

HBL

ASSET MANAGEMENT LTD.
ایسیٹ منیجمنٹ لمیٹڈ

AMC Rating : AM2+ by JCR-VIS



QUARTERLY REPORT 2019

For the nine months ended March 31, 2019

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 | (Chief Executive Officer) |
| | 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) |
| | Mr. Aamir Hasan Irshad | (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. Shahid Ghaffar | (Independent Director) |
| Members | Mr. Farid Ahmed Khan | (Chief Executive Officer) |
| | Mr. Rizwan Haider | (Non-Executive Director) |
| | Mr. Aamir Hasan Irshad | (Non-Executive Director) |

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2+ (Positive Outlook)

Legal Advisors

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

Website

www.hblasset.com

Head Office & 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 NINE MONTHS ENDED MARCH 31, 2019

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund and HBL Financial Planning Fund, HBL Growth Fund (Formerly: PICIC Growth Fund) & HBL Investment Fund (Formerly: PICIC Investment Fund) (the Funds) for the nine months ended March 31, 2019.

Economic Review

FY19 started with a political transition with interim and incumbent government setup facing economic challenges particularly twin deficits and inflationary pressures. Policy makers have successfully reduced current account deficit during 9MFY19 to 4.5% of GDP, with Mar-19 deficit at 3.6% of GDP, from a decade high level of 5.7% of GDP during FY18. CAD reduction was largely driven by significant monetary tightening, PKR depreciation and imposition of duties on imports. Moreover, Government also successfully managed to get financial support from friendly countries (Saudi Arabia, UAE and China) which along with increase in remittances provided support to foreign exchange reserves during the period under review.

Policy steps to contain aggregate demand and external account pressures started to reflect in LSM slowdown and shrinking CAD during 3QFY19. PKR depreciated by further 1.4% during 3QFY19, to bring currency to equilibrium levels as Real Effective Exchange Rate reached 103.3 in Feb-19. Central bank continued monetary tightening by further raising benchmark policy rate by 75bps during 3QFY19 to 10.75%.

Country's trade deficit reduced by 14% YoY to USD 23.5bn during 9MFY19 mainly due to reduction in imports (down 8%) as exports posted a marginal growth of 1.1% YoY. Remittances have depicted an impressive trend during 9MFY19 clocking in at USD 16.1bn, up 9% YoY. Due to slowdown in CAD and with the help of multilateral flows, foreign exchange reserves increased to USD 17.4bn during 9MFY19. Average headline CPI inflation was 6.8% in 9MFY19, compared to 3.8% during the same period last year on account of higher average oil prices, currency depreciation and increase in energy prices. Core inflation (non-food & non-energy) continued to remain on the higher side reaching 8.5% during Mar-19, taking 9MFY19 average to 8.2% compared to 5.4% during same period last year. While we expect headline inflation to remain moderate owing to adequate food supply, core inflation may remain sticky in the near term. During the period under review, newly elected Government also presented "mini-budget" and revised fiscal deficit target to 5.1% of GDP.

Going forward, Government would likely finalize agreement with IMF which would be followed by fiscal measures expected to be announced in the upcoming FY20 budget. Moreover, government is also expected to announce amnesty scheme in an effort to increase tax base and tax revenues. We believe that external account adjustments and large part of monetary tightening has been done and Government's focus would shift towards fiscal austerity measures in FY20.

Money Market Review

SBP continued monetary tightening in 3QFY19 to control the rising current account deficit and anchor increasing inflationary pressures.

Yields across all the tenors increased by 320-412bps during 9MFY19 due to cumulative increase of 425 bps in SBP policy rate g FY19. Secondary market yields of 3, 5 and 10-year PIBs increased by 392, 385 and 409 bps respectively while yields of 3, 6 and 12 month T-Bills increased in tandem by 412, 410 and 395 bps respectively during 9MFY19. Government further raised PKR 319bn through the PIBs auction during 3QFY19 against a target of PKR 200bn due to increased interest of market participants post increase in PIB yields. During 9MFY19, Government raised PKR 373bn through the PIBs against a target of PKR 650bn. Latest cut-off yields stood at 12.23%, 12.64% and 13.15% for the 3-year, 5-year and 10-year PIBs, respectively.

During the 9MFY19, Government largely managed its borrowing requirements through domestic sources, and mainly from central bank. Government retired PKR 2,576bn from scheduled banks compared to retirement of PKR 1,391bn during the SPLY. Meanwhile, government borrowing from SBP increased by PKR 3,485bn during the period against borrowing of PKR 2,161bn during the SPLY.

In the monetary policy held in March-19, SBP increased the policy rate by a further 50bps to 10.75%. Going forward, we expect that large part of monetary tightening has been done and the interest rates would remain around current levels (10.75-11%) during the remaining months of fiscal year 2019.

Stock Market Review

Pakistan Equity Market started 3QFY19 on a positive note as benchmark KSE-100 recorded strong performance of 10% in Jan-19 but index could not maintain its performance subsequently due to escalating tension across Pakistan-India border and uncertainty regarding Pakistan's entry into IMF program. For 9MFY19, benchmark index has posted 7.8% decline due to weak investors' sentiments owing to economic uncertainty pertaining to quantum and pace of monetary tightening, hike in gas & electricity tariffs and PKR depreciation. On the flows side, foreigners were the net buyers during the 3QFY19 and bought shares of worth USD 31mn, still lower than cumulative selling of USD 373mn during 9MFY19.

The benchmark KSE-100 index recorded 1,583 points recovery (\uparrow 4.3%) during 3QFY19 to close at 38,649 level. Index heavy weight sectors commercial banks, oil & gas exploration and fertilizer sectors primarily supported the index. Further uptick in interest rates, increase in oil prices and anticipation of better results of fertilizer sectors were the main reasons behind respective sector performance. Commercial banking sector recorded 4% performance while oil & gas exploration and fertilizer sector outperformed the benchmark index and went up by 15% and 6% respectively. Refineries, Power and OMCs were the key underperformers during the period on the back of government's decision of closing down FO based generation for an indefinite period. Moreover, weak financial results from refineries for 1HFY19 and decline in OMC volumes for 3QFY19 also dragged the respective sector performance. Refineries, power and OMC sectors underperformed the benchmark KSE100 and fell by 19%, 9% and 7% respectively.

Looking ahead, investors are likely to await government's decision of entry into IMF program, expected announcement of amnesty scheme and FY20 budget. We highlight that the current macroeconomic environment bodes well for index heavy weights (E&Ps, Banks and Power) while recent underperformance has opened up valuations of cyclical stocks. We believe Pakistan equities offer a good entry opportunity for long term investors.

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 155.89 million and Rs. 121.71 million respectively during the period ended March 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 111.2890 per unit as on June 30, 2018 which increased to Rs. 112.1722 per unit as on March 31, 2019 (after incorporating dividend of Rs. 5.50 per unit); thereby giving an annualized return of 8.02%. During the same period, the benchmark (6 Month KIBOR) return was 9.58%. The size of Fund was Rs. 1.51 billion as on March 31, 2019 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. 40.83 million and Rs. 32.35 million respectively during the period ended March 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 110.4244 per unit as on June 30, 2018 which increased to Rs. 112.7651 per unit as on March 31, 2019 (after incorporating dividend of Rs. 4.75 per unit); thereby giving an annualized return of 8.93%. During the same period the benchmark (6 Month PKRV Rates) return was 9.36%. The size of Fund was Rs. 1.66 billion as on March 31, 2019 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. 514.72 million and Rs. 431.80 million respectively during the period ended March 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 107.1869 per unit as on June 30, 2018 which increased to Rs. 108.0208 per unit as on March 31, 2019 (after incorporating dividend of Rs. 5.15 per unit) ; thereby giving an annualized return of 7.81%. During the same period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 8.01%.The size of Fund was Rs. 6.54 billion as on March 31, 2019 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. 835.61 million and Rs. 723.60 million respectively during the period ended March 31, 2019. 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 100.8317 per unit as on March 31, 2019 (after incorporating final dividend of Rs. 5.25 per unit and interim dividends of Rs. 5.9655 per unit); thereby giving an annualized return of 8.13%. During the same period, the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 8.01%.The size of Fund was Rs 9.67 billion as on March 31, 2019 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. 226.12 million and Rs. 357.19 million respectively during the period ended March 31, 2019. 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. 101.2673 per unit as on March 31, 2019; thereby giving a negative return of 5.40%. During the same period, the benchmark KSE 30 index yielded a negative return of 7.29%.The size of Fund was Rs 3.15 billion as on March 31, 2019 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. 6.57 million and Rs. 15.34 million respectively during the period ended March 31, 2019. 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. 105.3467 per unit as on March 31, 2019; thereby giving a negative return of 4.62%. During the same period, the benchmark KSE 100 index yielded a negative return of 7.78%.The size of Fund was Rs. 0.28 billion as on March 31, 2019 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. 110.62 million and Rs. 134.53 million respectively during the period ended March 31, 2019. 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. 12.6963 per unit as on March 31, 2019; thereby giving a negative return of 13.54%. During the same period, the benchmark KSE 30 index yielded a negative return of 7.29%.The size of Fund was Rs. 0.88 billion as on March 31, 2019 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. 1.19 million and Rs. 6.12 million respectively during the period ended March 31, 2019. 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 102.9447 per unit as on March 31, 2019; thereby giving a negative return of 2.07%. During the same period, the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a negative return of 1.67%. The size of Fund was Rs 0.25 billion as on March 31, 2019 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. 3.04 million and Rs. 5.48 million respectively during the period under review. The fund size of the fund stood at Rs. 0.40 billion as on March 31, 2019.

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. 5.51 million and Rs 6.28 million respectively. The net assets of the Active allocation plan stood at Rs. 0.16 billion representing Net Asset Value (NAV) of Rs. 100.9000 per unit as at March 31, 2019. The plan posted a negative return of 1.70% for the period under review. The plan is invested to the extent of 44% in equity funds & 52% in fixed income funds.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 3.49 million and Rs 2.92 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.07 billion representing Net Asset Value (NAV) of Rs. 107.0455 per unit as at March 31, 2019. The plan earned a return of 3.17% 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 incurred total and net loss of Rs. 1.02 million and Rs 2.11 million respectively. The net assets of the Strategic allocation plan stood at Rs. 0.17 billion representing Net Asset Value (NAV) of Rs. 101.5285 per unit as at March 31, 2019. The plan yielded a negative return of 0.97% for the period under review. The plan is invested to the extent of 45% in equity funds & 54% 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 1.4 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. 57.15 million and Rs. 337.29 million respectively during the period under review. The fund size of the fund stood at Rs. 10.86 billion as on March 31, 2019.

Performance of each segment is given below:

Class-A Segment

During the period under review, Class-A earned total income of Rs. 105.90 million and incurred a net loss of Rs 45.84 million. The net assets of the class stood at Rs. 5.82 billion representing Net Asset Value (NAV) of Rs. 20.5239 per unit as at March 31, 2019. The class posted a negative return of 19.52% for the period under review.

Class-B Segment

During the period under review, Class-B incurred a total and net loss of Rs. 163.04 million and Rs 291.45 million respectively. The net assets of the class stood at Rs. 5.04 billion representing Net Asset Value (NAV) of Rs. 18.1565 per unit as at March 31, 2019. The class posted a negative return of 5.43% 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 1.4 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. 46.56 million and Rs. 170.02 million respectively during the period under review. The fund size of the fund stood at Rs. 4.73 billion as on March 31, 2019.

Performance of each category is given below:**Class-A Segment**

During the period under review, Class-A earned a total income of Rs. 39.52 million and incurred a net loss of Rs 16.04 million. The net assets of the class stood at Rs. 2.09 billion representing Net Asset Value (NAV) of Rs. 7.3403 per unit as at March 31, 2019. The class posted a negative return of 19.24% for the period under review.

Class-B Segment

During the period under review, Class-B incurred a total and net loss of Rs. 86.07 million and Rs 153.97 million respectively. The net assets of the class stood at Rs. 2.65 billion representing Net Asset Value (NAV) of Rs. 9.4903 per unit as at March 31, 2019. The class posted a negative return of 5.47% 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 'Positive'.

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 & 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

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

زیر جائزہ مدت کے دوران فنڈ کو 2 جولائی 2018 سے موثر العمل کلوزڈ۔ اینڈ ڈ فنڈ سے ایک اوپن۔ اینڈ ڈ مشترکہ سرمایہ کار اسکیم میں منتقل کر دیا گیا۔ فنڈ کی منتقلی سے متعلق معاملہ فنڈ کے کنڈینسڈ عبوری مالیاتی حسابات کے نوٹ 1.4 میں تفصیل سے واضح کر دیا گیا ہے۔ فنڈ کی منتقلی کے بعد فنڈ دو الگ الگ شعبوں یعنی کلاس۔ اے سیگمنٹ اور کلاس۔ بی سیگمنٹ پر مشتمل ہے۔ فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 46.56 ملین روپے اور 170.02 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 4.73 ارب روپے پر موجود تھا۔

ہر ایک کمیٹری کی کارکردگی درج ذیل ہے:

کلاس۔ اے سیگمنٹ:

زیر جائزہ مدت کے دوران، کلاس۔ اے نے 39.52 ملین روپے کی مجموعی آمدنی اور 16.04 ملین روپے کا خالص خسارہ حاصل کیا۔ کلاس کے خالص اثاثہ جات 2.09 ارب روپے پر موجود تھے جو مارچ 2019 کے مطابق 7.3403 روپے فی یونٹ کے خالص اثاثہ جات ویلیو (NAV) کی نمائندگی کرتے ہیں۔ کلاس نے زیر جائزہ مدت کے دوران 19.24% کا منفی منافع ظاہر کیا۔

کلاس۔ بی سیگمنٹ:

زیر جائزہ مدت کے دوران، کلاس۔ بی نے بالترتیب 86.07 ملین روپے اور 153.97 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ کلاس کے خالص اثاثہ جات 2.65 ارب روپے پر موجود تھے جو مارچ 2019 کے مطابق 9.4903 روپے فی یونٹ کے خالص اثاثہ جات ویلیو (NAV) کی نمائندگی کرتے ہیں۔ کلاس نے زیر جائزہ مدت کے دوران 5.47% کا منفی منافع ظاہر کیا۔

انتظامی کمپنی کی ریٹنگ

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے انتظامی کمپنی کے لیے مینجمنٹ کوالٹی ریٹنگ +AM2 (اے ایم ٹو پلس) پر برقرار رکھی ہے اور آؤٹ لک "مثبت" کے طور پر تفریض کی ہے۔

اعتراف

بورڈ اس موقع پر اپنے معزز یونٹ ہولڈرز کا ان کے اعتماد اور سرپرستی پر شکر گزار ہے۔ اس کے ساتھ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور ایم سی بی فنانشل سروسز کو بطور ٹرسٹی، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی معاونت اور رہنمائی پر خراج تحسین پیش کرنا چاہتا ہے۔ بورڈ اسٹاف کی انتھک کوششوں اور جدوجہد پر ان کو بھی خراج تحسین پیش کرتا ہے۔

منجانب بورڈ

ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

خالص اثاثہ جات 0.16 ارب روپے پر موجود تھے جو 31 مارچ 2019 کے مطابق 100.9000 روپے فی یونٹ کے خالص اثاثہ جات کی مالیت (NAV) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے 1.70% کا منفی منافع ظاہر کیا۔ پلان نے ایکویٹی فنڈز میں 44% کی حد تک اور فکسڈ انکم فنڈز میں 52% کی سرمایہ کاری کی ہے۔

کنزرویٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلوکیشن پلان نے بالترتیب 3.49 ملین روپے اور 2.92 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کنزرویٹو ایلوکیشن پلان کے خالص اثاثہ جات 0.07 ارب روپے پر موجود تھے جو 31 مارچ 2019 کے مطابق 107.0455 روپے فی یونٹ کے خالص اثاثہ جات کی مالیت (NAV) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے 3.17% کا منافع ظاہر کیا۔ پلان نے ایکویٹی فنڈز میں 20% کی حد تک اور فکسڈ انکم فنڈز میں 79% کی سرمایہ کاری کی ہے۔

اسٹریٹیجک ایلوکیشن پلان

زیر جائزہ مدت کے دوران اسٹریٹیجک ایلوکیشن پلان نے بالترتیب 1.02 ملین روپے اور 2.11 ملین روپے کی مجموعی اور خالص خسارہ حاصل کیا۔ اسٹریٹیجک ایلوکیشن پلان کے خالص اثاثہ جات 0.17 ارب روپے پر موجود تھے جو 31 مارچ 2019 کے مطابق 101.5285 روپے فی یونٹ کے خالص اثاثہ جات کی مالیت (NAV) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے 0.97% منفی منافع ظاہر کیا۔ پلان نے ایکویٹی فنڈز میں 45% کی حد تک اور فکسڈ انکم فنڈز میں 54% کی سرمایہ کاری کی ہے۔

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

زیر جائزہ مدت کے دوران فنڈ کو 2 جولائی 2018 سے موثر العمل کلوزڈ۔ اینڈ فنڈ سے ایک اوپن۔ اینڈ مشترکہ سرمایہ کار اسکیم میں منتقل کر دیا گیا۔ فنڈ کی منتقلی سے متعلق معاملہ فنڈ کے کنڈینسڈ عبوری مالیاتی حسابات کے نوٹ 1.4 میں تفصیل سے واضح کر دیا گیا ہے۔ فنڈ کی منتقلی کے بعد فنڈ دو الگ الگ شعبوں یعنی کلاس۔ اے سیگمنٹ اور کلاس۔ بی سیگمنٹ پر مشتمل ہے۔ فنڈ مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 57.15 ملین روپے اور 337.29 ملین روپے کی مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 10.86 ارب روپے پر موجود تھا۔

ہر ایک سیگمنٹ کی کارکردگی درج ذیل ہے:

کلاس۔ اے سیگمنٹ:

زیر جائزہ مدت کے دوران، کلاس۔ اے نے 105.90 ملین روپے کی مجموعی آمدنی اور 45.84 ملین روپے کا خالص خسارہ حاصل کیا۔ کلاس کے خالص اثاثہ جات 5.82 ارب روپے پر موجود تھے جو مارچ 2019 کے مطابق 20.5239 روپے فی یونٹ کے خالص اثاثہ جات ویلیو (NAV) کی نمائندگی کرتے ہیں۔ کلاس نے زیر جائزہ مدت کے دوران 19.52% کا منفی منافع ظاہر کیا۔

کلاس۔ بی سیگمنٹ:

زیر جائزہ مدت کے دوران، کلاس۔ بی نے بالترتیب 163.04 ملین روپے اور 291.45 ملین روپے کی مجموعی اور خالص خسارہ حاصل کیا۔ کلاس کے خالص اثاثہ جات 5.04 ارب روپے پر موجود تھے جو مارچ 2019 کے مطابق 18.1565 روپے فی یونٹ کے خالص اثاثہ جات ویلیو (NAV) کی نمائندگی کرتے ہیں۔ کلاس نے زیر جائزہ مدت کے دوران 5.43% کا منفی منافع ظاہر کیا۔

ایچ بی ایل اسٹاک فنڈ

31 مارچ 2019 کو ختم ہونی والی مدت کے دوران فنڈ نے بالترتیب 226.12 ملین روپے اور 357.19 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی خالص ایسیٹ ویلیو (NAV) فی یونٹ 30 جون 2018 کے مطابق 107.0620 روپے فی یونٹ تھی۔ 31 مارچ 2019 کے مطابق فنڈ کا این اے وی 101.2673 روپے فی یونٹ ہو گیا جس کے ذریعے 5.40% کا منفی منافع دیا گیا، اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے 7.29% کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 3.15 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 5.96 ارب روپے پر تھا۔

ایچ بی ایل ایکویٹی فنڈ

31 مارچ 2019 کو ختم ہونی والی مدت کے دوران فنڈ نے بالترتیب 6.57 ملین روپے اور 15.34 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی خالص ایسیٹ ویلیو (NAV) فی یونٹ 30 جون 2018 کے مطابق 110.4602 روپے فی یونٹ تھی۔ 31 مارچ 2019 کے مطابق فنڈ کا این اے وی 105.3467 روپے فی یونٹ ہو گیا جس کے ذریعے 4.62% کا منفی منافع دیا گیا، اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 7.78% کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 0.28 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 0.29 ارب روپے پر تھا۔

ایچ بی ایل انرجی فنڈ

31 مارچ 2019 کو ختم ہونی والی مدت کے دوران فنڈ نے بالترتیب 110.62 ملین روپے اور 134.53 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی خالص ایسیٹ ویلیو (NAV) فی یونٹ 30 جون 2018 کے مطابق 14.6857 روپے فی یونٹ تھی۔ 31 مارچ 2019 کے مطابق فنڈ کا این اے وی 12.6963 روپے فی یونٹ ہو گیا جس کے ذریعے 13.54% کا منفی منافع دیا گیا، اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے 7.29% کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 0.88 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 1.06 ارب روپے پر تھا۔

ایچ بی ایل ملٹی ایسیٹ فنڈ

31 مارچ 2019 کو ختم ہونی والی مدت کے دوران فنڈ نے بالترتیب 1.19 ملین روپے اور 6.12 ملین روپے کی مجموعی آمدنی اور خالص خسارہ حاصل کیا۔ فنڈ کی ایکس ڈیویڈنڈ خالص ایسیٹ ویلیو (NAV) فی یونٹ 30 جون 2018 کے مطابق 105.0519 روپے فی یونٹ تھی۔ 31 مارچ 2019 کے مطابق فنڈ کا این اے وی 102.9447 روپے فی یونٹ ہو گیا جس کے ذریعے 2.07% کا منفی منافع دیا گیا، اسی مدت کے دوران بیچ مارک انڈیکس (تجم شدہ اوسط روز آند منافع کے ایس ای 100 اور چھ ماہ پی کے آروی ٹرھیں) نے 1.67% کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 0.25 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 0.32 ارب روپے پر تھا۔

ایچ بی ایل فنانشل پلاننگ فنڈ

فنڈ تین ذیلی فنڈز (پلانز) بنام ایکٹو ایلوکیشن پلان، کنزرویٹو ایلوکیشن پلان اور اسٹریٹیجک ایلوکیشن پلان پر مشتمل ہے۔

فنڈ نے مجموعی طور پر جوازہ مدت کے دوران بالترتیب 3.04 ملین روپے اور 5.48 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 0.40 ارب روپے پر تھا۔

پلانز کے لیے کارکردگی کا جائزہ درج ذیل ہے:

ایکٹو ایلوکیشن پلان

زیر جوازہ مدت کے دوران ایکٹو ایلوکیشن پلان نے بالترتیب 5.51 ملین روپے اور 6.28 ملین روپے کی مجموعی آمدنی اور خالص خسارہ حاصل کیا۔ ایکٹو ایلوکیشن پلان کے

حالیہ نجی کارکردگی زیر گردش ذخائر کی ویلیو اینٹرز بڑھائے گی۔ ہمیں یقین ہے کہ پاکستان ایکویٹیٹیز طویل مدتی سرمایہ کاروں کے لیے بہتر مواقع کی پیشکش کرے گی۔

فنڈ کی کارکردگی پورے آؤٹس

ایچ بی ایل انکم فنڈ

31 مارچ 2019 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور خالص آمدنی بالترتیب 155.89 ملین روپے اور 121.71 ملین روپے رہی۔ فنڈ کی خالص ایسیٹ ویلیو (NAV) فی یونٹ 30 جون 2018 کے مطابق 111.2890 روپے فی یونٹ تھی جو 31 مارچ 2019 کے مطابق بڑھ کر 112.1722 روپے فی یونٹ (5.50) روپے فی یونٹ کا منافع منقسمہ تشکیل دینے کے بعد) ہو گیا جس کے ذریعے 9.36% کا سالانہ منافع دیا گیا، اسی مدت کے دوران بیچ مارک (چھ ماہ کا کائی بور) 9.58% تھا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 1.51 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 2.46 ارب روپے پر تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے A(f) فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ

31 مارچ 2019 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور خالص آمدنی بالترتیب 40.83 اور 32.35 ملین روپے تھی۔ فنڈ کی خالص ایسیٹ ویلیو (NAV) فی یونٹ 30 جون 2018 کے مطابق 110.4244 روپے فی یونٹ تھی جو 31 مارچ 2019 کے مطابق بڑھ کر 112.7651 روپے فی یونٹ (4.75) روپے فی یونٹ کا منافع منقسمہ تشکیل دینے کے بعد) ہو گیا جس کے ذریعے 8.93% کا سالانہ منافع دیا گیا، اسی مدت کے دوران بیچ مارک (چھ ماہ کے پی کے آر وی شرحیں) منافع 9.36% تھا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 1.66 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 314 ارب روپے پر تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے A+(f) فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل منی مارکیٹ فنڈ

31 مارچ 2019 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور خالص آمدنی بالترتیب 514.72 اور 431.80 ملین روپے تھی۔ فنڈ کی خالص ایسیٹ ویلیو (NAV) فی یونٹ 30 جون 2018 کے مطابق 107.1869 روپے فی یونٹ تھی جو 31 مارچ 2019 کے مطابق بڑھ کر 108.0208 روپے فی یونٹ (5.15) روپے فی یونٹ کا منافع منقسمہ تشکیل دینے کے بعد) ہو گیا جس کے ذریعے 7.81% کا سالانہ منافع دیا گیا، اسی مدت کے دوران بیچ مارک (70% تین ماہ کے پی کے آر وی اور 30% تین ماہ کے ڈپازٹس ریٹس) منافع 8.01% تھا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 6.54 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 7.25 ارب روپے پر تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے AA(f) فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل کیش فنڈ

31 مارچ 2019 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور خالص آمدنی بالترتیب 835.61 اور 723.60 ملین روپے تھی۔ فنڈ کی ایکس۔ ڈیویڈنڈ خالص ایسیٹ ویلیو (NAV) فی یونٹ 30 جون 2018 کے مطابق 106.0021 روپے فی یونٹ تھی۔ 31 مارچ 2019 کے مطابق فنڈ کا این اے وی 100.8317 روپے فی یونٹ (5.25) روپے فی یونٹ کا حتمی منافع منقسمہ اور 5.9655 روپے فی یونٹ کا عبوری منافع منقسمہ تشکیل دینے کے بعد) ہو گیا جس کے ذریعے 8.13% کا سالانہ منافع دیا گیا، اسی مدت کے دوران بیچ مارک (70% تین ماہ کے پی کے آر وی اور 30% تین ماہ کے ڈپازٹس ریٹس) منافع 8.01% تھا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 9.67 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 12.04 ارب روپے پر تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے AA(f) فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ضبط کا سلسلہ جاری رکھا۔

مالی سال 19 کی تیسری سہ ماہی کے دوران 320-412bps کے اضافے کے ذریعے تمام مدتوں کے دوران منافع حاصل کیا گیا جس کی وجہ مالی سال 19 کی تیسری سہ ماہی میں ایس بی پی کی جانب سے پالیسی ریٹ میں مجموعی طور پر 425 bps کا اضافہ تھا۔ تین، پانچ اور دس سالہ پی آئی بی کے ثانوی مارکیٹ کی پیداوار بالترتیب 385، 392 اور 409 bps تک بڑھ گئی جبکہ تین، چھ اور بارہ ماہ کے ٹی بلز پر منافع مالی سال 19 کی تیسری سہ ماہی کے دوران بالترتیب 4.12، 4.10 اور 395 bps تک بڑھا۔ حکومت نے مالی سال 19 کی تیسری سہ ماہی کے دوران پی آئی بی کے نیلام کے ذریعے 200 ارب پاک روپے کے ہدف کے برخلاف مزید 319 ارب پاک روپے کا اضافہ کیا جس کی وجہ مارکیٹ میں موجود خریداروں کا پی آئی بی منافع میں اضافے کے بعد دلچسپی کا بڑھنا تھا۔ مالی سال 19 کی تیسری سہ ماہی میں حکومت نے 650 ارب پاک روپے کے ہدف کے برخلاف پی آئی بی کے ذریعے 373 ارب پاک روپے کا اضافہ کیا۔ تازہ ترین کٹوتی کے بعد منافع تین سال، پانچ سال اور دس سالہ پی آئی بی کے بالترتیب 12.23%، 12.64% اور 13.15% پر موجود تھا۔

مالی سال 19 کی تیسری سہ ماہی کے دوران حکومت نے وسیع طور پر اپنے قرضے کی ضروریات کا بندوبست مقامی وسائل اور بالخصوص مرکزی بینک کے ذریعے کیا۔ حکومت نے شیڈولڈ بینکوں نے 2,576 ارب پاک روپے حاصل کیے جبکہ گزشتہ سال کی اسی مدت کے دوران 1,391 ارب پاک روپے لیے گئے تھے۔ دریں اثنا ایس بی پی سے حکومت کے قرضہ جات اس مدت کے دوران 3,485 ارب پاک روپے تک بڑھے جبکہ گزشتہ برس کی اس مدت کے دوران قرضے کی شرح 16.16، 2 ارب پاک روپے تھی۔

مارچ 2019 میں جاری ماہیٹری پالیسی میں پالیسی ریٹ مزید 50bps بڑھا کہ 10.75% آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ سخت ماہیٹری نظم و ضبط کا سلسلہ جاری رہے گا اور شرح سود مالی سال 2019 کے باقی ماندہ ماہ کے دوران بدستور موجود سطح (11%-10.75%) پر برقرار رہے گا۔

اسٹاک مارکیٹ کا جائزہ

پاکستان ایکویٹی مارکیٹ نے مالی سال 19 کی تیسری سہ ماہی کا آغاز ایک مثبت نکتے سے کیا کیونکہ KSE-100 اینڈیکس نے جنوری 19 میں 10% کی مستحکم کارکردگی ظاہر کی تاہم انڈیکس اپنی کارکردگی برقرار نہ رکھ سکا جس کی وجہ پاکستان اور بھارت کی سرحدوں پر بڑھتی ہوئی کشیدگی اور آئی ایم ایف پروگرام میں پاکستان کی شمولیت کے حوالے سے پائی جانے والی بے یقینی تھی۔ مالی سال 19 کی تیسری سہ ماہی کے لیے اینڈیکس نے معاشی بے یقینی کی صورتحال، ماہیٹری نظام میں سخت روی، گیس اور بجلی کے ٹیرف میں نمایاں اضافے اور پاک روپے کی قدر میں کمی کے سبب سرمایہ کاروں کے کمزور اور دست رجحانات کے باعث 7.8% کمی ظاہر کی۔ بہاؤ کی جانب غیر ملکی مالی سال 19 کی تیسری سہ ماہی کے دوران خالص خریدار رہے اور 31 ملین امریکی ڈالر کے شیئرز خریدے جو پھر بھی مالی سال 19 کی تیسری سہ ماہی کے دوران 373 ملین امریکی ڈالر کے مجموعی فروخت سے کم تھے۔

مالی سال 19 کی تیسری سہ ماہی کے دوران اینڈیکس نے 1,583 پوائنٹس (4.3%) کی ریکوری کی اور 38,649 کی سطح پر بند ہوا۔ انڈیکس کے ہیوی ویٹ شعبے کمرشل بینکس، آئل اور گیس ایکسپلوریشن اور فرٹیلائزرز ریکلٹرز نے انڈیکس میں بنیادی معاونت فراہم کی۔ شرح سود میں مزید اضافے، تیل کی قیمتیں بڑھنے اور فرٹیلائزر ریکلٹرز متعلقہ سیکٹرز کی کامیابی اس کے پیچھے مرکزی عوامل تھے۔ تجارتی بینکنگ کے شعبے نے 4% کارکردگی ریکارڈ کی جبکہ آئل اور گیس ایکسپلوریشن اور فرٹیلائزر ریکلٹرز نے اینڈیکس کے لیے غیر معمولی کارکردگی کا مظاہرہ کیا اور بالترتیب 15% اور 6% کی شرح حاصل کی۔

ریفائنریز، پاور اور اوایم سیز اس مدت کے دوران کلیدی چلی کارکردگی کا مظاہرہ کرنے والے شعبے رہے جس کی وجہ حکومت کی جانب سے غیر معینہ مدت کے لیے ایف او پرنسز جزیشن بند کرنے کا فیصلہ تھا۔ مزید برآں مالی سال 19 کی پہلی سہ ماہی کے دوران ریفائنریز سے کمزور مالیاتی نتائج اور مالی سال 19 کی تیسری سہ ماہی کے دوران اوایم سی کے حجم میں کمی سمیت متعلقہ شعبے کی سست کارکردگی تھی۔ ریفائنریز، پاور اور اوایم سی سیکٹرز نے اینڈیکس میں چلی کارکردگی ظاہر کی اور بالترتیب 19%، 9% اور 7% گر گئی۔

آگے بڑھتے ہوئے انویسٹرز کو ممکنہ طور پر حکومت کی جانب سے آئی ایم ایف پروگرام میں شمولیت کے فیصلے، ایسٹیم کے متوقع اعلان اور مالی سال 20 کے بجٹ کا انتظار ہے۔ ہم اس امر کو واضح کرتے ہیں کہ موجودہ میکرو اکنامک کے عناصر کے ہیوی ویٹس (ای اینڈ پیز، بینکنگ اور پاور) انڈیکس کے لیے مثبت کارکردگی کا مظاہرہ کریں گے جبکہ

انتظامی کمپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ کے ڈائریکٹرز بمسرت 31 مارچ 2019 کو ختم ہونے والی نو ماہ کی مدت کے لیے اپنی رپورٹ مع ایچ بی ایل ایل ایل فنڈ، ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ، ایچ بی ایل منی مارکیٹ فنڈ، ایچ بی ایل ایل کیش فنڈ، ایچ بی ایل اسٹاک فنڈ، ایچ بی ایل ایکویٹی فنڈ، ایچ بی ایل انرجی فنڈ، ایچ بی ایل ٹی 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۔

اقتصادی جائزہ

مالیاتی سال 19 کا آغاز سیاسی تبدیلی کے ساتھ عبوری اور نوزائیدہ حکومت کے اقدامات سے ہوا جس کو معاشی چیلنجز بالخصوص دہرے خساروں اور افراط زر کے دباؤ کا سامنا تھا۔ پالیسی سازوں نے مالی سال 19 کے نو ماہ کے دوران کامیابی کے ساتھ کرنٹ اکاؤنٹ خسارے میں جی ڈی پی کے 4.5% تک کمی کی جبکہ مارچ-19 میں خسارہ 3.6% تھا، جو مالی سال 18 کے دوران پورے عشرے کی جی ڈی پی کے 5.7% کی بلند ترین سطح پر تھا۔ سی اے ڈی میں کمی کی بڑی وجہ سخت مالیاتی نظم و ضبط، پاک روپے کی قدر میں کمی اور درآمدات پر ڈیوٹیز نافذ کرنے کے باعث تھی۔ مزید برآں حکومت نے بھی کامیابی کے ساتھ دوست ممالک (سعودی عرب، یو اے ای اور چین) سے مالیاتی تعاون حاصل کر لیا جو زیر جائزہ مدت کے دوران زرتربیل میں اضافے کے ساتھ غیر ملکی زرمبادلہ کے ذخائر میں اضافے میں معاون ثابت ہوئی۔

مجموعی طلب اور بیرونی اکاؤنٹ کے دباؤ پر مشتمل پالیسی اقدامات کے اثرات ایل ایس ایم میں سست روی سے ظاہر ہونے کا آغاز ہوا اور مالی سال 19 کی تیسری سہ ماہی کے دوران یہ مزید سکڑ گئے۔ مالی سال 19 کی تیسری سہ ماہی کے دوران پاک روپے کی قدر میں مزید 1.4% کمی کرنسی کو مساوی حجم پر لانے کے لیے گئی کیونکہ حقیقی موثر زرمبادلہ کے ریٹ فروری-19 میں 103.3 تک پہنچ گئے تھے۔ مرکزی بینک نے سخت مالیاتی نظم و ضبط کا سلسلہ مالی سال 19 کی تیسری سہ ماہی کے دوران شیخ مارک پالیسی ریٹ کو 75bps مزید بڑھانے کے ذریعے 10.75% تک کر دیا۔

ملک کا تجارتی خسارہ مالی سال 19 کی تیسری سہ ماہی کے دوران YoY 14% تک کم ہو کر 23.5 ارب امریکی ڈالر ہو گیا جس کی بنیادی وجہ درآمدات میں کمی (8% کم) کا ہونا تھا جبکہ برآمدات نے اس دوران YoY 1.1% کی مختصر گروتھ ظاہر کی۔ مالی سال 19 کی تیسری سہ ماہی کے دوران زرتربیل نے متاثر کن رجحان ظاہر کیا اور 9% YoY بڑھ کر 16.1 ارب امریکی ڈالر تک جا پہنچے۔ سی اے ڈی میں سست روی کے باعث اور کثیر جہتی بہاؤ کی معاونت کے ساتھ غیر ملکی زرمبادلہ کے ذخائر مالی سال 19 کی تیسری سہ ماہی کے دوران 17.4 ارب امریکی ڈالر ہو گئے۔ اوسطاً سرکردہ سی پی آئی افراط زر مالی سال 19 کی تیسری سہ ماہی میں 6.8% تھا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران 3.8% رہا تھا جس کی وجہ آئل کے نرخوں کا بلند تر اوسط، کرنسی کی قدر میں کمی اور بجلی کی قیمتوں میں اضافہ تھا۔ بنیادی افراط زر (نان-فوڈ اور نان-انرجی) نے مستقل طور پر بلند پرواز جاری رکھی اور مارچ-19 کے دوران 8.5% تک جا پہنچا، لی سال 19 کی تیسری سہ ماہی میں یہ اوسط 8.2% رہی جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران 5.4% تھی۔

چونکہ ہمیں توقع ہے کہ سرکردہ افراط زر مناسب فوڈ سپلائی کی بدولت متوازن رہے گا لہذا بنیادی افراط زر قریبی مدت میں بھی اٹکی رہے گا۔ زیر جائزہ مدت کے دوران نئی منتخب حکومت نے بھی ”مٹی بجٹ“ پیش کیا اور نظر ثانی شدہ مالیاتی خسارے کا ہدف جی ڈی پی کا 5.1% تھا۔

آگے بڑھتے ہوئے حکومت ممکنہ طور پر آئی ایم ایف کے ساتھ معاہدے کو حتمی شکل دے دیگی جس کے بعد مالیاتی اقدامات کا امکانی طور پر مالی سال 20 کے آئندہ بجٹ میں اعلان کیا جائے گا۔ مزید برآں حکومت کی جانب سے ایمنٹی اسکیم کا اعلان بھی ٹیکس کا دائرہ کار اور ٹیکسوں کی آمدنی بڑھانے کی کوشش کے طور پر متوقع ہے۔ ہمیں یقین ہے کہ بیرونی کھاتوں کی ایڈجسٹمنٹ اور سخت مالیاتی نظم و ضبط کا وسیع تر رجحان برقرار رہے گا اور حکومت کی توجہ مالی سال 20 میں مالیاتی استحکام کے اقدامات کی جانب مبذول ہو جائے گی۔

منی مارکیٹ کا جائزہ

ایس بی پی نے بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے پر قابو پانے اور افراط زر کے پھیلنے سے بچنے کے لیے مالی سال 19 کی تیسری سہ ماہی میں سخت مالیاتی نظم و

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 Faysal Bank Limited Allied Bank Limited JS Bank Limited Samba Bank Limited MCB Bank Limited Askari Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited Sindh Bank Limited Telenor Microfinance Bank Limited Meezan Bank Limited NRSP Microfinance Bank Limited Industrial & Commercial Bank of China Limited First Microfinance Bank Limited U Microfinance Bank Limited |
| Rating | A(f) (JCR-VIS) |

