%
Pakistan Oilfields Ltd	448,800	21,000	75,960	90,000	455,760	250,294	4.61%	4.11%	0.19%
Pakistan Petroleum Ltd	1,658,600	134,900	-	66,200	1,727,300	368,606	6.79%	6.05%	0.09%
	4,225,760	731,000	75,960	271,380	4,761,340	1,291,299	23.77%	21.20%	
OIL & GAS MARKETING COMPANIES									
Hascol Petroleum Ltd	246,200	25,000	-	50,000	221,200	60,253	1.11%	0.99%	0.18%
Pakistan State Oil Company Ltd	661,140	293,800	-	185,800	769,140	245,233	4.51%	4.03%	0.24%
Sui Northern Gas Pipeline Ltd	1,210,900	160,000	-	100,000	1,270,900	113,263	2.09%	1.86%	0.20%
	2,118,240	478,800	-	335,800	2,261,240	418,748	7.71%	6.87%	

Name of the Investee Company	Number of shares				Market value as at September 30, 2018 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period		Total Investments	Net Assets		
COMMERCIAL BANKS									
MCB Bank Ltd	1,574,300	327,000	-	231,100	1,670,200	336,061	6.19%	5.52%	0.15%
United Bank Limited	1,761,500	680,600	-	451,800	1,990,300	306,506	5.64%	5.03%	0.16%
Bank Al-Falah Ltd	4,994,500	480,000	372,100	1,573,500	4,273,100	212,117	3.91%	3.48%	0.27%
Bank Al-Habib Limited	1,885,500	1,401,000	-	193,500	3,093,000	249,574	4.59%	4.10%	0.28%
Bank of Punjab Ltd	9,666,500	3,300,000	-	2,438,000	10,528,500	124,552	2.29%	2.04%	1.99%
Faysal Bank Limited	2,298,350	303,500	-	344,000	2,257,850	60,623	1.12%	1.00%	0.24%
Habib Bank Ltd*	1,811,619	784,000	-	508,000	2,087,619	316,003	5.82%	5.19%	0.14%
Habib Metropolitan Bank Ltd	-	651,000	-	21,000	630,000	29,295	0.54%	0.48%	0.06%
Meezan Bank Ltd	437,000	294,500	66,400	68,500	729,400	65,048	1.20%	1.07%	0.07%
National Bank of Pakistan Ltd	-	476,500	-	-	476,500	24,749	0.46%	0.41%	0.02%
	24,429,269	8,698,100	438,500	5,829,400	27,736,469	1,724,529	31.75%	28.31%	
FERTILIZER									
Engro Corporation Ltd	972,100	38,000	-	231,500	778,600	242,635	4.47%	3.98%	0.15%
Engro Fertilizers Limited	3,439,000	491,000	-	1,109,000	2,821,000	212,957	3.92%	3.50%	0.21%
Fauji Fertilizer Bin Qasim Ltd	-	808,000	-	-	808,000	30,066	0.55%	0.49%	0.09%
Fauji Fertilizer Co Ltd	1,210,000	-	-	290,000	920,000	89,829	1.65%	1.47%	0.07%
	5,621,100	1,337,000	-	1,630,500	5,327,600	575,487	10.60%	9.45%	
CHEMICAL									
Engro Polymer & Chemicals Ltd	2,056,500	1,274,579	-	300,000	3,031,079	88,023	1.62%	1.45%	0.24%
Engro Polymer & Chemicals Ltd - LOR	640,579	-	-	640,579	-	-	0.00%	0.00%	-
	2,697,079	1,274,579	-	940,579	3,031,079	88,023	1.62%	1.45%	
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	278,650	38,550	-	-	317,200	138,620	2.55%	2.28%	0.39%
	278,650	38,550	-	-	317,200	138,620	2.55%	2.28%	
TECHNOLOGY & COMMUNICATION									
Systems Limited	629,000	-	-	389,000	240,000	28,894	0.53%	0.47%	0.22%
	629,000	-	-	389,000	240,000	28,894	0.53%	0.47%	
	56,147,177	27,638,469	514,460	16,348,075	67,952,031	5,431,595	100.00%	89.17%	
Cost of investments at September 30, 2018						4,382,396			

*Sponsor of the Management Company

5.2 Investments include shares having market value aggregating to Rs. 317.9921 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2.1 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 4.37 million at Sep 30, 2018 (June 30, 2018: Rs. 4.7 million) and not yet deposited on CDC account of department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

6	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	<i>Note</i>	September 30, 2018	June 30, 2018
			(Rupees in '000)	
	Management fee	6.1	9,920	10,009
	Sindh Sales Tax	6.2	1,290	1,301
	Sales load payable		21	77
	Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	496	501
	Selling & Marketing payable	6.4	6,057	12,094
			17,784	23,982

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (September 30, 2018: two percent per annum) of the average net assets of the Fund for the current period.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 ALLOCATION OF EXPENSES RELATED TO REGISTRAR SERVICES, ACCOUNTING, OPERATION AND VALUATION SERVICES

During the year, the Securities and Exchange Commission of Pakistan notified amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2007 dated November 25, 2015, where the asset management companies are allowed to charge fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less. In this regard, the Management Company has started charging these expenses effective from November 25, 2015.

6.4 ALLOCATION OF EXPENSES RELATED TO SELLING AND MARKETING

The Securities and Exchange Commission of Pakistan (SECP) vide its circular No. SCD/PRDD/Circular/361/2016 dated December 30, 2016 has allowed Asset Management Companies (AMCs) to charge selling and marketing expenses to open end equity, asset allocation and index funds subject to a maximum cap of 0.4% per annum of net assets of fund or actual expenses whichever is lower. Management Company of the Fund started accruing these charges effective from March 1, 2017

7	ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	September 30, 2018	June 30, 2018
			(Rupees in '000)	
	Auditors' remuneration		223	543
	Federal Excise Duty	7.1	37,838	37,838
	Provision for Sindh Workers' Welfare Fund	7.2	34,381	34,381
	Payable to brokers		6,473	1,763
	Withholding tax payable		832	849
	Other payables		800	870
			80,547	76,244

7.1 PROVISION FOR FEDERAL EXCISE DUTY AND ADDITIONAL SALES TAX ARISING AS A RESULT OF IMPOSITION THEREOF

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 37.838 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2018 would have been higher by Re. 0.66 (June 30, 2018: Re. 0.68) per unit.

7.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018. In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 34.381 million (June 30, 2018 Rs. 34.381 million) in this condensed interim financial information. Had the provision not been made, net asset value per unit at September 30, 2018 would have been higher by Re. 0.60 (June 30, 2018 Rs. 0.62) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2018.

9 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.83% (0.09% representing Government Levies, and SECP Fee).

10 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

11 EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

12.1	Transactions during the period	Three months ended	
		September 30, 2018	2017
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management Fee	34,221	33,064
	accounting, operation and valuation services		
	Selling & Marketing Expense	6,056	(6,559)
	Habib Bank Limited - Sponsor		
	Bank charges paid	6	5
	Profit on bank deposits earned	686	15,417
	Profit on bank deposits received	561	9,504
	Dividend income earned	1,982	-
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	2,143	1,997
	Directors, Executives and their relatives		
	Issuance of 348 units (2017: 29,887 Units)	37	3,211
	Redemption of 8,890 units (2017:1704 Units)	940	181
	MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate		
	Issue of 161,838 units (2017: Nil units)	17,119	-
	Redemption of 704,388 units (2017: Nil units)	74,507	-
	MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
	Issue of 15,232 units (2017: Nil units)	1,611	-
	Redemption of 18,647 units (2017: Nil units)	1,972	-
	MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - Associate		
	Issue of 218,957 units (2017: Nil units)	23,160	-
12.2	Balances outstanding as at period end	September 30, 2018	June 30, 2018
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	9,920	10,009
	Sindh Sales Tax	1,290	1,301
	Sales load payable	21	77
	Selling & Marketing Expense	6,057	12,094
	Allocation of expenses related to registrar services, accounting, operation and valuation services	496	501
	Habib Bank Limited - Sponsor		
	Investment held in the fund: 37,754,700 units (June 30, 2018:37,754,700 units)	3,993,534	4,042,095
	Mark-up accrued on deposits with bank	224	107

	September 30, 2018	June 30, 2018
	(Rupees in '000)	
Directors and Executives of the Management Company and their relatives		
Investment held in the Fund: 72,605 units (June 30, 2018: 84,184 units)	<u>7,675</u>	<u>9,013</u>
HBL Employees Provident Fund - Associated Entity		
Investment held in the Fund: 7,125,389 units (June 30, 2018: 7,125,389 units)	<u>753,694</u>	<u>762,859</u>
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate		
Investment held in the Fund : 1,308,192 units (June 30, 2018: 1,850,743 units)	<u>138,375</u>	<u>198,144</u>
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Investment held in the Fund : 244,780 units (June 30, 2018: 248,195 units)	<u>25,892</u>	<u>26,572</u>
MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - Associate		
Investment held in the Fund : 1,182,284 units (June 30, 2018: 963,327 units)	<u>125,057</u>	<u>103,136</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	<u>578</u>	<u>582</u>
Sindh Sales Tax	<u>75</u>	<u>76</u>
Security deposit	<u>100</u>	<u>100</u>

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	September 30, 2018							
	Carrying amount				Fair Value			
	Available- for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	5,431,595	-	-	5,431,595	5,431,595	-	-	5,431,595
	<u>5,431,595</u>	<u>-</u>	<u>-</u>	<u>5,431,595</u>	<u>5,431,595</u>	<u>-</u>	<u>-</u>	<u>5,431,595</u>
Financial assets not measured at fair value								
Bank balances	-	721,371	-	721,371				-
Investments								
- Un-Listed equity securities	-	-	-	-				-
Dividend receivable and accrued mark-up	-	60,575	-	60,575				-
Advances, deposits and other receivables	-	3,047	-	3,047				-
	<u>-</u>	<u>784,994</u>	<u>-</u>	<u>784,994</u>				<u>-</u>
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	17,784	17,784				-
Payable to Trustee	-	-	653	653				-
Accrued expenses and other liabilities	-	-	8,329	8,329				-
	<u>-</u>	<u>-</u>	<u>26,766</u>	<u>26,766</u>				<u>-</u>
	----- (Rupees in '000) -----							
	June 30, 2018							
	Carrying amount				Fair Value			
	Available- for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	887,003	-	-	887,003	887,003	-	-	887,003
	<u>887,003</u>	<u>-</u>	<u>-</u>	<u>887,003</u>	<u>887,003</u>	<u>-</u>	<u>-</u>	<u>887,003</u>
Financial assets not measured at fair value								
Bank balances	-	577,518	-	577,518				-
Investments								
- Un-Listed equity securities	-	-	-	-				-
Dividend receivable and accrued mark-up	-	15,470	-	15,470				-
Advances, deposits, prepayments and other receivables	-	3,029	-	3,029				-
	<u>-</u>	<u>596,017</u>	<u>-</u>	<u>596,017</u>				<u>-</u>
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	23,982	23,982				-
Payable to Trustee	-	-	658	658				-
Accrued expenses and other liabilities	-	-	4,025	4,025				-
	<u>-</u>	<u>-</u>	<u>28,665</u>	<u>28,665</u>				<u>-</u>

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

14 DISCLOSURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - CATEGORISATION OF OPEN END SCHEME

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment criteria. As at September 30, 2018, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
(Rupees in '000)						
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

15 CORRESPONDING FIGURES

The corresponding figures has been adjusted as detailed below due to initial application of IFRS - 9.

	June 30, 2018 (Rupees in '000)
<u>Statement of Assets and liabilities:</u>	
Investment classified as available for sale now classified as Financials Assets at fair value through profit in loss	887,003
<u>Condensed Interim Income Statement & Other Comprehensive Income</u>	September 30, 2017 (Rupees in '000)
"Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale" in the Condensed Interim Statement of Other Comprehensive Income is now classified as "Net unrealized / (diminution) on e-measurements of investments at fair value through profit" in the Condensed Interim Income Statement	(749,763)

16 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 17, 2018

17 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Equity Fund

FUND INFORMATION

Name of Fund	HBL Equity Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited Soneri Bank Limited HBL Bank Limited

HBL Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

	Note	Unaudited September 30, 2018	Audited June 30, 2018
(Rupees in '000')			
ASSETS			
Balances with banks	4	37,818	43,148
Investments	5	282,885	258,299
Dividend and profit receivable		3,569	674
Deposits and prepayments and Other receivable		2,836	2,805
Total assets		327,108	304,926
LIABILITIES			
Payable to the Management Company	6	919	1,244
Payable to the Trustee		65	69
Payable to Securities and Exchange Commission of Pakistan		73	314
Accrued expenses and other liabilities	7	8,877	9,131
Payable against purchase of Investment		2,518	-
Total liabilities		12,452	10,758
NET ASSETS		314,656	294,168
Unit Holders' Funds (As per statement attached)		314,656	294,168
CONTINGENCIES & COMMITMENTS			
	8	Number of units	
Number of units in issue		2,878,242	2,663,116
		(Rupees)	
Net asset value per unit		109.3227	110.4602

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)

For the three months ended September 30, 2018

	Note	Three months ended September 30,	
		2018	2017
		(Rupees in '000')	
INCOME			
Capital Gain / (loss) on sale of investments - net		887	(16,342)
Dividend income		3,295	2,627
Profit on bank deposits		917	753
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(6,625)	(36,617)
Total income		(1,526)	(49,579)
EXPENSES			
Remuneration to Management Company		1,538	1,903
Sindh Sales Tax on remuneration of management company		200	247
Provision for Federal Excise Duty and additional sales tax on the Management Fee	7.2	-	-
Remuneration to Trustee		199	220
Annual fee - Securities and Exchange Commission of Pakistan		73	90
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.2	77	95
Selling and marketing expenses	6.3	308	(511)
Auditors' Remuneration		107	116
Securities transaction costs, settlement charges and bank charges		390	432
Fees and Subscription		47	13
Printing and postage expenses		-	84
Total expenses		2,939	2,689
Net loss from operating activities		(4,465)	(52,268)
Provision for Workers' Welfare Fund	7.1	-	-
Net loss for the period before taxation		(4,465)	(52,268)
Taxation	9	-	-
Net loss for the period after taxation		(4,465)	(52,268)
Allocation of net income for the period:			
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
Net loss for the period after taxation		(4,465)	(52,268)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(4,465)	(52,268)
Earnings per unit	10		

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

	Three months ended September 30,					
	2018			2017		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	253,738	40,430	294,168	-	-	468,825
Issuance of 1,055,926 units (2017: 401,620 units)						
- Capital value (at net asset value per unit at the beginning of the period)	59,932	-	59,932	-	-	
- Element of loss	777	-	777	-	-	
Total proceeds on issuance of units	60,709	-	60,709	-	-	5,077
Redemption of 2,154,122 units (2017: 1,257,912 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(36,169)	-	(36,169)	-	-	
- Amount relating to element of loss	413	-	413	-	-	
Relating to net loss for the period after taxation	-	-	-	-	-	
Total payment on redemption of units	(35,756)	-	(35,756)	-	-	(103,907)
Total comprehensive income for the period	-	(4,465)	(4,465)	-	-	(52,268)
Distribution during the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	(4,465)	(4,465)	-	-	(52,268)
Net assets at the end of the period	278,691	35,965	314,656	-	-	317,727
Undistributed income brought forward						
- Realised		56,123			84,641	
- Unrealised		(11,351)			8,057	
		44,772			92,698	
Accounting (loss) / income available for distribution		(4,465)			(52,268)	
Distribution during the year		-			-	
Undistributed income carried forward		40,307			40,430	
Undistributed income carried forward						
- Realised		46,932			77,047	
- Unrealised		(6,625)			(36,617)	
		40,307			40,430	
				(Rupees)		
Net assets value per unit at beginning of the period			<u>110.4602</u>			<u>124.6444</u>
Net assets value per unit at end of the period			<u>109.3227</u>			<u>109.3715</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	Three months ended September 30,	
	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period	(4,465)	(52,268)
Adjustments		
Net unrealised diminution / (appreciation) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	6,625	36,617
Capital (gain) / loss on sale of investments - net	(887)	16,342
Operating cash inflows before working capital changes	1,273	691
(Increase) / Decrease in assets		
Investments	(30,324)	184,765
Dividend and profit receivable	(2,895)	(1,484)
Deposits and prepayments	(31)	(93)
Receivable against sale of investments	-	(5,392)
	(33,250)	177,796
(Decrease) / Increase in liabilities		
Payable to the Management Company	(325)	(837)
Payable to the Trustee	(4)	(166)
Payable to Securities and Exchange Commission of Pakistan	(241)	(306)
Accrued expenses and other liabilities	(254)	(6,291)
Payable against redemption of units	-	(101,748)
Payable against purchase of investments	2,518	4,055
	1,694	(105,293)
Net cash used in operating activities	(30,283)	73,194
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of units	24,953	5,077
Cash paid on redemption of units	-	(103,907)
Net cash generated from / (used in) financing activities	24,953	(98,830)
Net decrease in cash and cash equivalents during the period	(5,330)	(25,636)
Cash and cash equivalents at the beginning of the period	43,148	63,886
Cash and cash equivalents at the end of the period	37,818	38,250

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Equity Fund ("the Fund") was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/NBFC-II/PSF/249/2011 dated June 1, 2011 and the trust deed was executed on June 14, 2011.

During the year, the Securities and Exchange Commission of Pakistan approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 through an order dated August 31, 2016. Effective from September 1, 2016 HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. Accordingly, the trust deed was revised on February 17, 2017. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

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

The Fund is an open-ended mutual Fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to the public for subscription at par value of Rs 100 per unit from September 24, 2011 to September 26, 2011. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferrable and redeemable by surrendering them to the Fund.

The Fund has been categorised as an equity scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CISs).

The investment objective of the Fund is to provide investors a diversified equity portfolio with a primary objective of maximizing risk-adjusted returns over longer investment horizon through a combination of capital gains and dividend income.

Title to the assets of the Fund is held in the name of CDC as trustee of the Fund.

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2018.

2.1.3 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

3.3 "The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018."