HBL Income Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2019

| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|------|-----------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| Assets | | | |
| Bank balances | 4 | 314,526 | 1,242,036 |
| Investments | 5 | 1,188,074 | 1,221,606 |
| Accrued mark-up | | 27,617 | 21,696 |
| Advances, deposits, prepayments and other receivables | 6 | 34,261 | 47,841 |
| Receivable against sale of investments | | 7,938 | 24,984 |
| Total assets | | 1,572,416 | 2,558,163 |
| Liabilities | | | |
| Payable to the Management Company | 7 | 2,974 | 4,399 |
| Payable to the Trustee | | 236 | 349 |
| Payable to the Securities and Exchange Commission of Pakistan | | 1,200 | 2,742 |
| Accrued expenses and other liabilities | 8 | 53,531 | 50,424 |
| Payable against purchase of investments | | - | 43,789 |
| Total liabilities | | 57,941 | 101,703 |
| Net assets | | 1,514,475 | 2,456,460 |
| Unit holders' fund (as per statement attached) | | 1,514,475 | 2,456,460 |
| Contingencies and commitments | 9 | | |
| | | ----- (Number of units) ----- | |
| Number of units in issue | | 13,501,342 | 22,072,806 |
| | | ----- (Rupees) ----- | |
| Net assets value per unit | | 112.1722 | 111.2890 |

The annexed notes 1 to 16 form an integral part of these 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 (Un-Audited)
For The Nine Months and Quarter Ended March 31, 2019

| | Note | Nine months ended | | Quarter ended | |
|---|-------|-------------------|----------------|---------------|---------------|
| | | March 31, | | March 31, | |
| | | 2019 | 2018 | 2019 | 2018 |
| ------(Rupees in '000)----- | | | | | |
| Income | | | | | |
| Mark-up on deposits with banks | | 75,330 | 60,317 | 27,285 | 9,801 |
| Mark-up / return on investments | | 76,449 | 130,732 | 27,802 | 46,270 |
| Dividend income | | 13,137 | 16,287 | 330 | 4,726 |
| Unrealised (diminution) / appreciation on revaluation of investments classified as financial asset at fair value through profit or loss - net | | (6,783) | (15) | (328) | (528) |
| Capital (loss) / gain on sale of investments - net | | (9,859) | 2,748 | (1,871) | 3,587 |
| Other Income | | 40 | | 36 | |
| | | 148,314 | 210,069 | 53,254 | 63,856 |
| Reversal of provision against non-performing Term Finance Certificates | 5.1.2 | 7,576 | - | 1,390 | - |
| Expenses | | | | | |
| Remuneration of the Management Company | | 24,322 | 47,486 | 7,704 | 11,978 |
| Remuneration of the Trustee | | 2,257 | 3,504 | 702 | 1,008 |
| Annual fee to Securities and Exchange Commission of Pakistan | | 1,200 | 2,173 | 364 | 602 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | 1,600 | 2,897 | 486 | 802 |
| Settlement and bank charges | | 1,814 | 4,095 | 386 | 1,463 |
| Auditors' remuneration | | 282 | 300 | 92 | 95 |
| Legal and professional charges | | - | 71 | - | 59 |
| Printing and stationery | | - | 62 | - | 29 |
| Listing fee | | 19 | 20 | 6 | 6 |
| Rating fee | | 207 | 219 | 68 | 69 |
| | | 31,701 | 60,827 | 9,808 | 16,111 |
| Net income from operating activities | | 124,189 | 149,242 | 44,836 | 47,745 |
| Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net | | - | - | - | - |
| Provision for Sindh Workers' Welfare Fund | 8.2 | (2,484) | (2,985) | (897) | (955) |
| Net income for the period before taxation | | 121,705 | 146,257 | 43,939 | 46,790 |
| Taxation | 10 | - | - | - | - |
| Net income for the period after taxation | | 121,705 | 146,257 | 43,939 | 46,790 |
| Allocation of net income for the period | | | | | |
| Income already paid on redemption of units | | 46,562 | 36,635 | | |
| Accounting income available for distribution: | | | | | |
| - Relating to capital losses | | - | 1,079 | | |
| - Excluding capital gains | | 75,143 | 108,543 | | |
| | | 75,143 | 109,622 | | |
| | | 121,705 | 146,257 | | |

The annexed notes 1 to 16 form an integral part of these 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 Comprehensive Income (Un-Audited)
For The Nine Months and Quarter Ended March 31, 2019

| | Nine months ended | | Quarter ended | |
|--|-------------------------------|---------|---------------|-------|
| | March 31, | | March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| | ----- (Rupees in '000') ----- | | | |
| Net income for the period after taxation | 121,705 | 146,257 | 43,939 | - |
| Other comprehensive (loss) / income for the period | - | (9,059) | - | 2,693 |
| Total comprehensive income for the period | 121,705 | 137,198 | 43,939 | 2,693 |

The annexed notes 1 to 16 form an integral part of these 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 Unitholders' Fund (Un-Audited)
For The Nine Months Ended March 31, 2019

| | 2019 | | | | 2018 | | | |
|--|---------------|----------------------|--|-------------|---------------|----------------------|--|-------------|
| | Capital Value | Undistributed Income | Unrealised (loss) / income of investment | Total | Capital Value | Undistributed Income | Unrealised (loss) / income of investment | Total |
| -----Rupees in '000'----- | | | | | | | | |
| Net assets at beginning of the year | 2,230,273 | 226,959 | (772) | 2,456,460 | 4,362,025 | 117,658 | 10,613 | 4,490,296 |
| Adoption of IFRS 9 | - | (772) | 772 | - | - | - | - | - |
| Issue of 10,207,566 units (2018: 5,975,963 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 1,079,846 | - | - | 1,135,990 | 633,539 | - | - | 633,539 |
| - Element of income | 10,426 | - | - | (45,716) | 7,748 | - | - | 7,748 |
| Total proceeds on issuance of units | 1,090,274 | - | - | 1,090,274 | 519,115 | - | - | 519,115 |
| Redemption of 18,779,029 units (2018: 20,085,624 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (1,973,151) | - | - | (2,076,436) | (2,129,369) | - | - | (2,129,369) |
| - Element of loss | (12,850) | - | - | 90,435 | (34,873) | - | - | (34,873) |
| - Income already paid on redemption of units | - | (46,562) | - | (46,562) | - | (36,635) | - | (36,635) |
| | (1,986,001) | (46,562) | - | (2,032,563) | (2,164,242) | (36,635) | - | (2,200,877) |
| Total comprehensive income for the period | - | 121,705 | - | 121,705 | - | 146,257 | - | 146,257 |
| Refund of Capital | (13,463) | - | - | (13,463) | - | - | - | - |
| Distribution during the period | - | (107,938) | - | (107,938) | - | - | (9,059) | (9,059) |
| Total comprehensive income for the period | (13,463) | 13,767 | - | 304 | - | 146,257 | (9,059) | 137,198 |
| Net assets at end of the period | 1,321,083 | 193,392 | - | 1,514,475 | 2,716,898 | 227,280 | 1,554 | 2,945,732 |
| Undistributed income brought forward | | | | | | | | |
| - Realised | | 224,607 | | | | 117,670 | | |
| - Unrealised | | 2,352 | | | | (12) | | |
| | | 226,959 | | | | 117,658 | | |
| Adoption of IFRS 9 | | (772) | | | | - | | |
| Accounting income available for distribution | | | | | | | | |
| - Relating to capital losses | | - | | | | 1,079 | | |
| - Excluding capital losses | | 75,143 | | | | 108,543 | | |
| | | 75,143 | | | | 109,622 | | |
| Distribution during the period | | (107,938) | | | | - | | |
| Undistributed income carried forward | | 193,392 | | | | 227,280 | | |
| Undistributed income carried forward | | | | | | | | |
| - Realised | | 200,175 | | | | 227,295 | | |
| - Unrealised | | (6,783) | | | | (15) | | |
| | | 193,392 | | | | 227,280 | | |
| | | | | (Rupees) | | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | | 111.2890 | | | | 106.0146 |
| Net assets value per unit at end of the period | | | | 112.1722 | | | | 109.9116 |

The annexed notes 1 to 16 form an integral part of these 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 Cash Flow (Un- Audited)
For The Nine Months Ended March 31, 2019

| | Nine months ended March 31, | |
|---|--------------------------------|--------------------|
| | 2019 | 2018 |
| Note | ----- (Rupees in '000) ----- | |
| Cash flows from operating activities | | |
| Net income for the period before taxation | 121,705 | 146,257 |
| Adjustments for non-cash items: | | |
| Mark-up on deposits with banks | (75,330) | (60,317) |
| Mark-up / return on investments | (76,449) | (130,732) |
| Dividend income | (13,137) | (16,287) |
| Provision for Sindh Workers' Welfare Fund | 2,484 | 2,985 |
| Unrealised diminution/ (appreciation) on revaluation of investments classified as financial asset at fair value through profit or loss - net | 6,783 | 15 |
| Capital loss on sale of investments - net | 9,859 | (2,748) |
| | (24,085) | (60,827) |
| Decrease in assets | | |
| Investments | 16,890 | 107,017 |
| Advances, deposits, prepayments and other receivables | 13,580 | 858,934 |
| Receivable against sale of investments | 17,046 | - |
| | 47,516 | 965,951 |
| (decrease) / Increase in liabilities | | |
| Payable to the Management Company | (1,425) | (3,816) |
| Payable to the Trustee | (113) | (160) |
| Payable to the Securities and Exchange Commission of Pakistan | (1,542) | (2,118) |
| Accrued expenses and other liabilities | 623 | (15,015) |
| Payable against purchase of investments | (43,789) | - |
| | (46,246) | (21,109) |
| Net cash generated from operating activities | (22,815) | 884,015 |
| Dividend received | 13,137 | 16,287 |
| Profit received | 145,858 | 192,505 |
| | 158,995 | 208,792 |
| Net cash generated from operating activities | 136,180 | 1,092,807 |
| Cash flows from financing activities | | |
| Amount received on issue of units | 1,090,274 | 641,287 |
| Payment against redemption of units | (2,032,563) | (2,164,242) |
| Distribution paid | (121,401) | - |
| Net cash used in financing activities | (1,063,690) | (1,522,955) |
| Net decrease in cash and cash equivalents | (927,510) | (430,148) |
| Cash and cash equivalents at beginning of the period | 1,242,036 | 881,829 |
| Cash and cash equivalents at end of the period | 314,526 | 451,681 |

The annexed notes 1 to 16 form an integral part of these 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 Nine Months Ended March 31, 2019

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.

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

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from 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 management quality rating of 'AM2+' 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. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of IAS 34. These 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 these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain investments are measured at fair value.

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2018, except for spread transaction as disclosed in note 3.1.1 and for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.1.1 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as 'financial assets at fair value through profit or loss' and carried on the Statement of Assets and Liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the Income Statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the Income Statement

3.2 The preparation of these condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information

3.5 On application of IFRS - 9 'Financial Instruments', there is no material change in the Fund's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

3.6 Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to the disclosures for the nine months ended March 31, 2019.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- . debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- . debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- . all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;

the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and

the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Fund's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Fund's financial assets as regards their classification and measurement:

- the Fund's investment in debt instruments that were classified as available-for-sale financial assets under IAS 39 have been classified as financial assets at FVTPL because they are held within a business model whose objective is primarily to sell the bonds. The change in the fair value on these redeemable notes will be recorded in the profit or loss account;
- there is no change in the measurement of the Fund's investments in debt instruments that are held for trading; those instruments were and continue to be measured at FVTPL;

Para (d) below tabulates the change in classification of the Fund's financial assets upon application of IFRS 9.

None of the other reclassifications of financial assets have had any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

Please refer to para (d) below for further details regarding the change in classification upon the application of IFRS 9.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Fund had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Fund has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9.

| | Carrying amount as per IAS 39 as on June 30, 2018 | Reclassi- fications | Remeasur- ements | Carrying amount on initial adoption of IFRS 9 on July 01, 2018 | Effect on retained earnings on July 1, 2018 |
|--|---|------------------------|---------------------|--|--|
| ----- Rupees ('000')----- | | | | | |
| Financial assets | | | | | |
| Fair value through profit or loss | | | | | |
| Listed equity securities from available for sale (IAS 39) | 336,779 | 336,779 | - | 336,779 | - |
| Total | 336,779 | 336,779 | - | 336,779 | - |

| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) | | | |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|--------------|
| | Note | ----- (Rupees in '000) ----- | | | | |
| 4. BANK BALANCES | | | | | | |
| Balances with banks in: | | | | | | |
| - Savings accounts | 4.1 | 314,526 | 1,032,036 | | | |
| - Term deposit receipt (TDR) | | - | 210,000 | | | |
| | | <u>314,526</u> | <u>1,242,036</u> | | | |
| 4.1 | This represents bank accounts held with different banks. Mark-up rate on these accounts ranges between 8.03%-12% (June 30, 2018: 4.10% - 7.50%) per annum. | | | | | |
| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) | | | |
| | Note | ----- (Rupees in '000) ----- | | | | |
| 5. INVESTMENTS | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| - Term finance certificates - Listed | 5.1 | 192,235 | 391,551 | | | |
| - Term finance certificates and sukuk bonds - Unlisted | 5.2 | 772,342 | 758,349 | | | |
| - Investment in ready / future - spread transaction | 5.3 | - | 71,706 | | | |
| - Investment in Government securities | 5.4 | 78,484 | - | | | |
| | | <u>1,043,061</u> | <u>1,221,606</u> | | | |
| Financial assets at amortized cost | | | | | | |
| - Investment in Commercial paper | 5.5 | 145,013 | - | | | |
| | | <u>1,188,074</u> | <u>1,221,606</u> | | | |
| 5.1 Term finance certificates - Listed | | | | | | |
| Name of the Investee Company | Number of certificates | | | Market value as at March 31, 2019 | 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') | | | | | | |
| Financial Services | | | | | | |
| Saudi Pak Leasing Company Limited - (Note 5.1.1)** | 2,000 | - | - | 2,000 | - | - |
| Commercial Banks | | | | | | |
| Soneri Bank Limited | 27,100 | - | 27,100 | - | - | - |
| Chemicals | | | | | | |
| Dawood Hercules Chemical Limited* | 2,550 | - | 610 | 1,940 | 192,235 | 16.18 |
| Fixed Line Telecommunication | | | | | | |
| World Call Telecom Limited - (Note 5.1.2)** | 23,750 | - | - | 23,750 | - | - |
| | <u>25,750</u> | <u>-</u> | <u>-</u> | <u>25,750</u> | <u>192,235</u> | <u>16.18</u> |
| Cost of investments at March 31, 2019 | | | | <u>194,388</u> | | |
| * 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. A provision of Rs. 5.550 million equivalent to 100% of the amount outstanding has been made.

5.1.2 World call 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 has been made out of which during the period ended March 31, 2019 Rs. 7.576 million is received leaving outstanding balance as at March 31, 2019 of Rs. 40.191 million.

5.1.3 This include Rs 2.741 million recoverable from Dawood Hercules Chemical Limited.

5.2 Term finance certificates and sukuk bonds - Unlisted

| Name of the Investee Company | Number of certificates | | | As at March 31, 2019 | Market value as at March 31, 2019 | Market value as a | |
|--|------------------------|-----------------------------|-----------------------------------|----------------------|-----------------------------------|-------------------|------------|
| | As at July 1, 2018 | Purchases during the period | Sales / Matured during the period | | | Total Investments | Net Assets |
| (Rupees in '000) | | | | | | | |
| Commercial Banks | | | | | | | |
| Bank of Punjab * | 650 | - | - | 650 | 64,182 | 5.40 | 4.24 |
| JS Bank Limited | 3,150 | - | - | 3,150 | 15,806 | 1.33 | 1.04 |
| JS Bank Limited * | 2,000 | - | 100 | 1,900 | 188,120 | 15.83 | 12.42 |
| JS Bank Limited | 8,450 | - | 4,150 | 4,300 | 21,576 | 1.82 | 1.42 |
| Bank of Punjab * | 1,400 | - | - | 1,400 | 138,237 | 11.64 | 9.13 |
| | 15,650 | - | 4,250 | 11,400 | 427,921 | 36.02 | 28.26 |
| Chemicals | | | | | | | |
| Agritech Limited (Note: 5.2.1) | 2,430 | - | - | 2,430 | - | - | - |
| Ghani Gases Limited | 200 | - | - | 200 | 13,258 | 1.12 | 0.88 |
| | 2,630 | - | - | 2,630 | 13,258 | 1.12 | 0.88 |
| Multiutilities | | | | | | | |
| Water and Power Development Authority | 55,160 | - | 55,160 | - | - | - | - |
| Power Generation & Distribution | | | | | | | |
| Neelum Jhelum Hydropower Company (Private) Limited | - | 2,500 | 2,500 | - | - | - | - |
| Hub Power Company Limited | - | 36,600 | - | 36,600 | 183,000 | 15.40 | 12.08 |
| | - | 39,100 | 2,500 | 36,600 | 183,000 | 15.40 | 12.08 |
| Investment Companies | | | | | | | |
| Jahangir Siddiqui & Company Limited | 18,000 | - | 8,000 | 10,000 | 49,119 | 4.13 | 3.24 |
| Jahangir Siddiqui & Company Limited | - | 8,000 | - | 15,100 | 65,865 | 5.54 | 4.35 |
| Jahangir Siddiqui & Company Limited | - | 10,000 | 10,000 | - | - | - | - |
| | 18,000 | 18,000 | 18,000 | 25,100 | 114,984 | 9.68 | 7.59 |

| Name of the Investee Company | Number of certificates | | | As at March 31, 2019 | Market value as at March 31, 2019 (Rupees in '000) | Market value as a | |
|--|------------------------|-----------------------------|-----------------------------------|----------------------|---|-------------------|--------------|
| | As at July 1, 2018 | Purchases during the period | Sales / Matured during the period | | | Total Investments | Net Assets |
| Technology and communication | | | | | | | |
| TPL Corporation Limited * | 500 | - | - | 500 | 33,179 | 2.793 | 2.19 |
| Others | | | | | | | |
| New Allied Electronic Industries (Private) Limited (Note: 5.2.2)** | 9,000 | - | - | 9,000 | - | - | - |
| New Allied Electronic Industries (Private) Limited (Note: 5.2.2)** | 9,000 | - | - | 9,000 | - | - | - |
| | 18,000 | - | - | 18,000 | - | - | - |
| Total | 91,940 | 57,100 | 79,910 | 76,230 | 772,342 | 65.01 | 51.00 |
| Cost of investments at March 31, 2019 | | | | | 778,030 | | |

* These TFCs have face value of Rs. 100,000 per TFC.

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

5.2.1 Installments amounting to Rs. 1.998 million became due for payment of the following TFCs / sukus.

| | March 31, 2019 (Un-Audited) ----- (Rupees in '000') ----- | June 30, 2018 (Audited) |
|------------------|--|-------------------------------|
| Agritech Limited | <u>1,998</u> | <u>1,998</u> |

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

5.2.3 Details of non-compliant investments with the investment limit specified by Regulation 55 sub regulation 5 of the NBFC Regulations

| Name of Non-Compliant 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') ----- | | | | | | |
| Dawood Hercules Corporation Limited (note 5.2.4) | Sukuk | 192,235 | - | 192,235 | 12.69 | 12.23 |
| JS Bank Limited | TFC | 235,402 | - | 235,402 | 11.54 | 11.22 |

5.2.4 The exposure limit in a single entity as a percentage of net assets exceeded by 0.4% and 0.5% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations. The disclosure for breach of exposure limit is made as required by the circular no. 16 of 2010 dated July 07, 2010 by SECP. Exposure limit exceeded the prescribed limit of 10% due to reduction of fund size, subsequent to the purchase of investment.

5.2.5 Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at March 31, 2019 are as follows:

| Name of security | Remaining principal (per TFC) | Mark-up rate (per annum) | Issue date | Maturity date |
|---|-------------------------------|--------------------------|-------------------|-------------------|
| Term Finance Certificates and Sukuk bonds - Listed | | | | |
| Dawood Hercules Corporation Limited -Sukuk | 100,000 | 3 months KIBOR + 1.0% | November 16, 2017 | November 16, 2022 |
| Term Finance Certificates and Sukuk bonds - Unlisted | | | | |
| JS Bank Limited - TFC | 4,996 | 6 months KIBOR + 1.4% | December 14, 2016 | December 16, 2023 |
| JS Bank Limited - TFC | 99,960 | 6 months KIBOR + 1.4% | December 29, 2017 | December 29, 2024 |
| TPL Corp Ltd. - TFC | 66,667 | 3 months KIBOR + 1.5% | December 19, 2017 | December 18, 2019 |
| Bank Of Punjab - TFC | 99,920 | 6 months KIBOR + 1.0% | December 23, 2016 | December 23, 2026 |
| Jahangir Siddiqui & Company Ltd - TFC | 5,000 | 6 months KIBOR + 1.4% | July 18, 2017 | July 18, 2022 |
| Jahangir Siddiqui & Company Ltd - TFC | 5,000 | 6 months KIBOR + 1.4% | March 6, 2018 | March 6, 2023 |
| Jahangir Siddiqui & Company Ltd - TFC | 3,125 | 6 months KIBOR + 1.65% | June 24, 2016 | June 24, 2021 |
| Bank Of Punjab - TFC | 99,920 | 6 months KIBOR + 1.0% | December 23, 2016 | December 23, 2028 |
| Ghani Gasses Limited - Sukuk | 79,143 | 3 months KIBOR + 1% | February 2, 2017 | February 2, 2023 |

5.3 The investment in equity securities represents spread transactions entered into the 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 differences in ready and future stock prices. There are no outstanding equity investments as at March 31, 2019.

5.4 Investment in Government securities

| Issue Date | Tenure | Face value | | | As at March 31, 2019 | Market value as at March 31, 2019 | 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 bill | | | | | | | | |
| August 2, 2018 | 3 months | - | 8,500 | 8,500 | - | - | - | - |
| December 6, 2018 | 3 months | - | 10,000 | 10,000 | - | - | - | - |
| | | - | 18,500 | 18,500 | - | - | - | - |
| PIB | | | | | | | | |
| July 12, 2018 | 10 years | - | 375 | 375 | - | - | - | - |
| February 21, 2019 | 10 years | - | 2,000 | 2,000 | - | - | - | - |
| May 31, 2018 | 10 years | - | 802 | - | 802 | 78,484 | - | - |
| July 12, 2018 | 3 years | - | 4,625 | 4,625 | - | - | - | - |
| July 12, 2018 | 5 years | - | 1,000 | 1,000 | - | - | - | - |
| August 9, 2018 | 10 years | - | 5,559 | 5,559 | - | - | - | - |
| | | - | 14,361 | 13,559 | 802 | 78,484 | - | - |
| Cost of investments at March 31, 2019 | | | | | | 78,198 | | |

5.5 This represent commercial paper which will mature on July 15,2019 and carries profit rate of 12.26% (June 30, 2018: Nil) per annum.

| | Note | March 31, 2019 (Un-Audited) ----- (Rupees in '000) ----- | June 30, 2018 (Audited) |
|---|---|---|-------------------------------|
| 6. ADVANCES, DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Security deposit with National Clearing Company of Pakistan Limited | | 9,079 | 46,831 |
| Security deposit with Central Depository Company of Pakistan Limited | | 100 | 100 |
| Receivable against investments of term finance certificates and sukuk bonds | | 1,998 | 1,998 |
| Advance tax | | 24,970 | 645 |
| Dividend receivable | | - | - |
| Prepaid expenses | | 112 | 265 |
| | | <u>36,259</u> | <u>49,839</u> |
| Less: Provision against overdue installments of term finance certificates and sukuk bonds | | 1,998 | 1,998 |
| | | <u><u>34,261</u></u> | <u><u>47,841</u></u> |
| 7. PAYABLE TO THE MANAGEMENT COMPANY | | | |
| Management fee | | 2,136 | 3,125 |
| Sindh Sales Tax | | 278 | 408 |
| Sales load payable | | 408 | 617 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | 152 | 249 |
| | | <u>2,974</u> | <u>4,399</u> |
| 8. ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Auditors' remuneration | | 174 | 328 |
| Brokerage payable | | 890 | 573 |
| Federal Excise Duty payable | 8.1 | 27,578 | 27,578 |
| Other payables | | 539 | 297 |
| Capital gain tax payable | | 525 | 352 |
| Withholding tax payable | | 86 | 41 |
| Provision for Sindh Workers' Welfare Fund | 8.2 | 23,739 | 21,255 |
| | | <u><u>53,531</u></u> | <u><u>50,424</u></u> |
| 8.1 | The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in the 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 Supreme Court of Pakistan dated July 16, 2016, is pending for decision. | | |
| | In view of above, the Management Company, being prudent, is carrying a provision for FED for the period from January 13, 2013 to June 30, 2018 aggregating to Rs. 27.578 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 2.043 per unit (June 30, 2018: 1.249 per unit) | | |
| 8.2 | The legal status of applicability of Worker's 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. | | |
| | In view of the above, the Management Company, being prudent, recognized provision for SWWF amounting to Rs. 23.739 million (June 30, 2018: Rs. 21.255 million). Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 1.758 per unit (June 30, 2018: Rs. 0.963 per unit) | | |

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no contingencies outstanding as at March 31, 2019 and June 30, 2018

9.2 COMMITMENTS

| March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|--|--|
| ----- | ----- |
| (Rupees in '000) | |

Future sell transactions of equity securities entered into by the fund not settled as at Period/year end

| | |
|---------------------|----------------------|
| <u>7,938</u> | <u>72,135</u> |
|---------------------|----------------------|

10. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2019 to its unit holders.

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2019 is 1.59% (March 31, 2018: 1.65%), which includes 0.31% (March 31, 2018: 0.29%) representing government levy, Worker's Welfare Fund and SECP fee.

12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

Connected persons / related parties comprise 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 the 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 Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons during the period and balances with them at period end are as follows:

| 12.1 | Transactions during the period | Nine months ended | |
|------|---|------------------------------|----------------------|
| | | March 31, | |
| | | 2019 (Un-Audited) | 2018 (Un-Audited) |
| | | ----- (Rupees in '000) ----- | |
| | HBL Asset Management Limited - Management Company | | |
| | Management fee inclusive of sales tax | 24,322 | 47,486 |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | 1,600 | 2,897 |
| | Issue of 27,655 units (2018: 1,156,101 units) | 2,926 | 125,000 |
| | Redemption of 1,211,327 units (2018: nil units) | 129,374 | - |
| | Dividend paid | 6,359 | - |
| | Refund of capital 27,571 units | 2,917 | - |
| | Habib Bank Limited - Sponsor | | |
| | Bank charges paid | 30 | 20 |
| | Issue of 493,384 units (2017: Nil units) | 52,195 | - |
| | Redemption of 7,983,303 units (2018: 4,621,852 units) | 875,082 | 500,000 |
| | Dividend paid | 52,195 | - |
| | Mark-up earned during the period | 1,006 | 1,956 |
| | Purchase of TFCs: Nil units (2018: 1,250 units) | - | 123,676 |
| | Sale of TFCs: Nil units (2018: 3,960 units) | - | 392,019 |
| | Sale of Sukuk certificates: Nil units (2018: 1,000 units) | - | 100,000 |
| | HBL Asset Management Ltd Employees Provident Fund | | |
| | Issue of Nil units (2018: 10,946 units) | - | 1,203 |
| | Attock Cement Pak Ltd Employees Provident Fund | | |
| | Issue of 64,988 units (2018: Nil units) | 7,000 | - |
| | Attock Cement Pak Ltd Employees Pension Fund | | |
| | Issue of 46,420 units (2018: Nil units) | 5,000 | - |
| | Redemption of 46,420 units (2018: Nil units) | 5,153 | - |
| | MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - CIS Managed by the Management Company | | |
| | Issue of 77,754 units (2018: 1,734,330 units) | 8,700 | 186,000 |
| | Redemption of Nil units (2018: 978,333 units) | - | 106,195 |
| | Refund of capital 30,098 units | 3,184 | - |
| | Dividend paid | 3,184 | - |
| | MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - CIS Managed by the Management Company | | |
| | Issue of 71,498 units (2018: Nil units) | 8,000 | - |
| | Central Depository Company of Pakistan Limited - Trustee | | |
| | Remuneration | 2,257 | 3,504 |
| | CDC charges | 138 | 549 |

| | Nine months ended | |
|---|------------------------------|--------------|
| | March 31, | |
| | 2019 | 2018 |
| | (Un-Audited) | (Un-Audited) |
| | ----- (Rupees in '000) ----- | |
| Executives and their relatives | | |
| Issue of 9,763 units (2018: Nil units) | 1,064 | - |
| Redemption of Nil units (2018: 1,887 units) | - | 201 |
| Dividend paid | 389 | - |
| Pakistan Society For The Welfare Of Mentally Retarded Children - Related party due to holding more than 10% | | |
| Issue of 1,652,342 units (2018: Nil units) | 180,546 | - |
| Redemption of 142,021 units (2018: Nil units) | 15,525 | - |
| 12.2 Balances outstanding as at period / year end | | |
| | March 31, | June 30, |
| | 2019 | 2018 |
| | (Un-Audited) | (Audited) |
| | ----- (Rupees in '000) ----- | |
| HBL Asset Management Limited - Management Company | | |
| Investment held in the Fund: Nil units (30 June, 2018: 1,156,101 units) | - | 128,661 |
| Management fee | 2,136 | 3,125 |
| Sindh Sales Tax | 278 | 408 |
| Sales load payable | 408 | 617 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 152 | 249 |
| Habib Bank Limited - Sponsor | | |
| Investment held by HBL in the Fund: 2,000,000 units (June 30, 2018: 9,489,918 units) | 224,344 | 1,056,124 |
| Bank balances with HBL | 1,351 | 14,381 |
| The First Microfinance Bank - Associate | | |
| Bank balances | 10 | - |
| Attock Cement Pak Ltd Employees Provident Fund | | |
| Investment held in the Fund: 64,988 units (June 30, 2018: Nil units) | 7,290 | - |
| MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - CIS Managed by the Management Company | | |
| Investment held in the Fund: 686,777 units (June 30, 2018: 578,925 units) | 77,037 | 64,428 |

| | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|--|-------------------------------|
| | ----- (Rupees in '000) ----- | |
| MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - CIS Managed by the Management Company | | |
| Investment held in the Fund: 71,498 units (June 30, 2018: Nil units) | 8,020 | - |
| Directors and Executives of the Management Company and their relatives | | |
| Executives and their relatives | | |
| Investment held in the Fund: 80,536 units (June 30, 2018: 11,472 units) | 9,034 | 1,278 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable | 209 | 282 |
| Sindh Sales tax | 27 | 37 |
| Security deposit | 100 | 100 |
| CDC Charges | 9 | 30 |
| Pakistan Society For The Welfare Of Mentally Retarded Children- Related party due to holding more than 10% | | |
| Investment held in the Fund: 1,510,321 units (June 30, 2018: 11,472 units) | 169,416 | 1,278 |

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| | | March 31, 2019 (Un-Audited) | | | | | | | | |
|---|------|-----------------------------------|-----------------------------------|----------------------|--------------------------------------|------------|---------|-----------|---------|-----------|
| | | Carrying amount | | | Fair Value | | | | | |
| | Note | Fair value through profit or loss | Financial asset at amortised cost | 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 | | 964,577 | - | 964,577 | - | 964,577 | - | 964,577 | | |
| | | 964,577 | - | 964,577 | - | 964,577 | - | 964,577 | | |
| Financial assets not measured at fair value 13.1 | | | | | | | | | | |
| Bank balances | | - | 314,526 | 314,526 | | | | | | |
| Accrued mark-up | | - | 27,617 | 27,617 | | | | | | |
| Receivable against investment in shares | | - | 7,938 | 7,938 | | | | | | |
| Deposits and other receivables | | - | 9,179 | 9,179 | | | | | | |
| | | | 359,260 | 359,260 | | | | | | |
| Financial liabilities not measured at fair value 13.1 | | | | | | | | | | |
| Payable to the Management Company | | - | 2,696 | 2,696 | | | | | | |
| Payable to SECP | | - | 1,200 | 1,200 | | | | | | |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | 209 | 209 | | | | | | |
| Accrued expenses and other liabilities | | - | 713 | 713 | | | | | | |
| | | - | 4,818 | 4,818 | | | | | | |
| June 30, 2018 (Audited) | | | | | | | | | | |
| | | Carrying amount | | | | Fair Value | | | | |
| | Note | Available for sale | Held-for-trading | Loans and receivable | Other financial assets / 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 | | 336,779 | 813,121 | - | - | 1,149,900 | - | 1,149,900 | - | 1,149,900 |
| - Investment in ready / future - spread transaction | | - | 71,706 | - | - | 71,706 | 71,706 | - | - | 71,706 |
| | | 336,779 | 884,827 | - | - | 1,221,606 | 71,706 | 1,149,900 | - | 1,221,606 |
| Financial assets not measured at fair value 13.1 | | | | | | | | | | |
| 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 | | | | |
| | | - | - | 1,335,647 | - | 1,335,647 | | | | |
| Financial liabilities not measured at fair value 13.1 | | | | | | | | | | |
| Payable to Management Company | | - | - | - | 3,991 | 3,991 | | | | |
| Payable to SECP | | - | - | - | 2,742 | 2,742 | | | | |
| Payable to Trustee | | - | - | - | 309 | 309 | | | | |
| Accrued expenses and other liabilities | | - | - | - | 1,198 | 1,198 | | | | |
| Payable against purchase of investment | | - | - | - | 43,789 | 43,789 | | | | |
| | | - | - | - | 52,029 | 52,029 | | | | |

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. 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 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. HBL Asset Management Limited (Management Company) classified HBL Income Fund (the Fund) as Income Scheme' in accordance with the said circular. As at December 31, 2018, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

| Name of Non-Compliant Investment | Type of Investment | Value of Investment before provision | Provision held | Value of Investment after provision | % 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 | 9,992 | 9,992 | - | - |
| Saudi Pak Leasing Company Limited | TFC | 5,550 | 5,550 | - | - |
| World Call Telecom Limited | TFC | 40,191 | 40,191 | - | - |

The above securities have ratings lower than investment grade.

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 30, 2019.

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

Government Securities Fund

FUND INFORMATION

| | |
|-----------------|--|
| Name of Fund | HBL Government Securities Fund |
| Name of Auditor | BDO Ebrahim & Co. 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 Sindh Bank Limited NRSP Microfinance Bank Limited |

HBL Government Securities Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2019

| | Note | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|------|-----------------------------------|-------------------------------|
| -----Rupees in '000----- | | | |
| Assets | | | |
| Bank balances | 4 | 1,560,039 | 332,785 |
| Investments | 5 | 116,906 | - |
| Receivable against margin trading system | | - | 77 |
| Accrued markup on bank balances and investments | | 10,770 | 2,054 |
| Deposits, prepayments and other receivables | | 2,472 | 2,310 |
| Total assets | | 1,690,187 | 337,226 |
| Liabilities | | | |
| Payable to the Management Company | 6 | 4,680 | 344 |
| Payable to the Trustee | | 157 | 24 |
| Payable to Securities and Exchange Commission of Pakistan | | 290 | 514 |
| Payable against redemption of units | | 6,459 | 523 |
| Accrued expenses and other liabilities | 7 | 23,233 | 22,184 |
| Total liabilities | | 34,819 | 23,589 |
| Net assets | | 1,655,368 | 313,637 |
| Units holders' fund (as per statement attached) | | 1,655,368 | 313,637 |
| Contingencies and commitments | 8 | | |
| ----- Number of units ----- | | | |
| Number of units in issue | | 14,679,787 | 2,840,288 |
| ----- Rupees ----- | | | |
| Net assets value per unit | | 112.7651 | 110.4244 |

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 Government Securities Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months and Quarter ended March 31, 2019

| | Note | Nine months ended | | Quarter ended | |
|--|-----------|-------------------|---------------|---------------|--------------|
| | | March 31, | | March 31, | |
| | | 2019 | 2018 | 2019 | 2018 |
| Income | | | | | |
| ----- Rupees in '000 ----- | | | | | |
| Capital gain on sale of investments - net | | 1,568 | 234 | 882 | 215 |
| Income from government securities | | 4,478 | 13,884 | 3,478 | 890 |
| Income from Money Market Placements | | 2,245 | 6,868 | 720 | 1,067 |
| Income from Term Finance Certificates | | 505 | - | 505 | - |
| Income from margin trading system | | 153 | 1,812 | (12) | 178 |
| Profit on bank deposits | | 31,678 | 16,905 | 13,193 | 4,009 |
| | | 40,627 | 39,703 | 18,766 | 6,359 |
| Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss - held -for-trading' - net | | 201 | (1) | 201 | 16 |
| | | 40,828 | 39,702 | 18,967 | 6,375 |
| Expenses | | | | | |
| Remuneration of the Management Company | 6.1 & 6.2 | 5,095 | 8,358 | 2,195 | 1,088 |
| Remuneration of the Trustee | | 633 | 1,023 | 254 | 102 |
| Annual fee to Securities and Exchange Commission of Pakistan | | 290 | 455 | 122 | 69 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | 387 | 606 | 163 | 91 |
| Auditors' remuneration | | 332 | 331 | 109 | 109 |
| Fees and subscription | | 290 | 292 | 141 | 105 |
| Securities transaction cost | | 679 | 1,008 | 268 | 185 |
| Bank charges | | 114 | 54 | 80 | 11 |
| Printing charges | | - | 283 | - | 90 |
| | | 7,820 | 12,410 | 3,332 | 1,851 |
| Net income from operating activities | | 33,008 | 27,292 | 15,635 | 4,524 |
| Provision for Sindh Workers' Welfare Fund / Reversal of Workers' Welfare Fund | 7.1 | (660) | (546) | (313) | (91) |
| Net income for the period before taxation | | 32,348 | 26,746 | 15,322 | 4,433 |
| Taxation | 9 | - | - | - | - |
| Net income for the period after taxation | | 32,348 | 26,746 | 15,322 | 4,433 |
| Allocation of net income for the period | 3.6 | | | | |
| Income already paid on redemption of units | | 12,605 | 15,769 | | |
| Accounting income available for distribution: | | | | | |
| - Relating to capital gains / (losses) | | 324 | 190 | | |
| - Excluding capital gains / (losses) | | 19,419 | 10,787 | | |
| | | 19,743 | 10,977 | | |

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 Government Securities Fund
Condensed Statement of Comprehensive Income (Un-Audited)
For the Nine months and Quarter ended March 31, 2019

| | Nine months ended | | Quarter ended | |
|--|----------------------------|--------|---------------|-------|
| | March 31, | | March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| | ----- Rupees in '000 ----- | | | |
| Net income for the period after taxation | 32,348 | 26,746 | 15,322 | 4,433 |
| Other comprehensive income for the period | | | | |
| Items that may be reclassified to income statement | - | - | - | - |
| Total comprehensive income for the period | 32,348 | 26,746 | 15,322 | 4,433 |

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 Government Securities Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the Nine months ended March 31, 2019

| | Nine months ended March 31, | | | | | |
|--|-----------------------------|----------------------|------------------|----------------|----------------------|-----------------|
| | 2019 | | | 2018 | | |
| | Capital Value | Undistributed Income | Total | Capital Value | Undistributed Income | Total |
| | ----- Rupees in '000 ----- | | | | | |
| Net assets at beginning of the period | 229,135 | 84,502 | 313,637 | 1,299,434 | 70,516 | 1,369,950 |
| Issuance of 20,199,568 units (2018: 257,867 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | 2,134,577 | - | 2,134,577 | 27,186 | 218 | 27,404 |
| Element of income | 100,936 | - | 100,936 | - | - | - |
| Total proceeds on issuance of units | 2,235,513 | - | 2,235,513 | 27,186 | 218 | 27,404 |
| Redemption of 8,360,069 units (2018: 7,158,445 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | (883,445) | - | (883,445) | (1,072,714) | (9) | (1,072,723) |
| Income already paid on redemption of units | - | (12,605) | (12,605) | - | (15,769) | (15,769) |
| Element of loss | (16,589) | - | (16,589) | - | - | - |
| Total payments on redemption of units | (900,034) | (12,605) | (912,639) | (1,072,714) | (15,778) | (1,088,492) |
| Total comprehensive income for the period | - | 32,348 | 32,348 | - | 26,746 | 26,746 |
| Refund of capital | (196) | - | (196) | - | - | - |
| Distribution during the period | - | (13,295) | (13,295) | - | - | - |
| | (196) | 19,053 | 18,857 | - | 26,746 | 26,746 |
| Net assets at end of the period | 1,564,418 | 90,950 | 1,655,368 | 253,906 | 81,701 | 335,608 |
| Undistributed income brought forward | | | | | | |
| Realised | | 84,502 | | | 69,776 | |
| Unrealised | | - | | | 740 | |
| | | 84,502 | | | 70,516 | |
| Accounting income available for distribution | | | | | | |
| Relating to capital gains | | 324 | | | 190 | |
| Excluding capital gains | | 19,419 | | | 10,787 | |
| | | 19,743 | | | 10,977 | |
| Distribution during the period | | (13,295) | | | - | |
| Undistributed income carried forward | | 90,950 | | | 81,493 | |
| Undistributed income carried forward | | | | | | |
| Realised | | 90,749 | | | 81,494 | |
| Unrealised | | 201 | | | (1) | |
| | | 90,950 | | | 81,493 | |
| | | | | | | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | <u>110.4244</u> | | | <u>105.4266</u> |
| Net assets value per unit at end of the period | | | <u>112.7651</u> | | | <u>109.0617</u> |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine months and Quarter ended March 31, 2019

| | Note | Nine months ended March 31, | |
|--|------|--------------------------------|-------------|
| | | 2019 | 2018 |
| | | Rupees in '000 | |
| Cash flows from operating activities | | | |
| Net income for the period after taxation | | 32,348 | 10,977 |
| Adjustments for: | | | |
| Income from government securities | | (4,478) | (13,884) |
| Income from Money Market Placements | | (2,245) | (6,868) |
| Income from Term Finance Certificates | | (505) | |
| Income from margin trading system | | (153) | (1,812) |
| Profit on bank deposits | | (31,678) | (16,905) |
| Unrealised (appreciation) / diminution on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net | | (201) | 1 |
| Capital (gain) on sale of investments - net | | (1,568) | (234) |
| | | (8,480) | (28,725) |
| (Increase) / Decrease in assets | | | |
| Investments - net | | (117,165) | 1,063,141 |
| Receivable against margin trading system | | 77 | 31,104 |
| Deposits, prepayments and other receivables | | (162) | (1,196) |
| | | (117,250) | 1,093,050 |
| Increase / (Decrease) in liabilities | | | |
| Payable to the Management Company | | 4,336 | (1,502) |
| Payable to the Trustee | | 133 | (406) |
| Payable to the Securities and Exchange Commission of Pakistan | | (224) | (997) |
| Accrued expenses and other liabilities | | 1,049 | (6,657) |
| | | 5,294 | (9,562) |
| | | (120,436) | 1,054,763 |
| Income received from government securities | | 2,920 | 23,576 |
| Income received from money market placements | | 2,245 | 7,970 |
| Income received from term finance certificates | | 505 | - |
| Income received from margin trading system | | 155 | 2,193 |
| Bank profits received | | 26,546 | 15,758 |
| Net cash generated from operating activities | | (88,065) | 1,104,261 |
| Cash flows from financing activities | | | |
| Amount received on issue of units | | 2,235,513 | 27,404 |
| Payment against redemption of units | | (906,703) | (1,451,312) |
| Dividend paid | | (13,491) | - |
| Net cash used in financing activities | | 1,315,319 | (1,423,908) |
| Net (decrease) / increase in cash and cash equivalents | | 1,227,254 | (319,648) |
| Cash and cash equivalents at beginning of the period | | 332,785 | 546,623 |
| Cash and cash equivalents at end of the period | 4 | 1,560,039 | 226,975 |

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 Government Securities Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine months and Quarter ended March 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Government Securities 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.
- 1.2** 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.
- 1.3** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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 situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.4** 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.
- 1.5** The Fund has been categorised as a sovereign income scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).
- 1.6** 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.
- 1.7** JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2+' (AM Two Plus) to the Management Company and assigned stability rating of A+(f) to the Fund as at December 28, 2018 and December 26, 2018, respectively.
- 1.8** 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP have been followed.

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 March 31, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of 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 except as explained in note 3.6.

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

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

3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 3.6.

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.

3.6 Except as described below, the accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018.

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Fund's condensed interim financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Fund's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2018.

| | Note | Original classification under IAS 39 | New classification under IFRS 9 | Original carrying amount under IAS 39 | New carrying amount under IFRS 9 |
|--|-------------|---|--|--|---|
| -----Rupees in '000----- | | | | | |
| Financial assets | | | | | |
| Bank balances | (a) | Loans and receivables | and Amortised cost | 332,785 | 332,785 |
| Receivable against Margin Trading System (MTS) | (a) | Loans and receivables | and Amortised cost | 77 | 77 |
| Profit receivable | (a) | Loans and receivables | and Amortised cost | 2,054 | 2,054 |
| Deposits, prepayments and other receivables | (a) | Loans and receivables | and Amortised cost | 2,310 | 2,310 |
| | | | | 337,226 | 337,226 |

(a) **These financial assets classified as 'loans and receivables' have been classified as amortised cost.**

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

iii. Transition

The Fund has used the exemption not to restate comparative periods. Comparative periods have not generally been restated. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

**5.2 Financial assets at fair value through profit or loss - held-for-trading:
- Pakistan Investment Bonds**

| Issue date | Tenure | Face value | | | Balance as at March 31, 2019 | | | 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 March 31, 2019 | Carrying value | Market value | | |
| Rupees in '000 | | | | | | | | | |
| July 12, 2018 | 10 Years | - | 37,500 | 37,500 | - | - | - | - | - |
| February 21, 2019 | 10 Years F | - | 150,000 | 150,000 | - | - | - | - | - |
| May 31, 2018 | 10 Years F | - | 50,000 | - | 50,000 | 48,752 | 48,930 | 178 | 0.03 |
| July 12, 2018 | 3 Years | - | 737,500 | 737,500 | - | - | - | - | - |
| April 21, 2016 | 3 Years | - | 2,000,000 | 2,000,000 | - | - | - | - | - |
| December 29, 2016 | 3 Years | - | 39,500 | 39,500 | - | - | - | - | - |
| July 12, 2018 | 5 Years | - | 200,000 | 200,000 | - | - | - | - | - |
| August 9, 2018 | 10 Years F | - | 806,606 | 806,606 | - | - | - | - | - |
| Total - As at March 31, 2019 | | - | 4,021,106 | 3,971,106 | 50,000 | 48,752 | 48,930 | 178 | 0.03 |
| Total - As at June 30, 2018 | | 850,000 | 1,900,000 | 2,750,000 | - | - | - | - | - |

5.2.1 The effective yield on Pakistan investment bonds is 10.48% (June 30, 2018: Nil) per annum.

5.3 GOP ijara sukuk certificates

| Issue details | Tenure | Face value | | | Balance as at March 31, 2019 | | | 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 March 31, 2019 | Carrying value | Market value | | |
| Rupees in '000 | | | | | | | | | |
| GOP Ijarah 17 | 3 Years | - | 510,000 | 510,000 | - | - | - | - | - |
| GOP Ijarah 18 | 3 Years | - | 125,000 | 125,000 | - | - | - | - | - |
| GOP Ijarah 19 | 3 Years | - | 100,000 | 100,000 | - | - | - | - | - |
| Total - As at March 31, 2019 | | - | 735,000 | 735,000 | - | - | - | - | - |
| Total - As at June 30, 2018 | | - | 665,200 | 665,200 | - | - | - | - | - |

**5.4 At fair value through profit or loss - held-for-trading
Corporate sukuk certificates - Listed**

| Name of Investee Company | Number of Certificates | | | Balance as at March 31, 2019 | | | 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 March 31, 2019 | Carrying value | Market value | | |
| Rupees in '000 | | | | | | | | |
| Dawood Hercules Corporation Limited * | - | 150 | - | 150 | 14,858 | 15,000 | 143 | 0.01 |
| Dawood Hercules Corporation Limited * | - | 100 | - | 100 | 10,000 | 9,909 | (91) | 0.01 |
| Total - As at March 31, 2019 | - | 250 | - | 250 | 24,858 | 24,909 | 52 | 0.02 |
| Total - As at June 30, 2018 | - | - | - | - | - | - | - | - |

* Related party due to common directorship

5.4.1 This include Rs 0.294 million receivable from Dawood Hercules Chemical Limited.

**5.2 Financial assets at fair value through profit or loss - held-for-trading:
- Pakistan Investment Bonds**

| Issue date | Tenure | Face value | | | Balance as at March 31, 2019 | | | 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 March 31, 2019 | Carrying value | Market value | | |
| Rupees in '000 | | | | | | | | | |
| July 12, 2018 | 10 Years | - | 37,500 | 37,500 | - | - | - | - | - |
| February 21, 2019 | 10 Years F | - | 150,000 | 150,000 | - | - | - | - | - |
| May 31, 2018 | 10 Years F | - | 50,000 | - | 50,000 | 48,752 | 48,930 | 178 | 0.03 |
| July 12, 2018 | 3 Years | - | 737,500 | 737,500 | - | - | - | - | - |
| April 21, 2016 | 3 Years | - | 2,000,000 | 2,000,000 | - | - | - | - | - |
| December 29, 2016 | 3 Years | - | 39,500 | 39,500 | - | - | - | - | - |
| July 12, 2018 | 5 Years | - | 200,000 | 200,000 | - | - | - | - | - |
| August 9, 2018 | 10 Years F | - | 806,606 | 806,606 | - | - | - | - | - |
| Total - As at March 31, 2019 | | - | 4,021,106 | 3,971,106 | 50,000 | 48,752 | 48,930 | 178 | 0.03 |
| Total - As at June 30, 2018 | | 850,000 | 1,900,000 | 2,750,000 | - | - | - | - | - |

5.2.1 The effective yield on Pakistan investment bonds is 10.48% (June 30, 2018: Nil) per annum.

5.3 GOP ijara sukuk certificates

| Issue details | Tenure | Face value | | | Balance as at March 31, 2019 | | | 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 March 31, 2019 | Carrying value | Market value | | |
| Rupees in '000 | | | | | | | | | |
| GOP Ijarah 17 | 3 Years | - | 510,000 | 510,000 | - | - | - | - | - |
| GOP Ijarah 18 | 3 Years | - | 125,000 | 125,000 | - | - | - | - | - |
| GOP Ijarah 19 | 3 Years | - | 100,000 | 100,000 | - | - | - | - | - |
| Total - As at March 31, 2019 | | - | 735,000 | 735,000 | - | - | - | - | - |
| Total - As at June 30, 2018 | | - | 665,200 | 665,200 | - | - | - | - | - |

**5.4 At fair value through profit or loss - held-for-trading
Corporate sukuk certificates - Listed**

| Name of Investee Company | Number of Certificates | | | Balance as at March 31, 2019 | | | 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 March 31, 2019 | Carrying value | Market value | | |
| Rupees in '000 | | | | | | | | |
| Dawood Hercules Corporation Limited * | - | 150 | - | 150 | 14,858 | 15,000 | 143 | 0.01 |
| Dawood Hercules Corporation Limited * | - | 100 | - | 100 | 10,000 | 9,909 | (91) | 0.01 |
| Total - As at March 31, 2019 | - | 250 | - | 250 | 24,858 | 24,909 | 52 | 0.02 |
| Total - As at June 30, 2018 | - | - | - | - | - | - | - | - |

* Related party due to common directorship

5.4.1 This include Rs 0.294 million recoverable from Dawood Hercules Chemical Limited.

Term finance certificates - Unlisted

| Name of Investee Company | Number of Certificates | | | Balance as at March 31, 2019 | | | 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 March 31, 2019 | Carrying value | Market value | | | Appreciation / (diminution) |
| -----Rupees in '000----- | | | | | | | | | |
| Askari Bank Limited | - | 7,000 | - | 7,000 | 34,158 | 34,156 | (1) | 0.02 | 0.29 |
| WAPDA | - | 5,040 | - | 5,040 | 8,937 | 8,910 | (27) | 0.01 | 0.08 |
| Total - As at March 31, 2019 | - | 12,040 | - | 12,040 | 43,095 | 43,067 | (28) | 0.03 | 0.37 |
| Total - As at June 30, 2018 | - | - | - | - | - | - | - | - | - |
| Total | - | 12,290 | - | 12,290 | 67,952 | 67,976 | 24 | 0.04 | 1 |

March 31,
2019
(Un-Audited)
Note ----- **Rupees in '000** -----
June 30,
2018
(Audited)

6. PAYABLE TO THE MANAGEMENT COMPANY

| | | | |
|--|-----|--------------|------------|
| Remuneration of the Management Company | 6.1 | 1,245 | 262 |
| Sindh Sales Tax on Management Company's remuneration | 6.2 | 162 | 34 |
| Sales load payable | | 3,167 | 22 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | 106 | 26 |
| | | 4,680 | 344 |

6.1 The Management Company has charged its remuneration at the rate of 1.25% per annum for the current year till January 14, 2018. Effective from January 15, 2018 the rate of fee is revised through amendment in the Offering Documents of the Scheme as 12.5% of the gross earnings of the scheme, calculated on a daily basis subject to a cap of 1.25% and a floor of 1% of the average daily net assets. The fee is payable monthly in arrears.

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% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged the aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

| | | | |
|--|-------------|--|-------------------------------|
| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
| 7. ACCRUED EXPENSES AND OTHER LIABILITIES | Note | ----- Rupees in '000 ----- | |
| Provision for Sindh Workers' Welfare Fund | 7.1 | 6,624 | 5,964 |
| Provision for Federal Excise Duty and additional sales tax on management fee | 7.2 | 15,531 | 15,531 |
| Withholding tax payable | | 299 | 10 |
| Auditors' remuneration | | 172 | 312 |
| Printing charges | | 202 | 216 |
| Zakat | | 232 | 142 |
| Other | | 173 | 9 |
| | | 23,233 | 22,184 |

-
-
- 7.1** The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare 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.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 6.624 million for the nine months ended March 31, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2019 would have been higher by Rs. 0.45 per unit (June 30, 2018: Rs. 2.10 per unit).

- 7.2** 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 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 March 31, 2019 would have been higher by Rs. 1.0580 per unit (June 30, 2018: Rs. 5.4681 per unit).

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no contingencies outstanding as at March 31, 2019.

9. TAXATION

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

10. 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:

| 10.1 | Transactions during the period | Nine months ended March 31, | |
|---|---|--------------------------------|----------------|
| | | 2019 | 2018 |
| | | ----- Rupees in '000 ----- | |
| HBL Asset Management Limited - Management Company | | | |
| | Remuneration of the Management Company | <u>4,509</u> | <u>7,396</u> |
| | Sindh Sales Tax on remuneration of the Management Company | <u>586</u> | <u>961</u> |
| | Sales load paid | <u>1,060</u> | <u>-</u> |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | <u>387</u> | <u>606</u> |
| | Issue of 1,798,049 units (2018: Nil) | <u>193,493</u> | <u>-</u> |
| | Redemption of 1,886,788 units (2018: 847,699) | <u>204,048</u> | <u>90,000</u> |
| | Dividend paid | <u>4,355</u> | <u>-</u> |
| Habib Bank Limited - Sponsor | | | |
| | Bank charges paid | <u>69</u> | <u>4</u> |
| | Profit on bank deposits earned | <u>598</u> | <u>1,488</u> |
| Central Depository Company of Pakistan Limited - Trustee | | | |
| | Remuneration | <u>633</u> | <u>1,023</u> |
| | Central Depository system charges | <u>8</u> | <u>32</u> |
| HBL Asset Management Limited - Employees Gratuity Fund | | | |
| | Redemption of Nil units (2018: 3,966 units) | <u>-</u> | <u>428</u> |
| HBL Asset Management Limited - Employees Provident Fund | | | |
| | Redemption of Nil units (2018: 3,823 units) | <u>-</u> | <u>413</u> |
| Jubilee Life Insurance Company Limited | | | |
| | Associated Company due to common Directorship | | |
| | Sale of GOP Ijara Sukuk | <u>-</u> | <u>101,881</u> |
| Executives of the Management | | | |
| Attique ur Rehman Shaikh | | | |
| | Investment of 24,181 units (2018: Nil units) | <u>2,644</u> | <u>-</u> |
| | Redemption of 21,157 units (2018: Nil units) | <u>2,315</u> | <u>-</u> |
| Farid Ahmed Khan | | | |
| | Investment of 109,883 units (2018: Nil units) | <u>12,326</u> | <u>-</u> |
| Muhammad Moiz Ahmed Juddi | | | |
| | Investment of 3,796 units (2018: Nil units) | <u>425</u> | <u>-</u> |
| Salman Ahmed | | | |
| | Investment of 5,705 units (2018: Nil units) | <u>637</u> | <u>-</u> |
| Sateesh Balani | | | |
| | Investment of 1,941 units (2018: Nil units) | <u>216</u> | <u>-</u> |

| | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|-----------------------------------|-------------------------------|
| | ----- Rupees in '000 ----- | |
| 10.2 Balances outstanding as at period / year end | | |
| HBL Asset Management Limited - Management Company | | |
| Remuneration of the Management Company | <u>1,245</u> | <u>296</u> |
| Sindh Sales Tax on remuneration of the Management Company | <u>162</u> | <u>38</u> |
| Sales Load payable | <u>3,167</u> | <u>22</u> |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | <u>106</u> | <u>26</u> |
| Investment held in the Fund: 828,134 units (June 30, 2018: 1,764,572 units) | <u>93,336</u> | <u>101,245</u> |
| Habib Bank Limited - Sponsor | | |
| Bank balances | <u>19,951</u> | <u>1,905</u> |
| Profit receivable | <u>261</u> | <u>17</u> |
| Executive of the Management | | |
| Attique ur Rehman Shaikh | | |
| Investment held in the Fund: 3,024 units (June 30, 2018: Nil units) | <u>341</u> | <u>-</u> |
| Farid Ahmed Khan | | |
| Investment held in the Fund: 109,883 units (June 30, 2018: Nil units) | <u>12,385</u> | <u>-</u> |
| Muhammad Moiz Ahmed Juddi | | |
| Investment held in the Fund: 3,796 units (June 30, 2018: Nil units) | <u>428</u> | <u>-</u> |
| Salman Ahmed | | |
| Investment held in the Fund: 5,705 units (June 30, 2018: Nil units) | <u>643</u> | <u>-</u> |
| Sateesh Balani | | |
| Investment held in the Fund: 1,941 units (June 30, 2018: Nil units) | <u>219</u> | <u>-</u> |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable | <u>157</u> | <u>17</u> |
| CDC charges payable | <u>-</u> | <u>7</u> |
| Security deposit | <u>100</u> | <u>100</u> |

Units outstanding as at March 31, 2019 are calculated on the basis of latest announced NAV i.e March 29, 2019.

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.

| | | March 31, 2019 | | | Fair Value | | | |
|---|-------------|--|----------------|-----------|------------|---------|---------|-------|
| | | Carrying Amount | | | Level 1 | Level 2 | Level 3 | Total |
| | | Fair value through profit or loss- held- for-trading | Amortized cost | Total | | | | |
| | | -----Rupees in '000----- | | | | | | |
| On-balance sheet financial instruments | Note | | | | | | | |
| Financial assets measured at fair value | 11.1 | | | | | | | |
| Market treasury bills | | - | - | - | - | - | - | - |
| Pakistan Investment bonds | | - | - | - | - | - | - | - |
| Financial assets not measured at fair value | 11.1 | | | | | | | |
| Bank balances | | - | 1,560,039 | 1,560,039 | | | | |
| Term deposit receipts | | - | - | - | | | | |
| Accrued markup on bank balances and investments | | - | 10,770 | 10,770 | | | | |
| Receivable against margin trading system | | - | - | - | | | | |
| | | - | 1,570,809 | 1,570,809 | | | | |
| Financial liabilities not measured at fair value | 11.1 | | | | | | | |
| Payable to Management Company | | - | 4,680 | 4,680 | | | | |
| Payable to the Trustee | | - | 157 | 157 | | | | |
| Payable against redemption of units | | - | 6,459 | 6,459 | | | | |
| Payable against purchase of investment | | - | - | - | | | | |
| Accrued expenses and other liabilities | | - | 637 | 637 | | | | |
| Unit holders' fund | | - | 1,668,663 | 1,668,663 | | | | |
| | | - | 1,680,596 | 1,680,596 | | | | |

| | | June 30, 2018 | | | | | | |
|---|---|---|----------------|----------------|------------|---------|---------|-------|
| | | Carrying Amount | | | Fair Value | | | |
| Note | | Fair value through profit or loss- held-for-trading | Amortized cost | Total | Level 1 | Level 2 | Level 3 | Total |
| On-balance sheet financial instruments | | | | | | | | |
| ----- (Rupees in '000) ----- | | | | | | | | |
| Financial assets measured at fair value | | 11.1 | | | | | | |
| | Market treasury bills | - | - | - | - | - | - | - |
| | Pakistan Investment bonds | - | - | - | - | - | - | - |
| Financial assets not measured at fair value | | 11.1 | | | | | | |
| | Bank balances | - | 332,785 | 332,785 | | | | |
| | Term deposit receipts | - | - | - | | | | |
| | Accrued markup on bank balances and investments | - | 2,054 | 2,054 | | | | |
| | Receivable against margin trading system | | 77 | 77 | | | | |
| | | | <u>334,916</u> | <u>334,916</u> | | | | |
| Financial liabilities not measured at fair value | | 11.1 | | | | | | |
| | Payable to the Management Company | - | 344 | 344 | | | | |
| | Payable to the Trustee | - | 24 | 24 | | | | |
| | Payable against redemption of units | - | 523 | 523 | | | | |
| | Payable against purchase of investment | - | - | - | | | | |
| | Accrued expenses and other liabilities | - | 679 | 679 | | | | |
| | Unit holders fund | - | 313,637 | 313,637 | | | | |
| | | | <u>315,207</u> | <u>315,207</u> | | | | |

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

11.2 Transfers during the period

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

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 (SECP), the total expense ratio of the Fund for the nine months ended March 31, 2019 is 1.64% (March 31, 2018: 1.60%) which includes 0.32% (March 31, 2018: 0.26%) representing government levy and SECP fee.

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 April 30, 2019.

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

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 March 31, 2019

| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|------|-----------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| Assets | | | |
| Bank balances | 4 | 4,049,185 | 7,298,928 |
| Investments | 5 | 2,520,161 | - |
| Accrued mark up | | 65,858 | 18,703 |
| Advances, deposits and prepayment | | 215 | 104 |
| Total assets | | 6,635,419 | 7,317,735 |
| Liabilities | | | |
| Payable to the Management Company | 6 | 7,493 | 5,327 |
| Payable to the Trustee | | 593 | 532 |
| Payable to Securities and Exchange Commission of Pakistan | | 4,282 | 4,064 |
| Accrued expenses and other liabilities | 7 | 83,396 | 58,310 |
| Total liabilities | | 95,764 | 68,233 |
| Net assets | | 6,539,655 | 7,249,502 |
| Unit holders' fund (as per statement attached) | | 6,539,655 | 7,249,502 |
| Contingencies and commitments | 8 | | |
| | | ----- (Number of units) ----- | |
| Number of units in issue | | 60,540,721 | 67,634,199 |
| | | ----- (Rupees) ----- | |
| Net assets value per unit | | 108.0208 | 107.1869 |

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine Months and Quarter Ended March 31, 2019.

| | Note | Nine month ended March 31, | | Quarter ended March 31, | |
|---|------|-------------------------------|----------------|----------------------------|---------|
| | | 2,019 | 2018 | 2019 | 2018 |
| ----- (Rupees in '000) ----- | | | | | |
| Income | | | | | |
| Mark-up on deposits with banks | | 195,631 | 149,444 | 56,203 | 39,285 |
| Mark-up / return on investments | | 326,487 | 107,115 | 128,186 | 49,074 |
| Capital (loss) / gain on sale of investments - net | | (7,394) | (624) | (373) | (999) |
| Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net | | - | - | 17 | - |
| | | 514,724 | 255,935 | 184,033 | 87,360 |
| Expenses | | | | | |
| Remuneration of the Management Company | | 57,413 | 40,789 | 19,526 | 11,539 |
| Remuneration of the Trustee | | 5,475 | 3,928 | 1,704 | 1,307 |
| Payable to the Trustee | | 4,282 | 2,908 | 1,323 | 972 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | 5,709 | 3,884 | 1,764 | 1,296 |
| Settlement and bank charges | | 553 | 163 | 236 | 38 |
| Auditors' remuneration | | 452 | 458 | 153 | 154 |
| Fee and subscription | | 226 | 249 | 77 | 90 |
| Securities transaction cost | | 5 | 128 | 2 | 33 |
| Printing charges | | - | 123 | - | 33 |
| | | 74,115 | 52,630 | 24,785 | 15,462 |
| Net income from operating activities | | 440,609 | 203,305 | 159,248 | 71,898 |
| Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net | | - | - | - | - |
| Provision for Sindh Workers' Welfare Fund | 7.2 | (8,812) | (4,066) | (3,185) | (1,438) |
| Net income for the period before taxation | | 431,797 | 199,239 | 156,063 | 70,460 |
| Taxation | 9 | - | - | - | - |
| Net income for the period after taxation | | 431,797 | 199,239 | 156,063 | 70,460 |
| Allocation of income for the period | | | | | |
| Income already paid on redemption of units | | 177,693 | 64,070 | | |
| Accounting income available for distribution: | | | | | |
| - Relating to capital gains | | - | - | | |
| - Excluding capital gains | | 254,104 | 135,169 | | |
| | | 254,104 | 135,169 | | |
| | | 431,797 | 199,239 | | |

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Nine Months and Quarter Ended March 31, 2019.

| | Nine month ended | | Quarter ended, | |
|---|------------------------------|---------|----------------|--------|
| | March 31, | | March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | | | |
| Net income for the period after taxation | 431,797 | 199,239 | 156,063 | 70,460 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 431,797 | 199,239 | 156,063 | 70,460 |

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 (Un-Audited)

For the Nine Months and Quarter Ended March 31, 2019.

| | Nine month ended March 31, | | | | | |
|--|-------------------------------|--|------------------|--------------------------|--|-----------------|
| | 2019 Capital Value | 2019 Undistributed income / (accumulated loss) | Total | 2018 Capital Value | 2018 Undistribut ed income / (accumulated | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Net assets at beginning of the period | 7,033,537 | 215,965 | 7,249,502 | 3,901,721 | 40,289 | 3,942,010 |
| Issue of 94,814,304 units (2018: 87,250,783 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 9,674,558 | - | 9,674,558 | 8,860,039 | 189,470 | 9,049,509 |
| - Element of income | 260,955 | - | 260,955 | - | - | - |
| Total proceeds on issuance of units | 9,935,513 | - | 9,935,513 | 8,860,039 | 189,470 | 9,049,509 |
| Redemption of 101,907,781 units (2018: 73,496,884 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (10,398,354) | - | (10,398,354) | (7,463,373) | (175,883) | (7,639,256) |
| - Income already paid on redemption of units | - | (177,693) | (177,693) | - | - | - |
| - Element of loss | (152,793) | - | (152,793) | - | - | - |
| Payable to the Trustee | (10,551,147) | (177,693) | (10,728,840) | (7,463,373) | (175,883) | (7,639,256) |
| Element of income and capital gains included in prices of units issued less those in units redeemed - net | - | - | - | - | - | - |
| Net income for the period after taxation | - | 431,797 | 431,797 | - | - | 199,239 |
| Refund of Capital | (181,739) | - | (181,739) | - | - | - |
| Distribution during the period | - | (166,578) | (166,578) | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Net income for the period less distribution | - | 265,219 | 83,480 | - | - | 199,239 |
| Net assets at end of the period | 6,417,903 | 303,491 | 6,539,655 | 5,298,387 | 5,298,387 | 5,551,502 |
| Undistributed income brought forward | | | | | | |
| - Realised | | 215,965 | | | 40,289 | |
| - Unrealised | | - | | | - | |
| | | 215,965 | | | 40,289 | |
| Distribution during the period | | (166,578) | | | - | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | | - | | | - | |
| - Excluding capital gains | | 254,104 | | | 135,169 | |
| | | 254,104 | | | 135,169 | |
| Undistributed income carried forward | | 303,491 | | | 175,458 | |
| Undistributed income carried forward | | | | | | |
| - Realised | | 303,491 | | | 175,458 | |
| - Unrealised | | - | | | - | |
| | | 303,491 | | | 175,458 | |
| | | | (Rupees) | | | (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 | | | 108.0208 | | | 105.7650 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the Nine Months Ended March 31, 2019.

| | Nine month ended March 31, | |
|--|-------------------------------|-------------|
| | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | |
| Cash flows from operating activities | | |
| Net income for the period before taxation | 431,797 | 199,239 |
| Adjustments for non-cash items: | | |
| Capital (gain) / loss on sale of investments - net | 7,394 | 625 |
| Mark-up / return on investments | (326,487) | (107,115) |
| Profit on bank deposits | (195,631) | (149,444) |
| Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net | - | - |
| Provision for Sindh Worker's Welfare Fund | 8,812 | 4,066 |
| Payable to the Trustee | (74,115) | (52,629) |
| Decrease / (increase) in assets | | |
| Investments | (2,527,555) | (948,315) |
| Advances, deposits and prepayments | (111) | (75) |
| | (2,527,666) | (948,390) |
| Increase / (decrease) in liabilities | | |
| Payable to the Management Company | 2,166 | (324) |
| Payable to the Trustee | 61 | 68 |
| Payable to the Securities and Exchange Commission of Pakistan | 218 | (217) |
| Accrued expenses and other liabilities | 16,274 | (38,864) |
| | 18,719 | (39,337) |
| Net cash used in operations | (2,583,062) | (1,040,356) |
| Profit received on bank deposits | 151,931 | 242,498 |
| Markup received on investments | 323,032 | - |
| | 474,963 | 242,498 |
| Net cash used in operating activities | (2,108,099) | (797,858) |
| Cash flows from financing activities | | |
| Amount received on issue of units | 9,935,513 | 9,049,509 |
| Payment against redemption of units | (10,728,840) | (7,639,256) |
| Cash dividend paid | (348,317) | - |
| Net cash generated / (used in) from financing activities | (1,141,644) | 1,410,253 |
| Net (decrease) / increase in cash and cash equivalents | (3,249,743) | 612,395 |
| Cash and cash equivalents at beginning of the period | 7,298,928 | 3,542,143 |
| Cash and cash equivalents at end of the period | 4,049,185 | 4,154,538 |

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 Nine Months And Quarter Ended March 31, 2019.

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Money Market Fund ('the 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 authorized by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on April 9, 2010.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

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

Payable to the Trustee

JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+' (Positive outlook) 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 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of IAS-34. These 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 these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

3.1 The accounting policies adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.2 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2018.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

3.5 On application of IFRS - 9 'Financial Instruments', there is no material change in the Fund's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

3.6 Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to the disclosures for the nine months ended March 31, 2019.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;

the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and

the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Fund's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Fund's financial assets as regards their classification and measurement:

- the Fund's investment in debt instruments that were classified as available-for-sale financial assets under IAS 39 have been classified as financial assets at FVTPL because they are held within a business model whose objective is primarily to sell the bonds. The change in the fair value on these redeemable notes will be recorded in the profit or loss account;
- there is no change in the measurement of the Fund's investments in debt instruments that are held for trading; those instruments were and continue to be measured at FVTPL;

- financial assets classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

None of the other reclassifications of financial assets have had any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Fund had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Fund has elected to designate as at FVTPL at the date of initial application of IFRS 9.

There have been no reclassification in financial assets as a result of transition to IFRS 9

| | | | (Un-Audited) | (Audited) |
|----------|-------------------------|-------------|------------------------------|------------------|
| | | | March 31, | June 30, |
| | | | 2019 | 2018 |
| | | Note | ----- (Rupees in '000) ----- | |
| 4 | BANK BALANCES | | | |
| | Balances with banks in: | | | |
| | - Savings accounts | 4.1 | <u>4,049,185</u> | <u>7,298,928</u> |

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 4.00% - 11.15% per annum (June 30, 2018: 4.00% - 7.45% per annum).

| | Note | (Un-Audited) March 31, 2019 | (Audited) June 30, 2018 |
|---|------|-----------------------------------|-------------------------------|
| 5. INVESTMENTS | | ----- (Rupees in '000) ----- | |
| Financial asset at fair value through profit or loss | | | |
| - Government Securities | 5.1 | - | - |
| Financial assets at amortised cost | | | |
| - Term deposit receipts | 5.2 | 653,000 | |
| - Clean placement | 5.3 | 1,300,000 | - |
| - Commercial paper | 5.4 | 567,161 | - |
| | | 2,520,161 | - |

5.1 Investment in Government Securities - Held-for-trading

| Issue Date | Tenure | Face value | | | Market Value as at March 31, 2019 | Market value as a percentage of | |
|-------------------------------------|---------|------------------------|---------------------------------|--|---|---------------------------------|----------------------|
| | | As at July 01, 2018 | Purchases during the year | Sales / Matured during the year | | As at March 31, 2019 | Total Investments |
| ----- (Rupees in '000) ----- | | | | | | | |
| Treasury bills | | | | | | | |
| February 14, 2019 | 3 month | - | 12,447,000 | 12,447,000 | - | - | - |
| January 17, 2019 | 3 month | - | 2,750,000 | 2,750,000 | - | - | - |
| January 3, 2019 | 3 month | - | 2,645,000 | 2,645,000 | - | - | - |
| December 6, 2018 | 3 month | - | 14,130,000 | 14,130,000 | - | - | - |
| October 25, 2018 | 3 month | - | 1,000,000 | 1,000,000 | - | - | - |
| October 11, 2018 | 3 month | - | 17,050,000 | 17,050,000 | - | - | - |
| August 2, 2018 | 3 month | - | 8,550,000 | 8,550,000 | - | - | - |
| July 19, 2018 | 3 month | - | 22,418,000 | 22,418,000 | - | - | - |
| April 26, 2018 | 3 month | - | 1,309,500 | 1,309,500 | - | - | - |
| June 21, 2008 | 3 month | - | 300,000 | 300,000 | - | - | - |
| Total - As at March 31, 2019 | | - | 82,599,500 | 82,599,500 | - | - | - |
| Total - As at June 30, 2018 | | - | - | - | - | - | - |

| Name of Company | As at July 01, 2018 | Purchased made during the period | Matured during the period | As at March 31, 2019 | Percentage of total value of investments (%) | Percentage of Net Assets (%) |
|-------------------------------------|---------------------|----------------------------------|---------------------------|----------------------|--|------------------------------|
| ----- (Rupees in '000) ----- | | | | | | |
| Faysal bank LTD | - | 653,000 | - | 653,000 | 25.91 | 9.99 |
| Bank Alfalah Limited | - | 1,285,000 | 1,285,000 | - | - | - |
| Askari Bank Ltd | - | 600,000 | 600,000 | - | - | - |
| Allied Bank Limited | - | 500,000 | 500,000 | - | - | - |
| Zarai Taraqiati Bank Limited | - | 1,700,000 | 1,700,000 | - | - | - |
| Total - As at March 31, 2019 | - | 4,738,000 | 4,085,000 | 653,000 | 25.91 | 9.99 |
| Total - As at June 30, 2018 | - | - | - | - | - | - |

5.2 Term deposit receipts carry mark-up at rate of 10.70% (June 30, 2018: Nil) per annum. These will mature by April 01, 2019.

5.3 Clean Placement

| Name of Company | As at July 01, 2018 | Purchased made during the period | Matured during the period | As at March 31, 2019 | Percentage of total value of investments (%) | Percentage of Net Assets (%) |
|--|---------------------|----------------------------------|---------------------------|----------------------|--|------------------------------|
| ----- (Rupees in '000) ----- | | | | | | |
| Pak Brunei Investment Co. Ltd. | - | 1,250,000 | 650,000 | 600,000 | 23.81 | 9.17 |
| Pak Oman Investment Company (Pvt) Ltd. | - | 1,350,000 | 650,000 | 700,000 | 27.78 | 10.70 |
| Total - As at March 31, 2019 | - | 2,600,000 | 1,300,000 | 1,300,000 | 52 | 20 |
| Total - As at June 30, 2018 | - | - | - | - | - | - |

5.3.1 Clean placement carries mark-up range between the range of 10.88% to 11.25% (June 30, 2018: Nil) per annum and will mature on April 15, 2019 and April 26, 2019.

5.4 Commercial paper

| Name of Company | As at July 01, 2018 | Purchased made during the period | Matured during the period | As at March 31, 2019 | Percentage of total value of investments (%) | Percentage of Net Assets (%) |
|-------------------------------------|---------------------|----------------------------------|---------------------------|----------------------|--|------------------------------|
| ----- (Rupees in '000) ----- | | | | | | |
| K-Electric | - | 567,161 | - | 567,161 | 22.50 | 8.67 |
| Total - As at March 31, 2019 | - | 567,161 | - | 567,161 | 22.50 | 8.67 |
| Total - As at June 30, 2018 | - | - | - | - | - | - |

| | | (Un-Audited) March 31, 2019 | (Audited) June 30, 2018 |
|---|------|-----------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 6. PAYABLE TO THE MANAGEMENT COMPANY | | | |
| Management fee | | 6,087 | 4,231 |
| Sindh sales tax on Management Company's remuneration | | 791 | 550 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | 615 | 546 |
| | | <u>7,493</u> | <u>5,327</u> |
| 7. ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Auditors' remuneration | | 300 | 542 |
| Capital gain tax payable | | 15,940 | 1,388 |
| Federal Excise Duty | 7.1 | 41,211 | 41,211 |
| Provision for Sindh Workers' Welfare Fund | 7.2 | 21,185 | 12,371 |
| Advance received against unit | | 2,500 | 2,500 |
| Others | | 2,260 | 298 |
| | | <u>83,396</u> | <u>58,310</u> |

7.1 The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in the 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 Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying a provision for FED to Rs. 41.211 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.681 per unit (June 30, 2018: 0.61 per unit)

7.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

In view of the above, the Management Company, being prudent, recognized provision for SWWF amounting to Rs. 21.185 million (June 30, 2018: Rs. 12.37 million). Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.350 per unit (June 30, 2018: Rs. 0.183 per unit)

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

9. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2019 to its unit holders.

10. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

Details of the transactions with connected persons during the period and balances with them at period end are as follows:

| | (Un-Audited) | |
|---|-------------------------------------|-------------|
| | Nine month ended | |
| | March 31, | |
| | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | |
| 10.1 Transactions during the period | | |
| HBL Asset Management Limited - Management Company | | |
| Management fee inclusive of Sales tax | 57,413 | 40,789 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 5,709 | 3,884 |
| Issue of 64,872 units (2018: 1,106,290 units) | 6,678 | 114,079 |
| Redemption of 1,069,156 units (2018: 115,577 units) | 111,112 | 12,000 |
| Refund of capital 13,571 units (2018: Nil units) | 1,385 | - |
| Habib Bank Limited - Sponsor | | |
| Mark-up earned during the period | 24,108 | 32,050 |
| Issue of 238,989 units (2018: Nil units) | 25,201 | - |
| Redemption of 143,777 units (2018: NIL units) | 15,486 | - |
| Refund of capital 324,598 units (2018: Nil units) | 33,121 | - |
| ATTOCK CEMENT PAK LTD EMP PROVIDENT FUND | | |
| Issue of 323 units (2018: NIL units) | 35 | - |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of the Trustee | 5,475 | 3,928 |
| Directors, Executives and Key Management personnel | | |
| Issue of 1,890 units (2018: Nil units) | 195 | - |
| Redemption of 1,627 units (2018: 137,374 units) | 169 | 14,100 |
| Refund of capital 15 units (2018: Nil units) | 1,517 | - |

| (Un-Audited) | (Audited) |
|------------------------------|-----------|
| March 31, | June 30, |
| 2019 | 2018 |
| ----- (Rupees in '000) ----- | |

10.2 Amounts outstanding as at period / year end

HBL Asset Management Limited - Management Company

| | | |
|---|-------|---------|
| Management Fee | 6,087 | 4,231 |
| Sindh Sales Tax | 791 | 550 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 615 | 546 |
| Investment held in the Fund : Nil units (June 30, 2018 : 990,713 units) | - | 106,191 |

Associate

Habib Bank Limited - Sponsor

| | | |
|---|---------|---------|
| Investment held in the Fund : 8,737,508 units (June 30, 2018: 8,317,697 units) | 943,833 | 891,548 |
| Bank balances | 45,735 | 479,807 |

ATTOCK CEMENT PAK LTD EMP PROVIDENT FUND

| | | |
|---|----|----|
| Investment held in the Fund : 323 units (June 30, 2018: 310 units) | 35 | 33 |
|---|----|----|

Central Depository Company of Pakistan Limited - Trustee

| | | |
|----------------------|-----|-----|
| Remuneration payable | 525 | 471 |
| Sindh Sales tax | 68 | 61 |

Directors, Executives and Key Management personnel

| | | |
|--|-------|-------|
| Investment held in the Fund : 12,287 units (June 30, 2018: 12,005 units) | 1,327 | 1,287 |
|--|-------|-------|

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended March 31, 2019 is 1.08% (March 31, 2018: 1.09%) which includes 0.26% (March 31, 2018: 0.23%) representing government levies and SECP fee.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| | March 31, 2019 | | | | | | | |
|---|-----------------------------------|-----------------------------------|--------------------------------------|------------|---------|---------|---------|-------|
| | Carrying amount | | | Fair Value | | | | |
| | Fair value through profit or loss | Financial asset at amortised cost | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | ----- (Rupees in '000) ----- | | | | | | | |
| - Government Securities | - | - | - | - | - | - | - | - |
| On-balance sheet financial instruments | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| - Government securities | - | - | - | - | - | - | - | - |
| Financial assets not measured at fair value | | | | | | | | |
| Bank balance | - | - | 4,049,185 | 4,049,185 | | | | |
| Investments | | | | | | | | |
| - Term deposit receipts | - | 653,000 | - | 653,000 | | | | |
| - Clean placements | - | 1,300,000 | - | 1,300,000 | | | | |
| - Commercial Paper | - | 567,161 | - | 567,161 | | | | |
| Accrued mark-up | - | - | 65,858 | 65,858 | | | | |
| Deposits and prepayments | - | - | 215 | 215 | | | | |
| | - | 2,520,161 | 4,115,258 | 6,635,419 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| Payable to the Management Company | - | - | 6,702 | 6,702 | | | | |
| Payable to SECP | - | - | 4,282 | 4,282 | | | | |
| Accrued expenses and other liabilities | - | - | 5,060 | 5,060 | | | | |
| | - | - | 16,044 | 16,044 | | | | |

| | June 30, 2018 | | | | | | |
|---|------------------------------|-----------------------------|-----------|------------|---------|---------|-------|
| | Carrying amount | | | Fair Value | | | |
| | Other financial assets | Other financial liabilities | 0 | Level 1 | Level 2 | Level 3 | Total |
| | ----- (Rupees in '000) ----- | | | | | | |
| On-balance sheet financial instruments | | | | | | | |
| Financial assets not measured at fair value | | | | | | | |
| Bank balance | 7,298,928 | - | 7,298,928 | | | | |
| Investments | | | | | | | |
| - Term deposit receipts | - | - | - | | | | |
| - Clean placements | - | - | - | | | | |
| Accrued mark-up | 18,703 | - | 18,703 | | | | |
| Deposits and prepayments | 104 | - | 104 | | | | |
| | 7,317,735 | - | 7,317,735 | | | | |
| Financial liabilities not measured at fair value | | | | | | | |
| | - | - | - | | | | |

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

12.2 Transfers during the period

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

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the Management Company on April 30, 2019.

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, the effect of which is not material.

These condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended March 31, 2019 have not been reviewed.

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 | BDO Ebrahim & Co. 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 Faysal Bank Limited |
| Fund Rating | 'AA(f)' (JCR-VIS) |

HBL Cash Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As At March 31, 2019

| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|-------------|--|--|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Bank balances | 4 | 6,611,673 | 10,899,252 |
| Investments | 5 | 3,034,147 | 1,150,000 |
| Profit receivable | | 96,091 | 43,554 |
| Deposits and prepayments | | 3,497 | 199 |
| TOTAL ASSETS | | 9,745,408 | 12,093,005 |
| LIABILITIES | | | |
| Payable to the Management Company | 6 | 9,422 | 7,830 |
| Payable to the Trustee | | 842 | 981 |
| Payable to Securities and Exchange Commission of Pakistan | | 6,922 | 7,921 |
| Accrued expenses and other liabilities | 7 | 61,848 | 36,539 |
| Dividend payable | | 236 | - |
| TOTAL LIABILITIES | | 79,270 | 53,271 |
| NET ASSETS | | 9,666,138 | 12,039,734 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 9,666,138 | 12,039,734 |
| CONTINGENCIES AND COMMITMENTS | 8 | ----- (Number of Units) ----- | |
| Number of units in issue | | 95,864,088 | 113,580,129 |
| | | ----- (Rupees) ----- | |
| Net assets value per unit | | 100.8317 | 106.0021 |

The annexed notes from 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 Cash Fund
Condensed Interim Income Statement (Un-Audited)
For The Nine Months Ended And Quarter Ended March 31, 2019

| | Note | Nine months ended March 31, | | Quarter ended March 31, | |
|---|-----------|--------------------------------|----------------|----------------------------|----------------|
| | | 2019 | 2018 | 2019 | 2018 |
| ------(Rupees in '000)----- | | | | | |
| Income | | | | | |
| Capital (loss) on sale of investments - net | | (8,509) | (690) | (159) | (1,223) |
| Income from government securities | | 326,186 | 118,115 | 88,824 | 49,854 |
| Income from money market transactions and placements | | 192,543 | 94,572 | 98,246 | 43,160 |
| Profit on bank deposits | | 325,393 | 250,867 | 110,230 | 71,627 |
| | | <u>835,613</u> | <u>462,864</u> | <u>297,141</u> | <u>163,418</u> |
| Unrealized appreciation on re-measurement of investment classified as financial assets at 'fair value through profit or loss' - net | | - | - | 30 | - |
| | | <u>835,613</u> | <u>462,864</u> | <u>297,171</u> | <u>163,418</u> |
| Expenses | | | | | |
| Remuneration of the Management Company | 6.1 & 6.2 | 71,479 | 41,783 | 25,203 | 14,867 |
| Remuneration of the Trustee | | 8,166 | 6,816 | 2,528 | 2,395 |
| Annual fee to Securities and Exchange Commission of Pakistan | | 6,922 | 5,535 | 2,103 | 1,957 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | 9,229 | 7,380 | 2,803 | 2,610 |
| Auditors' remuneration | | 330 | 332 | 109 | 111 |
| Securities transaction costs | | 610 | 285 | 170 | 69 |
| Settlement and bank charges | | 345 | 258 | 151 | 97 |
| Fee and subscription | | 229 | 265 | 76 | 94 |
| Printing charges | | (62) | 281 | (62) | 93 |
| | | <u>97,248</u> | <u>62,935</u> | <u>33,081</u> | <u>22,293</u> |
| Net income for the period from operating activities | | <u>738,365</u> | <u>399,929</u> | <u>264,090</u> | <u>141,125</u> |
| Provision for Sindh Workers' Welfare Fund | 7.2 | (14,767) | (7,999) | (5,282) | (5,857) |
| Net income for the period before taxation | | <u>723,595</u> | <u>391,930</u> | <u>258,808</u> | <u>135,268</u> |
| Taxation | 9 | - | - | - | - |
| Net income for the period after taxation | | <u>723,595</u> | <u>391,930</u> | <u>258,808</u> | <u>135,268</u> |
| Allocation of net income for the period | | | | | |
| Income already paid on redemption | | 209,497 | 150,942 | | |
| Accounting income available for distribution: | | | | | |
| Relating to capital gains | | - | - | | |
| Excluding capital gains | | 514,098 | 240,988 | | |
| | | <u>514,098</u> | <u>240,988</u> | | |
| | | <u>723,595</u> | <u>391,930</u> | | |

Earnings per unit

10

The annexed notes from 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 Cash Fund

Condensed Statement of Comprehensive Income (Un-Audited)

For The Nine Months Ended And Quarter Ended March 31, 2019

| | Nine months ended | | Quarter ended | |
|--|-----------------------------|----------------|----------------|----------------|
| | March 31, | | March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| | ------(Rupees in '000)----- | | | |
| Net income for the period after taxation | 723,595 | 391,930 | 258,808 | 135,268 |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to income statement | - | - | - | - |
| Items that will not be reclassified subsequently to income statement | - | - | - | - |
| Total comprehensive income for the period | <u>723,595</u> | <u>391,930</u> | <u>258,808</u> | <u>135,268</u> |

The annexed notes from 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 Cash Fund
Condensed Interim Statement of Cash Flow (Un-Audited)
For The Nine Months Ended March 31, 2019

| | Nine months ended | |
|--|------------------------------|--------------|
| | March 31, | |
| Note | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | 723,595 | 391,930 |
| Adjustments for: | | |
| Capital loss / (gain) on sale of investment-net | 8,509 | 690 |
| Income from government securities | (326,186) | (118,115) |
| Income from money market placements | (192,543) | (94,572) |
| Profit from bank deposits | (325,393) | (250,867) |
| | (112,018) | (70,934) |
| Increase in assets | | |
| Investments - net | (1,892,656) | 136,619 |
| Deposits and prepayments | (3,298) | (77) |
| | (1,895,954) | 136,542 |
| Increase / (decrease) in liabilities | | |
| Payable to the Management Company | 1,592 | 2,764 |
| Payable to the Trustee | (139) | (134) |
| Payable to Securities and Exchange Commission of Pakistan | (999) | 2,265 |
| Dividend payable | 236 | - |
| Redemption payable | - | (1,183,625) |
| Accrued expenses and other liabilities | 25,309 | (26,652) |
| | 25,999 | (1,205,382) |
| Cash used in operations | (1,981,973) | (1,139,774) |
| Income received from government securities | 326,186 | 118,115 |
| Income received from money market placement | 168,299 | 65,224 |
| Profit received from bank deposits | 297,100 | 225,145 |
| | 791,585 | 408,484 |
| Net cash used in operating activities | (1,190,388) | (731,290) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issue of units | 21,320,129 | 18,254,764 |
| Payments on redemption of units | (23,159,240) | (13,404,419) |
| Dividend paid | (1,258,080) | - |
| Net cash (used in) / generated from financing activities | (3,097,191) | 4,850,345 |
| Net (decrease) / increase in cash and cash equivalents during the period | (4,287,579) | 4,119,055 |
| 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 | 4 | 10,656,371 |

The annexed notes from 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 Cash Fund

Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)

For The Nine Months Ended March 31, 2019

| | Nine months ended March 31, | | | | | |
|--|-----------------------------|----------------------|--------------|---------------|----------------------|--------------|
| | 2019 | | | 2018 | | |
| | Capital Value | Undistributed income | Total | Capital Value | Undistributed income | Total |
| | (Rupees in '000) | | | | | |
| Net assets at beginning of the period | 11,727,212 | 312,522 | 12,039,734 | 5,925,167 | 28,963 | 5,954,130 |
| Issuance of 208,801,782 units (2018: 178,274,670 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | 21,037,221 | - | 21,037,221 | 17,914,603 | - | 17,914,603 |
| Element of income | 282,907 | - | 282,907 | 340,163 | - | 340,163 |
| Total proceeds on issuance of units | 21,320,129 | - | 21,320,129 | 18,254,766 | - | 18,254,766 |
| Redemption of 173,173,598 units (2018:130,443,891 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | (22,822,150) | - | (22,822,150) | (13,108,147) | - | (13,108,147) |
| Income already paid on redemption of units | - | (209,497) | (209,497) | - | 150,942 | 150,942 |
| Element of loss | (127,593) | - | (127,593) | (447,214) | - | (447,214) |
| Total payments on redemption of units | (22,949,743) | (209,497) | (23,159,240) | (13,555,361) | 150,942 | (13,404,419) |
| Total comprehensive income for the period | - | 723,595 | 723,595 | - | 391,930 | 391,930 |
| Refund of capital | (470,743) | - | (470,743) | - | - | - |
| Distribution during the period | - | (787,337) | (787,337) | - | - | - |
| | (470,743) | (63,742) | (534,485) | - | 391,930 | 391,930 |
| Net assets at end of the period | 9,626,854 | 39,283 | 9,666,138 | 10,624,572 | 571,835 | 11,196,407 |
| Undistributed income brought forward | | | | | | |
| Realised | | 312,522 | | | 28,963 | |
| Unrealised | | - | | | - | |
| | | 312,522 | | | 28,963 | |
| Accounting income available for distribution | | | | | | |
| Relating to capital gains | | - | | | - | |
| Excluding capital gains | | 514,098 | | | 240,988 | |
| | | 514,098 | | | 240,988 | |
| Distribution during the period | | (787,337) | | | - | |
| Undistributed income carried forward | | 39,283 | | | 269,951 | |
| Undistributed income carried forward | | | | | | |
| Realised | | 39,283 | | | 269,951 | |
| Unrealised | | - | | | - | |
| | | 39,283 | | | 269,951 | |
| | | | | | | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | 106.0021 | | | 100.4888 |
| Net assets value per unit at end of the period | | | 100.8317 | | | 103.2030 |

The annexed notes from 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 Cash Fund

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

For The Ninve Months Ended March 31, 2019

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

The Fund 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 categorization 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 Company has assigned a management quality rating of 'AM2+' (AM Two Plus) positive outlook to the Management Company and assigned stability rating of AA(f) to the Fund as at December 28, 2018 and December 26, 2018, respectively.

Title of the assets of the Fund is 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP have been followed.

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 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2018, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2018.

2.1.4 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

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.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of 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 except as explained in note 3.6.

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

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

3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 3.6.

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

3.6 Except as described below, the accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018.

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Fund's condensed interim financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Fund's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be

measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

| | |
|---|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. |

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2018.

| | Note | Original classification under IAS 39 | New classification under IFRS 9 | Original carrying amount under IAS 39 | New carrying amount under IFRS 9 |
|--|-------------|---|--|--|---|
| ----- (Rupees in '000) ----- | | | | | |
| Financial assets | | | | | |
| Bank balances - Saving Accounts | (a) | Loans and receivables | Amortised cost | 9,799,252 | 9,799,252 |
| Bank balances - Term Deposit Receipts (TDRs) | (a) | Loans and receivables | Amortised cost | 1,100,000 | 1,100,000 |
| Investments - Letter of Placements | (a) | Loans and receivables | Amortised cost | 1,150,000 | 1,150,000 |
| Profit Receivable | (a) | Loans and receivables | Amortised cost | 43,554 | 43,554 |
| Deposits & Prepayments | (a) | Loans and receivables | Amortised cost | 199 | 199 |
| | | | | 12,093,005 | 12,093,005 |
| | | | | 12,093,005 | 12,093,005 |

(a) **These financial assets classified as 'loans and receivables' have been classified as amortised cost.**

ii. **Impairment of financial assets**

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

iii. **Transition**

The Fund has used the exemption not to restate comparative periods. Comparative periods have not generally been restated. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|------------|--|--|--|
| | Note | ----- (Rupees in '000) ----- | |
| 4 | BANK BALANCES | | |
| | In savings accounts | 4.1 5,796,673 | 9,799,252 |
| | Term deposit receipt | 4.2 815,000 | 1,100,000 |
| | | <u>6,611,673</u> | <u>10,899,252</u> |
| 4.1 | These accounts carry mark-up at rates ranging between 5% to 11.15% (June 30, 2018: 3.75% to 7.5%) per annum. | | |
| 4.2 | This term deposit receipt carries mark-up at the rate of 10.70% (June 30, 2018: 7.4%). This will mature by April 05, 2019. | | |
| 5 | INVESTMENTS | | |
| | At fair value through profit or loss | 5.1 - | - |
| | At amortized cost | 5.2 3,034,147 | 1,150,000 |
| | | <u>3,034,147</u> | <u>1,150,000</u> |
| 5.1 | Financial assets at fair value through profit or loss | | |
| | Market treasury bills | 5.1.1 - | - |

5.1.1 Financial assets at fair value through profit or loss:

Market treasury bills

| Issue date | Tenure | As at July 1, 2018 | Purchases during the period | Sales / matured during the period | As at March 31, 2019 | Balance as at March 31, 2019 | | | Market value as at percentage of net assets | Market value as at percentage of total investments |
|-------------------------------------|----------|--------------------|-----------------------------|-----------------------------------|----------------------|------------------------------|--------------|-----------------------------|---|--|
| | | | | | | Carrying value | Market value | Appreciation / (diminution) | | |
| ------(Rupees in '000)----- | | | | | | | | | | |
| April 26, 2018 | 3 months | - | 7,290,000 | 7,290,000 | - | - | - | - | - | - |
| May 10, 2018 | 3 months | - | 850,000 | 850,000 | - | - | - | - | - | - |
| June 21, 2018 | 3 months | - | 700,000 | 700,000 | - | - | - | - | - | - |
| July 19, 2018 | 3 months | - | 31,523,000 | 31,523,000 | - | - | - | - | - | - |
| August 2, 2018 | 3 months | - | 6,850,000 | 6,850,000 | - | - | - | - | - | - |
| October 11, 2018 | 3 months | - | 18,105,000 | 18,105,000 | - | - | - | - | - | - |
| December 6, 2018 | 3 months | - | 200,410,000 | 200,410,000 | - | - | - | - | - | - |
| January 17, 2019 | 3 months | - | 27,500,000 | 27,500,000 | - | - | - | - | - | - |
| February 14, 2019 | 3 months | - | 242,000,000 | 242,000,000 | - | - | - | - | - | - |
| Total - As at March 31, 2019 | | - | 265,728,000 | 265,728,000 | - | - | - | - | - | - |
| Total - June 30, 2018 | | - | - | - | - | - | - | - | - | - |

| | Note | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|-------|--------------------------------|----------------------------|
| (Rupees in '000) | | | |
| 5.2 Financial assets at amortized cost | | | |
| Letter of placements | 5.2.1 | 2,100,000 | 1,150,000 |
| Commercial paper | 5.2.2 | 934,147 | - |
| | | <u>3,034,147</u> | <u>1,150,000</u> |

5.2.1 These carry mark-up at the rate of 10.88% to 11.25% per annum (June 30, 2018: 6.7%). These will mature on April 15, 2019 & April 26, 2019.

5.2.2 This carries mark-up at the rate of 11.75% (June 30, 2018: Nil) per annum. This will mature on September 02, 2019.

5.3 Detail of non-compliant investments with the investment criteria as specified by SECP

In accordance with section 55(5) of NBFC Regulations, exposure of collective investment schemes to any single entity shall not exceed an amount equal to ten percent of total net assets of the collective investment scheme and, in case of an exposure to any debt issue of a company, it shall not exceed ten percent of that issue. However, the percentage of such investment in Pak Oman Investment Company Limited and Pak Brunei Investment Company Limited, as at March 31, 2019, were 10.35% and 11.38%, respectively, of the net assets of the Fund.

6 PAYABLE TO THE MANAGEMENT COMPANY

| | | | |
|--|-----|--------------|--------------|
| Remuneration to the Management Company | 6.1 | 7,520 | 5,922 |
| Sindh sales tax on Management Company's remuneration | 6.2 | 978 | 770 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | 924 | 1,138 |
| | | <u>9,422</u> | <u>7,830</u> |

- 6.1** 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 on daily basis of the Scheme 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 7.5% 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.
- 6.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2018: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.
- 6.3** As per Regulation 60(3)(s) of the NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged the aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

| | Note | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|------------------|---|-----------------------------------|-------------------------------|
| (Rupees in '000) | | | |
| 7 | ACCRUED EXPENSES AND OTHER LIABILITIES | | |
| | Provision for Federal Excise Duty and sales tax on management fee | 7.1 | 7,528 |
| | Provision for Sindh Workers' Welfare Fund | 7.2 | 27,936 |
| | Withholding tax payable | | 25,872 |
| | Sales Load-payable to the related parties | | 114 |
| | Auditors' remuneration | | 200 |
| | Printing charges | | 30 |
| | Brokerage payable | | 117 |
| | Zakat Payable | | 51 |
| | | 61,848 | 36,539 |

- 7.1** The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as 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 with Honorable Supreme Court of Pakistan 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. 7.528 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.08 per unit (June 30, 2018: Rs. 0.13 per unit).

- 7.2** The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare 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.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 27.936 million as at March 31, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2019 would have been higher by Rs.0.29 per unit (June 30, 2018: Rs.0.12 per unit).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

9 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 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2019 to its unit holders.

10 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in this condensed interim financial information as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons are 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.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative period and not in the current period are not disclosed in the comparative period.

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

| | Nine Months ended | |
|--|------------------------------|-----------|
| | March 31, | |
| | 2019 | 2018 |
| | ----- (Un-Audited) ----- | |
| | ----- (Rupees in '000) ----- | |
| 11.1 Transaction during the period | | |
| HBL Asset Management Limited | | |
| Remuneration of Management Company | 63,256 | 36,976 |
| Sindh Sales Tax on remuneration of Management Company | 8,223 | 4,807 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 9,229 | 7,380 |
| Issue of 1,333,914 (2018: 1,073,478) units | 131,049 | 110,000 |
| Redemption of 2,153,599 (2018: 636,554) units | 219,175 | 65,000 |
| Dividend paid | 1,234 | - |
| Refund of capital | 4,320 | - |
| Central Depository Company Of Pakistan Limited - Trustee | | |
| Remuneration | 8,166 | 6,816 |
| CDS connection charges | 5 | 6 |
| Habib Bank Limited - Sponsor | | |
| Return on Deposit Accounts | 31,371 | 59,696 |
| Bank charges | 220 | 129 |
| Jubilee Life Insurance Company Limited | | |
| Sales of Market Treasury Bills | 5,000,000 | 2,000,000 |
| Directors and Executives of the Management Company | | |
| Issue of 349,436 (2018: 903,923) units | 33,706 | 92,980 |
| Redemption of 655,516 (2018: 469,800) units | 66,428 | 48,643 |
| Dividend paid | 3,899 | - |
| Refund of capital | 1,813 | - |
| HBL Financial Planning Fund - Active Allocation Plan - Associate | | |
| Issue of 540,327 (2018: 2,964,330) units | 48,033 | 303,305 |
| Redemption of 1,012,803 (2018: 1,931,604) units | 102,623 | 199,645 |
| Dividend paid | 3,533 | - |
| Refund of capital | 6,973 | - |
| HBL Financial Planning Fund - Conservative Allocation Plan - Associate | | |
| Issue of 82,991 (2018: 1,423,823) units | 3,148 | 145,300 |
| Redemption of 544,080 (2018: 92,267) units | 56,350 | 9,525 |
| Dividend paid | 3,148 | - |
| Refund of capital | 5,217 | - |
| HBL Financial Planning Fund - Strategic Allocation Plan - Associate | | |
| Issue of 235,732 (2018: 97,963) units | 21,780 | 10,000 |
| Redemption of 442,621 (2018: 97,963) units | 45,071 | 10,111 |
| Dividend paid | 1,180 | - |
| Refund of capital | 2,505 | - |
| Pakistan Mobile Communication Limited- Connected Person due to holding of more than 10% units | | |
| Issue of 10,893,209 (2018: nil) units | 1,047,655 | - |
| Redemption of 8,828,977 (2018: nil) units | 904,500 | - |
| Dividend paid | 86,653 | - |
| Refund of capital | 60,530 | - |

| | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|--|--|
| | ----- (Rupees in '000) ----- | |
| 11.2 Balances outstanding at the period / year end | | |
| HBL Asset Management Limited | | |
| Units held: 19,363 (June 30, 2018: 839,048) | 1,952 | 88,941 |
| Payable to Management Company | 7,520 | 5,922 |
| Sindh sales tax on Management Company's remuneration | 978 | 770 |
| Payable against allocation of expenses related to registrar services, accounting, operation and valuation services | 924 | 1,138 |
| Sales load payable | 114 | 313 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee fee payable | 842 | 981 |
| Security deposit held | 100 | 100 |
| Habib Bank Limited - Sponsor | | |
| Bank balances | 5,602 | 13,521 |
| Profit receivable | 154 | 455 |
| Directors and Executives of the Management Company | | |
| Units held: 2,149,303 (June 30, 2018: 502,978) | 19,854 | 53,317 |
| HBL Financial Planning Fund - Active Allocation Plan - Associate | | |
| Units held: 758,427 (June 30, 2018: 1,230,903) | 76,473 | 130,478 |
| HBL Financial Planning Fund - Conservative Allocation Plan - Associate | | |
| Units held: 538,901 (June 30, 2018: 999,990) | 54,338 | 106,001 |
| HBL Financial Planning Fund - Strategic Allocation Plan - Associate | | |
| Units held: 173,155 (June 30, 2018: 380,044) | 17,459 | 40,285 |
| Pakistan Mobile Communication Limited -Connected Person due to holding of more than 10% units* | | |
| Units held: 12,769,792 (June 30, 2018: nil) | 1,287,600 | - |

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 of the Fund for the half year ended March 31, 2019 is 0.90% (2018: 0.72%) which includes 0.25% (2018: 0.20%) representing government levy and SECP fee.

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| | | March 31, 2019 (Un-Audited) | | | | | | |
|---|--|-----------------------------------|----------------|------------|---------|---------|---------|-------|
| | | Carrying amount | | Fair value | | | | |
| | | Fair value through profit or loss | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | ----- (Rupees in '000) ----- | | | | | | |
| On-balance sheet financial instruments | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| | Investments | - | - | - | - | - | - | - |
| Financial assets not measured at fair value | | | | | | | | |
| | Bank balances | - | 6,611,673 | 6,611,673 | | | | |
| | Profit receivable | - | 96,091 | 96,091 | | | | |
| | Investments | - | 2,375,000 | 2,375,000 | | | | |
| | | - | 9,082,764 | 9,082,764 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| | Payable to the Management Company | - | 9,422 | 9,422 | | | | |
| | Payable to the Trustee | - | 842 | 842 | | | | |
| | Accrued expenses and other liabilities | - | 461 | 461 | | | | |
| | Dividend payable | - | 236 | 236 | | | | |
| | | - | 10,961 | 10,961 | | | | |
| | | ----- (Rupees in '000) ----- | | | | | | |
| | | June 30, 2018 (Audited) | | | | | | |
| | | Carrying amount | | Fair value | | | | |
| | | Fair value through profit or loss | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | ----- (Rupees in '000) ----- | | | | | | |
| On-balance sheet financial instruments | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | |
| | Bank balances | - | 10,899,252 | 10,899,252 | | | | |
| | Profit receivable | - | 43,554 | 43,554 | | | | |
| | Investments | - | 1,150,000 | 1,150,000 | | | | |
| | | - | 12,092,806 | 12,092,806 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| | Payable to the Management Company | - | 7,060 | 7,060 | | | | |
| | Payable to the Trustee | - | 868 | 868 | | | | |
| | Accrued expenses and other liabilities | - | 851 | 851 | | | | |
| | | - | 8,779 | 8,779 | | | | |

13.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Treasury Bills, Fund uses rates which are derived from PKRV rates at reporting date per certificate multiplied by the number of certificates held as at period end.

13.2 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.

13.3 Transfers during the period

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

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on April 30, 2019 .

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, the effect of which is not material.

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 Soneri Bank Limited |

HBL Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2019

| | | (Un-Audited) March 31, 2019 | (Audited) June 30, 2018 |
|---|------|-----------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| Assets | | | |
| Bank balances | 4 | 337,987 | 577,518 |
| Investments | 5 | 2,863,779 | 5,442,731 |
| Dividend receivable and accrued mark-up | | 37,686 | 15,470 |
| Advances, deposits, prepayments and other receivables | 6 | 3,034 | 29,082 |
| Total assets | | 3,242,485 | 6,064,801 |
| Liabilities | | | |
| Payable to the Management Company | 7 | 10,170 | 23,982 |
| Payable to the Trustee | | 411 | 658 |
| Payable to the Securities and Exchange Commission of Pakistan | | 3,564 | 5,547 |
| Accrued expenses and other liabilities | 8 | 80,122 | 76,244 |
| Total liabilities | | 94,267 | 106,431 |
| Net assets | | 3,148,219 | 5,958,370 |
| Unit holders' fund (as per statement attached) | | 3,148,219 | 5,958,370 |
| Contingencies and commitments | 9 | | |
| | | ----- (Number of units) ----- | |
| Number of units in issue | | 31,088,193 | 55,653,438 |
| | | ----- (Rupees) ----- | |
| Net assets value per unit | | 101.2673 | 107.0620 |

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 Stock Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine Months and Quarter Ended March 31, 2019

| | Note | Nine Months ended March 31, | | Quarter ended March 31, | |
|--|------|--------------------------------|-----------|----------------------------|-----------|
| | | 2019 | 2018 | 2019 | 2018 |
| ------(Rupees in '000)----- | | | | | |
| Income | | | | | |
| Dividend income | | 161,898 | 207,172 | 34,525 | 56,082 |
| Mark-up on deposits with banks | | 40,869 | 35,406 | 10,708 | 12,647 |
| Income from Government Securities | | - | 760 | - | 760 |
| Capital loss on sale of investments - net | | (237,866) | (332,287) | (22,039) | (102,687) |
| | | (35,099) | (88,949) | 23,194 | (33,198) |
| Unrealised (diminution) / appreciation on re-measurement of investments classified as financial asset at fair value through profit or loss - net | | (191,024) | 273,480 | 247,196 | 294,891 |
| Impairment loss on equity securities classified as 'available-for-sale' | | - | (294,670) | - | - |
| | | (226,123) | (110,139) | 270,390 | 261,693 |
| Expenses | | | | | |
| Remuneration of the Management Company | | 84,783 | 96,942 | 19,478 | 33,354 |
| Remuneration of the Trustee | | 5,087 | 5,833 | 1,252 | 2,084 |
| Annual fee to the Securities and Exchange Commission of Pakistan | | 3,564 | 4,077 | 819 | 1,407 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | 3,751 | 4,289 | 861 | 1,479 |
| Selling and marketing expense | | 15,006 | 17,158 | 3,448 | 5,908 |
| Securities transaction costs | | 16,810 | 8,168 | 4,009 | 5,039 |
| Auditors' remuneration | | 661 | 454 | 214 | 150 |
| Settlement and bank charges | | 1,377 | 769 | 487 | 271 |
| Other expenses | | 23 | 199 | 5 | 79 |
| | | 131,064 | 137,889 | 30,574 | 49,771 |
| Net loss from operating activities | | (357,187) | (248,028) | 239,816 | 211,922 |
| Element of income and capital gains included in prices of units issued less those in units redeemed - net | | - | - | - | - |
| Provision for Sindh Workers' Welfare Fund | 8.2 | - | - | - | - |
| Net loss for the period before taxation | | (357,187) | (248,028) | 239,816 | 211,922 |
| Taxation | 10 | - | - | - | - |
| Net loss for the period after taxation | | (357,187) | (248,028) | 239,816 | 211,922 |

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 Stock Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Nine Months and Quarter Ended March 31, 2019

| | Nine Months ended March 31, | | Quarter ended, March 31, | |
|--|--------------------------------|------------------|-----------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | | | |
| Net loss for the period after taxation | (357,187) | (248,028) | 239,816 | 211,922 |
| Other comprehensive income for the period | | | | |
| Item that may be reclassified subsequently to Income Statement | | | | |
| Unrealised gain on re-measurement of investments classified as available-for-sale | - | 514,267 | - | 556,363 |
| Net reclassification adjustments relating to available-for-sale financial assets | - | (657,361) | - | (139,531) |
| Other comprehensive loss for the period | - | (143,094) | - | 416,832 |
| Total comprehensive loss for the period | (357,187) | (391,122) | 239,816 | 628,754 |

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 Stock Fund

Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)

For the Nine Months Ended March 31, 2019

| | Nine Months ended March 31, | | | | | | | |
|--|-----------------------------|---|--|------------------|-----------------|---|--|-----------------|
| | 2019 | | | 2018 | | | | |
| | Capital Value | Undistributed income / (accumulated loss) | Unrealised income / (loss) on investment | Total | Capital Value | Undistributed income / (accumulated loss) | Unrealised income / (loss) on investment | Total |
| | -----Rupees in '000----- | | | | | | | |
| Net assets as at the beginning of the period | 6,270,547 | (378,651) | 66,474 | 5,958,370 | 5,899,589 | (96,624) | 551,707 | 6,354,672 |
| Adoption of IFRS 9 | - | 66,474 | (66,474) | - | - | - | - | - |
| Issue of 5,396,462 units (2017: 8,746,171 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 714,364 | - | - | 714,364 | 1,544,569 | - | - | 1,544,569 |
| - Element of loss | (11,698) | - | - | (11,698) | (149,892) | - | - | (149,892) |
| Total proceeds on issue of units | 702,666 | - | - | 702,666 | 1,394,677 | - | - | 1,394,677 |
| Redemption of 25,642,518 units (2017: 8,540,416 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (3,344,369) | - | - | (3,344,369) | (1,098,510) | - | - | (1,098,510) |
| - Element of income | 188,739 | - | - | 188,739 | 105,376 | - | - | 105,376 |
| Total payments on redemption of units | (3,155,630) | - | - | (3,155,630) | (993,134) | - | - | (993,134) |
| Total comprehensive loss for the period | - | (357,187) | - | (357,187) | - | (248,028) | (143,094) | (391,122) |
| Distribution during the period | - | - | - | - | - | - | - | - |
| Net loss for the period less distribution | - | (357,187) | - | (357,187) | - | (248,028) | (143,094) | (391,122) |
| Net assets as at the end of the period | 3,817,582 | (669,364) | - | 3,148,219 | 6,301,132 | (344,652) | 408,613 | 6,395,093 |
| Accumulated loss | | | | | | | | |
| - Realised | | (378,651) | | | | (96,624) | | |
| - Unrealised | | - | | | | - | | |
| | | (378,651) | | | | (96,624) | | |
| Net loss for the period | | (357,187) | | | | (248,028) | | |
| Adoption of IFRS 9 | | 66,474 | | | | | | |
| Distribution during the period | | - | | | | - | | |
| Accumulated loss carried forward | | (669,364) | | | | (344,652) | | |
| Accumulated loss carried forward | | | | | | | | |
| - Realised | | (478,340) | | | | (618,132) | | |
| - Unrealised | | (191,024) | | | | 273,480 | | |
| | | (669,364) | | | | (344,652) | | |
| | | | | | Rupees | | | Rupees |
| Net asset value per unit at the beginning of the period | | | | | <u>107.0620</u> | | | <u>121.4498</u> |
| Net asset value per unit at end of the period | | | | | <u>101.2673</u> | | | <u>113.6700</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 Stock Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
For the Nine Months Ended March 31, 2019

| | 2019 | 2018 |
|---|----------------------------|------------------|
| | ----- Rupees in '000 ----- | |
| Cash flows from operating activities | | |
| Net loss for the period before taxation | (357,187) | (248,028) |
| Adjustments for Non-cash items: | | |
| Impairment loss on investments classified as available-for-sale | - | 294,670 |
| Mark-up on deposits with banks | (40,869) | (35,406) |
| Dividend income | (161,898) | (207,172) |
| Capital loss on sale of investments - net | 237,866 | 332,287 |
| Income on Government Securities | - | (760) |
| Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net | 191,024 | (273,480) |
| | (131,064) | (137,889) |
| Decrease / (Increase) in assets | | |
| Investments - net | 2,150,062 | (344,141) |
| Advances, deposits, prepayments and other receivables | 26,048 | 34,367 |
| | 2,176,110 | (309,774) |
| Increase / (Decrease) Increase in liabilities | | |
| Payable to the Management Company | (13,812) | (3,155) |
| Payable to the Trustee | (247) | (733) |
| Payable to the Securities and Exchange Commission of Pakistan | (1,983) | (1,326) |
| Accrued expenses and other liabilities | 3,878 | (4,301) |
| | (12,164) | (9,515) |
| Mark-up on bank deposits received | 41,807 | 40,783 |
| Dividend received | 138,744 | 196,886 |
| Net cash generated from operating activities | 2,213,433 | (219,509) |
| Cash flows from financing activities | | |
| Amount received on issue of units | 702,666 | 1,394,677 |
| Payments / Payable against redemption of units | (3,155,630) | (1,174,998) |
| Cash dividend paid | - | (5,331) |
| Net cash used in financing activities | (2,452,964) | 214,348 |
| Net (decrease) / increase in cash and cash equivalents | (239,531) | (5,161) |
| Cash and cash equivalents at beginning of the year | 577,518 | 650,713 |
| Cash and cash equivalents at end of the year | 337,987 | 645,552 |

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 Nine Months Ended March 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Stock Fund (the Fund) was established under a Trust Deed, dated August 09, 2007, executed between HBL Asset Management Limited (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 August 21, 2007.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from August 29, 2007 to August 31, 2007.
- 1.4 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.
- 1.5 JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+' (AM Two Plus) to the Management Company.
- 1.6 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 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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 March 31, 2019.

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.

2.4 Use of judgments and estimates

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) classification and valuation of financial assets ; and
- (ii) impairment of financial assets

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

3.5 On application of IFRS - 9 'Financial Instruments', there is no material change in the Fund's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

3.6 Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to the disclosures for the nine months ended March 31, 2019.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;
- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Fund's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Fund's financial assets as regards their classification and measurement:

- the Fund's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been reclassified as at FVTPL. The change in fair value on these equity instruments will be recorded in the profit or loss account;
- there is no change in the measurement of the Fund's investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL;

Para (d) below tabulates the change in classification of the Fund's financial assets upon application of IFRS 9.