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

4 BANK BALANCES	Note	(Unaudited) September 30, 2018 (Rupees in '000')	(Audited) June 30, 2018
In current accounts		1,569	24
In saving accounts	4.1	36,249	43,124
		37,818	43,148

4.1 Mark-up rates on these accounts range between 8.04% per annum (June 30, 2018: 7.5% per annum).

5 INVESTMENTS

(Unaudited) (Audited)
September June 30,
30, 2018 2018
(Rupees in '000')

Note

Financial assets 'at fair value through profit or loss'

Listed equity securities	5.1	282,885	258,299
		<u>282,885</u>	<u>258,299</u>

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

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

Name of the Investee Company	-----Number of shares-----					Market value as at September 30, 2018 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
	As at July 1, 2018	Purchases during the year	Bonus / right issues	Sales during the year	As at September 30, 2018				
	-----Number of shares-----						-----Percentage-----		
AUTOMOBILE ASSEMBLER									
Honda Atlas Cars (Pakistan) Limited	4,500	-	-	4,500	-	-	-	-	-
Indus Motor Company Limited	2,140	700	-	2,840	-	-	-	-	-
Millat Tractors Limited	4,540	500	-	5,040	-	-	-	-	-
	11,180	1,200	-	12,380	-	-	-	-	-
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited (Par value of Rs 5 per share)	12,900	5,150	-	2,450	15,600	6,817	2.41	2.17	0.02
	12,900	5,150	-	2,450	15,600	6,817	2.41	2.17	
CABLE & ELECTRICAL GOODS									
Pak Elektron Limited	85,000	62,000	-	48,000	99,000	3,043	1.08	0.97	0.02
	85,000	62,000	-	48,000	99,000	3,043	1.08	0.97	
CEMENT									
D. G. Khan Cement Company Limited	-	35,300	-	5,000	30,300	3,103	1.10	0.99	0.01
Kohat Cement Limited	11,900	5,800	-	5,500	12,200	1,527	0.54	0.49	0.01
Lucky Cement Limited	17,650	12,250	-	11,500	18,400	9,438	3.34	3.00	0.01
Maple Leaf Cement Factory Limited	-	62,500	-	-	62,500	2,944	1.04	0.94	0.01
Pioneer Cement Limited	23,000	10,000	-	-	33,000	1,434	0.51	0.46	0.01
	52,550	125,850	-	22,000	156,400	18,446	6.53	5.88	
CHEMICAL									
Engro Polymer & Chemicals	95,000	58,596	-	-	153,596	4,460	1.58	1.42	0.01
Engro Polymer & Chemicals (LOR)	29,596	-	-	29,596	-	-	-	-	-
	124,596	58,596	-	29,596	153,596	4,460	1.58	1.42	
COMMERCIAL BANKS									
Bank Al-Falah Limited	244,500	27,500	19,550	69,000	222,550	11,047	3.91	3.51	0.01
Bank Al-Habib Limited	87,500	91,500	-	21,000	158,000	12,749	4.51	4.05	0.01
Bank of Punjab Limited	456,000	214,000	-	133,000	537,000	6,353	2.25	2.02	0.10
Faysal Bank Limited	110,800	6,500	-	10,000	107,300	2,881	1.02	0.92	0.01
Habib Bank Limited (6.1.1)*	88,100	39,800	-	18,500	109,400	16,560	5.85	5.26	0.01
Habib Metropolitan Bank Limited	-	35,000	-	-	35,000	1,628	0.58	0.52	-
MCB Bank Limited (6.1.1)**	74,800	26,500	-	15,000	86,300	17,364	6.14	5.52	0.01
Meezan Bank Limited	17,500	17,500	3,500	-	38,500	3,434	1.21	1.09	-
National Bank of Pakistan Limited	-	30,000	-	-	30,000	1,558	0.55	0.50	-
United Bank Limited	85,300	32,400	-	14,500	103,200	15,893	5.62	5.05	0.01
	1,164,500	520,700	23,050	281,000	1,427,250	89,467	31.64	28.44	
ENGINEERING									
Amreli Steels Limited	36,500	5,000	-	23,000	18,500	1,202	0.42	0.38	0.01
International Industries Limited	12,600	9,700	-	600	21,700	4,670	1.65	1.48	0.02
International Steels Limited	30,200	23,500	-	7,000	46,700	4,248	1.50	1.35	0.01
Mughal Iron & Steel Industries Limited	46,500	21,000	-	30,500	37,000	1,810	0.64	0.58	0.01
	125,800	59,200	-	61,100	123,900	11,930	4.21	3.79	
FERTILIZERS									
Engro Corporation Limited	47,000	7,500	-	14,000	40,500	12,621	4.46	4.01	0.01
Engro Fertilizers Limited	153,500	35,000	-	41,000	147,500	11,135	3.94	3.54	0.01
Fauji Fertilizer Bin Qasim Limited	-	40,000	-	-	40,000	1,488	0.53	0.47	-
Fauji Fertilizer Company Limited	61,500	6,000	-	21,000	46,500	4,540	1.60	1.44	-
	262,000	88,500	-	76,000	274,500	29,784	10.53	9.46	
GLASS & CERAMICS									
Shabbir Tiles & Ceramics Limited	-	35,000	-	35,000	-	-	-	-	-
	-	35,000	-	35,000	-	-	-	-	-

Name of the Investee Company	Number of shares					Market value as at September 30, 2018 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
	As at July 1, 2018	Purchases during the year	Bonus / right issues	Sales during the year	As at September 30, 2018				
-----Number of shares-----									
-----Percentage-----									
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	9,890	20	-	-	9,910	15,443	5.46	4.91	0.01
Oil & Gas Development Company Limited	93,400	37,500	-	6,000	124,900	19,108	6.75	6.07	-
Pakistan Oilfields Limited	22,200	5,000	3,940	4,500	26,640	14,630	5.17	4.65	0.01
Pakistan Petroleum Limited	81,450	14,500	-	6,000	89,950	19,195	6.79	6.10	-
	206,940	57,020	3,940	16,500	251,400	68,376	24.17	21.73	
OIL & GAS MARKETING COMPANIES									
Hascol Petroleum Limited	11,100	1,100	-	2,000	10,200	2,778	0.98	0.88	0.01
Pakistan State Oil Company Limited	31,980	22,000	-	13,500	40,480	12,907	4.56	4.10	0.01
Sui Northern Gas Pipeline Limited	58,200	10,500	-	3,500	65,200	5,811	2.05	1.85	0.01
	101,280	33,600	-	19,000	115,880	21,496	7.59	6.83	
PHARMACEUTICALS									
The Searle Company Limited	7,664	-	-	7,000	664	210	0.07	0.07	-
	7,664	-	-	7,000	664	210	0.07	0.07	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	114,500	57,000	-	13,000	158,500	13,864	4.90	4.41	0.01
K-Electric Limited (Par value of Rs 3.5 per share)	550,000	300,000	-	300,000	550,000	2,944	1.04	0.94	-
Nishat Chunian Power Limited	-	32,000	-	-	32,000	789	0.28	0.25	0.01
	664,500	389,000	-	313,000	740,500	17,597	6.22	5.60	
TECHNOLOGY & COMMUNICATION									
Systems Limited	28,000	-	-	16,500	11,500	1,385	0.49	0.44	0.01
	28,000	-	-	16,500	11,500	1,385	0.49	0.44	
TEXTILE COMPOSITE									
Kohinoor Textile Mills Limited	-	35,000	-	-	35,000	1,898	0.67	0.60	0.03
Nishat (Chunian) Limited	-	33,500	-	4,000	29,500	1,509	0.53	0.48	0.01
Nishat Mills Limited	49,200	3,800	-	7,000	46,000	6,467	2.29	2.06	0.01
	49,200	72,300	-	11,000	110,500	9,874	3.49	3.14	
As at September 30, 2018	2,907,010	1,508,116	26,990	961,426	3,480,690	282,885	100.00	89.94	
Carrying value as at September 30, 2018						<u>289,510</u>			

* Sponsor of the management company

** Related party due to holding more than 10% of units

5.1.1 The above investments include shares with market value aggregating to Rs 20.780 million (2017: Rs 27.724 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, which are as follows:

- Engro Corporation Limited (36,000 shares)
- MCB Bank Limited (40,000 shares)
- Habib Bank Limited (10,000 shares)

6 PAYABLE TO MANAGEMENT COMPANY	Note	(Unaudited)	(Audited)
		September 30, 2018	June 30, 2018
		Rupees in '000'	
Management fee		518	489
Sindh Sales Tax	6.1	67	64
Sales load payable		-	27
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.2	26	24
Selling and Marketing expenses	6.3	308	640
		<u>919</u>	<u>1,244</u>

- 6.1 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.
- 6.2 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated November 25, 2015, the Management Company of the Fund is entitled for reimbursement of fee and expenses incurred by the Management Company in relation to registrar service, accounting, operation and valuation services related to Fund maximum up to 0.1% of average annual net assets of the scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operation charges amounting to Rs 0.077 million (2017: Rs 0.095 million) to the Fund during the year.
- 6.3 SECP vide its circular No.SCD/PRDD/Circular/361/2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. According to said circular, the selling and marketing expenses have been allowed initially for a period of three years (from January 01, 2017 till December 31, 2019) being chargeable to open end equity, asset allocation and index funds. Maximum cap on the expenses has been set at 0.4% per annum of net assets of fund or actual expenses, whichever being lower.

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Unaudited)	(Audited)
			September 30, 2018	June 30, 2018
Rupees in '000'				
	Provision for Sindh Workers' Welfare Fund	7.1	2,768	2,768
	Provision for federal excise duty and additional sales tax on Management Fee	7.2	5,685	5,685
	Dividend payable		-	-
	Brokerage payable		58	58
	Auditors' remuneration		100	306
	Printing and other related costs		187	187
	Withholding tax payable		44	95
	Other payables		35	32
			<u>8,877</u>	<u>9,131</u>

7.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

As there is loss for the half year ended September 30, 2018, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the above provision not been maintained, the net assets value per unit of the Fund as at September 30, 2018 would be higher by Rs. 0.962 (June 30, 2018: Re 1.039) per unit.

7.2 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2018 would have been higher by Rs. 1.975 (June 30, 2018: Rs. 2.135) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2018 and June 30, 2018.

9 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

10 EARNINGS PER UNIT

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

11 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.53% (0.10% of TER representing Government Levies, and SECP Fee).

12 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include HBL Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, HBL Group Being the Holding Group, other collective investment schemes managed by the Management Company, other associated companies of the Management Company and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and term determined in accordance with the market rates.

Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

Details of transactions carried out by the Fund with connected persons and balances with them other than those disclosed elsewhere in these condensed interim financial statements, as at period end, are as follows:

		(Unaudited)	
		Quarter ended	
		September 30,	
		2018	2017
		(Rupees in '000)	
12.1	Transaction during the period		
	Management Company		
	Remuneration of Management Company	1,538	1,903
	Sindh Sales tax on remuneration of the Management Company	200	247
	Issuance of 177,047 units (2017: Nil) units	20,000	-
	Redemption of 180,942 units (2017: Nil) units	20,000	-
	Habib Bank Limited - Associated Company		
	Dividend income	104	202

		(Unaudited) Quarter ended September 30, 2018 2017 (Rupees in '000)	
MCB Bank Limited			
Connected Person due to holding more than 10% holding			
Return on bank deposit accounts		32	753
Dividend income		357	-
Bank Charges		1	7
Central Depository Company Of Pakistan Limited - Trustee			
Remuneration for the period		199	220
CDS Charges		10	10
Directors and Executives of the Management Company			
Issue of 2,835 units(2017: Nil) units		310	-
Redemption of Nil units (2017: 11,301) units		-	1,244
12.2	Amounts outstanding at the period / year end	(Unaudited) September 30, 2018	(Audited) June 30, 2018 Rupees in '000'
Management Company			
Units held: 529,436 units (June 30, 2018: 533,331) units		57,807	58,912
Remuneration payable to the Management Company		518	489
Sindh sales tax on remuneration of the Management Company		67	64
Allocation of expenses related to registrar services, accounting, operation and valuation services		26	24
Selling and Marketing reimbursement		308	640
Sales load payable		-	27
MCB Bank Limited			
Connected Person due to holding more than 10% holding			
Bank balance in savings account		2,521	4,765
Units held: 1,022,050 units (June 30, 2018: 1,022,050) units		111,593	112,896
Central Depository Company Of Pakistan Limited - Trustee			
Trustee fee payable		65	58
CDS charges payable		10	7
Security deposit		100	100
Habib Bank Limited - Sponsor			
Bank balance		1,578	33
Directors and Executives of the Management Company			
Units held: 2,835 (June 30, 2018: Nil) units		310	-

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the company is current bid price.

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

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

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		September 30, 2018							
		Carrying amount			Fair Value				
Note		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
	Investments								
	- Listed equity securities	282,885	-	-	282,885	282,885	-	-	282,885
		<u>282,885</u>	<u>-</u>	<u>-</u>	<u>282,885</u>	<u>282,885</u>	<u>-</u>	<u>-</u>	<u>282,885</u>
	Financial assets not measured at fair value								
	Bank balances	-	37,818	-	37,818	-	-	-	-
	Dividend and profit receivable	-	3,569	-	3,569	-	-	-	-
	Deposits	-	2,600	-	2,600	-	-	-	-
	Receivable from equity settlement	-	-	-	-	-	-	-	-
		<u>-</u>	<u>43,987</u>	<u>-</u>	<u>43,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Financial liabilities not measured at fair value								
	Payable to the Management Company	-	-	919	919	-	-	-	-
	Payable to the Trustee	-	-	65	65	-	-	-	-
	Accrued expenses and other liabilities	-	-	380	380	-	-	-	-
	Payable for equity settlement	-	-	2,518	2,518	-	-	-	-
		<u>-</u>	<u>-</u>	<u>3,882</u>	<u>3,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

		June 30, 2018							
		Carrying amount			Fair Value				
Fair value through profit and loss		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments		----- (Rupees in '000) -----							
Financial assets measured at fair value									
Investments									
- Listed equity securities		258,299	-	-	258,299	258,299	-	-	258,299
		258,299	-	-	258,299	258,299	-	-	258,299
Financial assets not measured at fair value		13.1							
Bank balances		-	43,148	-	43,148	-	-	-	-
Dividend and profit receivable		-	674	-	674	-	-	-	-
		-	43,822	-	43,822	-	-	-	-
Financial liabilities not measured at fair value		13.1							
Payable to the Management Company		-	-	1,180	1,180	-	-	-	-
Payable to the Trustee		-	-	62	62	-	-	-	-
Accrued expenses and other liabilities		-	-	583	583	-	-	-	-
Units Holder's Fund		-	-	294,168	294,168	-	-	-	-
		-	-	295,993	295,993	-	-	-	-

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

14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 17, 2018 by the board of directors of the Management company.

15 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Energy Fund

FUND INFORMATION

Name of Fund	HBL Energy Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited Soneri Bank Limited Habib Bank Limited JS Bank Limited

HBL Energy Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

		September 30, 2018 (Un-Audited)	June 30, 2018 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	122,677	100,388
Investments	5	901,355	985,558
Dividend and profit receivable		9,414	4,666
Deposits and prepayments		2,898	2,876
Total assets		1,036,344	1,093,488
Liabilities			
Payable to Management Company	6	2,988	4,249
Payable to the Trustee		187	194
Payable to the Securities and Exchange Commission of Pakistan		244	910
Accrued expenses and other liabilities	7	21,929	21,712
Unclaimed dividend		5,394	5,394
Total liabilities		30,742	32,459
Net assets		1,005,602	1,061,029
Unit holders' fund (as per statement attached)		1,005,602	1,061,029
Contingencies and commitments	8		
		(Number of units)	
Number of units in issue		70,359,952	72,249,386
		(Rupees)	
Net assets value per unit		14.2922	14.6857

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

Condensed Interim Income Statement And Other Comprehensive Income (Un-audited)

For the three months ended September 30, 2018

	Note	Three months ended	
		2018	2017
Income			
		------(Rupees in '000)-----	
Capital gain on sale of investments - net		(1,447)	(2,367)
Dividend income		8,213	2,791
Profit on bank deposits		2,379	1,162
		9,145	1,586
Unrealised appreciation / (diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net		(29,036)	(2,530)
		(19,891)	(944)
Expenses			
Remuneration of Management Company	6.1 & 6.2	5,814	4,503
Remuneration of the Trustee		575	450
Annual fee to the Securities and Exchange Commission of Pakistan		244	189
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	257	201
Allocation of expenses related to Selling and Marketing, Settlement and bank charges	6.4	1,029	(872)
Auditors' remuneration		145	238
Fee & Subscription		237	121
Printing Charges		142	37
Securities transaction costs		-	126
		360	373
		8,803	5,366
Net income / (loss) from operating activities		(28,694)	(6,310)
Provision for Workers' Welfare Fund / Sindh Workers' Welfare Fund	7.2	-	-
Net income / (loss) for the period before taxation		(28,694)	(6,310)
Taxation	9	-	-
Net (loss) for the period after taxation		(28,694)	(6,310)
Other comprehensive income for the period		-	-
Total comprehensive income / (loss) for the period		(28,694)	(6,310)

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the three months ended September 30, 2018

	Three Months Ended September 30,					
	Capital Value	2018 Undistributed Income	Total	Capital Value	2017 Undistributed Income	Total
Rupees in '000'						
Net assets at beginning of the year	803,982	257,047	1,061,029	-	-	794,794
Issuance of 1,151,349 units (2017: 31,752,589 units)						
- Capital value (at net asset value per unit at the beginning of the year)	16,908	-	16,908	-	-	-
- Element of loss	(664)	-	(664)	-	-	-
Total proceeds on issuance of units	16,244	-	16,244	-	-	92,424
Redemption of -3,040,783 units (2017: 58,329,805 units)						
- Capital value (at net asset value per unit at the beginning of the year)	44,656	-	44,656	-	-	-
- Amount relating to element of loss Relating to net loss for the year after taxation	(87,633)	-	(87,633)	-	-	-
Total payment on redemption of units	(42,977)	-	(42,977)	-	-	(53,839)
Total comprehensive income for the year	-	(28,694)	(28,694)	-	-	(6,310)
Distribution during the year	-	-	-	-	-	-
Total comprehensive income for the year less distribution	-	(28,694)	(28,694)	-	-	(6,310)
Net assets at end of the year	777,249	228,353	1,005,602	-	-	827,069
Undistributed income brought forward						
- Realised		240,997			175,879	
- Unrealised		16,050			90,317	
		<u>257,047</u>			<u>266,196</u>	
Element of loss and capital losses included in prices of units issued less those in units redeemed		-			-	
Accounting (loss) / income available for distribution		(28,694)			(6,336)	
Distribution during the year		-			-	
Undistributed income carried forward		<u>228,353</u>			<u>259,860</u>	
Undistributed income carried forward						
- Realised		257,389			262,390	
- Unrealised		(29,036)			(2,530)	
		<u>228,353</u>			<u>259,860</u>	
Net assets value per unit at beginning of the period			<u>14.6857</u>			<u>15.0359</u>
Net assets value per unit at end of the period			<u>14.2922</u>			<u>14.9329</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	Note	Three Months Ended	
		September 30,	
		2018	2017
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period		(28,694)	(6,310)
Adjustments			
Capital loss / (gain) on sale of investments - net		1,447	2,367
Dividend income		(8,213)	(2,791)
Profit on bank deposits		(2,379)	(1,162)
Unrealised (appreciation) / diminution on remeasurement of investments at fair value through profit or loss- held-for-trading - net		29,036	2,530
		(8,803)	(5,366)
(Increase) / decrease in assets			
Investments - net		53,720	60,504
Dividend and profit receivable		5,844	(589)
Receivable against sale of investments		-	(2,153)
Deposits and prepayments		(22)	(12)
		59,542	57,750
Increase / (decrease) in liabilities			
Payable to Management Company		(1,261)	(918)
Payable to Central Depository Company of Pakistan Limited - Trustee		(7)	(191)
Payable to Securities and Exchange Commission of Pakistan		(666)	(614)
Payable against purchase of investments		-	(946)
Accrued expenses and other liabilities		217	(3,150)
		(1,717)	(5,819)
Net cash generated from operations		49,022	46,565
CASH FLOW FROM FINANCING ACTIVITIES			
Amount received on issue of units		16,244	92,424
Payment against redemption of units		(42,977)	(53,839)
Dividend Paid		-	(3,315)
Net cash used in financing activities		(26,733)	35,270
Net decrease in cash and cash equivalents		22,289	81,835
Cash and cash equivalents at beginning of the period		100,388	46,292
Cash and cash equivalents at end of the period	4	122,677	128,127

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Energy Fund (Formerly PICIC Energy Fund) ("the Fund") was established in 2006 as a closed-end scheme under a Trust Deed executed between PICIC Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

In accordance with clause 65(1) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a meeting of the certificate holders of the Fund was held on January 31, 2013 whereby the conversion of the Fund into an open-end scheme was duly approved through a resolution passed by the majority of the certificate holders present in the meeting who were entitled to vote. The Securities and Exchange Commission of Pakistan accorded its final approval for conversion of the Fund into an open-end scheme through its letter dated May 3, 2013. The second supplemental Trust Deed and replacement Offering Document were approved by SECP vide its letter no SCD/PRDD/AMCW/PEF/567/2013 dated May 31, 2013 and letter no SCD/PRDD/AMCW/PEF/606/2013 dated June 24, 2013 respectively. The conversion of the Fund from a closed end fund to an open-end fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/PRDD/AMCW/PEF/607/2013 dated June 24, 2013. The Fund converted into an open end scheme on the effective date i.e. June 25, 2013. The certificates of the closed-end fund were cancelled on the effective date and were exchanged with the units of the open-end scheme in the swap ratio of 1:1. Each certificate holder was allotted units according to their respective holdings as at that date on the basis of a ratio of 1 certificate to 1 unit. Accordingly 100,000,000 units were issued on the date of conversion.