None of the other reclassifications of financial assets have had any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

Please refer to para (d) below for further details regarding the change in classification upon the application of IFRS 9.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Fund had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Fund has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9.

| | Carrying amount as per IAS 39 as on June 30, 2018 | Reclassifications | Remeasurements | Carrying amount on initial adoption of IFRS 9 on July 01, 2018 | Effect on July 01, 2018 on Retained Earnings |
|--|---|-------------------|----------------|--|--|
| ----- Rupees ----- | | | | | |
| Financial assets | | | | | |
| Fair Value through Profit of Loss | | | | | |
| From available for sale (IAS 39) | 887,003 | 887,003 | - | 887,003 | - |
| Total | 887,003 | 887,003 | - | 887,003 | - |

| | | | (Un-Audited) March 31, 2019 | (Audited) June 30, 2018 |
|------------------------------|-------------|--|-----------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | | | |
| 4. BANK BALANCES | Note | | | |
| Balances with banks in: | | | | |
| Savings accounts | 4.1 | | 335,537 | 575,068 |
| Current accounts | | | 2,450 | 2,450 |
| | | | 337,987 | 577,518 |

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 7% - 11.4% (June 30, 2018: 4% - 8.25%) per annum.

| | | | (Un-Audited) March 31, 2019 | (Audited) June 30, 2018 |
|--|-------------|--|-----------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | | | |
| 5. INVESTMENTS | Note | | | |
| Financial assets at fair value through profit or loss account | | | | |
| - Listed equity securities | 5.1 | | 2,839,334 | 5,442,731 |
| - Advance against Book Building | 5.2 | | 24,445 | |
| | | | 2,863,779 | 5,442,731 |

5.1 Listed equity securities - At fair value through profit or loss

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 Mar 31, 2019 (Rupees in '000) | Market value as a | | Par value as a percentage of issued capital of the investee company |
|--|---------------------|-----------------------------|----------------------|-------------------------|--------------------|--|-------------------|------------|---|
| | As at July 01, 2018 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at Mar 31, 2019 | | Total Investments | Net Assets | |
| TEXTILE COMPOSITE | | | | | | | | | |
| Nishat Mills Ltd | 1,058,600 | 273,500 | - | 729,900 | 602,200 | 81,062 | 2.85% | 2.57% | 0.17% |
| Gul Ahmed Textile Mills Ltd | - | 350,000 | - | 350,000 | - | - | - | 0.00% | 0.00% |
| Kohinoor Textile Mills Ltd | - | 812,000 | - | 389,000 | 423,000 | 18,980 | 0.67% | 0.60% | 0.40% |
| Nishat (Chunian) Ltd | - | 1,006,000 | - | 1,006,000 | - | - | - | 0.00% | 0.00% |
| | 1,058,600 | 2,441,500 | - | 2,474,900 | 1,025,200 | 100,042 | 3.52% | 3.18% | |
| CEMENT & MATERIAL | | | | | | | | | |
| Lucky Cement Ltd | 361,050 | 371,900 | - | 442,200 | 290,750 | 124,511 | 4.39% | 3.95% | 0.09% |
| Cherat Cement Company Ltd. | - | 618,100 | - | 618,100 | - | - | - | 0.00% | - |
| D G Khan Cement Co.Ltd. | - | 1,245,000 | - | 1,245,000 | - | - | - | 0.00% | - |
| Kohat Cement Ltd | 222,300 | 344,200 | - | 395,000 | 171,500 | 14,720 | 0.52% | 0.47% | 0.13% |
| Maple Leaf Cement Factory Ltd | - | 4,386,000 | - | 3,986,000 | 400,000 | 14,980 | 0.53% | 0.48% | 0.08% |
| Pioneer Cement Limited | 488,500 | 150,000 | - | 638,500 | - | - | - | 0.00% | - |
| | 1,071,850 | 7,115,200 | - | 7,324,800 | 862,250 | 154,211 | 5.43% | 4.90% | |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | |
| Hub Power Company Limited | 3,093,400 | 1,776,000 | - | 2,695,500 | 2,173,900 | 159,412 | 5.61% | 5.06% | 0.19% |
| K-Electric Limited | 5,724,500 | 11,987,500 | - | 12,410,500 | 5,301,500 | 29,635 | 1.04% | 0.94% | 0.02% |
| Nishat Chunian Power Limited | - | 1,144,500 | - | 476,500 | 668,000 | 14,556 | 0.51% | 0.46% | 0.18% |
| Pakgen Power Limited | - | 1,637,000 | - | 612,000 | 1,025,000 | 15,642 | 0.55% | 0.50% | 0.28% |
| | 8,817,900 | 16,545,000 | - | 16,194,500 | 9,168,400 | 219,245 | 7.72% | 6.96% | |
| ENGINEERING | | | | | | | | | |
| Amreli Steels Limited | 847,200 | 282,000 | - | 1,129,200 | - | - | - | 0.00% | - |
| Crescent Steel & Allied Products Ltd | - | 235,000 | - | - | 235,000 | 9,116 | 0.32% | 0.29% | 0.30% |
| International Industries Limited | 251,300 | 553,800 | - | 686,200 | 118,900 | 14,755 | 0.52% | 0.47% | 0.10% |
| International Steels Limited | 587,000 | 886,800 | - | 1,218,300 | 255,500 | 16,360 | 0.58% | 0.52% | 0.06% |
| Mughal Iron & Steel Inds Limited | 983,165 | 383,000 | - | 1,348,000 | 18,165 | 710 | 0.02% | 0.02% | 0.01% |
| | 2,668,665 | 2,340,600 | - | 4,381,700 | 627,565 | 40,940 | 1.44% | 1.30% | |
| AUTOMOBILE PARTS & ACCESSORIES | | | | | | | | | |
| Indus Motor Company Limited | 55,160 | 2,840 | - | 58,000 | - | - | - | 0.00% | - |
| Millat Tractors Ltd | 101,670 | 3,000 | - | 104,670 | - | - | - | 0.00% | - |
| Honda Atlas Cars (Pakistan) Ltd | 104,950 | - | - | 104,950 | - | - | - | 0.00% | - |
| Thal Limited | 278,650 | 131,900 | - | 167,550 | 243,000 | 102,546 | 3.61% | 3.26% | 0.30% |
| | 540,430 | 137,740 | - | 435,170 | 243,000 | 102,546 | 3.61% | 3.26% | |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | |
| Systems Limited | 629,000 | 45,800 | - | 674,800 | - | - | - | 0.00% | - |
| PHARMACEUTICALS | | | | | | | | | |
| AGP Limited | - | 866,000 | - | 470,500 | 395,500 | 33,673 | 1.19% | 1.07% | 0.01% |
| The Searle Company Limited | 167,984 | 85,000 | 1,197 | 185,000 | 69,181 | 16,384 | 0.58% | 0.52% | 0.04% |
| | 167,984 | 951,000 | 1,197 | 655,500 | 464,681 | 50,057 | 1.76% | 1.59% | |
| OIL & GAS EXPLORATION COMPANIES | | | | | | | | | |
| Mari Petroleum Company Limited | 198,960 | 39,320 | 18,778 | 123,380 | 133,678 | 166,461 | 5.86% | 5.29% | 0.12% |
| Oil & Gas Development Company Limited | 1,919,400 | 1,354,900 | - | 1,992,200 | 1,282,100 | 189,174 | 6.66% | 6.01% | 0.03% |
| Pakistan Oilfields Limited | 448,800 | 161,950 | 75,960 | 440,800 | 245,910 | 109,983 | 3.87% | 3.49% | 0.10% |
| Pakistan Petroleum Limited | 1,658,600 | 980,200 | 240,345 | 1,940,300 | 938,845 | 173,677 | 6.12% | 5.52% | 0.05% |
| | 4,225,760 | 2,536,370 | 335,083 | 4,496,680 | 2,600,533 | 639,295 | 22.52% | 20.31% | |
| OIL & GAS MARKETING COMPANIES | | | | | | | | | |
| Hascol Petroleum Limited | 246,200 | 25,000 | 55,300 | 326,500 | - | - | - | 0.00% | - |
| Pakistan State Oil Company Limited | 661,140 | 780,000 | 152,328 | 1,003,100 | 590,368 | 127,626 | 4.49% | 4.05% | 0.18% |
| Sui Northern Gas Pipeline Limited | 1,210,900 | 671,000 | - | 1,017,500 | 864,400 | 64,925 | 2.29% | 2.06% | 0.14% |
| | 2,118,240 | 1,476,000 | 207,628 | 2,347,100 | 1,454,768 | 192,551 | 6.78% | 6.12% | |

| Name of the Investee Company | Number of shares | | | | | Market value as at Mar 31, 2019 (Rupees in '000) | Market value as a | | Par value as a percentage of issued capital of the investee company |
|--|---------------------|-----------------------------|----------------------|-------------------------|--------------------|--|-------------------|---------------|---|
| | As at July 01, 2018 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at Mar 31, 2019 | | Total Investments | Net Assets | |
| COMMERCIAL BANKS | | | | | | | | | |
| MCB Bank Ltd | 1,574,300 | 534,400 | - | 1,791,900 | 316,800 | 62,261 | 2.19% | 1.98% | 0.03% |
| United Bank Limited | 1,761,500 | 2,041,400 | - | 2,667,700 | 1,135,200 | 158,394 | 5.58% | 5.03% | 0.09% |
| Allied Bank Ltd | - | 989,000 | - | 413,000 | 576,000 | 62,231 | 2.19% | 1.98% | 0.05% |
| Askari Bank Ltd | - | 350,000 | - | - | 350,000 | 7,158 | 0.25% | 0.23% | 0.03% |
| Bank Al-Falah Ltd | 4,994,500 | 1,740,000 | 372,100 | 3,973,500 | 3,133,100 | 147,475 | 5.19% | 4.68% | 0.02% |
| Bank Al-Habib Limited | 1,885,500 | 2,809,000 | - | 2,814,500 | 1,880,000 | 161,041 | 5.67% | 5.12% | 0.17% |
| Bank of Punjab Ltd | 9,666,500 | 9,022,500 | - | 13,950,000 | 4,739,000 | 61,702 | 2.17% | 1.96% | 0.90% |
| Faysal Bank Limited | 2,298,350 | 433,500 | - | 1,365,000 | 1,366,850 | 32,176 | 1.13% | 1.02% | 0.15% |
| Habib Bank Ltd* | 1,811,619 | 1,826,900 | - | 2,459,700 | 1,178,819 | 156,182 | 5.50% | 4.96% | 0.08% |
| Habib Metropolitan Bank Ltd | - | 651,000 | - | 651,000 | - | - | 0.00% | 0.00% | - |
| Meezan Bank Ltd | 437,000 | 294,500 | 66,400 | 797,900 | - | - | 0.00% | 0.00% | - |
| National Bank of Pakistan Ltd | - | 1,290,500 | - | 473,000 | 817,500 | 32,749 | 1.15% | 1.04% | 0.04% |
| | 24,429,269 | 21,982,700 | 438,500 | 31,357,200 | 15,493,269 | 881,368 | 31.04% | 28.00% | |
| FERTILIZER | | | | | | | | | |
| Engro Corporation Limited | 972,100 | 727,900 | - | 1,209,100 | 490,900 | 160,637 | 5.66% | 5.10% | 0.09% |
| Engro Fertilizers Limited | 3,439,000 | 898,000 | - | 3,407,500 | 929,500 | 66,506 | 2.34% | 2.11% | 0.07% |
| Fauji Fertilizer Bin Qasim Limited | - | 1,219,000 | - | 323,000 | 896,000 | 30,679 | 1.08% | 0.97% | 0.10% |
| Fauji Fertilizer Company Limited | 1,210,000 | 512,500 | - | 1,121,000 | 601,500 | 62,833 | 2.21% | 2.00% | 0.05% |
| | 5,621,100 | 3,357,400 | - | 6,060,600 | 2,917,900 | 320,655 | 11.29% | 10.19% | |
| CHEMICAL | | | | | | | | | |
| Engro Polymer & Chemicals Limited | 2,056,500 | 3,434,079 | - | 3,209,000 | 2,281,579 | 82,867 | 2.92% | 2.63% | 0.18% |
| Engro Polymer & Chemicals Limited - LC | 640,579 | - | - | 640,579 | - | - | - | 0.00% | - |
| Lotte Chemical Pakistan Ltd | - | 1,350,000 | - | - | 1,350,000 | 19,197 | 0.68% | 0.61% | 0.09% |
| | 2,697,079 | 4,784,079 | - | 3,849,579 | 3,631,579 | 102,064 | 3.59% | 3.24% | |
| GLASS & CERAMICS | | | | | | | | | |
| Shabbir Tiles & Ceramics Ltd | 481,500 | 335,500 | - | 817,000 | - | - | - | 0.00% | - |
| PAPER & BOARD | | | | | | | | | |
| Century Paper & Board Mills Ltd | - | 103,000 | - | - | 103,000 | 5,202 | 0.18% | 0.17% | 0.07% |
| CABLE & ELECTRICAL GOODS | | | | | | | | | |
| Pak Elektron Limited | 1,619,800 | 1,136,500 | - | 2,756,300 | - | - | - | 0.00% | - |
| INSURANCE | | | | | | | | | |
| Adamjee Insurance Company Limited | - | 1,330,000 | - | 552,000 | 778,000 | 31,159 | 1.10% | 0.99% | 0.22% |
| Total as at Mar 31, 2019 | 56,147,177 | 66,618,389 | 982,408 | 84,377,829 | 39,370,145 | 2,839,334 | 100% | 90.19% | |
| Carrying value as at Mar 31, 2019 | | | | | | 3,030,358 | | | |

*Sponsor of the Management Company

5.1.1 Investments include shares having market value aggregating to Rs. 300.546 million (June 30, 2018: Rs. 324.348 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.

5.1.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), 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 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 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. 3.69 million at March 31, 2019 (June 30, 2018: Rs. 4.7 million) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

5.2 This represents book building against Interloop Ltd, subsequently converted into shares.

| | | (Un-Audited) March 31, 2018 | (Audited) June 30, 2018 |
|---|------|-----------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Security deposit with National Clearing Company of Pakistan Limited | | 2,500 | 2,500 |
| Security deposit with Central Depository Company of Pakistan Limited | | 100 | 100 |
| Receivable against sale of securities | | - | 26,053 |
| Advance tax | | 429 | 429 |
| Advance against subscription of Term Finance Certificates (TFC) | | 25,000 | 25,000 |
| Prepaid annual listing fee | | 5 | - |
| | | <u>28,034</u> | <u>54,082</u> |
| Less: Provision in respect of advance against subscription of term finance certificates | | <u>(25,000)</u> | <u>(25,000)</u> |
| | | <u>3,034</u> | <u>29,082</u> |
| 7. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY | | | |
| Management fee | | 5,583 | 10,009 |
| Sindh Sales Tax | | 726 | 1,301 |
| Sales load payable | | 134 | 77 |
| Selling and marketing payable | | 3,448 | 12,094 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | 279 | 501 |
| | | <u>10,170</u> | <u>23,982</u> |
| 8. ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Federal Excise Duty | 8.1 | 37,838 | 37,838 |
| Provision for Sindh Workers' Welfare Fund | 8.2 | 34,381 | 34,381 |
| Withholding tax payable | | 841 | 849 |
| Auditors remuneration | | 463 | 543 |
| Payable against sale of securities | | 4,806 | - |
| Payable to broker | | 884 | 1,764 |
| Others | | 909 | 870 |
| | | <u>80,122</u> | <u>76,244</u> |

8.1 The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 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 Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, 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 retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 1.22 per unit (June 30, 2018: 0.68 per unit).

8.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare 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.

As there is loss for the half year ended March 31, 2019, no provision for SWWF has been recognised in this condensed interim financial information. As at March 31, 2019, the provision in relation to SWWF amounted to Rs. 34.381 million (2018: Rs. 34.381 million). Had the provision not being made, the Net Asset Value per unit as at March 31, 2019 would have been higher by Rs.1.1059 (June 30, 2018: Rs. 0.6178) per unit.

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

10. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2019 to its unit holders.

11. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

Details of the transactions with connected persons and balances with them are as follows:

| | (Un-Audited) | |
|---|-------------------------------------|-------------|
| | Nine Months ended | |
| | March 31, | |
| | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | |
| 11.1 Transactions during the period | | |
| HBL Asset Management Limited - Management Company | | |
| Management Fee including sales tax thereon | 84,783 | 96,942 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 3,751 | 4,289 |
| Selling and marketing expense | 15,006 | 17,158 |
| Habib Bank Limited - Sponsor | | |
| Bank charges paid | 26 | 29 |
| Mark-up on deposits with banks earned | 1,900 | 3,135 |
| Dividend income earned | 5,463 | 3,229 |

| | | (Un-Audited) Nine Months ended March 31, | |
|--|---|--|-----------|
| | | 2019 | 2018 |
| | | ----- (Rupees in '000) ----- | |
| Executives and their relatives | | | |
| | Issuance of 30,286 units (March 31, 2018: 60,366 units) | 3,067 | 6,258 |
| | Redemption of 12,887 units (March 31, 2018: 10,431 units) | 1,305 | 1,083 |
| Central Depository Company of Pakistan Limited - Trustee | | | |
| | Trustee remuneration | 5,087 | 5,833 |
| | Central Depository service charges | 500 | 138 |
| Habib Bank Limited - Sponsor | | | |
| | Redemption of 22,754,700 units (March 31, 2018 : Nil units) | 2,304,541 | - |
| MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Trustee | | | |
| | Issuance of 240,296 units (March 31, 2018 : 1,771,112 units) | 24,337 | 187,800 |
| | Redemption of 1,392,408 units (March 31, 2018 : 59,419 units) | 141,020 | 6,500 |
| MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee | | | |
| | Issuance of 30,081 units (March 31, 2018 : 359,944 units) | 3,047 | 36,600 |
| | Redemption of 149,674 units (March 31, 2018 : 45,820 units) | 15,159 | 5,010 |
| MCBFSL - HBL Financial Planning Fund Strategic Allocation Plan - Trustee | | | |
| | Issuance of 235,777 units (March 31, 2018 : 1,157,403 units) | 23,879 | 121,900 |
| | Redemption of 413,959 units (March 31, 2018 : Nil units) | 41,925 | - |
| | | (Un-Audited) | (Audited) |
| | | March 31, | June 30, |
| | | 2019 | 2018 |
| | | ----- (Rupees in '000) ----- | |
| 11.2 | Balances outstanding as at period / year end | | |
| HBL Asset Management Limited - Management Company | | | |
| | Management fee | 5,583 | 10,009 |
| | Sindh Sales Tax | 726 | 1,301 |
| | Sales load payable | 134 | 77 |
| | Selling and marketing payable | 3,448 | 12,094 |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | 279 | 501 |
| Habib Bank Limited - Sponsor | | | |
| | Investment held in the Fund: 15,000,000 units (June 30, 2018: 37,754,700 units) | 1,519,164 | 4,042,095 |
| | Bank balances | 6,654 | 14,079 |
| | Mark-up receivable | 62 | 107 |
| Directors and Executives of the Management Company and their relatives | | | |
| Directors and their relatives | | | |
| | Investment held in the Fund: 106,964 units (June 30, 2018: 84,184 units) | 10,833 | 9,013 |
| HBL Employees Provident Fund - Associated Entity | | | |
| | Investment held in the Fund: 7,125,389 units (June 30, 2018: 7,125,389 units) | 721,642 | 762,859 |
| MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Trustee | | | |
| | Investment held in the Fund: 698,631 units (June 30, 2018: 1,850,743 units) | 70,756 | 198,144 |

| | (Un-Audited) March 31, 2019 ----- (Rupees in '000) ----- | (Audited) June 30, 2018 |
|--|---|-------------------------------|
| MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee | | |
| Investment held in the Fund: 128,602 units (June 30, 2018: 248,195 units) | 13,025 | 26,572 |
| MCBFSL - HBL Financial Planning Fund Strategic Allocation Plan - Trustee | | |
| Investment held in the Fund: 785,145 units (June 30, 2018: 963,327 units) | 79,518 | 103,136 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable including sales tax thereon | 411 | 582 |
| Sindh Sales Tax | 53 | 76 |
| Security deposit | 100 | 100 |

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| | | March 31, 2019 (Un-Audited) | | | | | | | | |
|---|------|-----------------------------------|---|-----------------------|--------------------------------------|------------------|------------------|----------|---------------|------------------|
| | | Carrying amount | | | | Fair Value | | | | |
| | Note | Fair value through profit or loss | Fair value through other comprehensive income | At amortised cost | Other financial assets / 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 | | 2,839,334 | - | - | - | 2,839,334 | 2,863,779 | - | - | 2,863,779 |
| - Advance against book building - Interloop Ltd. | | 24,445 | - | - | - | 24,445 | - | - | 24,445 | 24,445 |
| | | 2,863,779 | - | - | - | 2,863,779 | 2,863,779 | - | 24,445 | 2,863,779 |
| Financial assets not measured at fair value | 12.1 | | | | | | | | | |
| Bank balances | | - | - | - | 337,987 | 337,987 | | | | |
| Dividend receivable and accrued mark-up | | - | - | - | 5,141 | 5,141 | | | | |
| Advances, deposits and other receivables | | - | - | - | 2,600 | 2,600 | | | | |
| | | | | | 345,728 | 345,728 | | | | |
| Financial liabilities not measured at fair value | 12.1 | | | | | | | | | |
| Payable to the Management Company | | - | - | - | 9,444 | 9,444 | | | | |
| Payable to the Trustee | | - | - | - | 364 | 364 | | | | |
| Payable against redemption of units | | - | - | - | - | - | | | | |
| Payable to the Securities and Exchange Commission of Pakistan | | - | - | - | 3,564 | 3,564 | | | | |
| Accrued expenses and other liabilities | | - | - | - | 7,062 | 7,062 | | | | |
| | | | | | 20,434 | 20,434 | | | | |
| | | June 30, 2018 (Audited) | | | | | | | | |
| | | Carrying amount | | | | Fair Value | | | | |
| | Note | Available-for-sale | Held-for-trading | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| (Rupees in '000) | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | | |
| Investments - Listed equity securities | | 887,003 | 4,555,728 | - | - | 5,442,731 | 5,442,731 | - | - | 5,442,731 |
| | | 887,003 | 4,555,728 | - | - | 5,442,731 | 5,442,731 | - | - | 5,442,731 |
| Financial assets not measured at fair value | 12.1 | | | | | | | | | |
| Bank balances | | - | - | - | 577,518 | 577,518 | | | | |
| Dividend receivable and accrued mark-up | | - | - | - | 15,470 | 15,470 | | | | |
| Advances, deposits and other receivables | | - | - | - | 45,663 | 45,663 | | | | |
| | | | | | 638,651 | 638,651 | | | | |
| Financial liabilities not measured at fair value | 12.1 | | | | | | | | | |
| Payable to the Management Company | | - | - | - | 22,681 | 22,681 | | | | |
| Payable to Trustee | | - | - | - | 582 | 582 | | | | |
| Payable to the Securities and Exchange Commission of Pakistan | | - | - | - | 5,547 | 5,547 | | | | |
| Accrued expenses and other liabilities | | - | - | - | 3,176 | 3,176 | | | | |
| | | | | | 31,986 | 31,986 | | | | |

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2019 is 2.60%, which includes 0.27% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 30, 2019.

15. GENERAL

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

15.2 This condensed interim financial information are unaudited. Further, the figures of the condensed interim income statement and statement of comprehensive income for the quarter and nine months ended March 31, 2019 have not been reviewed.

15.3 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

Equity Fund

FUND INFORMATION

| | |
|-----------------|--|
| Name of Fund | HBL Equity Fund |
| Name of Auditor | BDO Ebrahim & Co. Chartered Accountants |
| Name of Trustee | Central Depository Company of Pakistan Limited (CDC) |
| Bankers | MCB Bank Limited Soneri Bank Limited HBL Bank Limited JS Bank Limited |

HBL Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2019

| | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|--|-----------------------------------|-------------------------------|
| Note | ----- (Rupees in '000) ----- | |
| Assets | | |
| Bank balances | 4 24,356 | 43,148 |
| Investments | 5 258,303 | 258,299 |
| Dividend and profit receivable | 3,177 | 674 |
| Advance, Deposits and prepayments | 2,842 | 2,805 |
| Total assets | 288,678 | 304,926 |
| Liabilities | | |
| Payable to the Management Company | 6 868 | 1,244 |
| Payable to the Trustee | 74 | 69 |
| Payable to Securities and Exchange Commission of Pakistan | 214 | 314 |
| Payable against redemption of units | 677 | - |
| Accrued expenses and other liabilities | 7 8,932 | 9,131 |
| Total liabilities | 10,765 | 10,758 |
| Net assets | 277,913 | 294,168 |
| Unit holders' fund (as per statement attached) | 277,913 | 294,168 |
| | ----- (Number of Units) ----- | |
| Number of units in issue | 2,638,077 | 2,663,116 |
| | ----- (Rupees) ----- | |
| Net assets value per unit | 105.3467 | 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 (Un-Audited)
For the nine months and quarter ended March 31, 2019

| | Note | Nine months ended March 31, | | Quarter ended March 31, | |
|---|-----------|--------------------------------|----------|----------------------------|---------|
| | | 2019 | 2018 | 2019 | 2018 |
| ----- (Rupees in '000) ----- | | | | | |
| Income | | | | | |
| Capital (loss) / gain on sale of investments - net | | (4,519) | (38,473) | 517 | (1,243) |
| Dividend income | | 9,724 | 11,561 | 3,019 | 3,133 |
| Profit on bank deposits | | 2,407 | 2,058 | 768 | 630 |
| | | 7,612 | (24,854) | 4,304 | 2,520 |
| Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit and loss - held -for-trading' - net | | (14,185) | 4,639 | 16,745 | 36,074 |
| | | (6,573) | (20,215) | 21,049 | 38,594 |
| Expenses | | | | | |
| Remuneration of the Management Company | 6.1 & 6.2 | 5,095 | 5,692 | 1,646 | 1,842 |
| Remuneration of the Trustee | | 594 | 614 | 195 | 195 |
| Annual fee to Securities and Exchange Commission of Pakistan | | 214 | 239 | 69 | 77 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | 225 | 252 | 72 | 82 |
| Selling and marketing expenses | 6.4 | 902 | 1,007 | 292 | 326 |
| Amortisation of preliminary expenses and floatation costs | | - | - | - | - |
| Securities transaction costs and bank charges | | 1,326 | 1,262 | 439 | 475 |
| Auditors' remuneration | | 320 | 329 | 107 | 107 |
| Printing and postage expenses | | - | 255 | - | 82 |
| Fees and subscription | | 86 | 83 | 6 | 54 |
| | | 8,762 | 9,733 | 2,826 | 3,240 |
| Net (loss) / income from operating activities | | (15,335) | (29,948) | 18,223 | 35,354 |
| Provision for Sindh Workers' Welfare Fund | 7.2 | - | - | - | - |
| Net (loss) / income for the period before taxation | | (15,335) | (29,948) | 18,223 | 35,354 |
| Taxation | 9 | - | - | - | - |
| Net (loss) / income for the period after taxation | | (15,335) | (29,948) | 18,223 | 35,354 |
| 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 Comprehensive Income (Un-Audited)

For the nine months and quarter ended March 31, 2019

| | Nine months ended March 31, | | Quarter ended, March 31, | |
|---|--------------------------------|-----------------|-----------------------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | | | |
| Net (loss) / income for the period after taxation | (15,335) | (29,948) | 18,223 | 35,354 |
| Other comprehensive income for the period | | | | |
| Item that may be reclassified subsequently to income statement | - | - | - | - |
| Total comprehensive (loss) / income for the period | (15,335) | (29,948) | 18,223 | 35,354 |

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)

For the nine months ended March 31, 2019

| | Nine months ended | | | | | |
|--|-------------------|----------------------|----------|---------------|----------------------|-----------|
| | 2019 | | | 2018 | | |
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | March 31, | | | | | |
| | (Rupees in '000) | | | | | |
| Net assets at beginning of the period | 249,396 | 44,772 | 294,168 | 376,127 | 92,698 | 468,825 |
| Issuance of 760,874 units (2018: 916,874 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 84,046 | - | 84,046 | 114,283 | - | 114,283 |
| - Element of loss | 275 | - | 275 | (9,841) | - | (9,841) |
| Total proceeds on issuance of units | | | 84,321 | 104,442 | - | 104,442 |
| Redemption of 785,913 units (2018: 1,712,081 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (86,812) | - | (86,812) | (213,401) | - | (213,401) |
| - Element of income | 1,571 | - | 1,571 | 16,977 | - | 16,977 |
| Total payments on redemption of units | | | (85,241) | (196,424) | - | (196,424) |
| Net income for the period after taxation | - | (15,335) | (15,335) | - | (29,948) | (29,948) |
| Net assets at end of the period | 249,396 | 29,437 | 277,913 | 284,145 | 62,750 | 346,895 |
| Undistributed income brought forward | | | | | | |
| - Realised | | 56,123 | | | 84,641 | |
| - Unrealised | | (11,351) | | | 8,057 | |
| | | 44,772 | | | 92,698 | |
| Net Income for the period | | (15,335) | | | (29,948) | |
| Undistributed income carried forward | | 29,437 | | | 62,750 | |
| Undistributed income carried forward | | | | | | |
| - Realised | | 43,622 | | | 58,111 | |
| - Unrealised | | (14,185) | | | 4,639 | |
| | | 29,437 | | | 62,750 | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Net assets value per unit at beginning of the period | | | 110.4602 | | | 124.6444 |
| Net assets value per unit at end of the period | | | 105.3467 | | | 116.9530 |

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 Cash Flow (Un- Audited)
For the nine months ended March 31, 2019

| | Note | Nine months ended March 31, | |
|--|------|--------------------------------|-----------|
| | | 2019 | 2018 |
| Cash flows from operating activities | | ----- (Rupees in '000) ----- | |
| Net loss for the period before taxation | | (15,335) | (29,948) |
| Adjustments for: | | | |
| Dividend Income | | (9,724) | (11,561) |
| Profit on bank deposits | | (2,407) | (2,058) |
| Capital loss / (gain) on sale of investments - net | | 4,519 | 38,473 |
| Unrealised dimunition / (appreciation) on re-measurement of investments at fair value through 'profit and loss - held-for-trading' - net | | 14,185 | (4,639) |
| | | (8,762) | (9,733) |
| (Increase) / decrease in assets | | | |
| Investments - net | | (18,708) | 174,568 |
| Receivable against sale of investments | | - | (9,209) |
| Deposits, prepayments and other receivables | | (37) | (168) |
| | | (18,745) | 165,191 |
| Increase / (decrease) in liabilities | | | |
| Payable to the Management Company | | (376) | (947) |
| Payable to the Trustee | | 5 | (164) |
| Payable to Securities and Exchange Commission of Pakistan | | (100) | (157) |
| Payable against redemption of units | | 677 | (102,095) |
| Accrued expenses and other liabilities | | (199) | (6,610) |
| | | 7 | (109,973) |
| Net cash (used in) / generated from operations | | (27,500) | 45,485 |
| Dividend received | | 7,183 | 10,561 |
| Profit received on bank deposits | | 2,445 | 2,088 |
| | | 9,628 | 12,649 |
| Net cash (used in) / generated from operating activities | | (17,872) | 58,134 |
| Cash flows from financing activities | | | |
| Amount received on issue of units | | 41,578 | 104,442 |
| Payment against redemption of units | | (42,498) | (196,424) |
| Net cash (used in) / generated from financing activities | | (920) | (91,982) |
| Net (decrease) / increase in cash and cash equivalents | | (18,792) | (33,848) |
| Cash and cash equivalents at beginning of the period | | 43,148 | 63,886 |
| Cash and cash equivalents at end of the period | 4 | 24,356 | 30,038 |

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 nine months and quarter ended March 31, 2019

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.

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

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

The Fund 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 the 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 the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of 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 audited financial statements of the Fund for the year ended June 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

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees, except otherwise stated.

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 except as explained in note 3.6.
- 3.2** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3** The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.
- 3.4** There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 3.6.
- 3.5** The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.
- 3.6** Except as described below, the accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018.

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Fund's condensed interim financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Fund's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI.

On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2018.

| | Note | Original classification under IAS 39 | New classification under IFRS 9 | Original carrying amount under IAS 39 | New carrying amount under IFRS 9 |
|------------------------------|------|--------------------------------------|---------------------------------|---------------------------------------|----------------------------------|
| ----- (Rupees in '000) ----- | | | | | |
| Financial assets | | | | | |
| Listed equity | (a) | Held for trading | FVTPL | 258,299 | 258,299 |
| Bank balances | (b) | Loans and receivables | Amortised cost | 43,148 | 43,148 |
| Dividend and | (b) | Loans and receivables | Amortised cost | 674 | 674 |
| Deposits, | (b) | Loans and receivables | Amortised cost | 2,805 | 2,805 |
| | | | | <u>304,926</u> | <u>304,926</u> |

- (a) Listed equity securities classified as financial assets at fair value through profit or loss - held for trading have been measured at fair value through profit or loss with value changes continue to recognised in income statement.
- (b) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

iii. Transition

The Fund has used the exemption not to restate comparative periods. Comparative periods have not generally been restated. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, the comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

March 31, **June 30,**
2019 **2018**
(Un-Audited) **(Audited)**
Note ----- (Rupees in '000) -----

4 BANK BALANCES

| | | | |
|---------------------|-----|--------|--------|
| In saving account | | 18,473 | 43,124 |
| In current accounts | 4.1 | 5,883 | 24 |
| | | 24,356 | 43,148 |

4.1 These accounts carry rate of return from 8.23% to 11.15% per annum (2018: 5.35% to 7.5% per annum).

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

| | | | |
|----------------------------------|-----|---------|---------|
| - Listed equity securities | 5.1 | 256,208 | 258,299 |
| - Advanced against Book Building | 5.2 | 2,095 | - |
| | | 258,303 | 258,299 |

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

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

| 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 year | Bonus / right issues | Sales during the period | As at March 31, 2019 | As at March 31, 2019 (Rupees in '000) | As a percentage of total investments | As a percentage of net assets | |
| AUTOMOBILE ASSEMBLER | | | | | | | | | |
| HondaAtlas 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 each) | 12,900 | 9,950 | - | 3,450 | 19,400 | 8,187 | 3.20 | 2.95 | 0.02 |
| CABLE & ELECTRICAL GOODS | | | | | | | | | |
| Pak Elektron Ltd | 85,000 | 62,000 | - | 147,000 | - | - | - | - | - |
| CEMENT | | | | | | | | | |
| Cherat Cement Company Limited. | - | 48,200 | - | 48,200 | - | - | - | - | - |
| Lucky Cement Limited | 17,650 | 28,250 | - | 20,500 | 25,400 | 10,877 | 4.25 | 3.91 | 0.01 |
| D. G. Khan Cement Company Limited | - | 56,300 | - | 56,300 | - | - | - | - | - |
| Kohat Cement Limited | 11,900 | 23,800 | - | 19,700 | 16,000 | 1,373 | 0.54 | 0.49 | 0.01 |
| Maple Leaf Cement Factory Limited | - | 247,000 | - | 214,500 | 32,500 | 1,217 | 0.48 | 0.44 | 0.01 |
| Pioneer Cement Limited | 23,000 | 10,000 | - | 33,000 | - | - | - | - | - |
| | 52,550 | 413,550 | - | 392,200 | 73,900 | 13,467 | 5.27 | 4.84 | - |
| CHEMICAL | | | | | | | | | |
| Engro Polymer & Chemicals Limited | 95,000 | 208,596 | - | 106,000 | 197,596 | 7,177 | 2.80 | 2.58 | 0.02 |
| Engro Polymer & Chemicals Limited- LOR | 29,596 | - | - | 29,596 | - | - | - | - | - |
| Lotte Chemical Pakistan Limited | - | 110,000 | - | - | 110,000 | 1,564 | 0.61 | 0.56 | 0.01 |
| | 124,596 | 318,596 | - | 135,596 | 307,596 | 8,741 | 3.41 | 3.14 | - |

| | 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 year | Bonus / right issues | Sales during the period | As at March 31, 2019 | As at March 31, 2019 (Rupees in '000) | As a percentage of total investments | As a percentage of net assets | |
| COMMERCIAL BANKS | | | | | | | | | |
| Allied Bank Limited | - | 60,500 | - | 20,500 | 40,000 | 4,322 | 1.69 | 1.55 | 0.00 |
| Askari Bank Limited | - | 150,000 | - | - | 150,000 | 3,068 | 1.20 | 1.10 | 0.01 |
| Bank Al-Falah Limited | 244,500 | 177,500 | 19,550 | 159,500 | 282,050 | 13,276 | 5.18 | 4.78 | 0.02 |
| Bank Al-Habib Limited | 87,500 | 192,500 | - | 116,000 | 164,000 | 14,048 | 5.48 | 5.05 | 0.01 |
| Bank of Punjab Limited | 456,000 | 757,000 | - | 793,000 | 420,000 | 5,468 | 2.13 | 1.97 | 0.08 |
| Faysal Bank Limited | 110,800 | 95,500 | - | 71,000 | 135,300 | 3,185 | 1.24 | 1.15 | 0.01 |
| Habib Bank Limited* | 88,100 | 112,800 | - | 90,500 | 110,400 | 14,627 | 5.71 | 5.26 | 0.01 |
| Habib Metropolitan Bank Limited | - | 35,000 | - | 35,000 | - | - | - | - | - |
| MCB Bank Limited** | 74,800 | 104,500 | - | 151,000 | 28,300 | 5,562 | 2.17 | 2.00 | 0.00 |
| Meezan Bank Limited | 17,500 | 17,500 | 3,500 | 38,500 | - | - | - | - | - |
| National Bank of Pakistan Limited | - | 82,000 | - | 15,000 | 67,000 | 2,684 | 1.05 | 0.97 | 0.00 |
| United Bank Limited | 85,300 | 90,900 | - | 75,100 | 101,100 | 14,106 | 5.51 | 5.08 | 0.01 |
| | 1,164,500 | 1,875,700 | 23,050 | 1,565,100 | 1,498,150 | 80,346 | 31.36 | 28.91 | |
| ENGINEERING | | | | | | | | | |
| Amreli Steels Limited | 36,500 | 13,000 | - | 49,500 | - | - | - | - | - |
| Crescent Steel & Allied Products Limited | - | 30,000 | - | - | 30,000 | 1,164 | 0.45 | 0.42 | 0.04 |
| International Steels Limited | 30,200 | 47,100 | - | 55,100 | 22,200 | 1,421 | 0.55 | 0.51 | 0.01 |
| International Industries Limited | 12,600 | 57,400 | - | 60,500 | 9,500 | 1,179 | 0.46 | 0.42 | 0.01 |
| Mughal Iron & Steel Industries Limited | 46,500 | 21,000 | - | 67,500 | - | - | - | - | - |
| | 125,800 | 168,500 | - | 232,600 | 61,700 | 3,764 | 1.46 | 1.35 | |
| FERTILIZER | | | | | | | | | |
| Engro Corporation Limited | 47,000 | 61,900 | - | 65,100 | 43,800 | 14,333 | 5.59 | 5.16 | 0.01 |
| Engro Fertilizers Limited | 153,500 | 55,000 | - | 131,500 | 77,000 | 5,509 | 2.15 | 1.98 | 0.01 |
| Fauji Fertilizer Bin Qasim Limited | - | 79,000 | - | - | 79,000 | 2,705 | 1.06 | 0.97 | 0.01 |
| Fauji Fertilizer Company Limited | 61,500 | 66,000 | - | 44,000 | 83,500 | 8,722 | 3.40 | 3.14 | 0.01 |
| | 262,000 | 261,900 | - | 240,600 | 283,300 | 31,269 | 12.20 | 11.25 | |
| OIL & GAS EXPLORATION COMPANIES | | | | | | | | | |
| Mari Petroleum Company Limited | 9,890 | 2,520 | 969 | 820 | 12,559 | 15,639 | 6.10 | 5.63 | 0.01 |
| Oil & Gas Development Company Limited | 93,400 | 97,000 | - | 79,700 | 110,700 | 16,335 | 6.38 | 5.88 | 0.00 |
| Pakistan Oilfields Limited | 22,200 | 14,600 | 3,940 | 18,500 | 22,240 | 9,947 | 3.88 | 3.58 | 0.01 |
| Pakistan Petroleum Limited | 81,450 | 193,500 | 12,592 | 205,400 | 82,142 | 15,195 | 5.93 | 5.47 | 0.00 |
| | 206,940 | 307,620 | 17,501 | 304,420 | 227,641 | 57,116 | 22.29 | 20.56 | |
| OIL & GAS MARKETING COMPANIES | | | | | | | | | |
| Hascol Petroleum Limited | 11,100 | 1,100 | 2,550 | 14,750 | - | - | - | - | - |
| Pakistan State Oil Company Limited | 31,980 | 55,000 | 7,796 | 43,500 | 51,276 | 11,085 | 4.33 | 3.99 | 0.02 |
| Sui Northern Gas Pipeline Limited | 58,200 | 50,500 | - | 33,000 | 75,700 | 5,686 | 2.22 | 2.05 | 0.01 |
| | 101,280 | 106,600 | 10,346 | 91,250 | 126,976 | 16,771 | 6.55 | 6.04 | |
| PAPER & BOARD | | | | | | | | | |
| Century Paper & Board Mills Limited | - | 25,000 | - | - | 25,000 | 1,263 | 0.49 | 0.45 | 0.02 |
| PHARMACEUTICALS | | | | | | | | | |
| AGP Limited | - | 38,000 | - | 3,000 | 35,000 | 2,980 | 1.16 | 1.07 | 0.00 |
| The Searle Company Limited | 7,664 | 16,000 | 35 | 17,425 | 6,274 | 1,486 | 0.58 | 0.53 | 0.00 |
| | 7,664 | 54,000 | 35 | 20,425 | 41,274 | 4,466 | 1.74 | 1.60 | |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | |
| Hub Power Company Limited | 114,500 | 112,500 | - | 57,500 | 169,500 | 12,429 | 4.85 | 4.47 | 0.01 |
| K-Electric Limited (par value of Rs. 3.5 each) | 550,000 | 300,000 | - | 350,000 | 500,000 | 2,795 | 1.09 | 1.01 | 0.00 |
| Nishat Chunian Power Limited | - | 72,000 | - | 9,000 | 63,000 | 1,373 | 0.54 | 0.49 | 0.02 |
| Pakgen Power Limited | - | 100,000 | - | 10,000 | 90,000 | 1,373 | 0.54 | 0.49 | 0.02 |
| | 664,500 | 584,500 | - | 426,500 | 822,500 | 17,970 | 7.02 | 6.46 | |

| | 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 year | Bonus/ right issues | Sales during the period | As at March 31, 2019 | As at March 31, 2019 (Rupees in '000) | As a percentage of total investments | As a percentage of net assets | |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | |
| Pakistan Telecommunication Company Limited | - | 150,000 | - | 150,000 | - | - | - | - | - |
| Systems Limited | 28,000 | - | - | 25,500 | 2,500 | 266 | 0.10 | 0.10 | 0.00 |
| | 28,000 | 150,000 | - | 175,500 | 2,500 | 266 | 0.10 | 0.10 | |
| TEXTILE COMPOSITE | | | | | | | | | |
| Nishat (Chunian) Limited | - | 53,500 | - | 53,500 | - | - | - | - | - |
| Nishat Mills Limited | 49,200 | 34,300 | - | 30,000 | 53,500 | 7,202 | 2.81 | 2.59 | 0.02 |
| Gul Ahmed Textile Mills Limited | - | 30,000 | - | 30,000 | - | - | - | - | - |
| Kohinoor Textile Mills Limited | - | 65,000 | - | 4,000 | 61,000 | 2,737 | 1.07 | 0.98 | 0.06 |
| | 49,200 | 182,800 | - | 117,500 | 114,500 | 9,939 | 3.88 | 3.57 | |
| INSURANCE | | | | | | | | | |
| Adamjee Insurance Company Limited | - | 70,000 | - | 4,000 | 66,000 | 2,643 | 1.03 | 0.95 | 0.02 |
| GLASS & CERAMICS | | | | | | | | | |
| Shabbir Tiles & Ceramics Limited | - | 35,000 | - | 35,000 | - | - | - | - | - |
| | Total March 31, 2019 | | | | 3,670,437 | 256,208 | 100.00 | 92.17 | |
| | Carrying Value as at March 31, 2019 | | | | | 270,393 | | | |

*Sponsor of the management company

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

The above investments include shares with market value aggregating to Rs. 18.019 million (June 2018: Rs. 20.465 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.36 million at March 31, 2019 (June 30, 2018: Rs. 0.38 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

5.2 This represents participation amount against book building of Interloop Limited, subsequently converted into shares.

| | | March 31, 2019 (Un-Audited) | June 30, 2018 Audited |
|---|------|-----------------------------------|-----------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 6. PAYABLE TO MANAGEMENT COMPANY | | | |
| Remuneration of the Management Company | 6.1 | 483 | 489 |
| Sindh Sales tax on remuneration of the Management Company | 6.2 | 63 | 64 |
| Sales load payable | | 7 | 27 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | 24 | 24 |
| Selling and marketing expenses | 6.4 | 291 | 640 |
| | | 868 | 1,244 |

6.1 In line with amendments introduced in Regulation 61 of the NBFC Regulation, the Management Company has reduced its remuneration at 2% of the average annual net assets of the Fund effective from May 25, 2016. Uptill May 24, 2016, the Management Company was charging its Remuneration at 3% per annum. The remuneration is paid to the Management Company monthly in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) 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 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.

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

| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|--|------|-----------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 7. ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Provision for Federal Excise Duty | 7.1 | 5,685 | 5,685 |
| Withholding tax payable | | 16 | 95 |
| Provision for Sindh Workers' Welfare Fund | 7.2 | 2,768 | 2,768 |
| Dividend payable | | - | - |
| Brokerage payable | | 103 | 58 |
| Auditors' remuneration | | 154 | 306 |
| Printing and other related cost | | 175 | 187 |
| Others | | 31 | 32 |
| | | 8,932 | 9,131 |

-
-
- 7.1** The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 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 March 31, 2019 would have been higher by Rs. 2.155 per unit (June 30, 2018: Rs. 2.135 per unit).

- 7.2** 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 nine months period ended March 31, 2019, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2019 would have been higher by Rs. 1.049 per unit (June 30, 2018: Rs. 1.039 per unit).

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

9. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2019 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. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

| | | Nine months ended March 31, | |
|---|--------|--------------------------------|-----------|
| 11.1 Transactions during the period | | 2019 | 2018 |
| | | ----- (Rupees in '000) ----- | |
| HBL Asset Management Limited - Management Company | | | |
| Remuneration of the Management Company | 4,509 | 5,037 | |
| Sindh Sales Tax on remuneration of the Management Company | 586 | 655 | |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 225 | 252 | |
| Sales load paid | 21 | 191 | |
| Issue of 177,048 units (2018: nil units) | 20,000 | - | |
| Redemption of 311,621 units (2018: nil units) | 34,000 | - | |
| MCB Bank Limited (Formerly NIB Bank Limited) - connected person holding 10% or more units | | | |
| Bank charges | 2 | 16 | |
| Profit on bank deposits | 196 | 2,058 | |
| Directors and Executives of the Management Company | | | |
| Issue of 41,868 units (2018: nil units) | 4,327 | - | |
| Redemption of 7,343 units (2018: 399 units) | 809 | 47 | |
| Central Depository Company of Pakistan Limited - Trustee | | | |
| Trustee remuneration | 594 | 614 | |
| Central Depository Service charges | 32 | 30 | |
| Habib Bank Limited - associated company | | | |
| Bank charges | 1 | 2 | |
| | | March 31, | June 30, |
| | | 2019 | 2018 |
| | | (Un-Audited) | (Audited) |
| 11.2 Balances outstanding as at period / year end | | ----- (Rupees in '000) ----- | |
| HBL Asset Management Limited - Management Company | | | |
| Units held: 398,757 units (June 30, 2018: 533,331 units) | 42,008 | 58,912 | |
| Remuneration payable to the Management Company | 483 | 489 | |
| Sindh sales tax on remuneration of the Management Company | 63 | 64 | |
| Sales load payable | 7 | 27 | |
| Selling and marketing expenses | 291 | 640 | |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 24 | 24 | |

| | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|--|--|-------------------------------|
| ----- (Rupees in '000) ----- | | |
| MCB Bank Limited (Formerly NIB Bank Limited) - connected person holding 10% or more units | | |
| Bank balances | 256 | 4,765 |
| Units held: 1,022,050 units (June 30, 2018: 1,022,050 units) | 107,670 | 112,896 |
| Habib Bank Limited - associated company | | |
| Bank balances | 9,607 | 33 |
| Directors and Executives of the Management Company | | |
| Units held in the Fund: 35,868 units (June 30, 2018: Nil units) | 3,779 | - |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable | 59 | 58 |
| Sindh Sales Tax on trustee remuneration | 8 | 7 |
| CDS Charges payable | 7 | 4 |
| Security deposit | 100 | 100 |

Units as at March 31, 2019 are calculated on the basis of latest announced NAV i.e March 29, 2019.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| | | March 31, 2019 | | | | | | |
|--|--|--|-------------------|----------------|----------------|----------|----------|----------------|
| | | Carrying amount | | | Fair Value | | | |
| | | Fair value through profit or loss - held-for-trading | At Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| On-balance sheet financial instruments | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| At fair value through profit or loss account - held-for-trading - Listed equity securities | | 256,208 | - | 256,208 | 256,208 | - | - | 256,208 |
| | | 256,208 | - | 256,208 | 256,208 | - | - | 256,208 |
| Financial assets not measured at fair value | | 12.1 | | | | | | |
| Bank balances | | - | 24,356 | 24,356 | | | | |
| Dividend and profit receivable | | - | 3,177 | 3,177 | | | | |
| Receivable against sale of investments | | - | - | - | | | | |
| | | - | 27,533 | 27,533 | | | | |
| Financial liabilities not measured at fair value | | 12.1 | | | | | | |
| Payable to the Management Company | | - | 868 | 868 | | | | |
| Payable to the Trustee | | - | 74 | 74 | | | | |
| Accrued expenses and other liabilities | | - | 461 | 461 | | | | |
| | | - | 1,403 | 1,403 | | | | |
| | | June 30, 2018 | | | | | | |
| | | Carrying amount | | | Fair Value | | | |
| | | Fair value through profit or loss - held-for-trading | At Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| On-balance sheet financial instruments | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| At fair value through profit or loss - held-for-trading - 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 | | 12.1 | | | | | | |
| Bank balances | | - | 43,148 | 43,148 | | | | |
| Dividend receivable and accrued mark-up | | - | 674 | 674 | | | | |
| | | - | 43,822 | 43,822 | | | | |
| Financial liabilities not measured at fair value | | 12.1 | | | | | | |
| Payable to the Management Company | | - | 1,180 | 1,180 | | | | |
| Payable to the Trustee | | - | 62 | 62 | | | | |
| Accrued expenses and other liabilities | | - | 583 | 583 | | | | |
| | | - | 1,825 | 1,825 | | | | |

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

12.2 Transfers during the period

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended March 31, 2019 is 2.89% which includes 0.33% representing government levy and SECP fee.

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 30, 2019.

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

Energy Fund

FUND INFORMATION

| | |
|-----------------|--|
| Name of Fund | HBL Energy Fund |
| Name of Auditor | BDO Ebrahim & Co. 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 March 31, 2019

| | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|-----------------------------------|-------------------------------|
| Note | ----- (Rupees in '000) ----- | |
| ASSETS | | |
| Bank balances | 4 86,407 | 100,388 |
| Investments | 5 816,664 | 985,558 |
| Dividends and profit receivable | 4,990 | 4,666 |
| Deposits and prepayments | 2,920 | 2,876 |
| TOTAL ASSETS | 910,981 | 1,093,488 |
| LIABILITIES | | |
| Payable to the Management Company | 6 2,596 | 4,249 |
| Payable to the Trustee | 165 | 194 |
| Payable to Securities and Exchange Commission of Pakistan | 679 | 910 |
| Payable against purchase of investments | 1,692 | - |
| Accrued expenses and other liabilities | 7 21,660 | 21,712 |
| Unclaimed dividend (including dividend payable) | 5,389 | 5,394 |
| TOTAL LIABILITIES | 32,181 | 32,459 |
| NET ASSETS | 878,800 | 1,061,029 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | 878,800 | 1,061,029 |
| CONTINGENCIES AND COMMITMENTS | | |
| | 8 | ----- (Number of units) ----- |
| Number of units in issue | 69,216,740 | 72,249,386 |
| | ----- (Rupees) ----- | |
| Net assets value per unit | 12.6963 | 14.6857 |

The annexed notes from 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 (Un-Audited)
For The Nine Months And Quarter Ended March 31, 2019

| | Note | Nine months ended | | Quarter ended | |
|---|-----------|-------------------|----------|---------------|--------|
| | | March 31, | | March 31, | |
| | | 2019 | 2018 | 2019 | 2018 |
| (Rupees in '000) | | | | | |
| INCOME | | | | | |
| Capital loss on sale of investments - net | | (29,570) | (38,294) | (3,352) | 10,538 |
| Dividend income | | 20,852 | 33,001 | 4,794 | 8,224 |
| Profit on bank deposits | | 8,060 | 4,697 | 2,623 | 1,987 |
| | | (658) | (596) | 4,065 | 20,749 |
| Unrealised diminution on re-measurement of investments classified as financial asset at 'fair value through profit or loss'- net | | (109,961) | 52,596 | 23,434 | 65,889 |
| | | (110,619) | 52,000 | 27,499 | 86,638 |
| EXPENSES | | | | | |
| Remuneration of the Management Company | 6.1 & 6.2 | 16,145 | 15,701 | 4,934 | 6,253 |
| Remuneration of the Trustee | | 1,606 | 1,534 | 494 | 591 |
| Annual fee to Securities and Exchange Commission of Pakistan | | 679 | 660 | 208 | 263 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | 714 | 695 | 218 | 277 |
| Selling and marketing expenses | 6.4 | 2,858 | 2,779 | 874 | 1,107 |
| Securities transaction costs | | 975 | 2,136 | 288 | 735 |
| Auditors' remuneration | | 480 | 333 | 3 | 113 |
| Settlement and bank charges | | 380 | 518 | 119 | 155 |
| Fees and subscription | | 78 | 132 | 26 | 55 |
| Printing charges | | - | 390 | - | 117 |
| | | 23,915 | 24,878 | 7,164 | 9,666 |
| Net loss for the period from operating activities | | (134,534) | 27,122 | 20,335 | 76,972 |
| Provision for Sindh Workers' Welfare Fund | 7.2 | - | (543) | - | (543) |
| Net loss for the period before taxation | | (134,534) | 26,579 | 20,335 | 76,429 |
| Taxation | 9 | - | - | - | - |
| Net loss for the period after taxation | | (134,534) | 26,579 | 20,335 | 76,429 |
| Earnings per unit | 11 | | | | |

The annexed notes from 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 Comprehensive Income (Un-Audited)
For The Nine Months And Quarter Ended March 31, 2019

| | Nine month year ended | | Quarter ended | |
|--|------------------------------|---------------|---------------|---------------|
| | March 31, | | March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | | | |
| Net loss for the period after taxation | (134,534) | 26,579 | 20,335 | 76,429 |
| Other comprehensive loss for the period | | | | |
| Items that may be reclassified subsequently to income statement | - | - | - | - |
| Items that will not be reclassified subsequently to income statement | - | - | - | - |
| Total comprehensive loss for the period | (134,534) | 26,579 | 20,335 | 76,429 |

The annexed notes from 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 Unitholders' Fund (Un-Audited)

For The Nine Months Ended March 31, 2019

| | Nine month ended March 31, | | | | | |
|--|------------------------------|--------------|-----------|---------------|--------------|-----------|
| | 2019 | | | 2018 | | |
| | Capital value | Undistribute | Total | Capital value | Undistribute | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Net assets at beginning of the period | 803,982 | 257,047 | 1,061,029 | 528,598 | 266,196 | |
| Issuance of 7,814,936 (2018: 34,280,180 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | 114,768 | - | 114,768 | 515,432 | - | 515,432 |
| Element of loss | (10,138) | - | (10,138) | (21,803) | - | (21,803) |
| Total proceeds on issuance of units | 104,630 | - | 104,630 | 493,629 | - | 493,629 |
| Redemption of 10,847,582 (2018: 18,270,700 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | (159,305) | - | (159,305) | (274,716) | - | (274,716) |
| Element of income | 6,979 | - | 6,979 | 5,292 | - | 5,292 |
| Total payments on redemption of units | (152,326) | - | (152,326) | (269,424) | - | (269,424) |
| Total comprehensive loss for the period | - | (134,534) | (134,534) | - | 26,579 | 26,579 |
| Net assets at end of the period | 756,286 | 122,513 | 878,800 | 752,803 | 292,775 | 1,045,578 |
| Undistributed income brought forward | | | | | | |
| Realised | 240,997 | | | 175,879 | | |
| Unrealised | 16,050 | | | 90,317 | | |
| | 257,047 | | | 266,196 | | |
| Net loss for the period | (134,534) | | | 26,579 | | |
| Undistributed income carried forward | 122,513 | | | 292,775 | | |
| Undistributed income carried forward | | | | | | |
| Realised | 232,474 | | | 240,179 | | |
| Unrealised | (109,961) | | | 52,596 | | |
| | 122,513 | | | 292,775 | | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | 14.6857 | | | 15.0359 |
| Net assets value per unit at end of the period | | | 12.6963 | | | 15.1821 |

The annexed notes from 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 Cash Flow (Un- Audited)
For The Nine Months Ended March 31, 2019

| | Nine months ended | |
|--|------------------------------|-----------------|
| | March 31, | |
| Note | 2019 | 2018 |
| | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss for the period before taxation | (134,534) | 26,579 |
| Adjustments for: | | |
| Capital loss on sale of investments - net | 29,570 | 38,294 |
| Dividend income | (20,852) | (33,001) |
| Profit on bank deposits | (8,060) | (4,697) |
| Unrealised diminution on re-measurement of investments classified at 'fair value through profit or loss' - net | 109,961 | (52,596) |
| | <u>(23,915)</u> | <u>(25,419)</u> |
| Decrease / (Increase) in assets | | |
| Investments - net | 31,056 | (201,298) |
| Deposits and prepayments | (44) | (3,473) |
| | 31,012 | (204,770) |
| (Decrease) / Increase in liabilities | | |
| Payable to the Management Company | (1,653) | 319 |
| Payable to the Trustee | (29) | (143) |
| Payable to Securities and Exchange Commission of Pakistan | (231) | (143) |
| Accrued expenses and other liabilities | (52) | (2,504) |
| Unclaimed dividend (including dividend payable) | (5) | (3,318) |
| | <u>(1,970)</u> | <u>(5,788)</u> |
| Cash generated from / (used in) operations | | |
| | 5,127 | (235,978) |
| Dividend received | 20,613 | 31,936 |
| Profit received on bank deposits | 7,975 | 4,332 |
| | <u>28,588</u> | <u>36,268</u> |
| Net cash generated from / (used in) operating activities | | |
| | 33,715 | (199,710) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amount received against issuance of units | 104,630 | 493,629 |
| Amount paid against redemption of units | (152,326) | (270,370) |
| Net cash (used in) / generated from financing activities | <u>(47,696)</u> | <u>223,259</u> |
| Net increase in cash and cash equivalents | (13,981) | 23,548 |
| Cash and cash equivalents at beginning of the period | <u>100,388</u> | <u>46,292</u> |
| Cash and cash equivalents at end of the period | <u>4</u> <u>86,407</u> | <u>69,840</u> |

The annexed notes from 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 Nine Months Ended March 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL 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 D/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+ (Positive outlook)' to the Management Company.

Title to the assets of the Fund is 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of 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 audited financial statements of the Fund for the year ended June 30, 2018.

2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2018, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2018.

2.1.4 This condensed interim financial information is unaudited and has not been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the nine months March 31, 2019 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

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.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees, except otherwise stated.

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2018 except as explained in note 3.6.

-
-
- 3.2** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3** The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.
- 3.4** There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 3.6.
- 3.5** The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.
- 3.6** Except as described below, the accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2018.

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Fund's condensed interim financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Fund's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2018.

| | Note | Original classification under IAS 39 | New classification under IFRS 9 | Original carrying amount under IAS 39 | New carrying amount under IFRS 9 |
|--------------------------------|------|--------------------------------------|---------------------------------|---------------------------------------|----------------------------------|
| | | | | ----- (Rupees in '000) ----- | |
| Financial assets | | | | | |
| Listed equity | (a) | Held for trading | FVTPL | 985,558 | 985,558 |
| Bank balances | (b) | Loans and receivables | Amortised cost | 100,388 | 100,388 |
| Dividend and profit receivable | (b) | Loans and receivables | Amortised cost | 4,666 | 4,666 |
| Deposits and prepayments | (b) | Loans and receivables | Amortised cost | 2,876 | 2,876 |
| | | | | <u>1,093,488</u> | <u>1,093,488</u> |

(a) Listed equity securities classified as financial assets at fair value through profit or loss - held for trading have been measured at fair value through profit or loss with value changes continue to recognised in income statement.

(b) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

iii. Transition

The Fund has used the exemption not to restate comparative periods .Comparative periods have not generally been restated. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

| | Note | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|------------------------------|------|--------------------------------|----------------------------|
| ----- (Rupees in '000) ----- | | | |
| 4 BANK BALANCES | | | |
| In saving accounts | 4.1 | <u>86,407</u> | <u>100,388</u> |

4.1 Mark-up rates on these accounts range between 6% to 11.40% per annum (June 30, 2018: 4.5% to 7.5% per annum).

| 5 | INVESTMENTS | Financial assets at 'fair value through profit or loss' | Note | March 31, | June 30, |
|---|-------------|---|------|------------------------------|-------------------|
| | | | | 2019 (Un-Audited) | 2018 (Audited) |
| | | | | ----- (Rupees in '000) ----- | |
| | | Listed equity securities | 5.1 | 816,664 | 985,558 |

Shares of Listed Companies - Fully paid up ordinary shares of Rupees 10 each unless stated otherwise

| Name of the Investee Company | Notes | ----- Number of shares ----- | | | | | As at March 31, 2019 | | | Market value as percentage of | | Par value as a percentage of issued capital of the Investee company |
|--|-----------|------------------------------|-----------------------------|----------------|-------------------------|----------------------|----------------------|----------------|--|-------------------------------|---------------|---|
| | | As at July 1, 2018 | Purchases during the period | Bonus Issue | Sales during the period | As at March 31, 2019 | Carrying Amount | Market Value | Unrealised appreciation/ (diminution) on re-measurement of investments | Total investments | Net assets | |
| | | | | | | | | | | | | ----- (Rupees in '000) ----- |
| OIL & GAS EXPLORATION COMPANIES | | | | | | | | | | | | |
| Mari Petroleum Company Limited | 5.3 | 85,040 | 5,980 | 7,758 | 9,460 | 89,318 | 121,805 | 111,222 | (10,583) | 13.62% | 12.66% | 0.08% |
| Oil and Gas Development Company Limited | 5.2 | 755,000 | 317,500 | - | 186,500 | 886,000 | 135,729 | 130,729 | (4,999) | 16.01% | 14.88% | 0.02% |
| Pakistan Oilfields Limited | 5.3 | 178,245 | 62,800 | 31,629 | 78,000 | 194,674 | 105,406 | 87,068 | (18,338) | 10.66% | 9.91% | 0.08% |
| Pakistan Petroleum Limited | 5.2 & 5.3 | 603,300 | 92,300 | 94,110 | 63,100 | 726,610 | 133,815 | 134,416 | 601 | 16.46% | 15.30% | 0.04% |
| | | 1,621,585 | 478,580 | 133,497 | 337,060 | 1,896,602 | 496,754 | 463,435 | (33,319) | 56.75% | 52.74% | |
| OIL & GAS MARKETING COMPANIES | | | | | | | | | | | | |
| Attock Petroleum Limited | 5.3 | 87,500 | 4,400 | 15,440 | 63,750 | 43,590 | 21,372 | 17,371 | (4,002) | 2.13% | 1.98% | 0.05% |
| Hascal Petroleum Limited | 5.3 | 176,560 | - | 44,140 | 50,700 | 170,000 | 42,671 | 22,044 | (20,627) | 2.70% | 2.51% | 0.14% |
| Hi-Tech Lubricants Ltd | | - | 413,000 | - | - | 413,000 | 20,952 | 19,964 | (987) | 2.44% | 2.27% | 0.36% |
| Pakistan State Oil Company Limited | 5.3 | 353,580 | 152,500 | 50,116 | 206,200 | 349,996 | 89,886 | 75,662 | (14,223) | 9.26% | 8.61% | 0.11% |
| Sui Northern Gas Pipeline Limited | | 1,004,900 | 587,000 | - | 657,500 | 934,400 | 86,249 | 70,183 | (16,067) | 8.59% | 7.99% | 0.15% |
| Sui Southern Gas Company Limited | | 1,065,000 | 817,500 | - | 1,065,000 | 817,500 | 18,597.43 | 17,862 | (735) | 2.19% | 2.03% | 0.09% |
| | | 2,687,540 | 1,974,400 | 109,696 | 2,043,150 | 2,728,486 | 279,728 | 223,086 | (56,642) | 27.32% | 25.39% | |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | | | |
| Hub Power Company Ltd | | 689,700 | 362,000 | - | 145,000 | 906,700 | 83,175 | 66,488 | (16,687) | 8.14% | 7.57% | 0.08% |
| K-Electric Limited | | 7,460,000 | - | - | 796,000 | 6,664,000 | 37,852 | 37,252 | (600) | 4.56% | 4.24% | 0.02% |
| Nishat Chunian Power Ltd | | - | 407,000 | - | - | 407,000 | 9,920 | 8,869 | (1,051) | 1.09% | 1.01% | 0.11% |
| Pakgen Power Limited | | - | 1,149,000 | - | - | 1,149,000 | 19,196 | 17,534 | (1,663) | 2.15% | 2.00% | 0.31% |
| | | 8,149,700 | 1,918,000 | - | 941,000 | 9,126,700 | 150,143 | 130,142 | (20,001) | 15.94% | 14.81% | |
| REFINERY | | | | | | | | | | | | |
| Attock Refinery Limited | | 60,500 | 77,700 | - | 138,200 | - | - | - | - | - | - | - |
| National Refinery Limited | | 37,000 | - | - | 37,000 | - | - | - | - | - | - | - |
| | | 97,500 | 77,700 | - | 175,200 | - | - | - | - | - | - | - |
| Total - As at March 31, 2019 | | 12,556,325 | 4,448,680 | 243,193 | 3,496,410 | 13,751,788 | 926,625 | 816,664 | (109,961) | 100.00% | 92.93% | |
| Total - As at June 30, 2018 | | 5,948,745 | 14,940,330 | 33,180 | 8,365,930 | 12,556,325 | 969,507 | 985,557 | (16,050) | 100.00% | 92.00% | |

5.2 These above investments include shares having market value of Rs. 81.26 million (June 30, 2018: Rs. 89.67 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.

- Oil and Gas Development Company Limited (300,000 shares)
- Pakistan Petroleum Limited (200,000 shares)

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 High Court of Sindh 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 High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.43 million at March 31, 2019 (June 30, 2018: Rs.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 of the Fund and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

| 6 | PAYABLE TO THE MANAGEMENT COMPANY | Note | March 31, | June 30, |
|----------|--|-------------|-------------------------------------|------------------|
| | | | 2019 | 2018 |
| | | | (Un-Audited) | (Audited) |
| | | | ----- (Rupees in '000) ----- | |
| | Remuneration to the Management Company | 6.1 | 1,460 | 1,770 |
| | Sindh Sales Tax on Management Company's remuneration | 6.2 | 190 | 230 |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | 73 | 88 |
| | Selling and marketing expenses | 6.4 | 873 | 2,161 |
| | | | 2,596 | 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 NBFC Regulations, 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.

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 being the lower.

| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|----------|---|--|--|
| 7 | ACCRUED EXPENSES AND OTHER LIABILITIES | ----- (Rupees in '000) ----- | |
| | Note | | |
| | Provision for Federal Excise Duty | 13,920 | 13,920 |
| | Provision for Sindh Workers' Welfare Fund | 4,985 | 4,985 |
| | Auditors' remuneration | 285 | 313 |
| | Payable to brokers | 81 | 124 |
| | Withholding tax payable | 63 | 89 |
| | Printing charges payable | 95 | 110 |
| | Zakat payable | 205 | 199 |
| | Other payables | 2,026 | 1,972 |
| | | <u>21,660</u> | <u>21,712</u> |

7.1 The legal status of applicability of Federal Excise Duty (FED) 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 filed by tax authorities with Honorable Supreme Court of Pakistan 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. 13.920 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.20 per unit (June 30, 2018: Rs. 0.19 per unit).

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

As there is loss for the half year ended December 31, 2017, therefore, no provision for SWWF has been recognised in this condensed interim financial information. However, the Management is carrying provision of SWWF amounting to Rs.4.9 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.07 per unit (June 30, 2018: Rs. 0.07 per unit).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

9 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 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2019 to its unit holders.

10 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.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative period and not in the current period are not disclosed in the comparative period.

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

| | Nine months ended March 31, | |
|---|--------------------------------|----------------------|
| | 2019 (Un-Audited) | 2018 (Un-Audited) |
| | ----- (Rupees in '000) ----- | |
| 10.1 Transactions during the period | | |
| HBL Asset Management Limited - Management Company | | |
| Remuneration of the Management Company | 14,288 | 13,895 |
| Sindh Sales Tax on remuneration of the Management Company | 1,857 | 1,806 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 714 | 695 |
| Selling and marketing expenses | 2,858 | 2,779 |
| Redemption of 1,621,891 (2018: 8,283,377) units | 22,500 | 120,000 |
| Habib Bank Limited - Sponsor | | |
| Bank charges | 1 | 1 |
| Issue of nil (2018: 21,162,742) units | - | 300,000 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee remuneration | 1,606 | 1,534 |
| CDS charges | 39 | 53 |
| CDC Annual Fee | 57 | 57 |
| Directors and Executives of the Management Company | | |
| Issue of nil (2018: 163,538) units | - | 2,400 |
| Redemption of nil (2018: 26,639) units | - | 404 |
| HBL Multi Asset Fund | | |
| Purchase of nil shares of Mari Gas Petroleum (2018: 5,108) shares | - | 7,504 |
| HBL Islamic Asset Allocation Fund | | |
| Purchase of 23,000 shares of Pakistan Petroleum Limited | 4,110 | - |

| 10.2 | Balances outstanding as at period / year end | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|---|---|--|--|
| | | ----- (Rupees in '000) ----- | |
| HBL Asset Management Limited - Management Company | | | |
| | Management fee payable | 1,460 | 1,770 |
| | Sindh Sales Tax on Management Company's remuneration | 190 | 230 |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | 73 | 88 |
| | Selling and marketing expenses | 873 | 2,161 |
| | Units held: 2,197,777 (June 30, 2018: 3,819,668) units | 27,907 | 53,446 |
| Habib Bank Limited - Sponsor | | | |
| | Bank balances | 3,098 | 1,027 |
| | Units held: 21,162,742 (June 30, 2018: 21,162,742) units | 268,722 | 310,790 |
| Central Depository Company of Pakistan Limited - Trustee | | | |
| | Trustee fee payable | 165 | 193 |
| | Security deposit | 300 | 300 |
| | CDS charges payable | 3 | 1 |
| | CDC Annual Fee | 19 | 19 |
| Directors and Executives of the Management Company | | | |
| | Units held: 318,007 (June 30, 2018: 320,261) units | 4,038 | 4,703 |

11 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.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| | | March 31, 2019 (Un-Audited) | | | | | | |
|---|------|-----------------------------------|----------------|---------|------------|---------|---------|---------|
| | | Carrying amount | | | Fair Value | | | |
| | Note | Fair value through profit or loss | Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | |
| On-balance sheet financial instruments | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| | | 816,664 | - | 816,664 | 816,664 | - | - | 816,664 |
| | | 816,664 | - | 816,664 | 816,664 | - | - | 816,664 |
| Financial assets not measured at fair value | | | | | | | | |
| | 12.1 | - | 86,407 | 86,407 | | | | |
| | | - | 2,776 | 2,776 | | | | |
| | | - | 4,990 | 4,990 | | | | |
| | | - | 94,173 | 94,173 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| | 12.1 | - | 2,406 | 2,406 | | | | |
| | | - | 146 | 146 | | | | |
| | | - | 1,692 | 1,692 | | | | |
| | | - | 2,487 | 2,487 | | | | |
| | | - | 5,389 | 5,389 | | | | |
| | | - | 12,120 | 12,120 | | | | |
| | | June 30, 2018 (Audited) | | | | | | |
| | | Carrying amount | | | Fair Value | | | |
| | Note | Fair value through profit or loss | Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | |
| On-balance sheet financial instruments | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| | | 985,558 | - | 985,558 | 985,558 | - | - | 985,558 |
| | | 985,558 | - | 985,558 | 985,558 | - | - | 985,558 |
| Financial assets not measured at fair value | | | | | | | | |
| | 12.1 | - | 100,388 | 100,388 | | | | |
| | | - | 2,800 | 2,800 | | | | |
| | | - | 4,666 | 4,666 | | | | |
| | | - | 107,854 | 107,854 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| | 12.1 | - | 4,019 | 4,019 | | | | |
| | | - | 171 | 171 | | | | |
| | | - | 2,519 | 2,519 | | | | |
| | | - | 5,394 | 5,394 | | | | |
| | | - | 12,103 | 12,103 | | | | |

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

12.2 Transfers during the period

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

13 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the nine months ended March 31, 2019 is 2.50% (March 2018: 2.74%) which includes 0.30% (March 2018: 0.38%) representing government levy and SECP fee.

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 April 30, 2019.

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 Soneri Bank Limited |

HBL Multi Asset Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2019

| | | March 31, 2019 (Un-Audited) | June 30, 2018 (Audited) |
|--|-------------|--|-------------------------------|
| | Note | ----- Rupees in '000----- | |
| Assets | | | |
| Bank balances | 4 | 74,861 | 118,090 |
| Investments | 5 | 182,049 | 211,150 |
| Dividend receivable and accrued mark-up | | 3,225 | 1,216 |
| Receivable against sale of investments | | - | 3,216 |
| Advances, deposits and prepayments | 6 | 3,511 | 3,480 |
| Total assets | | 263,646 | 337,152 |
| Liabilities | | | |
| Payable to the Management Company | 7 | 654 | 703 |
| Payable to the Trustee | | 67 | 65 |
| Payable to the Securities and Exchange Commission of Pakistan | | 186 | 510 |
| Payable against purchase of investments | | - | - |
| Accrued expenses and other liabilities | 8 | 11,649 | 11,751 |
| Total liabilities | | 12,556 | 13,029 |
| Net assets | | 251,090 | 324,123 |
| Unit holders' fund (as per statement attached) | | 251,090 | 324,123 |
| Contingencies and Commitments | | | |
| | 9 | -----Number of units----- | |
| Number of units in issue | | 2,439,070 | 3,085,357 |
| | | -----Rupees----- | |
| Net assets value per unit | | 102.9447 | 105.0519 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Income Statement (Un-Audited)
For The Nine Months and Quarter Ended March 31, 2019

| | Note | Nine months ended | | Quarter ended | |
|---|------|-------------------|-----------------|---------------|---------------|
| | | March 31, | | March 31, | |
| | | 2019 | 2018 | 2019 | 2018 |
| -----Rupees in '000----- | | | | | |
| Income | | | | | |
| Dividend income | | 6,034 | 18,333 | 1,660 | 2,044 |
| Mark-up on deposits with banks | | 7,200 | 10,402 | 2,524 | 1,765 |
| Mark-up / return on investments | | 2,256 | 3,001 | 916 | 565 |
| Capital loss on sale of investments - net | | (3,045) | (59,389) | 197 | (2,759) |
| Other income | | 12 | 19 | 9 | 4 |
| | | 12,457 | (27,634) | 5,306 | 1,619 |
| Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net | | (11,265) | 11,192 | 9,534 | 17,553 |
| Impairment loss on equity securities classified as available-for-sale | | - | (7,815) | - | - |
| | | 1,192 | (24,257) | 14,840 | 19,172 |
| Expenses | | | | | |
| Remuneration of the Management Company | | 4,946 | 11,698 | 1,523 | 1,863 |
| Remuneration of the Trustee | | 594 | 1,186 | 195 | 199 |
| Annual fee to Securities and Exchange Commission of Pakistan | | 186 | 440 | 57 | 70 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | 220 | 518 | 68 | 83 |
| Auditors' remuneration | | 297 | 299 | 98 | 101 |
| Securities transaction costs | | 329 | 585 | 115 | 146 |
| Settlement and bank charges | | 310 | 343 | 78 | 115 |
| Fee and subscription | | 44 | 77 | (1) | 22 |
| Selling and marketing expense | | 383 | - | 135 | - |
| Printing charges | | - | 116 | - | 28 |
| | | 7,309 | 15,262 | 2,268 | 2,627 |
| Net loss from operating activities | | (6,117) | (39,519) | 12,572 | 16,545 |
| Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net | | - | - | - | - |
| Provision for Sindh Workers' Welfare Fund | 8.2 | - | - | - | - |
| Net loss for the period before taxation | | (6,117) | (39,519) | 12,572 | 16,545 |
| Taxation | 10 | - | - | - | - |
| Net loss for the period after taxation | | (6,117) | (39,519) | 12,572 | 16,545 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Nine Months and Quarter Ended March 31, 2019

| | Nine months ended | | Quarter ended | |
|--|--------------------------|----------|---------------|--------|
| | March 31, | | March 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| | -----Rupees in '000----- | | | |
| Net loss for the period after taxation | (6,117) | (39,519) | 12,572 | 16,545 |
| Other comprehensive (loss) / income for the period | - | (54,196) | - | 12,370 |
| Total comprehensive loss for the period | (6,117) | (93,715) | 12,572 | 28,915 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)
For The Nine Months and Quarter Ended March 31, 2019

| | Nine months ended March 31, | | | | | | | |
|---|--------------------------------|---|--|------------------------|---------------|---|--|------------------------|
| | 2019 | | | | 2018 | | | |
| | Capital Value | Undistribut ed Income / (Accumulat ed loss) | Unrealised income / (loss) on investment | Total | Capital Value | Undistribut ed Income / (Accumulat ed loss) | Unrealised income / (loss) on investment | Total |
| ----- (Rupees in '000) ----- | | | | | | | | |
| Net assets at beginning of the period | 350,396 | (32,325) | 6,052 | 324,123 | 944,122 | 9,332 | 13,330 | 966,784 |
| Adoption of IFRS 9 | - | 6,052 | (6,052) | - | - | - | - | - |
| Issue of 149,059 units (2018: 600,764 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 15,659 | - | - | 15,659 | 67,341 | - | - | 67,341 |
| - Element of loss | (58) | - | - | (58) | (3,584) | - | - | (3,584) |
| Total proceeds on issuance of units | 15,601 | - | - | 15,601 | 63,757 | - | - | 63,757 |
| Redemption of 795,346 units (2018: 6,126,080 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (83,551) | - | - | (83,551) | (686,687) | - | - | (686,687) |
| - Element of income | 1,034 | - | - | 1,034 | 85,854 | - | - | 85,854 |
| Total payments on redemption of units | (82,517) | - | - | (82,517) | (600,833) | - | - | (600,833) |
| Element of loss and capital losses included in prices of units issued less those in units redeemed - net | - | - | - | - | - | - | - | - |
| Net loss for the period after taxation | - | (6,117) | - | (6,117) | - | (39,519) | - | (39,519) |
| Other comprehensive income for the period | - | - | - | - | - | - | (54,196) | (54,196) |
| Total comprehensive income for the period | - | (6,117) | - | (6,117) | - | (39,519) | (54,196) | (93,715) |
| Net assets at end of the period | 283,480 | (32,390) | - | 251,090 | 407,046 | (30,187) | (40,866) | 335,993 |
| (Accumulated loss) / undistributed income brought forward | | | | | | | | |
| - Realised | | (30,133) | | | | 9,332 | | |
| - Unrealised | | (2,192) | | | | - | | |
| | | (32,325) | | | | 9,332 | | |
| Adoption of IFRS 9 | | 6,052 | | | | - | | |
| Net loss for the period | | (6,117) | | | | (39,519) | | |
| Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement | | - | | | | - | | |
| Accumulated loss carried forward | | (32,390) | | | | (30,187) | | |
| Accumulated loss carried forward | | | | | | | | |
| - Realised | | (21,125) | | | | (41,379) | | |
| - Unrealised | | (11,265) | | | | 11,192 | | |
| | | (32,390) | | | | (30,187) | | |
| Net assets value per unit at beginning of the period | | | | Rupees 105.0519 | | | | Rupees 112.0924 |
| Net assets value per unit at end of the period | | | | 102.9447 | | | | 108.4000 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
For The Nine Months and Quarter Ended March 31, 2019

| | Nine months ended March 31, | |
|--|--------------------------------|------------------|
| | 2019 | 2018 |
| | -----Rupees in '000----- | |
| Cash flows from operating activities | | |
| Net loss for the period before taxation | (6,117) | (39,519) |
| Adjustments for non-cash items: | | |
| Capital loss on sale of investments - net | 3,045 | 59,389 |
| Profit from bank deposits | (7,200) | (10,420) |
| Return from investments | (2,256) | (3,001) |
| Dividend income | (6,034) | (18,333) |
| Impairment loss on investments | - | 7,815 |
| Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net | 11,265 | (11,192) |
| | (7,297) | (15,261) |
| Decrease / (increase) in assets | | |
| Investments | 18,007 | 441,441 |
| Advances, deposits and prepayments | (31) | (4,881) |
| | 17,976 | 436,560 |
| Increase / (decrease) in liabilities | | |
| Payable to the Management Company | (49) | (1,219) |
| Payable to the Trustee | 2 | (113) |
| Payable to the Securities and Exchange Commission of Pakistan | (324) | (309) |
| Accrued expenses and other liabilities | (102) | (1,475) |
| | (473) | (3,116) |
| Net cash generated from operations | 10,206 | 418,183 |
| Profits received on bank deposits | 7,203 | 17,941 |
| Markup received on investments | 1,427 | 11,676 |
| Dividend income received | 4,851 | 3,236 |
| | 13,481 | 32,853 |
| Net cash generated from operating activities | 23,687 | 451,036 |
| Cash flows from financing activities | | |
| Amount received on issue of units | 15,601 | 63,757 |
| Payment against redemption of units | (82,517) | (600,833) |
| Net cash used in financing activities | (66,916) | (537,076) |
| Net decrease in cash and cash equivalents | (43,229) | (86,040) |
| Cash and cash equivalents at beginning of the period | 118,090 | 194,333 |
| Cash and cash equivalents at end of the period | 74,861 | 108,293 |

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

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 Nine Month Ended March 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** 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.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The fund has been categorised as a balanced fund as per the criteria laid down by SECP for categorization of open-end Collective Investment Scheme (CISs).
- 1.5** 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.
- 1.6** JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+' (Positive outlook) to the Management Company.
- 1.7** 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 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of IAS-34. These 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 these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.2 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2018.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information

3.5 On application of IFRS - 9 'Financial Instruments', there is no material change in the Fund's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

3.6 Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to the disclosures for the nine months ended March 31, 2019.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;
- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Fund's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Fund's financial assets as regards their classification and measurement:

- the Fund's investment in debt instruments that were classified as available-for-sale financial assets under IAS 39 have been classified as financial assets at FVTPL because they are held within a business model whose objective is primarily to sell the bonds. The change in the fair value on these redeemable notes will be recorded in the profit or loss account;

-
-
- there is no change in the measurement of the Fund's investments in debt instruments that are held for trading; those instruments were and continue to be measured at FVTPL;
 - the Fund's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been reclassified as at FVTPL. The change in fair value on these equity instruments will be recorded in the profit or loss account;
 - there is no change in the measurement of the Fund's investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL;

Para (d) below tabulates the change in classification of the Fund's financial assets upon application of IFRS 9.