Since the effective date of conversion, the certificates of the closed-end scheme were de-listed from Pakistan Stock Exchange. Units of the open-end scheme are listed on the Pakistan Stock Exchange Limited. The units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

Through an order dated August 31, 2016, SECP approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

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

The Fund has been categorised as an equity scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

The core objective of the Fund is to invest in securities of the energy sector in Pakistan so as to provide investors an access to high quality blue chip stocks in the energy sector. The eligible stocks comprise of investment in shares of companies engaged in the following activities:

- Oil and Gas Exploration
- Oil and Gas Marketing
- Oil Refining
- Power Generation and Distribution

JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+ (stable outlook)' to the Management Company.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2018.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

	Note	September 30, 2018 (Un-Audited) (Rupees in '000)	June 30, 2018 (Audited)
4 BANK BALANCES			
In saving accounts	5.1	<u>122,677</u>	<u>100,388</u>

4.1 Mark-up rates on these accounts range between 3.75% to 8.45% per annum (June 30, 2018: 3.75% to 7.5% per annum).

	Note	September 30, 2018 (Un-Audited) (Rupees in '000)	June 30, 2018 (Audited)
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss' - held-for-trading			
Listed equity securities	5.1	<u>901,355</u>	<u>985,558</u>
		<u>901,355</u>	<u>985,558</u>

5.1 Investment in listed equity securities - financial assets 'at fair value through profit or loss' - held-for-trading
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of shares				Market value				Par value as a percentage of issued capital of the investee company
	As at July 1, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2018	As at September 30, 2017 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	689,700	66,500	-	145,000	611,200	53,462	5.93%	5.32%	0.06%
K-Electric Limited	7,460,000	-	-	-	7,460,000	39,911	4.43%	3.97%	
Kot Addu Power Company Ltd	-	311,000	-	-	311,000	7,669	0.85%	0.76%	0.05%
	<u>8,149,700</u>	<u>377,500</u>	<u>-</u>	<u>145,000</u>	<u>8,382,200</u>	<u>101,042</u>			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	85,040	-	-	7,460	77,580	120,895	13.41%	12.02%	0.04%
Oil & Gas Development Co Ltd	755,000	237,500	-	-	992,500	151,843	16.85%	15.10%	0.01%
Pakistan Oilfields Ltd	178,245	31,800	31,629	38,000	203,674	111,854	12.41%	11.12%	0.07%
Pakistan Petroleum Ltd	603,300	24,100	-	-	627,400	133,887	14.85%	13.31%	0.02%
	<u>1,621,585</u>	<u>293,400</u>	<u>31,629</u>	<u>45,460</u>	<u>1,901,154</u>	<u>518,479</u>			
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Ltd	87,500	4,400	15,440	14,700	92,640	41,118	4.56%	4.09%	0.08%
Hascol Petroleum Ltd	176,560	-	-	-	176,560	48,093	5.34%	4.78%	0.06%
Pakistan State Oil Company Ltd	353,580	-	-	103,000	250,580	79,895	8.86%	7.94%	0.06%
Sui Northern Gas Pipeline Ltd	1,004,900	260,000	-	-	1,264,900	112,728	12.51%	11.21%	0.09%
Sui Southern Gas Co Ltd*	1,065,000	-	-	1,065,000	-	-	0.00%	0.00%	0.02%
	<u>2,687,540</u>	<u>264,400</u>	<u>15,440</u>	<u>1,182,700</u>	<u>1,784,680</u>	<u>281,834</u>			
REFINERY									
Attock Refinery Ltd	60,500	77,700	-	138,200	-	-	0.00%	0.00%	0.06%
National Refinery Ltd	37,000	-	-	37,000	-	-	0.00%	0.00%	0.02%
	<u>97,500</u>	<u>77,700</u>	<u>-</u>	<u>175,200</u>	<u>-</u>	<u>-</u>			
Total September 30, 2018	<u>12,556,325</u>	<u>1,013,000</u>	<u>47,069</u>	<u>1,548,360</u>	<u>12,068,034</u>	<u>901,355</u>			
Carrying value of investment at September 30, 2018						<u>930,391</u>			

*Related Party due to common directorship

5.2 Investments include shares having market value aggregating to Rs. 89 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.3 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.529 million at September 30, 2018 (June 30, 2018: 0.528 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

	Note	September 30, 2018 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)			
6 PAYABLE TO MANAGEMENT COMPANY			
Management fee	6.1	1,659	1,770
Sindh Sales Tax	6.2	216	230
Sales load payable		1	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	83	88
Selling and marketing expenses	6.4	1,029	2,161
		2,988	4,249

6.1 Under the provision of the offering document of the Fund, the Management Company is entitled to a remuneration at the rate of 2% of the average annual net assets on daily basis of the Fund. The remuneration is paid to management company monthly in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (2017: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

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

6.4 SECP vide its circular No.SCD/PRDD/Circular/361/2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. According to said circular, the selling and marketing expenses have been allowed initially for a period of three years (from January 01, 2017 till December 31, 2019) being chargeable to open end equity, asset allocation and index funds. Maximum cap on the expenses has been set at 0.4% per annum of net assets of fund or actual expenses, whichever being lower. The Fund has started accruing expense on this account at 0.4% per annum of net assets of the Fund effective from March 21, 2017.

		September 30, 2018 (Un-Audited)	June 30, 2018 (Audited)
	Note	(Rupees in '000)	
7	ACCRUED EXPENSES AND OTHER LIABILITIES		
Provision for Federal Excise Duty	7.1	13,920	13,920
Provision for Sindh Workers' Welfare Fund	7.2	4,985	4,985
Auditors' remuneration		237	313
Payable to brokers		33	124
Withholding tax payable		290	89
Printing charges payable		110	110
Zakat Payable		203	199
Others		2,151	1,972
		21,929	21,712

7.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.920 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2018 would have been higher by Re. 0.1978 (June 30, 2018: Re. 0.1927) per unit.

7.2 PROVISION WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

'As there is a loss for the three months ended September 30, 2018, therefore, no provision for SWWF has been maderecognised in this condensed interim financial information. Had the provision not been retained, net asset value per unit at September 30, 2018 would have been higher by Re. 0.0708 (June 30, 2018 Re. 0.0690) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2018 and June 30, 2018.

9 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders in cash. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of net accounting income other than capital gains/loss to unit holders. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

10 EARNING PER UNIT (EPU)

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

11 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2018 is 0.86% which includes 0.1% representing government levy and SECP fee.

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited, being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim

		Three months ended	
		September 30,	
		2018	2017
		(Rupees in '000)	
12.1	Transactions during the period		
	HBL Asset Management Limited - Management Company **		
	Remuneration of the Management Company	5,145	3,985
	Sindh Sales Tax on remuneration of the Management Company	669	518
	Allocation of expenses related to registrar services, accounting, operation and valuation services	257	201
	Allocation of expenses related to Selling and Marketing,	1,029	(872)
	Redemption of 895,280 units (2017: Nil units)	13,000	
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	575	450
	Central Depository Service charges	16	11
	Habib Bank Limited - Sponsor		
	Bank Charges	-	1
	Directors of the Management Company		
	Issue of Nil units (2017: 136,898 units)	-	2,000

	September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
	(Rupees in '000)	
12.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company **		
Management fee	1,659	1,770
Sindh Sales Tax	216	230
Sales load payable	1	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	83	88
Allocation of expenses related to Selling and Marketing,	1,029	2,161
Outstanding 2,924,388 units (June 30, 2018: 3,819,668 units)	41,801	53,446
Habib Bank Limited - Sponsor		
Bank Balance	14,050	1,027
Outstanding 21,162,742 units (June 30, 2018 21,162,742 units)	302,502	310,790
Directors of the Management Company		
Outstanding 320,260 units (June 30, 2018 320,260 units)	4,578	4,703
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	187	193
CDC charges payable	-	1
Security deposit	300	300
		=
* Current year transactions / balances of these parties have not been disclosed as they did not remain related parties during the period.		
** Comparative transactions / balances of these parties have not been disclosed as these parties were not related parties in last period		

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Note	September 30, 2018							
	Carrying amount				Fair Value			
	Fair value through profit or loss- held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	901,355	-	-	901,355	901,355	-	-	901,355
	901,355	-	-	901,355	901,355	-	-	901,355
Financial assets not measured at fair value								
13.1				-				
Bank balances	-	122,677	-	122,677	-	-	-	-
Dividend and profit receivable	-	9,414	-	9,414	-	-	-	-
Receivable against sale of investments	-	-	-	-	-	-	-	-
Security deposits	-	2,800	-	2,800	-	-	-	-
	-	134,891	-	134,891	-	-	-	-
Financial liabilities not measured at fair value								
13.1								
Payable to Management Company	-	-	2,988	2,988	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	187	187	-	-	-	-
Payable against purchase of investments	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	2,531	2,531	-	-	-	-
	-	-	5,706	5,706	-	-	-	-
----- (Rupees in '000) -----								
June 30, 2018								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	985,558	-	-	985,558	985,558	-	-	985,558
	985,558	-	-	985,558	985,558	-	-	985,558
Financial assets not measured at fair value								
13.1								
Bank balances	-	100,388	-	100,388	-	-	-	-
Dividend and profit receivable	-	551	-	551	-	-	-	-
Security deposits	-	2,800	-	2,800	-	-	-	-
	-	103,739	-	103,739	-	-	-	-
Financial liabilities not measured at fair value								
13.1								
Payable to Management Company	-	-	4,249	4,249	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	194	194	-	-	-	-
Accrued expenses and other liabilities	-	-	21,712	21,712	-	-	-	-
	-	-	26,155	26,155	-	-	-	-

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

14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 17, 2018.

15 GENERAL

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

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Multi Asset Fund

FUND INFORMATION

Name of Fund	HBL Multi Asset Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited HBL Bank Limited JS Bank Limited Zarai Taraqati Bank Limited Allied Bank Limited Sindh Bank Limited

HBL Multi Asset Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

		September 30, 2018 (Un-Audited) (Rupees in '000)	June 30, 2018 (Audited)
Assets			
Bank balances	4	108,294	118,090
Investments	5	201,043	211,150
Dividend receivable and accrued mark-up		2,210	1,216
Advances, deposits and other receivables		3,500	6,696
Total assets		315,047	337,152
Liabilities			
Payable to Management Company	6	705	703
Payable to Trustee		65	65
Payable to Securities and Exchange Commission of Pakistan		66	510
Accrued expenses and other liabilities	7	13,326	11,751
Total liabilities		14,162	13,029
Net assets		300,885	324,123
Unit holders' fund (as per statement attached)		300,885	324,123
Contingencies And Commitments	8		
		(Number of units)	
Number of units in issue		2,888,207	3,085,357
		(Rupees)	
Net assets value per unit		104.1769	105.0519

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Income Statement And Comprehensive Income (Un-Audited)
For the three months ended September 30, 2018

	Three months ended September 30,	
	2018	2017
Income	----- (Rupees in '000) -----	
Dividend income	1,889	4,768
Mark-up on deposits with banks & Term deposit	2,232	4,696
Mark-up / return on investments - net	648	1,273
Capital gain on sale of investments - net	452	(12,005)
Other Income	2	-
	5,223	(1,269)
Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net	(4,860)	(76,596)
	363	(77,865)
Expenses		
Remuneration of Management Company	1,746	5,380
Remuneration of Trustee	199	538
Annual fee of Securities and Exchange Commission of Pakistan	66	202
Allocation of expenses related to registrar services, accounting, operation and valuation services	78	238
Selling and Marketing Expense	99	
Settlement and bank charges	119	108
Auditors' remuneration	100	100
Fee and Subscription	27	37
Printing Charges	-	28
Securities transaction costs	109	113
	2,543	6,744
Net income from operating activities	(2,180)	(84,608)
Provision for Sindh Workers' Welfare Fund	7.2	-
Net income for the period before taxation	(2,180)	(84,608)
Taxation	9	-
Net income for the period after taxation	(2,180)	(84,608)
Allocation of net income for the period:		
Income already paid on redemption of units	-	-
Accounting income available for distribution:		
-Relating to capital gains	-	-
-Excluding capital gains	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(2,180)	(84,608)
Earning per unit	10	

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

Three months ended
September 30,

	2018			2017			
	(Rupees in '000)						
	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	350,396	(32,325)	6,052	324,123	-	-	966,784
Issuance of 63,756 units (2017: 506,241 units)							
- Capital value (at net asset value per unit at the beginning of the	6,698	-	-	6,698	-	-	54,454
- Element of loss	(19)	-	-	(19)	-	-	-
	6,679			6,679			54,454
Redemption of 260,906 units (2017: 230,963 units)							
- Capital value (at net asset value per unit at the beginning of the	(27,409)	-	-	(27,409)	-	-	(24,444)
- Amount paid out of element of income	(328)	-	-	(328)	-	-	-
Relating to net income for the period after taxation	(27,737)			(27,737)	-	-	(24,444)
Net (loss) / income for the period after taxation	-	(2,180)	-	(2,180)	-	-	(84,608)
Distribution during the period	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	(2,180)	-	(2,180)	-	-	(84,608)
Net assets at the end of the period	329,338	(34,505)	6,052	300,885	-	-	912,186

Undistributed income brought forward

- Realised	(32,325)	9,332
- Unrealised	-	-
	(32,325)	9,332

Accounting (loss) / income available for distribution

- Relating to Capital Gains	-	-
- Excluding Capital Gains	(2,180)	(84,608)
	(2,180)	(84,608)

Distribution during the period

	-	-
Undistributed income carried forward	(34,505)	(75,276)

Undistributed income carried forward

- Realised	(29,645)	1,320
- Unrealised	(4,860)	(76,596)
	(34,505)	(75,276)

------(Rupees)-----

Net assets value per unit at beginning of the period	105.0519	112.0924
Net assets value per unit at end of the period	104.1769	102.4910

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	Three months ended September 30,	
	2017	2016
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	(2,180)	(84,608)
(Increase) / decrease in assets		
Investments - net	10,107	98,718
Dividend receivable and accrued mark-up	(994)	(4,783)
Advances, deposits and other receivables	3,196	(13)
	12,309	93,922
Increase / (decrease) in liabilities		
Payable to Management Company	2	(101)
Payable to Trustee	-	(9)
Payable to Securities and Exchange Commission of Pakistan	(444)	(547)
Accrued expenses and other liabilities	1,575	845
	1,133	188
Net cash generated from operating activities	11,262	9,502
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	6,679	54,454
Payment against redemption of units	(27,737)	(24,444)
Net cash generated from financing activities	(21,058)	30,010
Net increase cash and cash equivalents	(9,796)	39,512
Cash and cash equivalents at beginning of the period	118,090	194,333
Cash and cash equivalents at end of the period	108,294	233,845

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Multi Asset Fund (the Fund) was established under a Trust Deed, dated October 08, 2007, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on September 28, 2007.

HBL Asset Management Limited is the Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange.

The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes, such as equity securities, government securities, fixed income securities, continuous funding system, derivatives, money market instruments and other asset classes / securities / instruments.

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

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

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

2.1.2 "The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018."

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

3.3 "The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018."

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

4. Bank Balances	Note	September 30, 2018	June 30, 2018
		(Rupees in '000)	
Savings accounts	4.1	108,294	233,845
		108,294	233,845

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 3.75%-8.25% per annum (2017:3.75% - 6.4% p.a).

5. INVESTMENTS	Note		
At Fair Value Through Profit or Loss			
- Term Finance Certificates	5.1	30,969	31,973
- Listed equity securities	5.2	170,074	179,177
		201,043	211,150

5.1 Term Finance Certificates

All Term Finance Certificates and Sukuk bonds have a face value of Rs. 5,000 & 100,000 each unless stated otherwise.

Name of the Investee Company	Number of certificates			Market value / Carrying value* as at September 30, 2018	Market value as a percentage of	
	As at July 1, 2018	Purchases during the period	Sales / Matured during the period		As at September 30, 2018	Total Investments
	(Rupees in '000)					
Saudi Pak Leasing Company Limited - (Note 5.1.1)	6,000	-	-	6,000	-	-
The Bank Of Punjab	270	-	-	270	25,972	12.92%
Dawood Hercules Pvt Ltd*	50	-	-	50	4,997	2.49%
	6,320	-	-	6,320	30,969	15.41%
						10.29%
Cost of investments at September 30, 2018					31,973	

* Related party due to common directorship

* In case of debt securities against which a provision has been made, these are carried at amortised cost less provision. For non-performing securities, market value / valuation by MUFAP is not available.

5.1.1 Saudi Pak Leasing Company Limited defaulted towards payment falling due in September 2010. Accordingly, the exposure was classified as non-performing and provision was recognised in accordance with the SECP's provisioning guidelines.

Subsequently, on the request of the Issuer, TFC holders approved the restructuring of the facility by extending repayment period from 5 years to 9 years and by reducing mark-up rate to 6% for 24 months from restructuring date and 8% for next 24 months and thereafter fixing the mark-up rate at 1 month KIBOR. Further, half of the accrued mark-up is to be paid in cash and the balance is being deferred.

The Issuer defaulted again in the payment of principal and mark-up due on September 13, 2011. In accordance with the requirements of Circular No. 33 of 2012 dated October 24, 2012 issued by the Securities Exchange Commission of Pakistan (SECP), the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non-performing exposure. Accordingly, the exposure has been fully provided.

5.1.2 Significant terms and conditions of Term Finance Certificates and Sukuk bonds outstanding at September 30, 2018 are:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Saudi Pak Leasing Company Limited	2,533	6% Fixed Rate	13-Mar-08	13-Mar-17
The Bank Of Punjab	99,980	6 month KIBOR + 0.50%	19-Feb-16	19-Feb-26
Dawood Hercules Pvt Ltd	100,000	3 Month KIBOR + 1.0%	1-Mar-18	1-Mar-23

5.2 Listed equity securities - At fair value through profit or loss - Held for trading

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

Name of the Investee Company	Number of shares				Market value as at September 30, 2018	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period		Total Investments	Net Assets		
(Rupees in '000)									
Personal Goods (Textile)									
Kohinoor Textile Mills Ltd	-	20,000	-	-	20,000	1,085	0.54%	0.36%	0.02%
Nishat (Chunian) Ltd	-	25,000	-	4,500	20,500	1,049	0.52%	0.35%	0.01%
Nishat Mills Limited	37,300	7,000	-	14,500	29,800	4,190	2.08%	1.39%	0.01%
	37,300	52,000	-	19,000	70,300	6,324	3.14%	2.10%	
Commercial Banks									
Allied Bank Limited	-	10,500	-	10,500	-	-	0.00%	0.00%	0.00%
Askari Bank Limited	-	50,000	-	5,000	45,000	1,104	0.55%	0.37%	0.00%
Bank Al-falah Ltd	169,000	-	11,100	58,000	122,100	6,061	3.01%	2.01%	0.01%
Bank Al-Habib Limited	67,000	5,000	-	-	72,000	5,810	2.89%	1.93%	0.01%
Bank Of Punjab Ltd	167,000	-	-	-	167,000	1,976	0.98%	0.66%	0.03%
Faysal Bank Limited	87,000	-	-	12,000	75,000	2,014	1.00%	0.67%	0.01%
Habib Bank Limited	65,471	9,400	-	13,900	60,971	9,229	4.59%	3.07%	0.00%
MCB Bank Limited	57,800	-	-	6,000	51,800	10,423	5.18%	3.46%	0.00%
Meezan Bank Limited	-	27,500	2,250	5,000	24,750	2,207	1.10%	0.73%	0.00%
National Bank of Pakistan Limited	-	20,000	-	-	20,000	1,039	0.52%	0.35%	0.00%
United Bank Limited	57,800	3,000	-	8,000	52,800	8,131	4.04%	2.70%	0.00%
	671,071	114,900	13,350	107,900	691,421	47,993	23.87%	15.95%	
Cement									
D.G.Khan Cement Company Limited	-	19,500	-	-	19,500	1,997	0.99%	0.66%	0.00%
Kohat Cement Ltd	5,000	4,000	-	-	9,000	1,126	0.56%	0.37%	0.01%
Lucky Cement Ltd	13,150	1,800	-	2,550	12,400	6,360	3.16%	2.11%	0.00%
Maple Leaf Cement Factory Ltd	-	43,500	-	-	43,500	2,049	1.02%	0.68%	0.01%
Poioneer Cement Limited	10,000	15,000	-	-	25,000	1,087	0.54%	0.36%	0.01%
	28,150	83,800	-	2,550	109,400	12,619	0.99%	0.66%	
Power Generation & Distribution									
The Hub Power Company Limited	78,300	14,000	-	-	92,300	8,073	4.02%	2.68%	0.01%
K-Electric Limited	350,000	85,000	-	42,000	393,000	2,103	1.05%	0.70%	0.00%
Nishat Chunian Power Ltd	-	19,000	-	-	19,000	469	0.23%	0.16%	0.01%
Pakgen Power Limited	-	50,500	-	-	50,500	732	0.36%	0.24%	0.01%
	428,300	168,500	-	42,000	554,800	11,377	5.66%	3.78%	
Oil and Gas Exploration Company									
Mari Petroleum Limited	7,280	-	-	500	6,780	10,565	5.26%	3.51%	0.01%
Oil & Gas Development Company Limited	59,600	26,500	-	3,500	82,600	12,637	6.29%	4.20%	0.00%
Pakistan Oilfields Limited	16,350	500	2,270	5,500	13,620	7,480	3.72%	2.49%	0.01%
Pakistan Petroleum Limited	63,700	-	-	4,000	59,700	12,740	6.34%	4.23%	0.00%
	146,930	27,000	2,270	13,500	162,700	43,422	21.60%	14.43%	
Oil and Gas Marketing Company									
Hascol Petroleum Ltd	7,500	-	-	2,000	5,500	1,498	0.75%	0.50%	0.00%
Pakistan State Oil Company Ltd	25,420	3,000	-	13,000	15,420	4,917	2.45%	1.63%	0.00%
Sui Northern gas Pipeline Ltd	44,000	-	-	12,000	32,000	2,852	1.42%	0.95%	0.01%
	76,920	3,000	-	27,000	52,920	9,266	4.61%	3.08%	
Fertilizer									
Engro Corporation Ltd	32,000	1,500	-	4,000	29,500	9,193	4.57%	3.06%	0.01%
Engro Fertilizers Limited	96,500	-	-	30,000	66,500	5,020	2.50%	1.67%	0.00%
Fauji Fertilizer Bin Qasim Ltd	-	30,000	-	-	30,000	1,116	0.56%	0.37%	0.00%
Fauji Fertilizer Co. Ltd	57,000	11,500	-	14,500	54,000	5,273	2.62%	1.75%	0.00%
	185,500	43,000	-	48,500	180,000	20,602	4.57%	3.06%	
Cable and Electrical Goods									
Pak Elektron Limited	48,000	35,000	-	17,000	66,000	2,029	1.01%	0.67%	0.01%
	48,000	35,000	-	17,000	66,000	2,029	1.01%	0.67%	

Name of the Investee Company	Number of shares				As at September 30, 2018	Market value as at September 30, 2018	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period			As at September 30, 2018	Total Investments	
(Rupees in '000)									
Automobile Assemblers									
Honda Atlas Car Limited	4,000	-	-	300	3,700	942	0.47%	0.31%	0.00%
Indus Motor Company Limited	1,640	-	-	240	1,400	1,958	0.97%	0.65%	0.00%
Millat Tractors Ltd	3,630	-	-	1,900	1,730	1,755	0.87%	0.58%	0.00%
	<u>9,270</u>	<u>-</u>	<u>-</u>	<u>2,440</u>	<u>6,830</u>	<u>4,655</u>	<u>2.32%</u>	<u>1.55%</u>	
Pharma and Bio Tech									
The Searle Company Limited	6,314	-	-	-	6,314	1,995	0.99%	0.66%	0.00%
	<u>6,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,314</u>	<u>1,995</u>	<u>0.99%</u>	<u>0.66%</u>	
Automobile Parts & Accessories									
Thal Limited	5,000	-	-	-	5,000	2,185	1.09%	0.73%	0.01%
	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>2,185</u>	<u>1.09%</u>	<u>0.73%</u>	
Technology & Communication									
System Limited	22,500	-	-	13,500	9,000	1,084	0.54%	0.36%	0.01%
	<u>22,500</u>	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>9,000</u>	<u>1,084</u>	<u>0.54%</u>	<u>0.36%</u>	
Engineering									
Amreli Steels Limited	19,700	-	-	11,000	8,700	565	0.28%	0.19%	0.00%
International Industries Limited	8,500	2,500	-	2,500	8,500	1,829	0.91%	0.61%	0.01%
International Steels Limited	19,700	3,000	-	1,000	21,700	1,974	0.98%	0.66%	0.00%
Mughal Iron & Steel Ind Ltd	32,500	-	-	30,000	2,500	122	0.06%	0.04%	0.00%
	<u>80,400</u>	<u>5,500</u>	<u>-</u>	<u>44,500</u>	<u>41,400</u>	<u>4,491</u>	<u>1.19%</u>	<u>0.80%</u>	
Chemical									
Engro Polymer & Chemicals Ltd	-	70,000	-	-	70,000	2,033	1.01%	0.68%	0.01%
	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>2,033</u>	<u>1.01%</u>	<u>0.68%</u>	
	<u>1,745,655</u>	<u>602,700</u>	<u>15,620</u>	<u>337,890</u>	<u>2,026,085</u>	<u>170,074</u>	<u>72.59%</u>	<u>48.51%</u>	
Cost of investments at September 30, 2018						<u>173,927</u>			

5.2.1 Investments include shares having market value aggregating to Rs. 44.3730 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2.2 These include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the bonus shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 467,913 at September 30, 2018 (2018: Rs.514,988) and not yet deposited in CDC account of Department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	September 30,	June 30,
		2017	2018
		(Rupees in '000)	
Management fee	6.1	490	528
Sindh Sales Tax	6.2	64	79
Sales load payable		27	69
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	25	27
Selling and Marketing Payable	6.4	99	-
		<u>705</u>	<u>1,512,593</u>

- 6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two current period.
- 6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Further, the shariah advisory fee can also be charged to the Fund. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1 percent of the average annual net assets, being lower amount, to the Fund during the year.
- 6.4 SECP vide its circular No.SCD/PRDD/Circular/361/2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. According to said circular, the selling and marketing expenses have been allowed initially for a period of three years (from August 01, 2018 till December 31, 2019) being chargeable to open end equity, asset allocation and index funds. Maximum cap on the expenses has been set at 0.4% per annum of net assets of fund or actual expenses, whichever being lower. The Fund has started accruing expense on this account at 0.2% per annum of net assets of the Fund effective from August 01, 2018.

7. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2018	June 30, 2018
		(Rupees in '000)	
Auditors' remuneration		99	330
Federal Excise Duty	8.1	6,610	6,610
Other payables		72	36
Printing Payable		110	110
Payable against purchase of Invertments		1,762	-
Payable to brokers		76	68
Provision for Sindh Workers' Welfare Fund	8.2	4,597	4,597
		13,326	11,751

7.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.61 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2018 would have been higher by Re. 2.2886 (June 30, 2018: Re. 2.1424) per unit.

7.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Woekers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

As there is a loss for the three months ended September 30, 2018, therefore, no provision for SWWF has been maderecognised in this condensed interim financial information. Had the provision not been retained, net asset value per unit at September 30, 2018 would have been higher by Re. 1.59 (June 30, 2018 Re. 1.49) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2018.

9. TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

10. EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

11. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.83% (0.09% representing Government Levies, and SECP Fee).

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

12.1	Transactions during the period	Three months ended	
		September 30,	
		2018	2017
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	1,746	5,380
	Allocation of expenses related to registrar services, accounting, operation and valuation services	78	238
	Selling and Marketing Expense	99	-
	Habib Bank Limited - Sponsor		
	Mark-up earned during the period	51	143
	Mark-up received during the period	45	73
	Dividend income earned during the period	61	276
	Bank charges	4	8
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	199	538
	Central Depository service charges	5	12

12.2	Amounts outstanding as at period end	September 30, 2018	June 30, 2018
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	490	528
	Sindh Sales Tax	64	79
	Sales load payable	27	69
	Allocation of expenses related to registrar services, accounting, operation and valuation services	25	27
	Selling and Marketing Payable	99	
	Habib Bank Limited - Sponsor		
	Investment held in the Fund: 1,358,343 units (June 30, 2018: 1,358,343 units)	141,502	142,696
	Bank balances	8,317	4,555
	Mark-up receivable on deposits with bank	15	25
	Ordinary shares held in Habib Bank Limited 60,971 shares (June 30, 2018: 65,471 shares)	9,229	10,897
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	58	57
	Sindh Sales Tax	7	8
	Rafiuddin Zakir Mahmood - Connected Person due to holding more than 10% holding		
	Unit held: 298,482 units (June 30, 2018: 298,482 units)	31,094	31,356

13. DISCLOSURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - CATEGORISATION OF OPEN END SCHEME

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding any non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment criteria. As at September 30, 2018, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
		(Rupees in '000)				
Saudi Pak Leasing Company Limited	TFC	15,197	15,197	-	-	-
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Note	September 30, 2018							
	Carrying amount			Fair Value				
	fair value through profit or loss	At Amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	170,074	-	-	170,074	170,074	-	-	170,074
- Term finance certificate	30,969	-	-	30,969	-	30,969	-	30,969
	201,043	-	-	201,043	170,074	30,969	-	201,043
Financial assets not measured at fair value								
Bank balances	-	108,294	-	108,294	-	-	-	-
Investments								
Dividend receivable and accrued mark-up	-	2,210	-	2,210	-	-	-	-
Advances, deposits and other receivables	-	3,500	-	3,500	-	-	-	-
	-	114,004	-	114,004	-	-	-	-
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	641	641	-	-	-	-
Payable to Trustee	-	-	58	58	-	-	-	-
Accrued expenses and other liabilities	-	-	2,119	2,119	-	-	-	-
Unit Holder' Fund	-	-	2,888,207	2,888,207	-	-	-	-
	-	-	2,891,025	2,891,025	-	-	-	-

	June 30, 2018							
	Carrying amount				Fair Value			
	Fair value through profit or loss	at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
- Listed equity securities	179,177	-	-	179,177	179,177	-	-	179,177
Term Finance certificate	31,973	-	-	31,973	-	31,973	-	31,973
	<u>211,150</u>	<u>-</u>	<u>-</u>	<u>211,150</u>	<u>179,177</u>	<u>31,973</u>	<u>-</u>	<u>211,150</u>
Financial assets not measured at fair value								
Bank balances	-	118,090	-	118,090	-	-	-	-
Investments								
- Un-Listed equity securities	-	-	-	-	-	-	-	-
- At amortized cost - Placements	-	-	-	-	-	-	-	-
Dividend receivable and accrued mark-up	-	1,216	-	1,216	-	-	-	-
Advances, deposits, prepayments and other receivables	-	6,332	-	6,332	-	-	-	-
	<u>-</u>	<u>125,638</u>	<u>-</u>	<u>125,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	703	703	-	-	-	-
Payable to Trustee	-	-	65	65	-	-	-	-
Accrued expenses and other liabilities	-	-	544	544	-	-	-	-
Unit Holder' Fund	-	-	324,123	324,123	-	-	-	-
	<u>-</u>	<u>-</u>	<u>325,435</u>	<u>325,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 17, 2018.

16. CORRESPONDING FIGURES

The corresponding figures has been adjusted as detailed below due to initial application of IFRS - 9.

	June 30, 2018 (Rupees in '000)
Statement of Assets and liabilities:	
Investment classified as available for sale now classified as Financials Assets at fair value through profit in loss.	46,178
Condensed Interim Income Statement and Statement of Other Comprehensive Income	September 30, 2017 (Rupees in '000)
"Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale" in the Condensed Interim Statement of Other Comprehensive Income is now classified as "Net unrealized / (dumination) on re-measurements of investments at fair value through profit" in the Condensed Interim Income Statement	(72,557)

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Financial Planning Fund

FUND INFORMATION

Name of Fund	HBL Financial Planning Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	MCB Financial Services Limited (MCBFSL)
Bankers	Habib Bank Limited JS Bank Limited

HBL Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

Note	----- September 30, 2018 -----				----- June 30, 2018 -----				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
----- (Unaudited) -----				----- (Audited) -----					
----- (Rupees in '000) -----									
Assets									
Bank balances	4	3,296	400	148	3,844	1,278	443	149	1,870
Investments	5	193,427	127,366	206,341	527,134	328,586	132,536	207,827	668,949
Accrued mark-up		-	-	-	-	4	1	-	5
Advance, deposits and other receivables		139	92	91	322	133	93	99	325
Preliminary expenses and flotation costs		1,076	931	691	2,698	1,144	989	860	2,993
Total assets		197,938	128,789	207,271	533,998	331,145	134,062	208,935	674,142
Liabilities									
Payable to the Management Company	6	18	12	18	48	41	12	18	71
Payable to the Trustee		17	11	17	45	58	24	36	118
Payable to Securities and Exchange Commission of Pakistan		53	31	50	134	206	109	143	458
Accrued expenses and other liabilities	7	341	207	168	716	383	222	216	821
Total liabilities		429	261	253	943	688	367	413	1,468
Net assets		197,509	128,528	207,018	533,055	330,457	133,695	208,522	672,674
Unit holders' fund (as per statement attached)		197,509	128,528	207,018	533,055	330,457	133,695	208,522	672,674
Number of units in issue		1,928,141	1,226,876	2,018,767		3,219,253	1,288,493	2,033,911	
		----- (Rupees) -----				----- (Rupees) -----			
Net asset value per unit		102.4351	104.7604	102.5470		102.6500	103.7607	102.5230	

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Condensed Interim Income Statement And Comprehensive Income (Un-Audited)
For the three months ended September 30, 2018

	Note	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
----- (Rupees in '000) -----					
Income					
Mark-up on deposits with bank		24	5	1	30
Capital (loss) / gain on sale of investment - net		(2,700)	80	324	(2,296)
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		(474)	1,355	86	967
Dividend income		45	37	14	96
Total income		(3,105)	1,477	425	(1,203)
Expenses					
Remuneration of the Management Company	6.1	8	3	2	13
Sindh Sales Tax on remuneration of the Management Company	6.2	1	-	-	1
Remuneration of the Trustee	7.1	57	34	53	144
Annual fee to Securities and Exchange Commission of Pakistan	8	53	31	50	134
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	56	33	53	142
Amortisation of preliminary expenses and flotation costs		67	58	169	294
Auditors' remuneration		28	24	29	81
Bank charges		6	4	3	13
Listing Fee		10	6	16	32
Total expenses		286	193	375	854
Net (loss) / income from operating activities		(3,391)	1,284	50	(2,057)
Provision for Sindh Workers' Welfare Fund	7.1	-	(26)	(1)	(27)
Net (loss) / income for the Period before taxation		(3,391)	1,258	49	(2,084)
Taxation	8	-	-	-	-
Net (loss) / income for the Period after taxation		(3,391)	1,258	49	(2,084)
Earning per unit	9				
Income already paid on redemption of units		-	36	-	
Accounting income available for distribution:					
-Relating to capital gains		-	1,222	49	
-Excluding capital gains		-	-	-	
		-	1,222	49	
Net loss / income for the Period after taxation		(3,391)	1,258	49	
Other comprehensive income for the Period		-	-	-	
Total comprehensive income for the Period		(3,391)	1,258	49	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