None of the other reclassifications of financial assets have had any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

Please refer to para (d) below for further details regarding the change in classification upon the application of IFRS 9.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Fund had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Fund has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9.

| | Carrying amount as per IAS 39 on June 30, 2018 | Reclassific- ations | Remeasure- ments | Carrying amount on initial adoption of IFRS 9 July 01, 2018 | Effects on Retained Earnings on July 01, 2018 |
|--|--|------------------------|---------------------|--|---|
| ----- Rupees ('000') ----- | | | | | |
| Financial assets | | | | | |
| Fair value through profit or loss | | | | | |
| Listed equity securities from available for sale (IAS 39) | 28,198 | 28,198 | - | 28,198 | - |
| Listed debt securities from available for sale (IAS 39) | 17,980 | 17,980 | - | 17,980 | - |
| Total | 46,178 | 46,178 | - | 46,178 | - |

| | | (Un-Audited) December 31, 2018 | (Audited) June 30, 2018 |
|--------------------------|-------------|--------------------------------------|-------------------------------|
| -----Rupees in '000----- | | | |
| 4. BANK BALANCES | Note | | |
| Balances with banks in: | | | |
| Savings accounts | 4.1 | <u>74,861</u> | <u>118,090</u> |

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 3.75% - 11.4% per annum (June 30, 2018: 4.00% - 7.5% per annum).

| | | (Un-Audited) December 31, 2018 | (Audited) June 30, 2018 |
|--|-------------|--------------------------------------|-------------------------------|
| -----Rupees in '000----- | | | |
| 5. INVESTMENTS | Note | | |
| Financial assets at fair value through profit or loss | | | |
| - Listed equity securities | 5.1 | 148,972 | 179,177 |
| - Term finance certificates | 5.2 | 31,660 | 31,973 |
| - Advance Against book building | 5.3 | 1,418 | - |
| | | <u>182,049</u> | <u>211,150</u> |

5.1 Listed equity securities - At fair value through profit or loss

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

| Name of Investee Company | Number of Shares | | | | As at March 31, 2019 | Market value as at March 31, 2019 (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 | |
| Automobile Assembler | | | | | | | | | |
| Honda Atlas Cars (Pakistan) Limited | 4,000 | - | - | 4,000 | - | - | - | - | - |
| Indus Motor Company Limited | 1,640 | - | - | 340 | 1,300 | 1,696 | 0.93 | 0.68 | 0.00% |
| Millat Tractors Limited | 3,630 | 1,000 | - | 3,630 | 1,000 | 895 | 0.49 | 0.36 | 0.00% |
| | 9,270 | 1,000 | - | 7,970 | 2,300 | 2,591 | 1.42 | 1.03 | |
| Automobile Parts and Accessories | | | | | | | | | |
| Thal Limited (Par value Rs. 5 per share) | 5,000 | 4,000 | - | - | 9,000 | 3,798 | 2.09 | 1.51 | 0.01% |
| | 5,000 | 4,000 | - | - | 9,000 | 3,798 | 2.09 | 1.51 | |
| Cable & Electrical Goods | | | | | | | | | |
| Pak Elektron Limited | 48,000 | 35,000 | - | 83,000 | - | - | - | - | - |
| | 48,000 | 35,000 | - | 83,000 | - | - | - | - | |
| Cement | | | | | | | | | |
| Cherat Cement Company Limited. | - | 32,600 | - | 32,600 | - | - | - | - | - |
| D G Khan Cement Company Limited. | - | 19,500 | - | 19,500 | - | - | - | - | - |
| Maple Leaf Cement Factory Limited | - | 109,500 | - | 64,500 | 45,000 | 1,685 | 0.93 | 0.67 | 0.01% |
| Lucky Cement Limited | 13,150 | 7,800 | - | 5,050 | 15,900 | 6,809 | 3.74 | 2.71 | 0.00% |
| Pioneer Cement Limited | 10,000 | 15,000 | - | 25,000 | - | - | - | - | - |
| Kohat Cement Limited | 5,000 | 15,000 | 2,700 | 12,700 | 10,000 | 858 | 0.47 | 0.34 | 0.01% |
| | 28,150 | 199,400 | 2,700 | 159,350 | 70,900 | 9,353 | 4.67 | 3.38 | |
| Chemical | | | | | | | | | |
| Engro Polymer & Chemicals Limited | - | 130,000 | - | 35,000 | 95,000 | 3,450 | 1.90 | 1.37 | 0.01% |
| Lotte Chemical Pakistan Ltd | - | 50,000 | - | - | 50,000 | 711 | 0.39 | 0.28 | 0.00% |
| Sitara Chemical Industries Limited | - | 2,500 | - | - | 2,500 | 750 | 0.41 | 0.30 | 0.01% |
| | - | 182,500 | - | 35,000 | 147,500 | 4,911 | 2.70 | 1.96 | |
| Commercial Banks | | | | | | | | | |
| Allied Bank Limited | - | 10,500 | - | 10,500 | - | - | - | - | - |
| Askari Bank Limited | - | 140,000 | - | 50,000 | 90,000 | 1,841 | 1.01 | 0.73 | 0.01% |
| Bank Alfalah Limited | 169,000 | - | 11,100 | 85,000 | 95,100 | 4,476 | 2.46 | 1.78 | 0.01% |
| Bank Al-Habib Limited | 67,000 | 35,000 | - | 31,500 | 70,500 | 6,039 | 3.32 | 2.41 | 0.01% |
| Bank of Punjab | 167,000 | - | - | 40,000 | 127,000 | 1,654 | 0.91 | 0.66 | 0.02% |
| Faysal Bank Limited | 87,000 | - | - | 12,000 | 75,000 | 1,766 | 0.97 | 0.70 | 0.01% |
| Habib Bank Limited * | 65,471 | 36,400 | - | 37,400 | 64,471 | 8,542 | 4.69 | 3.40 | 0.00% |
| MCB Bank Limited | 57,800 | - | - | 32,300 | 25,500 | 5,012 | 2.75 | 2.00 | 0.00% |
| Meezan Bank Limited | - | 27,500 | 2,250 | 29,750 | - | - | - | - | - |
| National Bank of Pakistan Limited | - | 62,000 | - | 20,000 | 42,000 | 1,683 | 0.92 | 0.67 | 0.00% |
| United Bank Limited | 57,800 | 22,000 | - | 32,500 | 47,300 | 6,600 | 3.63 | 2.63 | 0.00% |
| | 671,071 | 333,400 | 13,350 | 380,950 | 636,871 | 37,610 | 20.66 | 14.98 | |
| Engineering | | | | | | | | | |
| Amreli Steels Limited | 19,700 | 8,000 | - | 27,700 | - | - | - | - | - |
| Crescent Steel & Allied Products Ltd | - | 17,000 | - | - | 17,000 | 659 | 0.36 | 0.26 | 0.02% |
| International Industries Limited | 8,500 | 8,500 | - | 11,300 | 5,700 | 707 | 0.39 | 0.28 | 0.00% |
| International Steels Limited | 19,700 | 16,500 | - | 22,700 | 13,500 | 864 | 0.47 | 0.34 | 0.00% |
| Mughal Iron & Steel Inds Limited | 32,500 | - | - | 30,000 | 2,500 | 98 | 0.05 | 0.04 | 0.00% |
| | 80,400 | 50,000 | - | 91,700 | 38,700 | 2,329 | 1.28 | 0.93 | |
| Fertilizers | | | | | | | | | |
| Dawood Hercules Corporation Limited** | - | 34,000 | - | 5,000 | 29,000 | 3,723 | 2.04 | 1.48 | 0.01% |
| Engro Corporation Limited | 32,000 | 15,900 | - | 20,500 | 27,400 | 8,966 | 4.93 | 3.57 | 0.01% |
| Engro Fertilizers Limited | 96,500 | 26,000 | - | 48,500 | 74,000 | 5,295 | 2.91 | 2.11 | 0.01% |
| Fauji Fertilizer Bin Qasim Limited | - | 30,000 | - | 5,000 | 25,000 | 856 | 0.47 | 0.34 | 0.00% |
| Fauji Fertilizer Company Limited | 57,000 | 11,500 | - | 18,500 | 50,000 | 5,223 | 2.87 | 2.08 | 0.00% |
| | 185,500 | 117,400 | - | 97,500 | 205,400 | 24,063 | 13.22 | 9.58 | |

| Name of Investee Company | Number of Shares | | | | | Market value as at March 31, 2019 (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 | As at March 31, 2019 | | Total Investments | Net Assets | |
| Oil & Gas Exploration | | | | | | | | | |
| Mari Petroleum Company Limited Oil & Gas Development Company Limited | 7,280 | 1,000 | 678 | 1,500 | 7,458 | 9,287 | 5.10 | 3.70 | 0.01% |
| Pakistan Oilfields Limited | 59,600 | 26,500 | - | 22,800 | 63,300 | 9,340 | 5.13 | 3.72 | 0.00% |
| Pakistan Petroleum Limited | 16,350 | 5,500 | 2,270 | 10,500 | 13,620 | 6,092 | 3.35 | 2.43 | 0.01% |
| | 63,700 | 6,500 | 8,955 | 24,900 | 54,255 | 10,037 | 5.51 | 4.00 | 0.00% |
| | 146,930 | 39,500 | 11,903 | 59,700 | 138,633 | 34,755 | 19.09 | 13.84 | |
| Oil & Gas Marketing Companies | | | | | | | | | |
| Hascol Petroleum Limited | 7,500 | - | 1,375 | 8,875 | - | - | - | - | - |
| Pakistan State Oil Company Limited | 25,420 | 15,500 | 3,084 | 20,000 | 24,004 | 5,189 | 2.85 | 2.07 | 0.01% |
| Sui Northern Gas Pipeline Limited | 44,000 | 15,000 | - | 20,500 | 38,500 | 2,892 | 1.59 | 1.15 | 0.01% |
| | 76,920 | 30,500 | 4,459 | 49,375 | 62,504 | 8,081 | 4.44 | 3.22 | |
| Paper & Board | | | | | | | | | |
| Century Paper & Board Mills Ltd Packages Limited | - | 14,000 | - | - | 14,000 | 707 | 0.39 | 0.28 | 0.01% |
| Security Papers Limited | - | 3,000 | - | - | 3,000 | 1,139 | 0.63 | 0.45 | 0.00% |
| | - | 10,500 | - | - | 10,500 | 924 | 0.51 | 0.37 | 0.02% |
| | - | 27,500 | - | - | 27,500 | 2,770 | 1.52 | 1.10 | |
| Pharmaceuticals | | | | | | | | | |
| AGP Limited | - | 21,000 | - | - | 21,000 | 1,788 | 0.98 | 0.71 | 0.00% |
| The Searle Company Limited | 6,314 | 6,000 | 947 | 5,500 | 7,761 | 1,838 | 1.01 | 0.73 | 0.00% |
| | 6,314 | 27,000 | 947 | 5,500 | 28,761 | 3,626 | 1.99 | 1.44 | |
| Power Generation and Distribution | | | | | | | | | |
| K-Electric Limited (Par value Rs. 3.5 per share) | 350,000 | 85,000 | - | 142,000 | 293,000 | 1,638 | 0.90 | 0.65 | 0.00% |
| Hub Power Company Limited | 78,300 | 29,000 | - | 12,000 | 95,300 | 6,988 | 3.84 | 2.78 | 0.01% |
| Nishat Chunian Power Limited | - | 42,500 | - | 2,500 | 40,000 | 872 | 0.48 | 0.35 | 0.01% |
| Pakgen Power Limited | - | 75,500 | - | 17,000 | 58,500 | 893 | 0.49 | 0.36 | 0.02% |
| | 428,300 | 232,000 | - | 173,500 | 486,800 | 10,391 | 3.84 | 2.78 | |
| Textile Composite | | | | | | | | | |
| Gul Ahmed Textile Mills Ltd | - | 20,000 | - | 20,000 | - | - | - | - | - |
| Kohinoor Textile Mills Limited | - | 27,500 | - | - | 27,500 | 1,234 | 0.68 | 0.49 | 0.03% |
| Nishat (Chunian) Limited | - | 25,000 | - | 25,000 | - | - | - | - | - |
| Nishat Mills Limited | 37,300 | 19,000 | - | 30,600 | 25,700 | 3,459 | 1.90 | 1.38 | 0.01% |
| | 37,300 | 91,500 | - | 75,600 | 53,200 | 4,693 | 2.58 | 1.87 | |
| Technology & Communication | | | | | | | | | |
| Pakistan Telecommunication Company Limited | - | 100,000 | - | 100,000 | - | - | - | - | - |
| System Limited | 22,500 | - | - | 22,500 | - | - | - | - | - |
| | 22,500 | 100,000 | - | 122,500 | - | - | - | - | |
| | 1,745,655 | 1,470,700 | 33,359 | 1,341,645 | 1,908,069 | 148,972 | 79.49 | 57.63 | |

Cost of investments at March 31, 2019

157,281

* Sponsor of the Management Company

** Related party due to common directorship

5.1.1 Investments include shares having market value aggregating to Rs. 40.537 million (June 30, 2018: 46.031 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.

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), 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 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 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. 391,952 at March 31, 2019 (June 30, 2018: Rs 514,988) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

5.2 Term Finance Certificates - Fair value through profit and loss

| | Note | (Un-Audited) December 31, 2018 | (Audited) June 30, 2018 |
|--------------------------------------|-------|--------------------------------------|-------------------------------|
| -----Rupees in '000----- | | | |
| Term finance certificates - Listed | 5.2.1 | - | - |
| Term finance certificates - Unlisted | 5.2.2 | 31,660 | 31,973 |
| | | 31,660 | 31,973 |

5.2.1 Term Finance Certificates - Listed

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

Name of the Investee Company

| | Number of certificates | | | | Market value / Carrying value* as at March 31, 2019 (Rupees in '000) | Market value as a percentage of | |
|--|------------------------|-----------------------------------|---|----------------------------|---|------------------------------------|------------|
| | As at July 1, 2018 | Purchases during the period | Sales / Matured during the period | As at March 31, 2019 | | Total Investments | Net Assets |
| Financial Services | | | | | | | |
| Saudi Pak Leasing Company Limited - (Note 5.2.1.1 & 13) | 6,000 | - | - | 6,000 | - | - | - |

Cost of investment as at December 31, 2018

15,197

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

5.2.1.1 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.

5.2.2 Term Finance Certificates - Fair value through profit and loss

5.2.2.1 Term Finance Certificates - Unlisted

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

| Investee Company | Number of certificates | | | Market value as at March 31, 2019 (Rupees in '000) | Market value as a percentage | | |
|--|------------------------|-----------------------------|-----------------------------------|--|------------------------------|---------------|---------------|
| | As at July 01, 2018 | Purchases during the period | Sales / Matured during the period | | Total Investments | Net Assets | |
| Commercial Banks | | | | | | | |
| The Bank of Punjab | 270 | - | - | 270 | 26,660 | 14.6% | 10.6% |
| Dawood Harcules Corporation limited** | 50 | - | - | 50 | 5,000 | 2.7% | 2.0% |
| | 320 | - | - | 320 | 31,660 | 17.39% | 12.61% |
| Cost of investments at March 31, 2018 | | | | 32,164 | | | |

5.2.2.2 Significant terms and conditions of Term Finance Certificates outstanding at March 31, 2019 are:

| Name of security | Remaining principal (per TFC) | Mark-up rate (per annum) | Issue date | Maturity date |
|------------------|-------------------------------|--------------------------|------------|---------------|
|------------------|-------------------------------|--------------------------|------------|---------------|

Term Finance Certificates - Listed

| | | | | |
|-----------------------------------|-------|---------------|----------------|----------------|
| Saudi Pak Leasing Company Limited | 2,533 | 6% Fixed rate | March 13, 2008 | March 13, 2017 |
|-----------------------------------|-------|---------------|----------------|----------------|

Term Finance Certificates - Unlisted

| | | | | |
|---------------------------------------|---------|----------------------|-------------------|-------------------|
| Bank of Punjab | 99,920 | 6 Month KIBOR + 0.5% | February 19, 2016 | February 19, 2026 |
| Dawood Harcules Corporation limited** | 100,000 | 3 month KIBOR + 1.0% | March 01, 2018 | March 01, 2023 |

** Related party due to common directorship

5.3 This represents advance against book building of Interloop Ltd, subsequently converted into shares.

| | | |
|--|--------------------------|-----------|
| | (Un-Audited) | (Audited) |
| | March 31, | June 30, |
| | 2019 | 2018 |
| | -----Rupees in '000----- | |

6. ADVANCES, DEPOSITS AND PREPAYMENTS

| | | | |
|---|----------|-----------------|----------|
| Security deposit with National Clearing Company of Pakistan Limited | | 3,016 | 3,016 |
| Security deposit with Central Depository Company of Pakistan Limited | | 100 | 100 |
| Advance against subscription of Term Finance Certificates (TFC) | 6.1 | 25,000 | 25,000 |
| Prepaid annual Legal and listing fee | | 30 | - |
| Advance tax | | 364 | 364 |
| | | 28,511 | 28,480 |
| Provision in respect of advance against subscription of term finance certificates | 6.1 & 13 | (25,000) | (25,000) |
| | | 3,511 | 3,480 |

- 6.1 The Fund had subscribed towards the term finance certificates of an issuer as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer as at March 31, 2019. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at March 31, 2019, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

| | (Un-Audited) March 31, 2019 | (Audited) June 30, 2018 |
|---|-----------------------------------|-------------------------------|
| Note | -----Rupees in '000----- | |
| 7. PAYABLE TO THE MANAGEMENT COMPANY | | |
| Management fee | 440 | 528 |
| Sindh Sales Tax | 57 | 79 |
| Sales load payable | - | 69 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 23 | 27 |
| Selling and marketing payable | 135 | - |
| | 654 | 703 |
| 8. ACCRUED EXPENSES AND OTHER LIABILITIES | | |
| Auditors' remuneration | 199 | 330 |
| Federal Excise Duty | 8.1 6,610 | 6,610 |
| Payable to brokers | 116 | 68 |
| Provision for Sindh Workers' Welfare Fund | 8.2 4,597 | 4,597 |
| Other payables | 127 | 146 |
| | 11,649 | 11,751 |

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

In view of above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2018 aggregating to Rs. 6.610 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 2.71 per unit (June 30, 2018: 2.1424 per unit).

8.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

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 half year ended December 31, 2018, no provision for SWWF has been recognised in these condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 1.88 per unit (June 30, 2018: 1.49 per unit).

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ended June 30, 2019 to its unit holders.

11. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

Connected persons / related parties comprise 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 / related parties are in the normal course of business, at agreed / contracted rates and terms determined in accordance with market rates.

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

Details of the transactions with connected persons during the period and balances with them at period end are as follows:

11.1 Transactions during the period

| | Nine Months ended | |
|---|---------------------------------|-------------|
| | March 31, | |
| | 2019 | 2018 |
| | -----Rupees in '000----- | |
| HBL Asset Management Limited - Management Company | | |
| Remuneration of the Management Company | 4,946 | 12,884 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 220 | 440 |
| Selling and marketing cost payable | 383 | - |
| Habib Bank Limited - Sponsor | | |
| Redemption of 200,000 units (2018: 5,638,231 units) | 20,618 | 550,000 |
| Bank charges paid during the period | 7 | 5 |
| Mark-up earned during the period | 277 | 285 |
| Mark-up received during the period | 268 | 323 |
| Dividend income earned during the period | 212 | 276 |

| | Nine Months ended March 31, | |
|---|--------------------------------|------------------|
| | 2018 | 2017 |
| | -----Rupees in '000----- | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration | 594 | 518 |
| Central Depository service charges | 14 | - |
| | (Un-Audited) | (Audited) |
| | March 31, | June 30, |
| | 2019 | 2018 |
| | -----Rupees in '000----- | |

11.2 Amounts outstanding as at period / year end

HBL Asset Management Limited - Management Company

| | | |
|---|-----|-----|
| Management fee payable | 440 | 528 |
| Sales tax payable | 57 | 79 |
| Sales load payable | - | 69 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 23 | 27 |
| Selling and Marketing Cost | 135 | - |

Habib Bank Limited - Sponsor

| | | |
|---|---------|---------|
| Investment held in the Fund: 1,158,343 units (June 2018: 1,358,343 units) | 119,245 | 142,696 |
| Bank balances | 1,633 | 4,555 |
| Mark-up receivable on deposits with bank | 34 | 25 |

Central Depository Company of Pakistan Limited - Trustee

| | | |
|----------------------|----|----|
| Remuneration payable | 59 | 57 |
| Sindh Sales Tax | 8 | 8 |

Rafiuddin Zakir Mahmood Connected Persons Due to 10% and more

| | | |
|--|--------|--------|
| Investment held in the Fund: 298,482 units (June 2018: 2,98,482 units) | 30,727 | 31,356 |
|--|--------|--------|

Units outstanding as at March 31, 2019 are calculated on the basis of latest announced NAV i.e March 29, 2019.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| | | March 31, 2019 | | | | | | | |
|---|------|-----------------------------------|------------------------|-----------------------------|----------------|----------------|---------------|--------------|----------------|
| | | Carrying amount | | | Fair Value | | | | |
| | | Fair value through profit or loss | Other financial assets | 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 | | | | | | | | | |
| | | 148,972 | - | - | 148,972 | 148,972 | - | - | 148,972 |
| | | 31,660 | - | - | 31,660 | - | 31,660 | - | 31,660 |
| | | 1,418 | - | - | 1,418 | - | - | 1,418 | 1,418 |
| | | 182,049 | - | - | 182,049 | 148,972 | 31,660 | 1,418 | 182,049 |
| Financial assets not measured at fair value | | | | | | | | | |
| | 12.1 | - | 74,861 | - | 74,861 | | | | |
| | | - | 3,225 | - | 3,225 | | | | |
| | | - | 3,511 | - | 3,511 | | | | |
| | | - | 81,597 | - | 81,597 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| | 12.2 | - | - | 597 | 597 | | | | |
| | | - | - | 186 | 186 | | | | |
| | | - | - | 59 | 59 | | | | |
| | | - | - | - | - | | | | |
| | | - | - | 442 | 442 | | | | |
| | | - | - | 1,284 | 1,284 | | | | |

| | June 30, 2018 | | | | | | | | |
|---|------------------|--------------------|-----------------------|--------------------------------------|----------------|----------------|---------------|----------|----------------|
| | Carrying amount | | | | Fair Value | | | | |
| | Held-for-trading | Available for sale | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| ------(Rupees in '000)----- | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investments | | | | | | | | | |
| - Listed equity securities | 150,979 | 28,198 | - | - | 179,177 | 179,177 | - | - | 179,177 |
| - Term finance certificates | 13,993 | 17,980 | - | - | 31,973 | - | 31,973 | - | 31,973 |
| | <u>164,972</u> | <u>46,178</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 | | | | |
| Dividend receivable and accrued mark-up | - | - | 1,216 | - | 1,216 | | | | |
| Receivable against sale of investments | - | - | 3,216 | - | 3,216 | | | | |
| Advances, deposits and other receivables | - | - | 3,116 | - | 3,116 | | | | |
| | <u>-</u> | <u>-</u> | <u>125,638</u> | <u>-</u> | <u>125,638</u> | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Payable to the Management Company | - | - | - | 624 | 624 | | | | |
| Payable to the SECP | - | - | - | 510 | 510 | | | | |
| Payable to the Trustee | - | - | - | 57 | 57 | | | | |
| Accrued expenses and other liabilities | - | - | - | 544 | 544 | | | | |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,735</u> | <u>1,735</u> | | | | |

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

12.2 Transfers during the period

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

**13. DISCLOSURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECP
- CATEGORISATION OF OPEN END SCHEME**

The SECP vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the said circular. The Management Company classified the Fund as 'Balanced Scheme' in accordance with the said circular. As at December 31, 2018, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any debt security in the portfolio shall not be lower than A- (A Minus).

The following securities are included in the portfolio of the Fund which have rating lower than A- (A minus).

| Name of Non-Compliant 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. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio of the Fund for the nine months ended March 31, 2019 is 2.50% (March 31, 2018: 2.21%) which includes 0.28% (March 31, 2018: 0.28%) representing government levy, Worker's Welfare Fund and SECP fee.

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 30, 2019.

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.

16.3 These condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and statement of comprehensive income for the quarter ended March 31, 2019 have not been reviewed.

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 | BDO Ebrahim & Co. 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 March 31, 2019

| | March 31, 2019 (Un-Audited) | | | | June 30, 2018 (Audited) | | | | |
|---|------------------------------|-------------------------------|---------------------------|------------------|-------------------------|------------------------------|---------------------------|------------------|------------------|
| | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | |
| Note | ----- (Rupees in '000) ----- | | | | | | | | |
| ASSETS | | | | | | | | | |
| Bank balances | 4 | 1,455 | 30 | 83 | 1,568 | 1,278 | 443 | 149 | 1,870 |
| Investments | 5 | 155,092 | 68,137 | 173,959 | 397,188 | 328,586 | 132,536 | 207,827 | 668,949 |
| Accrued mark-up | | - | - | - | - | 4 | 1 | - | 5 |
| Preliminary expenses and flotation costs | | 943 | 816 | 355 | 2,114 | 1,144 | 989 | 860 | 2,993 |
| Advances and prepayments | | 121 | 80 | 59 | 260 | 133 | 93 | 99 | 325 |
| TOTAL ASSETS | | 157,611 | 69,062 | 174,456 | 401,129 | 331,145 | 134,062 | 208,935 | 674,142 |
| LIABILITIES | | | | | | | | | |
| Payable to the Management Company | 6 | 16 | 7 | 18 | 41 | 41 | 12 | 18 | 71 |
| Payable to the Trustee | | 14 | 6 | 16 | 36 | 58 | 24 | 36 | 118 |
| Payable to Securities and Exchange Commission of Pakistan | | 137 | 74 | 144 | 355 | 206 | 109 | 143 | 458 |
| Accrued expenses and other liabilities | 7 | 360 | 255 | 187 | 802 | 383 | 222 | 216 | 821 |
| Payable against redemption of units | | - | - | - | - | - | - | - | - |
| TOTAL LIABILITIES | | 527 | 343 | 365 | 1,235 | 688 | 367 | 413 | 1,468 |
| NET ASSETS | | 157,084 | 68,720 | 174,091 | 399,895 | 330,457 | 133,695 | 208,522 | 672,674 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 157,084 | 68,720 | 174,091 | 399,894 | 330,457 | 133,695 | 208,522 | 672,674 |
| CONTINGENCIES AND COMMITMENTS | | | | | | | | | |
| | 8 | ----- (Number of Units) ----- | | | | | | | |
| Number of units in issue | | 1,556,813 | 641,971 | 1,714,692 | 3,913,475 | 3,219,253 | 1,288,493 | 2,033,911 | 6,541,657 |
| | | ----- (Rupees) ----- | | | | | | | |
| Net assets value per unit | | 100.9000 | 107.0455 | 101.5285 | | 102.6500 | 103.7607 | 102.5230 | |

The annexed notes from 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 Financial Planning Fund
Condensed Interim Income Statement (Un-Audited)
For The Nine Months Period Ended March 31, 2019

| | Nine months period ended March 31, 2019 | | | | For the period from October 11, 2017 to March 31, 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) ----- | | | | | | | |
| INCOME | | | | | | | | |
| Mark-up on deposits with banks | 76 | 29 | 5 | 110 | 342 | 85 | 62 | 489 |
| Capital (loss) / gain on sale of investments - net | (5,332) | 983 | (2,049) | (6,398) | 1,958 | 1,155 | 1,384 | 4,497 |
| Dividend income | 3,533 | 3,149 | 1,180 | 7,862 | - | - | - | - |
| Back end load | - | - | 154 | 154 | - | - | - | - |
| | (1,723) | 4,161 | (710) | 1,728 | 2,300 | 1,240 | 1,446 | 4,986 |
| Unrealised (diminution) / appreciation on re-measurement of investments classified as 'fair value through profit or loss' - net | (3,785) | (673) | (306) | (4,764) | 15,941 | 6,038 | 11,674 | 33,653 |
| | (5,508) | 3,489 | (1,016) | (3,035) | 18,241 | 7,278 | 13,120 | 38,639 |
| EXPENSES | | | | | | | | |
| Remuneration of the Management Company | 19 | 11 | 5 | 35 | 20 | 12 | 10 | 42 |
| Sindh Sales Tax on remuneration of the Management Company | 2 | 1 | 1 | 4 | 3 | 1 | 1 | 5 |
| Remuneration of the Trustee | 147 | 80 | 154 | 381 | 134 | 81 | 99 | 314 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 137 | 74 | 144 | 355 | 126 | 76 | 93 | 295 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 144 | 78 | 152 | 374 | 132 | 79 | 98 | 309 |
| Amortisation of preliminary expenses and flotation costs | 201 | 173 | 505 | 879 | 126 | 109 | 317 | 552 |
| Auditors' remuneration | 77 | 67 | 78 | 222 | 77 | 67 | 78 | 222 |
| Printing charges | - | - | - | - | 25 | 21 | 24 | 70 |
| Bank charges | 14 | 7 | 9 | 30 | 13 | 8 | 7 | 28 |
| Fees and subscription | 28 | 21 | 51 | 100 | 26 | 22 | 42 | 90 |
| | 769 | 512 | 1,099 | 2,380 | 682 | 476 | 769 | 1,927 |
| Net (loss) / income from operating activities | (6,277) | 2,976 | (2,115) | (5,416) | 17,559 | 6,802 | 12,351 | 36,712 |
| Provision for Sindh Workers' Welfare Fund | - | (60) | - | (60) | (351) | (136) | (247) | (734) |
| Net (loss) / income for the period before taxation | (6,277) | 2,917 | (2,115) | (5,476) | 17,208 | 6,666 | 12,104 | 35,978 |
| Taxation | - | - | - | - | - | - | - | - |
| Net (loss) / income for the period after taxation | (6,277) | 2,917 | (2,115) | (5,476) | 17,208 | 6,666 | 12,104 | 35,978 |
| Allocation of net income for the period | | | | | | | | |
| Income already paid on redemption of units | | 813 | | | 293 | 890 | 2 | 1,185 |
| Accounting income available for distribution | | | | | | | | |
| Relating to capital gains | | - | | | 16,915 | 5,776 | 12,102 | 34,793 |
| Excluding capital gains | | 2,104 | | | - | - | - | - |
| | | 2,104 | | | 16,915 | 5,776 | 12,102 | 34,793 |
| | | 2,917 | | | 17,208 | 6,666 | 12,104 | 35,978 |

Earnings per unit

10

The annexed notes from 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 Financial Planning Fund
Condensed Interim Income Statement (Un-Audited)
For the Quarter Ended March 31, 2019 (Continued)

| | Quarter ended March 31, 2019 | | | | Quarter ended March 31, 2018 | | | |
|--|------------------------------|---|---------------------------|---------|------------------------------|---|---------------------------|--------|
| | Active Plan | Allocation Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Plan | Allocation Conservative Allocation Plan | Strategic Allocation Plan | Total |
| Note ----- (Rupees in '000) ----- | | | | | | | | |
| Income | | | | | | | | |
| Mark-up on deposits with banks | 28 | 16 | 1 | 45 | 88 | 28 | 26 | 142 |
| Capital (loss) / gain on sale of investments - net | (950) | (6) | (960) | (1,916) | 1,765 | 1,126 | 1,223 | 4,114 |
| Dividend income | 1,590 | 1,307 | 626 | 3,523 | - | - | - | - |
| Back end load | - | - | 130 | 130 | - | - | - | - |
| | 668 | 1,318 | (203) | 1,783 | 1,853 | 1,154 | 1,249 | 4,256 |
| Unrealised appreciation on re-measurement of investments classified as 'fair value through profit or loss' - net | 8,659 | 721 | 9,011 | 18,391 | 14,021 | 4,365 | 9,412 | 27,798 |
| | 9,327 | 2,039 | 8,808 | 20,174 | 15,874 | 5,519 | 10,661 | 32,054 |
| Expenses | | | | | | | | |
| Remuneration of the Management Company 6.1 | 5 | 3 | 2 | 10 | 12 | 5 | 3 | 20 |
| Sindh Sales Tax on remuneration of the Management Company 6.2 | 1 | - | - | 1 | 2 | - | - | 2 |
| Remuneration of the Trustee | 42 | 17 | 49 | 108 | 78 | 41 | 52 | 171 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 39 | 16 | 46 | 101 | 74 | 38 | 49 | 161 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services 6.3 | 41 | 16 | 49 | 106 | 77 | 39 | 52 | 168 |
| Amortisation of preliminary expenses and flotation costs | 66 | 57 | 166 | 289 | 66 | 57 | 166 | 289 |
| Auditors' remuneration | 25 | 22 | 26 | 73 | 25 | 22 | 26 | 73 |
| Printing charges | - | - | - | - | 13 | 11 | 12 | 36 |
| Bank charges | 6 | 4 | 4 | 14 | 5 | 3 | 2 | 10 |
| Fees and subscription | 8 | 6 | 16 | 30 | 15 | 12 | 23 | 50 |
| | 233 | 141 | 358 | 732 | 367 | 228 | 385 | 980 |
| Net income from operating activities | 9,094 | 1,898 | 8,450 | 19,442 | 15,507 | 5,291 | 10,276 | 31,074 |
| Provision for Sindh Workers' Welfare Fund 7.1 | - | (38) | - | (38) | (351) | (136) | (247) | (734) |
| Net income for the period before taxation | 9,094 | 1,861 | 8,450 | 19,405 | 15,156 | 5,155 | 10,029 | 30,340 |
| Taxation 9 | - | - | - | - | - | - | - | - |
| Net income for the period after taxation | 9,094 | 1,861 | 8,450 | 19,405 | 15,156 | 5,155 | 10,029 | 30,340 |

The annexed notes from 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 Financial Planning Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Nine Months Period Ended March 31, 2019

| | Nine months period ended March 31, 2019 | | | | For the period from October 11, 2017 to March 31, 2018 | | | |
|--|---|------------------------------|---------------------------|----------------|--|------------------------------|---------------------------|---------------|
| | Active Allotcation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allotcation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total |
| | ----- (Rupees in '000) ----- | | | | | | | |
| Net (loss) / income for the period after taxation | (6,277) | 2,917 | (2,115) | (5,476) | 16,915 | 5,776 | 12,102 | 34,793 |
| Other comprehensive income | | | | | | | | |
| Items that may be reclassified subsequently to income statement | - | - | - | - | - | - | - | - |
| Items that will not be reclassified subsequently to income statement | - | - | - | - | - | - | - | - |
| Total comprehensive (loss) / income for the period | <u>(6,277)</u> | <u>2,917</u> | <u>(2,115)</u> | <u>(5,476)</u> | <u>16,915</u> | <u>5,776</u> | <u>12,102</u> | <u>34,793</u> |