	Active Allocation Plan			Conservative Allocation Plan			Strategic Allocation Plan		
	Capital Value	Undistribute	Total	Capital Value	Undistributed	Total	Capital Value	Undistribute	Total
(Rupees '000)									
Net assets at beginning of the Period	325,538	4,919	330,457	128,919	4,776	133,695	203,390	5,132	208,522
Issuance of 6,148 units									
- Capital value (at net asset value per unit at the par value)	631	-	631	-	-	-	-	-	-
- Element of Income	(7)	-	(7)	-	-	-	-	-	-
Issuance of Nil units									
- Capital value (at net asset value per unit at the par value)	-	-	-	-	-	-	-	-	-
- Element of Income	-	-	-	-	-	-	-	-	-
Issuance of Nil units									
- Capital value (at net asset value per unit at the par value)	-	-	-	-	-	-	-	-	-
- Element of Income	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	624	-	624	-	-	-	-	-	-
Redemption of 1,297,261 units									
- Capital value (at net asset value per unit at the par value)	(133,165)	-	(133,165)	-	-	-	-	-	-
- Amount paid out of element of income									
- Relating to net income for the Period after taxation	2,984	-	2,984	-	-	-	-	-	-
Redemption of 61,616 units									
- Capital value (at net asset value per unit at the par value)	-	-	-	(6,393)	-	(6,393)	-	-	-
- Amount paid out of element of Income									
- Relating to net income for the Period after taxation	-	-	-	4	(36)	(32)	-	-	-
Redemption of 15,144 units									
- Capital value (at net asset value per unit at the par value)	-	-	-	-	-	-	(1,553)	-	(1,553)
- Amount paid out of element of income									
- Relating to net income for the Period after taxation	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	(130,181)	-	(130,181)	(6,389)	(36)	(6,425)	(1,553)	-	(1,553)
Total comprehensive income for the Period	-	(3,391)	(3,391)	-	1,258	1,258	-	49	49
Net assets at end of the Period	195,981	1,528	197,509	122,530	5,998	128,528	201,837	5,181	207,018
Undistributed income brought forward		4,919			4,776			5,132	
Accounting income available for distribution									
- Relating to capital gains					1,222			49	
- Excluding capital gains					-			-	
					1,222			49	
Undistributed income carried forward		4,919			5,998			5,181	
Undistributed income carried forward									
- Realised		5,393			4,643			5,095	
- Unrealised		(474)			1,355			86	
		4,919			5,998			5,181	
			(Rupees)			(Rupees)			(Rupees)
Net assets value per unit at end of the Period			102.4351			104.7604			102.5470

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

Note	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
------(Rupees in '000)-----				
Cash flows from operating activities				
Net income for the Period before taxation	(3,391)	1,258	49	(2,084)
Adjustments for non-cash items				
Capital loss / (gain) on sale of investment - net	2,700	(80)	(324)	2,296
Unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	474	(1,355)	(86)	(967)
	(217)	(177)	(361)	(755)
Decrease in assets				
Investments - net	131,985	6,605	1,896	140,486
Accrued mark-up	4	1	-	5
Advance, deposits and other receivables	(6)	1	8	3
Preliminary expenses and flotation costs	68	58	169	295
	132,051	6,665	2,073	140,789
Decrease in liabilities				
Payable to the Management Company	(23)	-	-	(23)
Payable to the Trustee	(41)	(13)	(19)	(73)
Payable to Securities and Exchange Commission of Pakistan	(153)	(78)	(93)	(324)
Accrued expenses and other liabilities	(42)	(15)	(48)	(105)
	(259)	(106)	(160)	(525)
Net cash flow from operating activities	131,575	6,382	1,552	139,509
Cash flows from financing activities				
Amount received on issue of units	624	-	-	624
Amount paid on redemption of units	(130,181)	(6,425)	(1,553)	(138,159)
Net cash used in financing activities	(129,557)	(6,425)	(1,553)	(137,535)
Net increase / (decrease) in cash and cash equivalents	2,018	(43)	(1)	1,974
Cash and cash equivalents at the beginning of the Period	1,278	443	149	1,870
Cash and cash equivalents at the end of the Period	3,296	400	148	3,844

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Financial Planning Fund (the Fund), was established under the Trust Deed executed between HBL Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed on March 22, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 14, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton. The Fund commenced its operations from October 11, 2017.

The Fund is an open ended fund of fund scheme and the Fund is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation Plan and Active Allocation Plan were initially offered to public (IPO) on September 11, 2017 to October 10, 2017 whereas units of Strategic Allocation Plan were offered from August 07, 2017 to October 10, 2017. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund is perpetual but the allocation plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

The Fund aims 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. Following is the description of three plans currently in operation:-

The "Active Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active asset allocation between Equity scheme(s), Income scheme(s) and Money Market Schemes based on the Fund Manager's outlook on the asset classes.

The "Conservative Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of investments in equity, income and money market funds. This Allocation Plan is suitable for Investors who have moderate risk tolerance and have a short to medium term investment horizon.

The "Strategic Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between Equity scheme(s), Income scheme(s) and Money Market Schemes based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. The duration of this plan is 24 months (Two Years). However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause no.10.4 of the offering document of the Fund.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2+ (AM two plus)' to the Management Company while the Fund is currently not rated.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as trustee of the Fund.

No comparative figures / information have been disclosed in these financial statements as the fund commenced its operations on October 11, 2017.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International

Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2018.

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

4. BANK BALANCES

30-Sep-2018

		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	Note	----- (Rupees in '000) -----			
Savings accounts	4.1	3,296	400	148	3,844

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 5.0% to 8.04% per annum.

5. INVESTMENTS

30-Sep-2018

		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	Note	----- (Rupees in '000) -----			
Units of mutual funds	5.1	193,427	127,366	206,341	527,134

Investments by category

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

5.1 Units of mutual funds

Name of Investee Funds	As at July 01, 2018	Purchases during the period	Redemptions during the period	As at September 30, 2018	Total carrying value as at September 30, 2018	Total market value as at September 30, 2018	Appreciation/ (diminution) as at September 30, 2018	Market value as a percentage of net assets	Market value as a percentage of total value of investment	
	----- Number of units -----				----- (Rupees in '000) -----			----- % -----		
Active Allocation Plan										
HBL Cash Fund	1,230,903	64,139	757,460	537,582	54,155	55,052	897	27.87	28.46	
HBL Stock Fund	1,850,743	15,1837	704,388	1,308,192	139,746	138,375	(1,371)	70.06	71.54	
	3,081,646	225,976	1,461,848	1,845,774	193,901	193,427	(474)	97.93	100.00	
Conservative Allocation Plan										
HBL Cash Fund	999,990	52,108	61,194	990,904	99,833	101,474	1,641	78.95	79.67	
HBL Stock Fund	248,195	15,232	18,647	244,780	26,178	25,892	(286)	20.15	20.33	
	1,248,185	67,340	79,841	1,235,684	126,011	127,366	1,355	99.10	100.00	
Strategic Allocation Plan										
HBL Cash Fund	380,044	19,803	244,023	158,224	15,698	15,957	259	7.71	7.73	
HBL Income Fund	578,925	30,098	-	609,023	64,416	65,327	911	31.56	31.66	
HBL Stock Fund	963,327	218,957	-	1,182,284	126,111	125,057	(1,084)	60.41	60.61	
	1,922,296	268,858	244,023	1,947,131	206,255	206,341	86	99.67	100.00	
Total as at September 30, 2018	6,252,127	562,174	1,785,712	5,028,589	526,167	527,134	967			

6. PAYABLE TO THE MANAGEMENT COMPANY

	30-Sep-2018				30-Jun-2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
Note	(Rupees in '000)				(Rupees in '000)				
Management fee	6.1	2	1	1	4	2	1	1	4
Sindh Sales Tax on Management Company's remuneration	6.2	-	-	-	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	16	11	17	44	28	11	17	56
Sales load payable		-	-	-	-	11	-	-	11
		18	12	18	48	41	12	18	71

- 6.1** As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the Scheme. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.
- 6.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.
- 6.3** "As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period."

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2018				June 30, 2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
Note	(Rupees in '000)				(Rupees in '000)				
Withholding tax	-	-	-	-	126	-	-	126	
Provision for Sindh Workers' Welfare Fund	7.1	111	151	106	368	111	126	105	342
Printing		25	26	29	80	25	26	29	80
Zakat		51	-	-	51	50	-	-	50
Auditors' remuneration		26	22	26	74	71	70	82	223
Other Payables		128	8	7	143	-	-	-	-
		341	207	168	716	383	222	216	821

7.1 SINDH WORKER'S WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is the same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 0.111 million, Rs. 0.151 million and Rs. 0.106 million for the quarter ended September 30, 2018 in this condensed interim financial information. Had the provision not been made, net assets value per unit at September 30, 2018 would have been higher by Re. 0.058 per unit, Re. 0.123 and Re. 0.053 (June 30, 2018 Re. 0.034, Re. 0.098 and Re. 0.051) per unit of the Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan respectively.

8. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the period, management has distributed cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

9 EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

"Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, MCB Financial Services Limited being the Trustee of the Fund, collective investment schemes managed by the Management Company, directors and officers of the Management Company and directors of the connected persons.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and Trustee is determined in accordance with the provisions of the offering document.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:"

10.1 Transactions during the period

	For the three months ended			
	September 30, 2018			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	------(Rupees in '000)-----			
HBL Asset Management Limited - Management Company				
Remuneration of the Management Company	8	3	2	13
Sindh Sales Tax on remuneration of the Management Company	1	-	-	1
Allocation of expenses related to registrar services, accounting, operation and valuation services	56	33	53	142
Habib Bank Limited - Sponsor				
Mark-up earned	23	5	1	29
MCB Financial Services Limited - Trustee				
Remuneration of the Trustee	57	34	53	144

	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
------(Rupees in '000)-----				
HBL Cash Fund				
- CIS managed by Management Company				
Purchase of 64,140 units	45	-	-	45
Purchase of 52,107 units	-	37	-	37
Purchase of 19,803 units	-	-	14	14
Redemption of 757,460 units	76,743	-	-	76,743
Redemption of 61,194 units	-	6,224	-	6,224
Redemption of 244,023 units	-	-	24,910	24,910
HBL Stock Fund				
- CIS managed by Management Company				
Purchase of 161,838 units	17,000	-	-	17,000
Purchase of 15,232 units	-	1,600	-	1,600
Purchase of 218,957 units	-	-	23,000	23,000
Redemption of 704,388 units	72,288	-	-	72,288
Redemption of 18,647 units	-	2,017	-	2,017
HBL Income Fund - CIS managed by Management Company				
Purchase of 30,098 units	-	-	-	-
10.2 Balances outstanding as at period end	30-Sep-2018			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
------(Rupees in '000)-----				
HBL Asset Management Limited - Management Company				
Management fee	2	1	1	4
Sindh Sales Tax on Management Company's remuneration	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	16	11	17	44
Sales load payable	-	-	-	-
Units held 999,202 units	-	-	102,401	102,401
Habib Bank Limited - Sponsor				
Mark-up accrued on deposits with bank	-	-	-	-
Balance in savings account	3,286	379	136	3,801
MCB Financial Services Limited - Trustee				
Remuneration payable to the Trustee	17	11	17	45
Mr. Farid Khan - Connected Person due to 10% holding				
Units held 500,000 units	-	52,382	-	52,382

30-Sep-2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
------(Rupees in '000)-----				
Mr. Mudassar Iqbal - Connected Person due to 10% holding				
Units held 150,000 units	-	15,715	-	15,715
Mr. Ghulam Ali Talpur - Connected Person due to 10% holding				
Units held 250,500 units	-	-	25,672	25,672
Sapphire Finishing Mills Limited - Employees Provident Fund due to 10% holding				
Units held 254,254 units	-	-	26,057	26,057
Ferozsons Laboratories Limited - Employees provident Fund Connected due to holding of 10% or more				
Units held 500,000 units	51,325	-	-	51,325
Executives of Management				
Units held 38,992 units	4,003	-	-	4,003
HBL Cash Fund - CIS managed by Management Company				
Units held 537,582 units	55,052	-	-	55,052
Units held 990,904 units	-	101,474	-	101,474
Units held 155,824 units	-	-	15,957	15,957
HBL Stock Fund - CIS managed by Management Company				
Units held 1,308,192 units	138,375	-	-	138,375
Units held 244,780 units	-	25,892	-	25,892
Units held 1,182,284 units	-	-	125,057	125,057
HBL Income Fund - CIS managed by Management Company				
Units held 609,023 units	-	-	65,327	65,327

30-Jun-2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
------(Rupees in '000)-----				
HBL Asset Management Limited - Management Company				
Management fee	2	1	1	4
Sindh Sales Tax on Management Company's remuneration	-	-	-	-

	30-Jun-2018			Total
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	
	------(Rupees in '000)-----			
Allocation of expenses related to registrar services, accounting, operation and valuation services	28	11	17	56
Sales load payable	11	-	-	11
Units held 999,202 units	-	-	102,513	102,513
Habib Bank Limited - Sponsor				
Mark-up accrued on deposits with bank	4	1	-	5
Balance in savings account	1,268	387	137	1,792
MCB Financial Services Limited - Trustee				
Remuneration payable to the Trustee	58	24	36	118
Executives of Management				
Units held 38,992 units	4,003	-	-	4,003
Ferozsons Laboratories Limited - Employees provident Fund Connected due to holding of 10% or more				
Units held 500,000 units	51,325	-	-	51,325
Mr. Ghulam Ali Talpur - Connected Person due to 10% holding				
Units held 250,500 units	-	-	25,682	25,682
Mr. Aamer Raza Ataullah Khan - Connected Person due to 10% holding				
Units held 196,811 units	-	-	20,178	20,178
Mr. Farid Khan - Connected Person due to 10% holding				
Units held 500,000 units	-	51,880	-	51,880
Mr. Mudassar Iqbal - Connected person due to holding of 10% or more				
Units held 150,000 units	-	15,564	-	15,564
Sapphire Finishing Mills Limited - Employees Provident Fund Connected person due to holding of 10% or more				
Units held 254,254 units	-	-	26,067	26,067
Mr. Towfiq H. Chinoy - Connected Person due to 10% holding				
Units held 986,321 units	101,246	-	-	101,246
HBL Cash Fund - CIS managed by Management Company				
Units held 1,230,903 units	130,431	-	-	130,431
Units held 999,990 units	-	105,962	-	105,962
Units held 380,044 units	-	-	40,271	40,271

	30-Jun-2018			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	------(Rupees in '000)-----			
HBL Stock Fund				
- CIS managed by Management Company				
Units held 1,850,743 units	198,155	-	-	198,155
Units held 248,195 units	-	26,574	-	26,574
Units held 963,327 units	-	-	103,141	103,141
HBL Income Fund - CIS managed by Management Company				
Units held 578,925 units	-	-	64,415	64,415

11. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. units of mutual funds are based on the quoted NAVs at the close of the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		September 30, 2018							
		Carrying amount				Fair Value			
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	----- (Rupees in '000) -----							
Financial assets measured at fair value									
Units of mutual funds	5	527,134	-	-	527,134	527,134	-	-	527,134
		<u>527,134</u>	<u>-</u>	<u>-</u>	<u>527,134</u>	<u>527,134</u>	<u>-</u>	<u>-</u>	<u>527,134</u>
Financial assets not measured at fair value									
	11.1								
Bank balances		-	3,844	-	3,844				
Accrued mark-up		-	-	-	-				
		<u>-</u>	<u>3,844</u>	<u>-</u>	<u>3,844</u>				
Financial liabilities not measured at fair value									
	11.1								
Payable to the Management Company		-	48	-	-				
Payable to the Trustee		-	45	-	-				
Accrued expenses and other liabilities		-	83	-	-				
Unit holders' fund		-	533,055	-	-				
		<u>-</u>	<u>533,231</u>	<u>-</u>	<u>-</u>				
June 30, 2018									
		Carrying amount				Fair Value			
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	----- (Rupees in '000) -----							
Financial assets measured at fair value									
Units of mutual funds		668,949	-	-	668,949	668,949	-	-	668,949
		<u>668,949</u>	<u>-</u>	<u>-</u>	<u>668,949</u>	<u>668,949</u>	<u>-</u>	<u>-</u>	<u>668,949</u>
Financial assets not measured at fair value									
	11.1								
Bank balances		-	1,870	-	1,870				
Accrued mark-up		-	5	-	5				
		<u>-</u>	<u>1,875</u>	<u>-</u>	<u>1,875</u>				
Financial liabilities not measured at fair value									
	11.1								
Payable to the Management Company		-	71	-	71				
Payable to the Trustee		-	118	-	118				
Accrued expenses and other liabilities		-	303	-	303				
Unit holders' fund		-	672,674	-	672,674				
		<u>-</u>	<u>673,166</u>	<u>-</u>	<u>673,166</u>				

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

12. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the period ended September 30, 2018 is 0.13%, 0.17% and 0.18% (YTD) which includes 0.03%, 0.05% and 0.03% representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan respectively.

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 17, 2018. by the Board of Directors of the Management Company.

14. GENERAL

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Growth Fund

FUND INFORMATION

Name of Fund	HBL Growth Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited JS Bank Limited Habib Bank Limited Soneri Bank Limited

HBL Growth Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

	Note	September 30, 2018			June 30, 2018
		2018			2018
		Class A	Class B	Total	Total
		(Un-Audited)			(Audited)
		(Rupees in '000)			
Assets					
Bank balances	4	158,153	893,766	1,051,920	729,178
Investments	5	6,942,336	4,725,295	11,667,631	12,112,200
Dividend and profit receivable		2,254	63,034	65,288	205,437
Security deposits and Prepayments		1,554	3,889	5,444	3,176
Total assets		7,104,298	5,685,985	12,790,283	13,049,991
Liabilities					
Payable to Management Company	6	21,500	15,777	37,276	24,928
Payable to the Trustee		774	650	1,424	786
Payable to the Securities and Exchange Commission of Pakistan		1,727	1,313	3,040	12,397
Payable against purchase of investment		-	6,451	6,451	28,631
Accrued expenses and other liabilities	7	172	167,757	167,929	170,516
Unclaimed dividend		-	136,510	136,510	136,773
Total liabilities		24,173	328,458	352,631	374,031
Net assets		7,080,125	5,357,527	12,437,652	12,675,960
Total unit holders' fund (as per statement attached)		7,080,125	5,357,527	12,437,652	12,675,960
Contingencies and commitments					
Number of units in issue		283,500,000	282,157,362		283,500,000
		(Rupees)			
Net assets value per unit		24.9740	18.9877		44.71

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Condensed Interim Income Statement And Comprehensive Income (Un-Audited)

For the three months ended September 30, 2018

	Note	Three Months Ended			
		September 30,			
		2018		2017	
		Class A	Class B	Total	Total
------(Rupees in '000)-----					
Income					
Capital gain on sale of investments - net		-	1,186	1,186	(162,854)
Dividend income		-	57,867	57,867	51,232
Profit on bank deposits		2,032	15,578	17,610	18,236
Back End Load			2,788	2,788	
		2,032	77,418	79,450	(93,386)
Unrealized appreciation on re-measurement of investments classified as financial assets at 'fair value through profit and loss' - held-for-trading - net		-	(92,801)	(92,801)	(709,458)
Total Income		2,032	(15,383)	(13,351)	(802,844)
Expenses					
Remuneration of Management Company	6.1 & 6.2	41,081	31,242	72,323	79,393
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,269	1,795	4,064	2,373
Annual fee to the Securities and Exchange Commission of Pakistan		1,727	1,313	3,040	3,367
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	1,818	1,382	3,200	3,513
Selling and Marketing Expense	6.4	7,271	5,393	12,665	
Settlement and bank charges		1	342	343	433
Auditors' remuneration		87	106	193	173
Fees & Subscription		122	152	274	609
Conversion expense from closed end to open end fund		-	396	396	-
Securities transaction costs		-	1,798	1,798	2,163
		54,377	43,920	98,297	92,024
Net loss from operating activities		(52,345)	(59,304)	(111,649)	(894,868)
Provision for Workers' Welfare fund / Sindh Workers' Welfare fund	7.1	-	-	-	-
Net loss for the period before taxation		(52,345)	(59,304)	(111,649)	(894,868)
Taxation	9	-	-	-	-
Net loss for the period after taxation		(52,345)	(59,304)	(111,649)	(894,868)
Other comprehensive (loss) / income for the period		(99,943)	-	(99,943)	712,383
Total comprehensive loss for the period		(152,288)	(59,304)	(211,592)	(182,485)

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

	2018				2017			2017			
	Class A		Class B		Class B			Total			
	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total
	(Rupees)										
Net assets at beginning of the year / period	2,835,000	4,219,056	5,621,904	12,675,960	-	-	-	2,835,000	5,557,964	6,189,749	14,582,713
Issue of 283,500,000 Class B units at the time of conversion		(5,443,546)		(5,443,547)	2,835,000	2,608,546	5,443,546				
Issuance of 360,369 units											
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	6,920	-	6,920	-	-	-	-
- Element of loss	-	-	-	-	(88)	-	(88)	-	-	-	-
Total proceeds on issuance of units					6,832	-	6,832	-	-	-	-
Redemption of 1,703,007 units											
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	32,700	-	32,700	-	-	-	-
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-
Relating to net income for the year / period after taxation	-	-	-	-	(66,247)	-	(66,247)	-	-	-	-
Total payment on redemption of units					(33,547)	-	(33,547)	-	-	-	-
Total comprehensive income for the year / period	-	(52,345)	(99,943)	(152,288)	-	(59,304)	(59,304)	-	(894,868)	712,383	(182,486)
Distribution during the year / period	-	-	-	-	-	-	-	-	(779,625)	-	(779,625)
Net income for the year / period less distribution		(52,345)	(99,943)	(152,288)	-	(59,304)	(59,304)	-	(1,674,493)	712,383	(962,111)
Net assets at end of the year / period	2,835,000	(1,276,835)	5,521,961	7,080,125	(26,715)	(59,304)	5,357,527	2,835,000	3,883,471	6,902,132	13,620,602
Undistributed income / (loss) brought forward											
- Realised		4,219,056				-			1,748,697		
- Unrealised		(292,200)				-			816,767		
		<u>3,926,856</u>				-			<u>2,565,464</u>		
Transferred to Class B - Segment on conversion of Fund		(5,443,546)				2,608,546					
Accounting loss available for distribution		(52,345)				(59,304)					
Distribution during the year / period		-				-			(779,625)		
Undistributed income carried forward		<u>(1,569,035)</u>				<u>2,549,243</u>			<u>890,971</u>		
Undistributed income carried forward											
- Realised		(1,569,035)				2,642,044			1,600,429		
- Unrealised		-				(92,801)			(709,458)		
		<u>(1,569,035)</u>				<u>2,549,243</u>			<u>890,971</u>		
	(Rupees)										
Net assets value per unit at beginning of the year / period	<u>25.5112</u>				<u>19.2012</u>			<u>51.44</u>			
Net assets value per unit at end of the year / period	<u>24.9740</u>				<u>18.9877</u>			<u>48.04</u>			

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	2018			2017
	Class A	Class B	Total	Total
Note	------(Rupees in '000)-----			
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period	(52,345)	(59,304)	(111,649)	(460,791)
Adjustments of non-cash items				
Capital loss / (gain) on sale of investments - net	-	(1,186)		
Unrealised diminution / (appreciation) on remeasurement of investments at fair value through profit or loss - net	-	92,801	92,801	372,720
Dividend income	-	(57,867)	(57,867)	(27,344)
Profit on bank deposit	(2,032)	(15,578)	(17,610)	(9,432)
	(54,377)	(41,133)	(94,325)	(124,847)
(Increase) / decrease in assets				
Investments - net	-	253,010	253,010	492,046
Receivable against sale of investments	-	-	-	(6,557)
Security deposits	(1,554)	(713)	(2,268)	
	(1,554)	252,297	250,743	485,489
Increase / (decrease) in liabilities				
Payable to Management Company	21,500	(9,151)	12,348	(1,097)
Payable to Central Depository Company of Pakistan Limited - Trustee	774	(136)	638	(564)
Payable to the Securities and Exchange Commission of Pakistan	1,727	(11,084)	(9,357)	(4,472)
Payable against purchase of investment	-	(22,180)	(22,180)	(4,108)
Accrued expenses and other liabilities	172	(2,759)	(2,587)	(1,736)
	24,173	(45,310)	(21,137)	(11,977)
Cash used in operations	(31,759)	165,854	135,281	348,665
Dividend received	188,551	10,617	199,168	69,565
Profit received on bank deposit	1,361	15,096	16,457	9,855
Net cash generated from operating activities	189,913	25,712	215,625	79,420
CASH FLOW FROM FINANCING ACTIVITIES				
Amount received on issue of units	-	6,832	6,832	-
Amount paid on redemption of units	-	(33,547)	(33,547)	-
Dividend paid	-	(263)	(263)	-
Net cash generated from / (used in) financing activities	-	(26,978)	(26,978)	-
Net (decrease) / increase in cash and cash equivalents	158,154	164,589	322,743	428,085
Cash and cash equivalents at beginning of the period	-	729,178	729,178	350,631
Cash and cash equivalents at end of the period	4	893,767	1,051,920	778,715

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Growth Fund (Formerly PICIC Growth Fund) was established under a Trust Deed, executed between PICIC Asset Management Company (Now HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** Through an order dated August 31, 2016, SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016. Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.
- 1.3** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.4** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.5** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.6** JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (AM Two Plus) to the Management Company.
- 1.7** Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.
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2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2017 except as explained in note 3.6 and 3.7.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

	Note	September 30, 2018			June 30, 2018
		Class A	Class B	Total	Total
		----- (Rupees in '000) -----			
4 BANK BALANCES					
In savings account	4.1	158,153	893,766	1,051,920	729,178

4.1 Mark-up rates on these accounts range between 3.75% to 8.04% p.a (June 30, 2017: 3.75% to 6.60% p.a).

	Note	September 30, 2018			June 30, 2018
		Class A	Class B	Total	Total
		----- (Rupees in '000) -----			
5 INVESTMENTS					
Financial assets 'at fair value through profit or loss' - held-for-trading					
- Listed equity securities	5.1	-	4,725,295	4,725,295	5,069,921
		-	4,725,295	4,725,295	5,069,921
Available for sale					
- Listed equity securities	5.2	6,942,336	-	6,942,336	7,042,279
		6,942,336	4,725,295	11,667,631	12,112,200

5.1 Financial assets 'at fair value through profit and loss' - held-for-trading

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

Name of the Investee Company	Number of shares					Balance as at September 30, 2018					Percentage in Relation to		
	As at July 1, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2018	Carrying value	Market value	Appreciation / (Diminution)	Capital Gain / (Loss)	Dividend Income	Net Assets of the fund	Total Investments	Investee Paidup Capital
-----Rs in "000"-----													
INSURANCE													
TPL Insurance Limited	1,500	-	195	-	1,695	32	36	4	-	-	0.00%	0.00%	0.00%
	1,500	-	195	-	1,695	32	36	4	-	-	0.00%	0.00%	
TEXTILE COMPOSITE													
Kohinoor Textile Mills Ltd	-	567,000	-	-	567,000	29,242	30,754	1,512	-	-	0.57%	0.65%	0.54%
Nishat (Chunian) Ltd	-	425,000	-	-	425,000	21,885	21,743	(142)	-	-	0.41%	0.46%	0.18%
Nishat Mills Ltd	1,067,600	-	-	257,500	810,100	114,159	113,892	(267)	(787)	-	2.13%	2.41%	0.23%
	1,067,600	992,000	-	257,500	1,802,100	165,287	166,389	1,102	(787)	-	3.11%	3.52%	
CEMENT													
D G Khan Cement Co.Ltd.	-	350,000	-	-	350,000	41,744	35,844	(5,901)	-	-	0.67%	0.76%	0.08%
Kohat Cement Ltd	-	205,500	-	-	205,500	22,777	25,716	2,940	-	-	0.48%	0.54%	0.16%
Lucky Cement Ltd	321,450	16,000	-	10,000	327,450	165,826	167,962	2,136	86	2,700	3.14%	3.55%	0.10%
Maple Leaf Cement Factory Ltd	-	597,000	-	-	597,000	31,954	28,119	(3,835)	-	-	0.52%	0.60%	0.11%
Pioneer Cement Limited	500,000	-	-	-	500,000	23,430	21,730	(1,700)	-	-	0.41%	0.46%	0.22%
	821,450	1,168,500	-	10,000	1,979,950	285,730	279,371	(6,360)	86	2,700	5.21%	5.91%	
POWER GENERATION & DISTRIBUTION													
Hub Power Company Ltd	3,074,100	40,000	-	461,000	2,653,100	244,318	232,067	(12,252)	(1,145)	7,317	4.33%	4.91%	0.23%
K-Electric Limited	8,642,000	700,000	-	1,000,000	8,342,000	47,265	44,630	(2,635)	(63)	-	0.83%	0.94%	0.03%
	11,716,100	740,000	-	1,461,000	10,995,100	291,583	276,696	(14,887)	(1,207)	7,317	5.16%	5.86%	
ENGINEERING													
Aisha Steel Mills Ltd	1,470,997	-	-	1,470,997	-	-	-	-	634	-	0.00%	0.00%	0.00%
Aisha Steel Mills Ltd - Pref. Shares	257,327	-	-	-	257,327	5,072	5,008	(64)	-	-	0.09%	0.11%	0.58%
Aisha Steel Mills Ltd. - Conv. Cum. Pref. Shares	1,628,663	-	-	-	1,628,663	70,033	70,033	-	-	-	1.31%	1.48%	55.94%
Amreli Steels Limited	734,000	-	-	370,500	363,500	25,645	23,609	(2,036)	3,489	-	0.44%	0.50%	0.12%
International Industries Ltd	235,400	-	-	-	235,400	54,681	50,658	(4,023)	-	1,530	0.95%	1.07%	0.20%
International Steels Limited	681,300	45,100	-	150,000	576,400	58,189	52,435	(5,753)	(86)	1,594	0.98%	1.11%	0.13%
Mughal Iron & Steel Inds Ltd	571,500	360,000	-	392,000	539,500	31,928	26,398	(5,530)	(3,466)	-	0.49%	0.56%	0.21%
	5,579,187	405,100	-	2,383,497	3,600,790	245,547	228,140	(17,406)	571	3,124	4.26%	4.83%	

Name of the Investee Company	Number of shares					Balance as at September 30, 2018					Percentage in Relation to		
	As at July 1, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2018	Carrying value	Market value	Appreciation / (Diminution)	Capital Gain / (Loss)	Dividend Income	Net Assets of the fund	Total Investments	Investee Paidup Capital
	-----Rs in "000"-----												
AUTOMOBILE ASSEMBLER													
Honda Atlas Cars (Pakistan) Ltd	114,450	-	-	114,450	-	-	-	-	(3,167)	-	0.00%	0.00%	0.00%
Indus Motor Company Limited	47,120	-	-	15,320	31,800	45,202	44,477	(725)	1,400	-	0.83%	0.94%	0.04%
Millat Tractors Ltd	87,000	-	-	87,000	-	-	-	-	(1,738)	-	0.00%	0.00%	0.00%
	248,570	-	-	216,770	31,800	45,202	44,477	(725)	(1,766)	-	0.83%	0.94%	
CABLE & ELECTRICAL GOODS													
Pak Elektron Ltd	1,047,000	90,500	-	110,000	1,027,500	36,137	31,585	(4,552)	279	-	0.59%	0.67%	0.21%
	1,047,000	90,500	-	110,000	1,027,500	36,137	31,585	(4,552)	279	-	0.59%	0.67%	
PHARMACEUTICALS													
The Searle Company Ltd	171,220	-	-	167,000	4,220	1,433	1,333	(99)	(854)	-	0.02%	0.03%	0.00%
	171,220	-	-	167,000	4,220	1,433	1,333	(99)	(854)	-	0.02%	0.03%	
GLASS & CERAMICS													
Shabbir Tiles & Ceramics Ltd	125,000	230,000	-	355,000	-	-	-	-	1,639	-	0.00%	0.00%	0.00%
	125,000	230,000	-	355,000	-	-	-	-	1,639	-	0.00%	0.00%	
OIL & GAS EXPLORATION COMPANIES													
Mari Petroleum Company Ltd	182,440	1,500	-	10,000	173,940	261,970	271,056	9,086	640	-	5.06%	5.74%	0.16%
Oil & Gas Development Co Ltd	1,709,200	373,700	-	-	2,082,900	322,899	318,663	(4,236)	-	-	5.95%	6.74%	0.05%
Pakistan Oilfields Ltd	409,050	-	69,810	60,000	418,860	234,488	230,030	(4,459)	(3,337)	8,726	4.29%	4.87%	0.18%
Pakistan Petroleum Ltd	1,544,200	-	-	-	1,544,200	331,849	329,532	(2,316)	-	-	6.15%	6.97%	0.08%
	3,844,890	375,200	69,810	70,000	4,219,900	1,151,206	1,149,281	(1,925)	(2,697)	8,726	21.45%	24.32%	
OIL & GAS MARKETING COMPANIES													
Hascol Petroleum Ltd	140,000	-	-	-	140,000	43,926	38,135	(5,792)	-	490	0.71%	0.81%	0.00%
Pakistan State Oil Company Ltd	605,700	78,200	-	50,000	633,900	204,104	202,113	(1,991)	921	-	3.77%	4.28%	0.19%
Sui Northern Gas Pipeline Ltd	1,080,200	-	-	-	1,080,200	108,258	96,267	(11,990)	-	-	1.80%	2.04%	0.17%
	1,825,900	78,200	-	50,000	1,854,100	356,288	336,515	(19,773)	921	490	6.28%	7.21%	
COMMERCIAL BANKS													
Bank Al-Falah Ltd	5,001,000	-	410,550	895,500	4,516,050	214,677	224,177	9,500	2,528	4,106	4.18%	4.74%	0.28%
Bank Al-Habib Limited	1,748,000	875,000	-	-	2,623,000	208,584	211,650	3,066	-	-	3.95%	4.48%	0.24%
Bank of Punjab Ltd	8,192,500	1,928,000	-	600,000	9,520,500	114,089	112,628	(1,461)	317	-	2.10%	2.38%	1.80%
Faysal Bank Limited	2,237,000	75,000	-	300,000	2,012,000	52,345	54,022	1,678	746	-	1.01%	1.14%	0.22%
Habib Bank Ltd*	1,596,300	128,000	-	-	1,724,300	284,510	261,007	(23,502)	-	1,646	4.87%	5.52%	0.12%
MCB Bank Ltd**	1,411,200	-	-	-	1,411,200	279,093	283,948	4,855	-	5,645	5.30%	6.01%	0.13%
Meezan Bank Ltd	476,000	125,000	60,100	-	661,100	49,524	58,957	9,433	-	902	1.10%	1.25%	0.06%
National Bank of Pakistan Ltd	-	60,000	-	-	60,000	3,066	3,116	50	-	-	0.06%	0.07%	0.00%
United Bank Limited	1,597,100	50,000	-	35,800	1,611,300	271,716	248,140	(23,576)	60	4,834	4.63%	5.25%	0.13%
	22,259,100	3,241,000	470,650	1,831,300	24,139,450	1,477,602	1,457,645	(19,957)	3,651	17,132	27.21%	30.85%	
FERTILIZER													
Engro Corporation Ltd	952,100	-	-	202,400	749,700	235,301	233,629	(1,672)	1,897	5,248	4.36%	4.94%	0.14%
Engro Fertilizers Limited	3,049,000	500	-	567,000	2,482,500	185,966	187,404	1,438	1,939	9,930	3.50%	3.97%	0.19%
Fauji Fertilizer Bin Qasim Ltd	-	450,000	-	-	450,000	18,482	16,745	(1,737)	-	-	0.31%	0.35%	0.05%
Fauji Fertilizer Co Ltd	1,175,500	-	-	215,000	960,500	94,984	93,783	(1,201)	(433)	1,384	1.75%	1.98%	0.08%
	5,176,600	450,500	-	984,400	4,642,700	534,733	531,561	(3,172)	3,403	16,562	9.92%	11.25%	
CHEMICAL													
Engro Polymer & Chemicals Ltd	1,671,000	649,699	-	-	2,320,699	67,040	67,393	353	-	1,817	1.26%	1.43%	0.19%
Engro Polymer & Chemicals Ltd - LOR	599,699	-	-	599,699	-	-	-	-	(5,289)	-	0.00%	0.00%	0.00%
	2,270,699	649,699	-	599,699	2,320,699	67,040	67,393	353	(5,289)	1,817	1.26%	1.43%	
AUTOMOBILE PARTS & ACCESSORIES													
Thal Limited	258,750	29,250	-	-	288,000	135,882	125,859	(10,023)	-	-	2.35%	2.66%	0.36%
	258,750	29,250	-	-	288,000	135,882	125,859	(10,023)	-	-	2.35%	2.66%	
TECHNOLOGY & COMMUNICATION													
Systems Limited	590,000	-	-	349,000	241,000	24,394	29,014	4,620	4,974	-	0.54%	0.61%	0.22%
	590,000	-	-	349,000	241,000	24,394	29,014	4,620	4,974	-	0.54%	0.61%	
Total as at September 30, 2018	57,003,566	8,449,949	540,655	8,845,166	57,149,004	4,818,096	4,725,295	(92,801)	2,924	57,867	88.20%	100.00%	
Total as at June 30, 2018	49,947,765	45,704,930	1,018,657	39,667,786	57,003,566	5,362,121	5,069,921	(292,200)	(721,814)	236,709	40.00%	41.86%	46.02%

*Sponsor of the Management Company

**Connected person due to holding more than 10% certificates

5.1.1 Investments include shares having market value aggregating to Rs. 344.344 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 1.32 million at September 30, 2018 (June 30, 2018: Rs. 1.363) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.2 Listed equity securities - Available for Sale

Name of the Investee Company	Number of shares				Balance as at September 30, 2018					Percentage in Relation to			
	As at July 1, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2018	Cost	Market Value	Appreciation / (Diminution)	Capital Gain / (Loss)	Dividend Income	Net Assets of the fund	Total Investments	Investee Paidup Capital
-----Rs in '000'-----													
Oil and Gas Marketing Companies													
Pakistan State Oil Company Limited	19,003,406	-	-	-	19,003,406	1,307,980	6,059,046	4,751,066	-	-	85.58%	87.28%	5.83%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	112,395	883,290	770,895	-	-	12.48%	12.72%	1.56%
TOTAL SEPTEMBER 30, 2018	28,914,652	-	-	-	28,914,652	1,420,375	6,942,336	5,521,961	-	-	98.05%	100.00%	
TOTAL JUNE 30, 2018	25,747,418	-	3,167,234	-	28,914,652	1,420,375	7,042,279	5,621,904	-	501,911	55.56%	58.14%	

The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

	Note	September 30, 2018		June 30, 2018	
		Class A	Class B	Total	Total
----- (Rupees in '000) -----					
6 PAYABLE TO MANAGEMENT COMPANY					
Management fee	6.1	12,058	8,800	20,857	21,126
Sindh Sales Tax	6.2	1,568	1,144	2,711	2,746
Allocation of expenses relating to registrar services, accounting, operation and valuation services		603	440	1,043	1,056
Selling and marketing expenses		7,271	5,393	12,665	-
		21,500	15,777	37,276	24,928

- 6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (June 30,2018: two percent) of the average net assets of the Fund for the current period.
- 6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2018:13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the year.
- 6.4 SECP vide its circular No.SCD/PRDD/Circular/361/2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. According to said circular, the selling and marketing expenses have been allowed initially for a period of three years (from January 01, 2017 till December 31, 2019) being chargeable to open end equity, asset allocation and index funds. Maximum cap on the expenses has been set at 0.4% per annum of net assets of fund or actual expenses, whichever being lower. The Fund has started accruing expense on this account at 0.4% per annum of net assets of the Fund effective from July 02, 2018.

		September 30, 2018		June 30, 2018	
		Class A	Class B	Total	Total
		----- (Rupees in '000) -----			
7	ACCRUED EXPENSES AND OTHER LIABILITIES				
	Provision for Sindh Workers' Welfare Fund	7.1	-	40,775	40,775
	Provision for Federal Excise Duty and additional Sales tax on Management Fee	7.2	-	125,303	125,303
	Brokerage		-	280	280
	Auditors' remuneration		87	287	374
	Withholding tax		49	29	78
	Others		36	1,083	1,119
			172	167,757	167,929
				170,516	170,516

7.1 PROVISION FOR WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 40.775 million (June 30, 2018 Rs. 40.775 million) in this condensed interim financial information. Had the provision not been made, net asset value per unit at September 30, 2018 would have been higher by Re. 0.1445 (June 30, 2018 Re. 0.1438) per unit.

7.2 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

The Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 125.303 million (June 30, 2018: Rs. 125.303 million). Had the provision not been made, the Net Asset Value per unit of Class-B as at September 30, 2018 would have been higher by Re. 0.44 (June 30, 2018: Re. 0.442) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2018.

9 TAXATION

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

10 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio for the Three Months Ended September 30, 2018 is 0.75% and 0.80% which includes 0.09% and 0.10% representing government levy, and SECP fee of the Class A and Class B respectively.

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL asset management limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

	Three Months Ended September 30,			2017 Total
	Class A	Class B	Total	
11.1 Transactions during the period	(Rupees in '000)			
HBL Asset Management Limited - Management Company				
Remuneration of the Management Company	36,355	27,648	64,003	70,259
Sales tax on remuneration of the management company	4,726	3,594	8,320	9,134
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,818	1,382	3,200	3,513
Selling and Marketing Expense	7,271	5,393	12,665	-

	Three Months Ended September 30,			2017 Total
	2018			
	Class A	Class B	Total	
	(Rupees in '000)			
Habib Bank Limited - Sponsor				
Dividend income	-	1,646	1,646	3,125
Profit on saving account	-	29	29	
MCB Bank Limited- Connected person - due to holding more than 10% Units				
Profit on saving account	44	1,646	1,690	3,716
Bank charges	3	5	9	7
Dividend income	-	5,645	5,645	5,225
Central Depository Company of Pakistan				
Trustee Fee	2,269	1,795	2,269	2,373
CDS Charges	-	168	168	247
	September 30, 2018			June 30, 2018
	(Un-Audited)			(Audited)
	Class A	Class B	Total	Total
	(Rupees in '000)			
11.2 Balances at period end				
HBL Asset Management Company Limited - Management Company				
Payable to management company	12,058	8,800	20,857	21,126
Sindh sales tax	1,568	1,144	2,711	2,746
Allocation of expenses relating to registrar services, accounting, operation and valuation services	603	440	1,043	1,056
Selling and Marketing Expense	7,271	5,393	12,665	-
Habib Bank Limited - Sponsor				
Bank Balances	-	1,310	1,310	-
MCB Bank Limited- Connected person - due to holding more than 10% certificate				
Bank Balance - deposit and current account	158,153	180,297	338,451	167,595
Profit Receivable	670	614	1,284	859
Units held: 43,482,858 Units (June 2018: 43,482,858 Units)	434,829	-	-	434,829
Units held: 43,482,858 Units (June 2018: Nil Units)	-	825,722	-	-
Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% certificate				
Units held: 30,406,721 Units (June 2018: 30,406,721 Units)	304,067	-	-	304,067
Units held: 30,406,721 Units (June 2018: Nil Units)	-	577,411	-	-
Pension Reserves Investment Trust Fund - Connected person - due to holding more than 10% certificate				
Units held: 36,096,714 Units (June 2018: 36,096,714 Units)	36,097	-	-	360,967
Units held: 36,096,714 Units (June 2018: Nil Units)	-	685,462	-	-

	September 30,			June 30,
	2018			2018
	(Un-Audited)			(Audited)
	Class A	Class B	Total	Total
----- (Rupees in '000) -----				
Central Depository Company of Pakistan Limited - Trustee				
Trustee remuneration payable	774	650	1,424	726
Security Deposit with trustee	100	175	275	275
CDS Charges Payable	-	60	60	60
Jubilee General Insurance Company Limited - associate				
Units held: 142,500 Units (June 2018: 200,000 Units)	1,425	-	-	1,425
Units held: 142,500 Units (June 2018: Nil Units)	-	2706	-	-
Directors and Executives of the Management Company				
Units held: 18,000 Units (June 2017: 18,000 Units)	180	-	185	180
Units held: 18,000 Units (June 2017: Nil Units)	-	342	-	-

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

12.1

		Class A								
		September 30, 2018								
		Carrying amount				Fair Value				
	Note	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investment in listed equity securities										
- at fair value through profit and loss										
-	-	-	-	-	-	-	-	-	-	-
- available for sale										
-	-	6,942,336	-	-	-	6,942,336	6,942,336	-	-	6,942,336
Financial assets not measured at fair value										
0										
Bank balances										
-	-	-	-	158,153	-	158,153	-	-	-	-
Unlisted equity securities										
-	-	-	-	-	-	-	-	-	-	-
Dividend and profit receivable										
-	-	-	-	2,254	-	2,254	-	-	-	-
Receivable against sales of investment										
-	-	-	-	-	-	-	-	-	-	-
Security deposits										
-	-	-	-	100	-	100	-	-	-	-
Financial liabilities not measured at fair value										
0										
Payable to Management Company										
-	-	-	-	-	21,500	21,500	-	-	-	-
Payable to trustee										
-	-	-	-	-	774	774	-	-	-	-
Accrued expenses and other liabilities										
-	-	-	-	-	123	123	-	-	-	-
Payable against purchase of investment										
-	-	-	-	-	-	-	-	-	-	-
Unclaimed dividend										
-	-	-	-	-	22,398	22,398	-	-	-	-

12.2

		Class B								
		September 30, 2018								
		Carrying amount				Fair Value				
	Note	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investment in listed equity securities										
- at fair value through profit and loss										
4,725,295	-	-	-	-	-	4,725,295	4,725,295	-	-	4,725,295
- available for sale										
-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value										
0										
Bank balances										
-	-	-	-	893,766	-	893,766	-	-	-	-
Unlisted equity securities										
-	-	-	-	-	-	-	-	-	-	-
Dividend and profit receivable										
-	-	-	-	63,034	-	63,034	-	-	-	-
Receivable against sales of investment										
-	-	-	-	-	-	-	-	-	-	-
Deposits										
-	-	-	-	2,675	-	2,675	-	-	-	-
Financial liabilities not measured at fair value										
0										
Payable to Management Company										
-	-	-	-	-	15,777	15,777	-	-	-	-
Payable to trustee										
-	-	-	-	-	650	650	-	-	-	-
Accrued expenses and other liabilities										
-	-	-	-	-	208,503	208,503	-	-	-	-
Payable against purchase of investment										
-	-	-	-	-	-	-	-	-	-	-
Unclaimed dividend										
-	-	-	-	-	224,931	224,931	-	-	-	-

		Class B								
		June 30, 2018								
		Carrying amount				Fair Value				
	Note	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investment in listed equity securities										
- at fair value through profit and loss										
5,396,111	-	-	-	-	-	5,396,111	5,396,111	-	-	5,396,111
- available for sale										
-	-	7,610,124	-	-	-	7,610,124	7,610,124	-	-	7,610,124
Financial assets not measured at fair value										
0										
Bank balances										
-	-	-	-	729,178	-	729,178	-	-	-	-
Dividend and profit receivable										
-	-	-	-	205,437	-	205,437	-	-	-	-
Deposits										
-	-	-	-	3,176	-	3,176	-	-	-	-
Financial liabilities not measured at fair value										
0										
Payable to Management Company										
-	-	-	-	-	24,928	24,928	-	-	-	-
Payable to trustee										
-	-	-	-	-	786	786	-	-	-	-
Accrued expenses and other liabilities										
-	-	-	-	-	1,766	1,766	-	-	-	-
Payable against purchase of investment										
-	-	-	-	-	28,631	28,631	-	-	-	-
Financial liabilities not measured at fair value										
-	-	-	-	-	56,111	56,111	-	-	-	-

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

13 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 17, 2018.

14 GENERAL

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

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Investment Fund

FUND INFORMATION

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

HBL Investment Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2018

	Note	September 30, 2018			June 30, 2018
		(Un-Audited)			(Audited)
		Class A	Class B	Total	Total
Assets					
Bank balances	4	59,647	466,613	526,260	371,142
Investments	5	2,487,595	2,475,778	4,963,373	5,179,170
Dividend and profit receivable		1,173	33,167	34,340	79,037
Receivable against sale of investment		-	2,450	2,450	-
Security deposits		604	3,775	4,379	3,317
Total assets		2,549,018	2,981,782	5,530,801	5,632,666
Liabilities					
Payable to the Management Company	6	7,704	8,249	15,953	10,689
Payable to the trustee		337	353	690	421
Payable to the Securities and Exchange Commission of Pakistan		619	684	1,303	5,304
Payable against purchase of investment		-	6,540	6,540	13,183
Accrued expenses and other liabilities	7	613	79,127	79,740	81,509
Unclaimed dividend		-	86,224	86,224	86,271
Total liabilities		9,273	181,177	190,450	197,377
Net assets		2,539,745	2,800,605	5,340,351	5,435,289
Total unit holders' fund (as per statement attached)		2,539,745	2,800,605	5,340,351	5,435,289
Contingencies and commitments					
Number of units in issue	8	284,125,000	282,059,165		284,125,000
Net assets value per unit		8.9388	9.9291		19.13

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Income Statement And Comprehensive Income (Un-Audited)
For the three months ended September 30, 2018

Note	Three months ended September 30			2017	
	2018			Total	
	Class A	Class B	Total	Total	
------(Rupees in '000)-----					
Income					
Capital gain on sale of investments - net	-	703	703	(84,627)	
Dividend income	-	30,299	30,299	27,344	
Profit on bank deposits	796	7,853	8,649	9,432	
Back end Load Income	-	2,235	2,235	-	
	796	41,090	41,886	(47,851)	
Unrealised (diminution) on remeasurement of investments at fair value through profit or loss - net	-	(48,292)	(48,292)	(372,720)	
	796	(7,202)	(6,406)	(420,571)	
Expenses					
Remuneration of Management Company	6.1	13,022	14,395	27,417	30,015
Sindh Sales tax on remuneration of the Management company	6.2	1,693	1,871	3,564	3,902
Remuneration of Trustee		957	1,054	2,011	1,236
Annual fee to the Securities and Exchange Commission of Pakistan		618	684	1,302	1,425
Selling & marketing expense	6.4	2,604	2,821	5,425	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	651	720	1,371	1,501
Securities transaction costs		-	1,181	1,181	1,406
Auditors' remuneration		73	79	152	172
Printing Charges		28	30	58	-
Fee and Subscription Charges		162	152	314	494
Bank Charges		2	5	7	69
Conversion expense from closed end to open end fund		-	283	283	-
		19,810	23,275	43,085	40,220
Net loss from operating activities		(19,014)	(30,477)	(49,491)	(460,791)
Provision for Sindh Workers' Welfare Fund	7.1	-	-	-	-
Net loss for the period before taxation		(19,014)	(30,477)	(49,491)	(460,791)
Taxation	9	-	-	-	-
Net loss for the period after taxation		(19,014)	(30,477)	(49,491)	(460,791)
Other Comprehensive (loss)Income		(23,852)	-	(23,852)	284,754
Total comprehensive (loss) for the period		(42,866)	(30,477)	(73,343)	(176,038)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund

Condensed Interim Statement of Movement in Unit Holders' Fund

For the three months ended September 30, 2018

	Three months ended September 30													
	2018				2017				2017					
	Class A		Class B		Class B		Total		Total		Total			
Capital Value	Undistributed Income	Unrealized Income/(Loss) on Investment	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(Loss) on Investment	Total	Capital Value	Undistributed Income	Unrealized Income/(Loss) on Investment	Total
(Rupees in '000)														
Net assets at beginning of the year / period	2,841,250	600,086	1,993,953	5,435,289	-	-	-	2,841,250	1,342,350	2,146,969	6,330,569			
Issue of 284,125,000 Class B units at the time of conversion	-	(2,852,678)	-	(2,852,678)	2,841,250	11,428	2,852,678	-	-	-	6,330,569			
Issuance of 2,585,247 units														
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	25,956	-	25,956	-	-	-	-	-	-	-
- Element of loss	-	-	-	-	(488)	-	(488)	-	-	-	-	-	-	-
Total proceeds on issuance of units					25,468	-	25,468							
Redemption of 4,651,082 units														
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	(46,698)	-	(46,698)	-	-	-	-	-	-	-
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Relating to net income for the year / period after taxation	-	-	-	-	(364)	-	(364)	-	-	-	-	-	-	-
Total payment on redemption of units					(47,062)	-	(47,062)							
Total comprehensive income for the year / period	-	(19,014)	(23,852)	(42,866)	-	(30,477)	(30,477)	-	(460,791)	284,754	(176,038)			
Distribution during the year / period	-	-	-	-	-	-	-	-	(383,568)	-	(383,568)			
Net income for the year / period less distribution		(19,014)	(23,852)	(42,866)		(30,477)	(30,477)		(844,359)	284,754	(559,606)			
Net assets at end of the year / period	2,841,250	(2,271,606)	1,970,101	2,539,745	2,819,656	(19,049)	2,800,605	2,841,250	497,991	2,431,723	5,770,963			
Undistributed income / (loss) brought forward														
- Realised		600,086							(80,439)					
- Unrealised		(155,380)							437,875					
		444,706							357,436					
Transferred to Class B - Segment on conversion of Fund		(2,852,678)				11,428								
Accounting loss available for distribution		(19,014)				(30,477)			(460,791)					
Distribution during the year / period		-				-			(383,568)					
Undistributed income carried forward		(2,426,986)				(19,049)			(486,923)					
Undistributed income carried forward														
- Realised		(2,426,986)				29,243			(114,203)					
- Unrealised		-				(48,292)			(372,720)					
		(2,426,986)				(19,049)			(486,923)					
Net assets value per unit at beginning of the year / period	9.0897					10.0402			22.28					
Net assets value per unit at end of the year / period	8.9388					9.9291			20.31					

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	Three months ended September 30			2017 Total
	2018			
	Class A	Class B	Total	
Note	------(Rupees in '000)-----			
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss for the period	(19,014)	(30,477)	(49,491)	(460,791)
Adjustments of non-cash items				
Unrealised diminution on remeasurement of investments at fair value through profit or loss - net	-	48,292	48,292	372,720
Dividend income	-	(30,299)	(30,299)	(27,344)
Profit on bank deposit	(796)	(7,853)	(8,649)	(9,432)
	(19,810)	(20,337)	(40,147)	(124,847)
(Increase) / decrease in assets				
Investments - net	-	143,655	143,655	492,046
Receivable against sale of investments	-	(2,450)	(2,450)	(6,557)
Security deposits	(504)	(558)	(1,062)	-
	(504)	140,647	140,143	485,489
Increase / (decrease) in liabilities				
Payable to Management Company	7,704	(2,440)	5,264	(1,097)
Payable to Central Depository Company of Pakistan Limited - Trustee	337	(68)	269	(564)
Payable to the Securities and Exchange Commission of Pakistan	619	(4,620)	(4,001)	(4,472)
Payable against purchase of investment	-	(6,643)	(6,643)	(4,108)
Accrued expenses and other liabilities	613	(2,382)	(1,769)	(1,736)
	9,273	(16,153)	(6,880)	(11,977)
Cash used in operations	(11,041)	104,157	93,116	348,665
Dividend received	70,183	5,627	75,810	69,565
Profit received on bank deposit	506	7,329	7,835	9,855
Net cash generated from operating activities	70,689	12,956	83,645	79,420
CASH FLOW FROM FINANCING ACTIVITIES				
Amount received on issue of units	-	25,468	25,468	-
Amount paid on redemption of units	-	(47,062)	(47,062)	-
Dividend paid	-	(48)	(48)	-
Net cash generated from / (used in) financing activities	-	(21,642)	(21,642)	-
Net (decrease) / increase in cash and cash equivalents	59,647	95,471	155,119	428,085
Cash and cash equivalents at beginning of the period	-	371,142	371,142	350,631
Cash and cash equivalents at end of the period	59,647	466,613	526,260	778,715

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1. STATUS AND NATURE OF BUSINESS

- 1.1** HBL Investment Fund (Formerly PICIC Investment Fund) was established under a Trust Deed, executed between PICIC Asset Management Company (Now HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** Through an order dated August 31, 2016, SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016. Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.
- 1.3** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.4** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.5** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.6** JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (AM Two Plus) to the Management Company.
- 1.7** Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.
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2 BASIS OF PREPERATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS-34) and provision of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

2.1.1 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

2.1.2 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

	September 30, 2018 (Un-Audited)			June 30, 2018 (Audited)
	Class A	Class B	Total	Total
4 BANK BALANCES	(Rupees in '000)			
In savings account	59,647	466,613	526,260	371,142
	59,647	466,613	526,260	371,142

4.1 Mark-up rates on these accounts range between 5.35% to 8.25% p.a (June 30, 2018: 5.35% - 6.70% p.a).

	September 30, 2018 (Un-Audited)			June 30, 2018 (Audited)
	Class A	Class B	Total	Total
5 INVESTMENTS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss' - held-for-trading	-	2,475,778	2,475,778	2,667,725
Available for sale	2,487,595	-	2,487,595	2,511,445
	2,487,595	2,475,778	4,963,373	5,179,170

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

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

Name of investee company	Number of Shares					Carrying value as at September 30, 2018 (Rupees)	Market value as at September 30, 2018 (Rupees)	Appreciation / (diminution)	Capital gain	Dividend Income	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2018	Purchases during the year	Right issue	Sales during the year	As at September 30, 2018						Total Investments	Net Assets	
Class B													
Automobile Assembler													
Honda Atlas Cars (Pakistan) Limited	58,750	-	-	58,750	-	-	-	-	(1,681)	-	-	-	-
Indus Motor Company Limited	26,680	-	-	9,380	17,300	24,591	24,196	(395)	849	-	0.98%	0.86%	0.02%
Millat Tractors Ltd	45,000	-	-	45,000	-	-	-	-	(730)	-	-	-	-
	130,430	-	-	113,130	17,300	24,591	24,196	(395)	(1,562)	-	0.98%	0.86%	-
Automobile Parts and Accessories													
Thal Limited (Par value Rs. 5 per share)	136,300	13,500	-	-	149,600	70,739	65,377	(5,362)	-	-	2.64%	2.33%	0.38%
	136,300	13,500	-	-	149,600	70,739	65,377	(5,362)	-	-	2.64%	2.33%	-
Cable and Electrical Goods													
Pak Elektron Limited	561,500	38,500	-	73,000	527,000	18,561	16,200	(2,361)	185	-	0.65%	0.58%	0.11%
	561,500	38,500	-	73,000	527,000	18,561	16,200	(2,361)	185	-	0.65%	0.58%	-
Chemical													
Engro Polymer & Chemicals Limited	1,189,462	339,462	-	314,462	1,214,462	35,084	35,268	184	(2,773)	952	1.42%	1.26%	0.30%
	1,189,462	339,462	-	314,462	1,214,462	35,084	35,268	184	(2,773)	952	1.42%	1.26%	-
Cement													
D.G Khan Cement Company Limited	-	190,000	-	-	190,000	22,596	19,458	(3,138)	-	-	0.79%	0.69%	0.04%
Kohat Cement Ltd	-	100,200	-	-	100,200	11,231	12,539	1,308	-	-	0.51%	0.45%	0.08%
Lucky Cement Limited	166,000	10,000	-	-	176,000	89,073	90,277	1,204	-	1,409	3.65%	3.22%	0.05%
Maple leaf Cement Factory Limited	-	286,000	-	-	286,000	15,366	13,471	(1,895)	-	-	0.54%	0.48%	0.05%
Pioneer Cement Limited	250,000	-	-	-	250,000	11,715	10,865	(850)	-	-	0.44%	0.39%	0.11%
	416,000	586,200	-	-	1,002,200	149,981	146,610	(3,371)	-	1,409	5.92%	5.23%	-

Name of investee company	Number of Shares					Carrying value as at September 30, 2018 (Rupees)	Market value as at September 30, 2018 (Rupees)	Appreciation / (diminution)	Capital gain	Dividend Income	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2018	Purchases during the year	Right issue	Sales during the year	As at September 30, 2018						Total Investments	Net Assets	
Commercial Banks													
Bank Al-Falah Limited	2,620,500	-	212,650	494,000	2,339,150	111,195	116,115	4,920	1,429	2,126	4.69%	4.15%	0.15%
Bank Al-Habib Limited	900,500	470,000	-	-	1,370,500	109,044	110,585	1,541	-	-	4.47%	3.95%	0.12%
Bank of Punjab Ltd	4,338,500	951,500	-	325,000	4,965,000	59,548	58,736	(812)	156	-	2.37%	2.10%	0.94%
Faysal Bank Limited	1,219,275	17,500	-	175,000	1,061,775	27,614	28,509	895	411	-	1.15%	1.02%	0.11%
Habib Bank Limited**	828,000	54,100	-	-	882,100	145,694	133,524	(12,170)	-	841	5.39%	4.77%	0.06%
MCB Bank Limited	732,000	-	-	-	732,000	144,767	147,285	2,518	-	2,928	5.95%	5.26%	0.07%
Meezan Bank Limited	200,000	125,000	32,500	-	357,500	26,969	31,882	4,913	-	487	1.29%	1.14%	0.03%
National Bank of Pakistan	-	40,000	-	-	40,000	2,044	2,078	34	-	-	0.08%	0.07%	-
United Bank Limited	826,200	25,000	-	15,000	836,200	141,019	128,775	(12,244)	20	2,508	5.20%	4.60%	0.07%
	11,664,975	1,683,100	245,150	1,009,000	12,584,225	767,894	757,489	(10,405)	2,016	8,890	30.60%	27.05%	
Engineering													
Aisha Steel Mills Limited	1,103,600	-	-	1,103,600	-	-	-	-	352	-	-	-	-
Aisha Steel Mills Limited - Preference Shares	130,000	-	-	-	130,000	2,562	2,530	(32)	-	-	0.30%	0.09%	0.29%
Aisha Steel Mills Limited - Conv Cum Pref Shares	1,065,000	-	-	-	1,065,000	45,795	45,795	-	-	-	1.85%	1.64%	36.58%
Amreli Steel Limited	388,000	-	-	198,500	189,500	13,369	12,308	(1,061)	1,844	-	0.50%	0.44%	0.06%
International industries Limited	129,100	-	-	5,500	123,600	28,711	26,599	(2,112)	(46)	803	1.07%	0.95%	0.30%
International Steels Limited***	357,600	22,000	-	77,500	302,100	30,530	27,483	(3,027)	(58)	840	1.11%	0.98%	0.07%
Mughal Iron & Steel Inds Ltd	310,500	175,000	-	203,000	282,500	16,750	13,823	(2,927)	(1,849)	-	0.56%	0.49%	0.11%
	3,483,800	197,000	-	1,588,100	2,092,700	137,697	128,538	(9,159)	243	1,643	5.19%	4.59%	
Fertilizer													
Engro Corporation Limited	494,100	-	-	100,500	393,600	123,535	122,658	(877)	1,011	2,755	4.95%	4.38%	0.08%
Engro Fertilizers Limited	1,590,500	-	-	283,000	1,307,500	97,945	98,703	758	1,001	5,230	3.99%	3.52%	0.30%
Fauji Fertilizers Bin Qasim Limited	-	225,000	-	-	225,000	9,239	8,372	(867)	-	-	0.34%	0.30%	0.02%
Fauji Fertilizers Company Limited	636,000	-	-	134,000	502,000	49,644	49,016	(628)	(338)	739	1.98%	1.75%	0.04%
	2,720,600	225,000	-	517,500	2,428,100	280,363	278,749	(1,614)	1,674	8,724	11.26%	9.95%	
Insurance													
TPL Insurance Limited	610	-	79	-	689	13	15	2	-	-	-	-	-
	610	-	79	-	689	13	15	2	-	-	-	-	-
Oil and Gas Exploration Companies													
Mari Petroleum Company Limited	94,880	1,500	-	5,500	90,880	136,872	141,621	4,749	352	-	5.72%	5.06%	0.08%
Oil and Gas Development Company	892,400	190,000	-	-	1,082,400	167,805	165,596	(2,209)	-	-	6.69%	5.91%	0.03%
Pakistan Oilfields Limited	214,300	-	36,860	30,000	221,160	123,810	121,457	(2,353)	(1,668)	4,609	4.91%	4.34%	0.09%
Pakistan Petroleum Limited	808,700	-	-	-	808,700	173,790	172,577	(1,213)	-	-	6.97%	6.16%	0.04%
	2,010,280	191,500	36,860	35,500	2,203,140	602,277	601,251	(1,026)	(1,316)	4,609	24.29%	21.47%	
Oil & Gas Marketing Companies													
Hascal Petroleum Ltd	71,500	-	-	-	71,500	22,434	19,476	(2,958)	-	250	0.79%	0.70%	0.06%
Pakistan State Oil Company Limited	7,424,378	30,000	-	7,131,578	322,800	103,632	102,921	(711)	468	-	4.16%	3.67%	0.30%
Sui Northern Gas Pipeline Limited	3,060,524	-	-	2,488,024	572,500	57,376	51,021	(6,355)	-	-	2.06%	1.82%	0.09%
	10,556,402	30,000	-	9,619,602	966,800	183,442	173,418	(10,024)	468	250	7.00%	6.19%	
Pharmaceuticals													
The Searle Company Limited	85,140	-	-	82,100	3,040	1,032	960	(72)	(391)	-	0.04%	0.03%	-
	85,140	-	-	82,100	3,040	1,032	960	(72)	(391)	-	0.04%	0.03%	
Power Generation and Distribution													
The Hub Power Company Limited	1,654,200	20,000	-	289,000	1,385,200	127,564	121,163	(6,401)	(739)	3,822	4.89%	4.33%	0.12%
K-Electric Limited (Par value Rs. 3.50 per share)	4,527,000	350,000	-	500,000	4,377,000	24,815	23,417	(1,398)	(29)	-	0.95%	0.84%	0.02%
	6,181,200	370,000	-	789,000	5,762,200	152,379	144,580	(7,799)	(768)	3,822	5.84%	5.16%	
Textile													
Kohinoor Textile Mills Ltd	-	296,500	-	-	296,500	15,321	16,082	761	-	-	0.65%	0.57%	0.28%
Nishat (Chunian) Limited	-	220,500	-	-	220,500	11,312	11,281	(31)	-	-	0.46%	0.40%	0.09%
Nishat Mills Limited	567,100	-	-	140,800	426,300	60,074	59,933	(141)	(389)	-	2.42%	2.14%	0.12%
Mohib Textile Mills Limited*	40,820	-	-	-	40,820	-	-	-	-	-	-	-	0.27%
Sunshine Cloth Limited*	50,000	-	-	-	50,000	-	-	-	-	-	-	-	0.64%
	657,920	517,000	-	140,800	1,034,120	86,707	87,296	589	(389)	-	3.53%	3.12%	
Glass & Ceramics													
Shabbir Tiles % Ceramics Ltd	75,000	107,500	-	182,500	-	-	-	-	804	-	-	-	-
	75,000	107,500	-	182,500	-	-	-	-	804	-	-	-	-
Technology & Communication													
System Limited	308,500	-	-	177,000	131,500	13,310	15,831	2,521	2,512	-	0.64%	0.57%	0.12%
	308,500	-	-	177,000	131,500	13,310	15,831	2,521	2,512	-	0.64%	0.57%	
Total	40,177,919	4,298,762	282,089	14,641,694	30,117,076	2,524,070	2,475,778	(48,292)	703	30,299	100%	88.40%	

*Suspended/Delisted Companies

**Sponsors of Management Company

*** Related party due to common directorship

Investments include shares having market value aggregating to Rs. 147 million (June 30, 2018: Rs. 189.070 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.648 million at September 30, 2018 (June 30, 2018: Rs. 0.670 Million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.2 Listed equity securities - Available for Sale

Name of investee company	Number of Shares					Carrying value as at September 30, 2018 (Rupees in '000)	Market value as at September 30, 2018 (Rupees in '000)	Appreciation / (diminution)	Capital gain	Dividend Income	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2018	Purchases during the year	Right issue	Sales during the year	As at September 30, 2018						Total Investments	Net Assets	
Class A													
Oil and Gas Marketing Companies													
Pakistan State Oil Company Limited	5,922,149	-	-	-	5,922,149	484,439	2,265,861	1,781,422	-	-	91.09%	89.22%	2.18%
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	33,052	221,734	188,682	-	-	8.91%	8.73%	0.39%
	8,410,173	-	-	-	8,410,173	517,491	2,487,595	1,970,104	-	-	100%	97.95%	
Total	8,410,173	-	-	-	8,410,173	517,491	2,487,595	1,970,104	-	-	100%	97.95%	

5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2018 (Un-Audited)			June 30, 2018 (Audited)
			Class A	Class B	Total	Total
			(Rupees in '000)			
	Provision for Sindh Workers' Welfare Fund	7.1	-	21,075	21,075	21,075
	Provision for Federal Excise Duty and additional sales tax on Management Fee	7.2	-	55,961	55,961	55,961
	Printing Charges		28	-	28	2,810
	Auditors remuneration		73	260	333	783
	Security Transaction Charges		-	220	220	273
	Withholding tax payable		512	50	562	607
	Other Payable		-	1,561	1,561	-
			613	79,127	79,740	81,509

7.1 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

As there is loss for the quarter ended September 30, 2018, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per certificate of the Fund as at September 30, 2018 would have been higher by Rs. 0.07 per unit (June 30, 2018: 0.07 per unit) of class B.

7.2 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per certificate of the Fund as at September 30, 2018 would have been higher by Rs. 0.20 per certificate (June 30, 2018: 0.20 per certificate) of class B.

8 Contingencies & Commitments

There are no contingencies and commitment as at September 30, 2018.

9 TAXATION

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

10 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the period ended September 30, 2018 is 0.77% and 0.82% which includes 0.10% and 0.10% representing government levy and SECP fee of the Class A and Class B respectively.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Class A								
	SEPTEMBER 30, 2018								
	Carrying amount					Fair Value			
Fair value through profit and loss held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Note (Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments - Listed equity securities	-	2,487,595	-	-	2,487,595	2,487,595	-	-	2,487,595
	-	2,487,595	-	-	2,487,595	2,487,595	-	-	2,487,595
Financial assets not measured at fair value									
Bank balances	-	-	59,647	-	59,647				
Dividend and Profit receivable	-	-	1,173	-	1,173				
	-	-	60,820	-	60,820				
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	7,704	-	7,704				
Payable to Trustee	-	-	337	-	337				
Payable against purchase of investment	-	-	-	-	-				
Accrued expenses and other liabilities	-	-	101	-	101				
	-	-	8,142	-	8,142				

Class B									
SEPTEMBER 30, 2018									
Carrying amount					Fair Value				
Fair value through profit and loss held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Note					(Rupees in '000)				
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments - Listed equity securities	2,475,778	-	-	-	2,475,778	2,475,778	-	-	2,475,778
	2,475,778	-	-	-	2,475,778	2,475,778	-	-	2,475,778
Financial assets not measured at fair value									
Bank balances	-	-	466,613	-	466,613				
Dividend and Profit receivable	-	-	33,167	-	33,167				
Receivable against purchase of investment	-	-	2,450	-	2,450				
	-	-	502,230	-	502,230				
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	8,249	-	8,249				
Payable to Trustee	-	-	353	-	353				
Payable against purchase of investment	-	-	6,540	-	6,540				
Accrued expenses and other liabilities	-	-	2,041	-	2,041				
	-	-	17,183	-	17,183				
June 30, 2018									
Carrying amount					Fair Value				
Fair value through profit and loss held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments - Listed equity securities	-	2,511,445	-	-	2,511,445	2,511,445	-	-	2,511,445
	-	2,511,445	-	-	2,511,445	2,511,445	-	-	2,511,445
Financial assets not measured at fair value									
Bank balances	-	-	371,142	-	371,142				
Dividend and Profit receivable	-	-	79,037	-	79,037				
	-	-	450,179	-	450,179				
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	1,689	-	1,689				
Payable to Trustee	-	-	421	-	421				
Payable against purchase of investment	-	-	13,183	-	13,183				
Accrued expenses and other liabilities	-	-	3,866	-	3,866				
	-	-	28,159	-	28,159				

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

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

	Three Months Ended			September 30,2017 Total
	September 30,2018			
	Class A	Class B	Total	
Transactions during the year	----- Rupees in '000 -----			
HBL Asset Management Limited				
Remuneration of Management Company	13,022	14,395	27,417	30,015
Sindh Sales Tax on remuneration of Management Company	1,693	1,871	3,564	3,902
Reimbursement of Fund Operations, accounting and Related costs	651	720	1,371	1,501
Selling & Marketing	2,604	2,821	5,425	-
Habib Bank Limited - Associated Company				
Dividend Income	-	841	841	1,790
Profit on Bank Deposit	-	9	9	-
MCB Bank Limited				
Connected Person Due to Holding more than 10% Certificate)				
Profit on bank deposits	796	1,414	2,210	1,991
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	957	1,054	2,011	1,236
CDC Connection charges	-	98	98	139

	September 30, 2018 (Un-Audited)			June 30, 2018 (Audited)
	Class A	Class B	Total	Total
----- Rupees in '000 -----				
Balances outstanding at the year end				
HBL Asset Management Limited				
Payable to the Management Company	4,322	4,600	8,922	9,058
Sindh Sales tax payable on remuneration to management company	562	598	1,160	1,178
Finance and operational cost	216	230	446	453
Selling & Marketing expense	2,604	2,821	5,425	-
Central Depository Company Of Pakistan Limited - Trustee				
Trustee fee payable	337	353	690	385
Security deposit held	100	200	300	300
CDC Charges Payable	-	36	36	36
NIB Bank Limited				
Connected Person Due to Holding more than 10% units)				
Bank balance	59,647	113,601	173,248	106,436
Profit Receivable	290	1,872	2,162	490
	September 30, 2018 (Un-Audited)			June 30, 2018 (Audited)
	Class A	Class B	Total	Total
Related to units of the Fund				
Habib Bank Limited				
Outstanding units :48,662,161 (2018: 48,662,161) units	486,621	-	-	486,621
Outstanding units :48,662,161	-	483,225	-	-
Jubilee General Insurance Company Limited				
Outstanding units:107,379 (2018: 107,379)units	1,004	-	-	1,004
Outstanding units:107,879	-	1,071	-	-
Jubilee General Insurance Company Limited Staff Provident Fund Trust				
Outstanding units:118,454 (2018: 118,454) units	1,184	-	-	1,184
Outstanding units:118,454	-	1,176	-	-

	September 30, 2018 (Un-Audited)			June 30, 2018 (Audited)
	Class A	Class B	Total	Total
Jubilee General Insurance Company Limited				
Gratuity Fund Trust				
Outstanding units:224,000 (2018: 224,000) units	2,240	-	-	2,240
Outstanding units:224,000	-	2,224	-	-
Aga Khan University Employees Provident Fund Trust				
Outstanding units:588,000 (2018: 588,000) units	5,880	-	-	5,880
Outstanding units:588,000	-	5,839	-	-
Aga Khan University Employees Gratuity Fund Trust				
Outstanding units:138,000 (2018: 138,000) units	1,380	-	-	1,380
Outstanding units:138,000	-	1,370	-	-
MCB Bank Limited				
Connected Person Due to Holding more than 10% units)				
Outstanding units:66,090,021 (2018: 66,090,021) units	660,900	-	-	660,900
Outstanding units:66,090,021	-	656,287	-	-
Directors and Executives of the Management Company				
Outstanding units:26,195 (2018: 26,195) units	262	-	-	262
Outstanding units:31,390	-	312	-	-

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 17, 2018 by the Board of Directors of the company.

14 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

ASSET MANAGEMENT LTD.

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