The annexed notes from 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 Financial Planning Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Quarter Ended March 31, 2019 (Continued)

| | Quarter ended March 31, 2019 | | | | For the period from October 11, 2017 to March 31, 2018 | | | |
|--|------------------------------|------------------------------|---------------------------|---------------|--|------------------------------|---------------------------|---------------|
| | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total |
| | ----- (Rupees in '000) ----- | | | | | | | |
| Net income for the period after taxation | 9,094 | 1,861 | 8,450 | 19,405 | 15,156 | 5,155 | 10,029 | 30,340 |
| Other comprehensive income | | | | | | | | |
| Items that may be reclassified subsequently to income statement | - | - | - | - | - | - | - | - |
| Items that will not be reclassified subsequently to income statement | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | 9,094 | 1,861 | 8,450 | 19,405 | 15,156 | 5,155 | 10,029 | 30,340 |

The annexed notes from 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 Financial Planning Fund
Condensed Interim Statement of Cash Flow (Un-Audited)
For The Nine Months Period Ended March 31, 2019

| Note | Nine months period ended March 31, 2019 | | | | For the period from October 11, 2017 to March 31, 2018 | | | |
|---|---|-----------------|-----------------|-----------|--|-----------------|-----------------|-----------|
| | Active Allocation | Conservative | Strategic | Total | Active Allocation | Conservative | Strategic | Total |
| | Plan | Allocation Plan | Allocation Plan | | Plan | Allocation Plan | Allocation Plan | |
| | (Rupees in '000) | | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Net (loss)/income for the period before taxation | (6,277) | 2,917 | (2,115) | (5,475) | 17,208 | 6,666 | 12,104 | 35,978 |
| Adjustments for: | | | | | | | | |
| Mark-up on deposits with banks | (76) | (29) | (5) | (110) | (342) | (85) | (62) | (489) |
| Capital loss / (gain) on sale of investment - net | 5,332 | (983) | 2,049 | 6,398 | (1,958) | (1,155) | (1,384) | (4,497) |
| Unrealised diminution / (appreciation) on re-measurement of investments classified as 'fair value through profit or loss' - net | 3,785 | 673 | 306 | 4,764 | (15,941) | (6,038) | (11,674) | (33,653) |
| Amortisation of preliminary expenses and flotation costs | 201 | 173 | 505 | 879 | 126 | 109 | 317 | 552 |
| Provision of Sindh Workers' Welfare fund | - | 60 | - | 60 | 351 | 136 | 247 | 734 |
| | 2,965 | 2,810 | 740 | 6,515 | (556) | (367) | (452) | (1,375) |
| Decrease / (increase) in assets | | | | | | | | |
| Investments | 164,377 | 64,710 | 31,513 | 260,600 | (309,961) | (142,366) | (201,595) | (653,922) |
| Preliminary expenses and flotation costs | - | - | - | - | (1,336) | (1,156) | (1,345) | (3,837) |
| Advances and prepayments | 12 | 13 | 40 | 65 | (146) | (105) | (122) | (373) |
| | 164,389 | 64,723 | 31,553 | 260,665 | (311,443) | (143,627) | (203,062) | (658,132) |
| (Decrease) / increase in liabilities | | | | | | | | |
| Payable to the Management Company | (25) | (5) | - | (30) | 253 | 14 | 19 | 286 |
| Payable to the Trustee | (44) | (18) | (20) | (82) | 28 | 13 | 18 | 59 |
| Payable to Securities and Exchange Commission of Pakistan | (69) | (35) | 1 | (103) | 126 | 76 | 93 | 295 |
| Accrued expenses and other liabilities | (23) | (26) | (29) | (78) | 70 | 68 | 79 | 217 |
| | (161) | (84) | (48) | (293) | 477 | 171 | 209 | 857 |
| | 167,193 | 67,449 | 32,245 | 266,887 | (311,522) | (143,823) | (203,305) | (658,650) |
| Profit received on bank deposits | 80 | 30 | 5 | 115 | 342 | 85 | 62 | 489 |
| Net cash generated from / (used in) operating activities | 167,273 | 67,479 | 32,250 | 267,002 | (311,180) | (143,738) | (203,243) | (658,161) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Amount received on issue of units | 726 | 99 | - | 825 | 389,664 | 180,533 | 203,463 | 773,660 |
| Amount paid on redemption of units | (167,822) | (67,991) | (32,316) | (268,129) | (75,149) | (36,645) | (72) | (111,866) |
| Net cash (used in) / generated from financing activities | (167,096) | (67,892) | (32,316) | (267,304) | 314,515 | 143,888 | 203,391 | 661,794 |
| Net increase / (decrease) in cash and cash equivalents during the period | 177 | (413) | (66) | (302) | 3,335 | 150 | 148 | 3,633 |
| 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 | 4 | 1,455 | 30 | 1,568 | 3,335 | 150 | 148 | 3,633 |

The annexed notes from 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 Financial Planning Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For The Nine Months Period Ended March 31, 2019

| | Nine months period ended March 31, 2019 | | | For the period from October 11, 2017 to March 31, 2018 | | |
|--|--|---|----------------|---|-------------------------|----------------|
| | Capital value | Undistributed income / (accumulated loss) | Total | Capital value | Undistributed income | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Net assets at beginning of the period | 325,538 | 4,919 | 330,457 | - | - | - |
| Issuance of 7,216 units (2018: 3,870,070 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | 740 | - | 740 | 387,007 | - | 387,007 |
| Element of (loss) / income | (14) | - | (14) | 2,657 | - | 2,657 |
| Total proceeds on issuance of units | 726 | - | 726 | 389,664 | - | 389,664 |
| Redemption of 1,669,657 units (2018: 747,171 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | (171,390) | - | (171,390) | (74,717) | - | (74,717) |
| Income already paid on redemption of units | - | - | - | - | (293) | (293) |
| Element of income / (loss) | 3,568 | - | 3,568 | (139) | - | (139) |
| Total payments on redemption of units | (167,822) | - | (167,822) | (74,856) | (293) | (75,149) |
| Total comprehensive (loss) / income for the period | - | (6,277) | (6,277) | - | 17,208 | 17,208 |
| Net assets at end of the period | 158,442 | (1,358) | 157,084 | 314,808 | 16,915 | 331,723 |
| Undistributed income brought forward | | | | | | |
| Realised | | 6,342 | | | - | |
| Unrealised | | (1,423) | | | - | |
| | | 4,919 | | | - | |
| Accounting income available for distribution | | | | | | |
| Relating to capital gains | | - | | | - | |
| Excluding capital gains | | - | | | - | |
| | | - | | | - | |
| Accounting loss for the period | | (6,277) | | | - | |
| Accumulated (loss) / undistributed income carried forward | | (1,358) | | | - | |
| Accumulated (loss) / undistributed income carried forward | | | | | | |
| Realised | | 2,427 | | | 974 | |
| Unrealised | | (3,785) | | | 15,941 | |
| | | (1,358) | | | 16,915 | |
| | | | | | | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | 102.6500 | | | - |
| Net assets value per unit at end of the period | | | 100.9000 | | | 106.2226 |

The annexed notes from 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 Financial Planning Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For The Nine Months Period Ended March 31, 2019

| | Nine months period ended March 31, 2019 | | | For the period from October 11, 2017 to March 31, 2018 | | |
|--|--|-------------------------|-----------------|---|-------------------------|-----------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| Conservative Allocation Plan | | | | | | |
| ----- (Rupees in '000) ----- | | | | | | |
| Net assets at beginning of the period | 128,919 | 4,776 | 133,695 | - | - | - |
| Issuance of 955 units (2018: 1,804,922 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | 98 | - | 98 | 180,492 | - | 180,492 |
| Element of income | 1 | - | 1 | 40 | - | 40 |
| Total proceeds on issuance of units | 99 | - | 99 | 180,532 | - | 180,532 |
| Redemption of 647,476 units (2018: 357,556 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | (67,183) | - | (67,183) | (35,756) | - | (35,756) |
| Income already paid on redemption of units | - | (813) | (813) | - | (890) | (890) |
| Element of income | 5 | - | 5 | - | - | - |
| Total payments on redemption of units | (67,178) | (813) | (67,991) | (35,756) | (890) | (36,645) |
| Total comprehensive income for the period | - | 2,917 | 2,917 | - | 6,666 | 6,666 |
| Net assets at end of the period | 61,840 | 6,880 | 68,720 | 144,776 | 5,776 | 150,553 |
| Undistributed income brought forward | | | | | | |
| Realised | | 3,501 | | | - | |
| Unrealised | | 1,275 | | | - | |
| | | 4,776 | | | - | |
| Accounting income available for distribution | | | | | | |
| Relating to capital gains | | - | | | - | |
| Excluding capital gains | | 2,104 | | | - | |
| | | 2,104 | | | - | |
| Undistributed income carried forward | | 6,880 | | | - | |
| Undistributed income carried forward | | | | | | |
| Realised | | 7,553 | | | (262) | |
| Unrealised | | (673) | | | 6,038 | |
| | | 6,880 | | | 5,776 | |
| | | | | | | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | <u>103.7607</u> | | | <u>-</u> |
| Net assets value per unit at end of the period | | | <u>107.0455</u> | | | <u>104.0190</u> |

The annexed notes from 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 Financial Planning Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For The Nine Months Period Ended March 31, 2019

| | Nine months period ended March 31, 2019 | | | For the period from October 11, 2017 to March 31, 2018 | | |
|--|--|---|-----------------|---|-------------------------|-----------------|
| | Capital value | Undistributed income / (accumulated loss) | Total | Capital value | Undistributed income | Total |
| | Strategic Allocation Plan | | | | | |
| | (Rupees in '000) | | | | | |
| Net assets at beginning of the period | 203,390 | 5,132 | 208,522 | - | - | - |
| Issuance of Nil units (2018: 2,034,612 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | - | - | - | 203,461 | - | 203,461 |
| Element of income | - | - | - | 1 | - | 1 |
| Total proceeds on issuance of units | - | - | - | 203,462 | - | 203,462 |
| Redemption of 319,220 units (2018: 701 units) | | | | | | |
| Capital value (at net asset value per unit at the beginning of the period) | (32,723) | - | (32,723) | (70) | - | (70) |
| Income already paid on redemption of units | - | - | - | - | (2) | (2) |
| Element of income | 407 | - | 407 | - | - | - |
| Total payments on redemption of units | (32,316) | - | (32,316) | (70) | (2) | (72) |
| Total comprehensive (loss) / income for the period | - | (2,115) | (2,115) | - | 12,104 | 12,104 |
| Net assets at end of the period | 171,074 | 3,017 | 174,091 | 203,392 | 12,102 | 215,494 |
| Undistributed income brought forward | | | | | | |
| Realised | | 4,617 | | | - | |
| Unrealised | | 515 | | | - | |
| | | 5,132 | | | - | |
| Accounting income available for distribution | | | | | | |
| Relating to capital gains | | - | | | - | |
| Excluding capital gains | | - | | | - | |
| | | - | | | - | |
| Accounting loss for the period | | (2,115) | | | - | |
| Accumulated (loss) / undistributed income carried forward | | 3,017 | | | - | |
| Accumulated (loss) / undistributed income carried forward | | | | | | |
| Realised | | 3,323 | | | 428 | |
| Unrealised | | (306) | | | 11,674 | |
| | | 3,017 | | | 12,102 | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | <u>102.5230</u> | | | - |
| Net assets value per unit at end of the period | | | <u>101.5285</u> | | | <u>105.9505</u> |

The annexed notes from 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 Financial Planning Fund

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

For the Nine Months Period Ended March 31, 2019

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 however, 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. HBL Financial Planning Fund - Strategic Allocation Plan is due to mature on October 11, 2019, unless the Management Company decides otherwise.

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 the 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP have been followed.

- 2.1.2** The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of 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 audited financial statements of the Fund for the year ended June 30, 2018.
- 2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2018, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the nine months ended year ended March 31, 2018.
- 2.1.4** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

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.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

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 period ended June 30, 2018 except as explained in note 3.6.
- 3.2** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3** The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the period from October 11, 2017 to June 30, 2018.
- 3.4** There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 3.6.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the period ended June 30, 2018.

3.6 Except as described below, the accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018.

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018. A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Fund's condensed interim financial information.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Fund's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

| | |
|---|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. |

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at July 1, 2018.

| Note | Original classification under IAS 39 | Held by Active Allocation Plan | | |
|-------------------------------------|--------------------------------------|---------------------------------|---------------------------------------|----------------------------------|
| | | New classification under IFRS 9 | Original carrying amount under IAS 39 | New carrying amount under IFRS 9 |
| ----- (Rupees in '000) ----- | | | | |
| Financial assets | | | | |
| Bank balances | (b) Loans and receivables | Amortised cost | 1,278 | 1,278 |
| Investment in units of Mutual Funds | (a) Held for trading | FVTPL | 328,586 | 328,586 |
| Accrued markup | (b) Loans and receivables | Amortised cost | 4 | 4 |
| Advances and prepayments | (b) Loans and receivables | Amortised cost | 133 | 133 |
| | | | <u>330,001</u> | <u>330,001</u> |

| Note | Original classification under IAS 39 | Held by Conservative Allocation Plan | | |
|-------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|----------------------------------|
| | | New classification under IFRS 9 | Original carrying amount under IAS 39 | New carrying amount under IFRS 9 |
| ----- (Rupees in '000) ----- | | | | |
| Financial assets | | | | |
| Bank balances | (b) Loans and receivables | Amortised cost | 443 | 443 |
| Investment in units of Mutual Funds | (a) Held for trading | FVTPL | 132,536 | 132,536 |
| Accrued markup | (b) Loans and receivables | Amortised cost | 1 | 1 |
| Advances and prepayments | (b) Loans and receivables | Amortised cost | 93 | 93 |
| | | | <u>133,073</u> | <u>133,073</u> |

| | Note | Original classification under IAS 39 | Held by Strategic Allocation Plan | | |
|--|------|---|------------------------------------|---|--|
| | | | New classification under IFRS 9 | Original carrying amount under IAS 39 | New carrying amount under IFRS 9 |
| ----- (Rupees in '000) ----- | | | | | |
| Financial assets | | | | | |
| Bank balances | (b) | Loans and receivables | Amortised cost | 149 | 149 |
| Investment in units of Mutual Funds | (a) | Held for trading | FVTPL | 207,827 | 207,827 |
| Accrued markup | (b) | Loans and receivables | Amortised cost | - | - |
| Advances and prepayments | (b) | Loans and receivables | Amortised cost | 99 | 99 |
| | | | | 208,075 | 208,075 |

(a) Listed equity securities classified as financial assets at fair value through profit or loss - held for trading have been measured at fair value through profit or loss with value changes continue to recognised in income statement.

(b) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds.

iii. Transition

The Fund has used the exemption not to restate comparative periods. Comparative periods have not generally been restated. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets attributable to unit holders as at July 1, 2018. Accordingly, comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

| | Note | March 31, 2019 (Un-Audited) | | | | June 30, 2018 (Audited) | | | |
|------------------------------|------|-----------------------------|---------------------------------|------------------------------|-------|---------------------------|---------------------------------|------------------------------|-------|
| | | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total |
| ----- (Rupees in '000) ----- | | | | | | | | | |
| BANK BALANCES | | | | | | | | | |
| Savings accounts | 4.1 | 1,455 | 30 | 83 | 1,568 | 1,278 | 443 | 149 | 1,870 |

This represents bank accounts held with various banks. Mark-up rates on these accounts range between 11.15% to 8.28% per annum(June 30, 2018: 4.0% to 8.25% per annum).

| | March 31, 2019 (Un-Audited) | | | | June 30, 2018 (Audited) | | | | |
|--|------------------------------|------------------------------|---------------------------|---------|------------------------------|------------------------------|---------------------------|---------|---------|
| | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | |
| 5. INVESTMENTS | ----- (Rupees in '000) ----- | | | | ----- (Rupees in '000) ----- | | | | |
| At 'fair value through profit or loss' | | | | | | | | | |
| Units of mutual funds | 5.1 | 155,092 | 68,137 | 173,959 | 397,188 | 328,586 | 132,536 | 207,827 | 668,949 |

Units of Mutual Funds

| Name of Investee Funds | Number of units | | | | As at March 31, 2019 | | | Market value as a percentage | |
|-------------------------------------|--------------------|-----------------------------|-------------------------------|----------------------|----------------------|----------------|-----------------------------|------------------------------|-------------------------------|
| | As at July 1, 2018 | Purchases during the period | Redemptions during the period | As at March 31, 2019 | Carrying Amount | Market Value | Appreciation / (diminution) | Net assets of the plan | Total investments of the plan |
| ----- (Rupees in '000) ----- | | | | | | | | | |
| Active Allocation Plan | | | | | | | | | |
| HBL Cash Fund | 1,230,903 | 540,402 | 1,012,804 | 758,501 | 76,412 | 76,421 | 9 | 48.65 | 49.27 |
| HBL Stock Fund | 1,850,743 | 240,296 | 1,393,404 | 697,635 | 74,465 | 70,655 | (3,810) | 44.98 | 45.56 |
| HBL Income Fund | - | 71,498 | - | 71,498 | 8,000 | 8,016 | 16 | 5.10 | 5.17 |
| As at March 31, 2019 (Un-Audited) | 3,081,646 | 852,196 | 2,406,208 | 1,527,634 | 158,877 | 155,092 | (3,785) | 98.73 | 100 |
| As at June 30, 2018 (Audited) | - | 7,312,976 | 4,231,330 | 3,081,646 | 330,009 | 328,586 | (1,423) | 99.43 | 100 |
| Conservative Allocation Plan | | | | | | | | | |
| HBL Cash Fund | 999,990 | 82,992 | 544,082 | 538,900 | 54,294 | 54,295 | 1 | 79.01 | 79.69 |
| HBL Stock Fund | 248,195 | 38,156 | 149,674 | 136,677 | 14,516 | 13,842 | (674) | 20.14 | 20.31 |
| As at March 31, 2019 (Un-Audited) | 1,248,185 | 121,148 | 693,756 | 675,577 | 68,810 | 68,137 | (673) | 99.15 | 100 |
| As at June 30, 2018 (Audited) | - | 2,798,743 | 1,550,558 | 1,248,185 | 131,261 | 132,536 | 1,275 | 99.14 | 100 |
| Strategic Allocation Plan | | | | | | | | | |
| HBL Cash Fund | 380,044 | 235,733 | 442,622 | 173,155 | 17,441 | 17,446 | 5 | 10.02 | 10.03 |
| HBL Stock Fund | 963,327 | 235,777 | 413,959 | 785,145 | 83,707 | 79,518 | (4,189) | 45.68 | 45.71 |
| HBL Income Fund | 578,925 | 107,852 | - | 686,777 | 73,115 | 76,995 | 3,880 | 44.23 | 44.26 |
| As at March 31, 2019 (Un-Audited) | 1,922,296 | 579,362 | 856,581 | 1,645,077 | 174,263 | 173,959 | (304) | 100 | 100 |
| As at June 30, 2018 (Audited) | - | 4,497,939 | 2,575,643 | 1,922,296 | 207,312 | 207,827 | 515 | 99.66 | 100 |
| Total as at March 31, 2019 | 6,252,127 | 1,552,706 | 3,956,545 | 3,848,288 | 401,950 | 397,188 | (4,762) | | |
| Total - As at June 30, 2018 | - | 14,609,658 | 8,357,531 | 6,252,127 | 668,582 | 668,949 | 367 | | |

6. PAYABLE TO THE MANAGEMENT COMPANY

| | March 31, 2019 (Un-Audited) | | | | June 30, 2018 (Audited) | | | | |
|--|------------------------------|------------------------------|---------------------------|-------|-------------------------|------------------------------|---------------------------|-------|----|
| | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | |
| Note | ----- (Rupees in '000) ----- | | | | | | | | |
| Remuneration of the Management Company | 6.1 | 2 | 1 | 2 | 5 | 2 | 1 | 1 | 4 |
| Sindh Sales Tax on the Management Company | 6.2 | - | - | - | - | - | - | - | - |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | 14 | 6 | 16 | 36 | 28 | 11 | 17 | 56 |
| Sales load payable | | - | - | - | - | 11 | - | - | 11 |
| | | 16 | 7 | 18 | 41 | 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 plans. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears.
- 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 NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost, whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1 percent of the average annual net assets, being lower amount, to the Fund during the period.

7. ACCRUED EXPENSES AND OTHER LIABILITIES

| | March 31, 2019 (Un-Audited) | | | | June 30, 2018 (Audited) | | | | |
|---|------------------------------|--------------|------------|------------|-------------------------|--------------|------------|------------|------------|
| | Active | Conservative | Strategic | Total | Active | Conservative | Strategic | Total | |
| | Allocation | Allocation | Allocation | | Allocation | Allocation | Allocation | | |
| | Plan | Plan | Plan | Plan | Plan | Plan | Plan | | |
| Note | ----- (Rupees in '000) ----- | | | | | | | | |
| Withholding tax | - | - | - | - | 126 | - | - | 126 | |
| Provision for Sindh Workers' Welfare Fund | 7.1 | 111 | 185 | 105 | 401 | 111 | 126 | 105 | 342 |
| Printing charges payable | | 18 | 22 | 25 | 65 | 25 | 26 | 29 | 80 |
| Auditors' remuneration | | 52 | 45 | 52 | 149 | 71 | 70 | 82 | 223 |
| Other payables | | 179 | 2 | 5 | 186 | 50 | - | - | 50 |
| | | <u>360</u> | <u>255</u> | <u>187</u> | <u>802</u> | <u>383</u> | <u>222</u> | <u>216</u> | <u>821</u> |

7.1 The legal status of applicability of Sindh Workers' Welfare Fund is same as that disclosed in note 11.1 to the audited financial statements of the Fund for the period from October 11, 2017 to June 30, 2018.

Based on above, provision against SWWF amounting to Rs. 0.111 million, Rs. 0.185 million and Rs. 0.105 million has been made during the period in Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan respectively. Had the provision not been made, the net asset value per unit would have been higher by Rs. 0.0713 million per unit, Rs. 0.2886 per unit and Rs. 0.0612 per unit of the Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan respectively (June 30, 2018: Rs. 0.034, Rs. 0.098 and Rs. 0.051 per unit).

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and at June 30, 2018.

9. TAXATION

As the Fund has incurred a net loss and as the Fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Fund is also exempt from provision of Section 113 (minimum tax) under clause 11A of Part IV of Second Schedule to the Income Tax Ordinance, 2001. Hence no provision with respect to tax has been recognized in this condensed interim financial information.

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. TRANSACTIONS WITH CONNECTED PERSONS

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, 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 these condensed interim financial information are as follows:

11.1 Transactions during the period

| | Nine months ended March 31, 2019 | | | | For the period from October 11, 2017 to March 31, 2018 | | | |
|--|----------------------------------|------------------------------|---------------------------|---------|--|------------------------------|---------------------------|---------|
| | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total |
| ----- (Rupees in '000) ----- | | | | | | | | |
| HBL Asset Management Limited - Management Company | | | | | | | | |
| Issuance of nil (2018: 999,902) units | - | - | - | - | - | - | 99,920 | 99,920 |
| Remuneration of the Management Company | 19 | 11 | 5 | 35 | 20 | 12 | 10 | 42 |
| Sindh Sales Tax on remuneration of the Management Company | 2 | 1 | 1 | 4 | 3 | 1 | 1 | 5 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 144 | 78 | 152 | 374 | 132 | 79 | 98 | 309 |
| Habib Bank Limited - Sponsor | | | | | | | | |
| Bank charges | 14 | 7 | 9 | 30 | 13 | 8 | 7 | 28 |
| Mark-up on deposits with banks | 75 | 28 | 4 | 107 | 342 | 85 | 62 | 489 |
| MCB Financial Services Limited - Trustee | | | | | | | | |
| Remuneration of the Trustee | 147 | 80 | 154 | 381 | 134 | 81 | 99 | 314 |
| Patient Welfare Association - Connected Person due to 10% holding | | | | | | | | |
| Issue of nil (2018: 400,000) units | - | - | - | - | - | 40,000 | - | 40,000 |
| Sapphire Finishing Mills Limited Employees Provident Fund Connected person due to 10% holding | | | | | | | | |
| Issue of nil (2018: 254,254) units | - | - | - | - | - | - | 25,426 | 25,426 |
| Ferozsons Laboratories Limited Employees Provident Fund Connected Person due to 10% holding | | | | | | | | |
| Issue of nil (2018: 500,000) units | - | - | - | - | 50,000 | - | - | 50,000 |
| Mr Mudassar Iqbal Connected Person due to 10% holding | | | | | | | | |
| Issue of nil (2018: 150,000) units | - | - | - | - | - | 15,000 | - | 15,000 |
| Mir Ghulam Ali Talpur Connected Person due to 10% holding | | | | | | | | |
| Issue of nil (2018: 250,500) units | - | - | - | - | - | - | 250,050 | 250,050 |
| Executives of the HBL Asset Management Limited - Management Company | | | | | | | | |
| Issue of nil (2018: 1,006,108) units | - | - | - | - | 102,000 | - | - | 102,000 |
| Issue of nil (2018: 750,000) units | - | - | - | - | - | - | - | - |
| Issue of nil (2018: 250,500) units | - | - | - | - | - | - | - | - |
| HBL Income Fund CIS managed by the Management Company | | | | | | | | |
| Bonus / Purchase of 71,498 (2018: nil) units | 8,000 | - | - | 8,000 | - | - | - | - |
| Purchase of 107,852 (2018: 1,734,330) units | - | - | 8,700 | 8,700 | - | - | 186,000 | 186,000 |
| Redemption of nil (2018: 978,333) units | - | - | - | - | - | - | 106,195 | 106,195 |
| HBL Stock Fund CIS managed by the Management Company | | | | | | | | |
| Purchase of 240,296 (2018: 1,771,112) units | 25,300 | - | - | 25,300 | 187,800 | - | - | 187,800 |
| Purchase of 38,156 (2018: 359,944) units | - | 3,900 | - | 3,900 | - | 36,600 | - | 36,600 |
| Purchase of 235,777 (2018: 1,157,403) units | - | - | 24,716 | 24,716 | - | - | 121,900 | 121,900 |
| Redemption of 1,393,404 (2018: 13,798) units | 143,087 | - | - | 143,087 | 1,500 | - | - | 1,500 |
| Redemption of 149,674 (2018: 91,441) units | - | 15,408 | - | 15,408 | - | 10,010 | - | 10,010 |
| Redemption of 413,959 (2018: nil) units | - | - | 41,640 | 41,640 | - | - | - | - |

| | Nine months ended March 31, 2019 | | | | For the period from October 11, 2017 to March 31, 2018 | | | |
|--|----------------------------------|------------------------------|---------------------------|---------|--|------------------------------|---------------------------|---------|
| | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total |
| ----- (Rupees in '000) ----- | | | | | | | | |
| HBL Cash Fund - CIS managed by the Management Company | | | | | | | | |
| Purchase of 540,402 (2018: 2,964,330) units | 48,033 | - | - | 48,033 | 303,305 | - | - | 303,305 |
| Purchase of 82,992 (2018: 1,423,823) units | - | 3,149 | - | 3,149 | - | 145,300 | - | 145,300 |
| Purchase of 235,733 (2018: 97,963) units | - | - | 21,780 | 21,780 | - | - | 10,000 | 10,000 |
| Redemption of 1,012,804 (2018: 1,738,862) units | 102,624 | - | - | 102,624 | 179,645 | - | - | 179,645 |
| Redemption of 544,083 (2018: 285,010) units | - | 56,350 | - | 56,350 | - | 29,525 | - | 29,525 |
| Redemption of 442,622 (2018: 97,963) units | - | - | 45,071 | 45,071 | - | - | 10,111 | 10,111 |
| Dividend income | 3,533 | 3,149 | 1,180 | 7,862 | - | - | - | - |
| | | | | | | | | |
| | March 31, 2019 (Un-Audited) | | | | June 30, 2018 (Audited) | | | |
| | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total |

11.2 Balances Outstanding As At Period / Year End

| | March 31, 2019 (Un-Audited) | | | | June 30, 2018 (Audited) | | | |
|--|-----------------------------|------------------------------|---------------------------|---------|-------------------------|------------------------------|---------------------------|---------|
| | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total |
| ----- (Rupees in '000) ----- | | | | | | | | |
| HBL Asset Management Limited - Management Company | | | | | | | | |
| Remuneration payable to the Management Company | 2 | 1 | 2 | 5 | 2 | 1 | 1 | 4 |
| Units held: 999,202 (June 30, 2018: 999,202) | - | - | 102,441 | 102,441 | - | - | 102,513 | 102,513 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 14 | 6 | 16 | 36 | 28 | 11 | 17 | 56 |
| Sales load payable | - | - | - | - | 11 | - | - | 11 |
| Habib Bank Limited - Sponsor | | | | | | | | |
| Mark-up accrued on deposits with bank | - | - | - | - | 4 | 1 | - | 5 |
| Bank balances | 1,445 | 8 | 71 | 1,524 | 1,268 | 387 | 149 | 1,804 |
| MCB Financial Services Limited - Trustee | | | | | | | | |
| Remuneration payable to the Trustee | 12 | 5 | 14 | 31 | 58 | 24 | 36 | 118 |
| Executives of the Management Company | | | | | | | | |
| Units held: 38,992 (June 30, 2018: 38,992) | 3,934 | - | - | 3,934 | 4,003 | - | - | 4,003 |
| Mr. Mir Ghulam Ali Talpur - Connected Person due to 10% holding | | | | | | | | |
| Units held: 250,500 (June 30, 2018: 250,500) | - | - | 25,433 | 25,433 | - | - | 25,682 | 25,682 |
| | | | | | | | | |
| | March 31, 2019 (Un-Audited) | | | | June 30, 2018 (Audited) | | | |
| | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Strategic Allocation Plan | Total |
| ----- (Rupees in '000) ----- | | | | | | | | |
| Sapphire Finishing Mills Limited Employees Provident Fund Connected person due to 10% holding | | | | | | | | |
| Units held: 254,254 (June 30, 2018: 254,254) | - | - | 25,814 | 25,814 | - | - | 26,067 | 26,067 |
| Ferozsons Laboratories Limited Employees Provident Fund Connected Person due to 10% holding | | | | | | | | |
| Units held: 500,000 (June 30, 2018: 500,000) | 50,450 | - | - | 50,450 | 51,325 | - | - | 51,325 |
| Mr. Mudassar Iqbal - Connected Person due to 10% holding | | | | | | | | |
| Units held: 150,000 (June 30, 2018: 150,000) | - | 16,057 | - | 16,057 | - | 15,564 | - | 15,564 |
| Units held: 150,000 (June 30, 2018: 150,000) | 15,135 | - | - | 15,135 | 15,398 | - | - | 15,398 |
| Patient Welfare Association - Connected Person due to 10% holding | | | | | | | | |
| Units held: 400,000 (June 30, 2018: nil) | - | 42,818 | - | 42,818 | - | 41,418 | - | 41,418 |
| Ms. Safia Aziz Mirza - Connected Person due to 10% holding | | | | | | | | |
| Units held 149,247 (June 30, 2018: 149,247) | 15,059 | - | - | 15,059 | 15,320 | - | - | 15,320 |
| HBL Income Fund - CIS managed by the Management Company | | | | | | | | |
| Units held: 71,498 (June 30, 2018: nil) | 8,016 | - | - | 8,016 | - | - | - | - |
| Units held: 686,777 (June 30, 2018: 578,925) | - | - | 76,995 | 76,995 | - | - | 64,415 | 64,415 |
| HBL Stock Fund - CIS managed by the Management Company | | | | | | | | |
| Units held: 697,635 (June 30, 2018: 1,850,743) | 70,655 | - | - | 70,655 | 198,155 | - | - | 198,155 |
| Units held: 136,677 (June 30, 2018: 248,195) | - | 13,842 | - | 13,842 | - | 26,574 | - | 26,574 |
| Units held: 785,145 (June 30, 2018: 963,327) | - | - | 79,518 | 79,518 | - | - | 103,141 | 103,141 |
| HBL Cash Fund - CIS managed by the Management Company | | | | | | | | |
| Units held: 758,501 (June 30, 2018: 1,230,903) | 76,421 | - | - | 76,421 | 130,431 | - | - | 130,431 |
| Units held: 538,900 (June 30, 2018: 999,990) | - | 54,295 | - | 54,295 | - | 105,962 | - | 105,962 |
| Units held: 173,155 (June 30, 2018: 380,044) | - | - | 17,441 | 17,441 | - | - | 40,271 | 40,271 |

12. 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.

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:

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

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

| | | March 31, 2019 (Un-Audited) | | | | | | |
|---|--|--|-----------------------|----------------|-------------------|----------------|----------------|----------------|
| | | Active Allocation Plan | | | | | | |
| | | Carrying amount | | | Fair Value | | | |
| | | Fair value through profit or loss | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | ----- | (Rupees in '000)----- | | | | | | |
| On-balance sheet financial instruments | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| | Investments | 155,092 | - | 155,092 | 155,092 | - | - | 155,092 |
| | | <u>155,092</u> | <u>-</u> | <u>155,092</u> | <u>155,092</u> | <u>-</u> | <u>-</u> | <u>155,092</u> |
| Financial assets not measured at fair value | | | | | | | | |
| | Bank balances | - | 1,455 | 1,455 | | | | |
| | | <u>-</u> | <u>1,455</u> | <u>1,455</u> | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| | Payable to the Management Company | - | 16 | 16 | | | | |
| | Payable to the Trustee | - | 14 | 14 | | | | |
| | Accrued expenses and other liabilities | - | 70 | 70 | | | | |
| | Payable against redemption of units | - | - | - | | | | |
| | | <u>-</u> | <u>100</u> | <u>100</u> | | | | |

| June 30, 2018 (Audited) | | | | | | | |
|--|------------------------------|--------------|----------------|----------------|----------|----------|----------------|
| Active Allocation Plan | | | | | | | |
| Carrying amount | | | | Fair Value | | | |
| Fair value through profit or loss | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total | |
| Note | ----- (Rupees in '000) ----- | | | | | | |
| On-balance sheet financial instruments | | | | | | | |
| Financial assets measured at fair value | | | | | | | |
| Investments | 328,586 | - | 328,586 | 328,586 | - | - | 328,586 |
| | <u>328,586</u> | <u>-</u> | <u>328,586</u> | <u>328,586</u> | <u>-</u> | <u>-</u> | <u>328,586</u> |
| Financial assets not measured at fair value 12.1 | | | | | | | |
| Bank balances | - | 1,278 | 1,278 | | | | |
| Accrued mark-up | - | 4 | 4 | | | | |
| | <u>-</u> | <u>1,282</u> | <u>1,282</u> | | | | |
| Financial liabilities not measured at fair value 12.1 | | | | | | | |
| Payable to the Management Company | - | 41 | 41 | | | | |
| Payable to the Trustee | - | 58 | 58 | | | | |
| Accrued expenses and other liabilities | - | 96 | 96 | | | | |
| | <u>-</u> | <u>195</u> | <u>195</u> | | | | |

| March 31, 2019 (Un-Audited) | | | | | | | |
|--|------------------------------|-----------|---------------|---------------|----------|----------|---------------|
| Conservative Allocation Plan | | | | | | | |
| Carrying amount | | | | Fair Value | | | |
| Fair value through profit or loss | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total | |
| Note | ----- (Rupees in '000) ----- | | | | | | |
| On-balance sheet financial instruments | | | | | | | |
| Financial assets measured at fair value | | | | | | | |
| Investments | 68,137 | - | 68,137 | 68,137 | - | - | 68,137 |
| | <u>68,137</u> | <u>-</u> | <u>68,137</u> | <u>68,137</u> | <u>-</u> | <u>-</u> | <u>68,137</u> |
| Financial assets not measured at fair value 12.1 | | | | | | | |
| Bank balances | - | 30 | 30 | | | | |
| | <u>-</u> | <u>30</u> | <u>30</u> | | | | |
| Financial liabilities not measured at fair value 12.1 | | | | | | | |
| Payable to the Management Company | - | 7 | 7 | | | | |
| Payable to the Trustee | - | 6 | 6 | | | | |
| Accrued expenses and other liabilities | - | 70 | 70 | | | | |
| | <u>-</u> | <u>83</u> | <u>83</u> | | | | |

| June 30, 2018 (Audited) | | | | | | | |
|--|----------------|------------|------------------------------|----------------|----------|----------|----------------|
| Conservative Allocation Plan | | | | | | | |
| Carrying amount | | | Fair Value | | | | |
| Fair value through profit or loss | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total | |
| Note | | | ----- (Rupees in '000) ----- | | | | |
| On-balance sheet financial instruments | | | | | | | |
| Financial assets measured at fair value | | | | | | | |
| Investments | 132,536 | - | 132,536 | 132,536 | - | - | 132,536 |
| | <u>132,536</u> | <u>-</u> | <u>132,536</u> | <u>132,536</u> | <u>-</u> | <u>-</u> | <u>132,536</u> |
| Financial assets not measured at fair value 12.1 | | | | | | | |
| Bank balances | - | 443 | 443 | | | | |
| Accrued mark-up | - | 1 | 1 | | | | |
| | <u>-</u> | <u>444</u> | <u>444</u> | | | | |
| Financial liabilities not measured at fair value 12.1 | | | | | | | |
| Payable to the Management Company | - | 12 | 12 | | | | |
| Payable to the Trustee | - | 24 | 24 | | | | |
| Accrued expenses and other liabilities | - | 96 | 96 | | | | |
| | <u>-</u> | <u>132</u> | <u>132</u> | | | | |

| March 31, 2019 (Un-Audited) | | | | | | | |
|--|----------------|------------|------------------------------|----------------|----------|----------|----------------|
| Strategic Allocation Plan | | | | | | | |
| Carrying amount | | | Fair Value | | | | |
| Fair value through profit or loss | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total | |
| Note | | | ----- (Rupees in '000) ----- | | | | |
| On-balance sheet financial instruments | | | | | | | |
| Financial assets measured at fair value | | | | | | | |
| Investments | 173,959 | - | 173,959 | 173,959 | - | - | 173,959 |
| | <u>173,959</u> | <u>-</u> | <u>173,959</u> | <u>173,959</u> | <u>-</u> | <u>-</u> | <u>173,959</u> |
| Financial assets not measured at fair value 12.1 | | | | | | | |
| Bank balances | - | 83 | 83 | | | | |
| | <u>-</u> | <u>83</u> | <u>83</u> | | | | |
| Financial liabilities not measured at fair value 12.1 | | | | | | | |
| Payable to the Management Company | - | 18 | 18 | | | | |
| Payable to the Trustee | - | 16 | 16 | | | | |
| Accrued expenses and other liabilities | - | 79 | 79 | | | | |
| | <u>-</u> | <u>113</u> | <u>113</u> | | | | |

| June 30, 2018 (Audited) Strategic Allocation Plan | | | | | | |
|--|-------------------|-------|------------|---------|---------|-------|
| Carrying amount | | | Fair Value | | | |
| Fair value through profit or loss | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |

Note----- (Rupees in '000) -----

On-balance sheet financial instruments

Financial assets measured at fair value

| | | | | | | | |
|-------------|----------------|----------|----------------|----------------|----------|----------|----------------|
| Investments | 207,827 | - | 207,827 | 207,827 | - | - | 207,827 |
| | <u>207,827</u> | <u>-</u> | <u>207,827</u> | <u>207,827</u> | <u>-</u> | <u>-</u> | <u>207,827</u> |

Financial assets not measured at fair value 12.1

| | | | | | | | |
|---------------|----------|------------|------------|--|--|--|--|
| Bank balances | - | 149 | 149 | | | | |
| | <u>-</u> | <u>149</u> | <u>149</u> | | | | |

Financial liabilities not measured at fair value 12.1

| | | | | | | | |
|--|----------|------------|------------|--|--|--|--|
| Payable to the Management Company | - | 18 | 18 | | | | |
| Payable to the Trustee | - | 36 | 36 | | | | |
| Accrued expenses and other liabilities | - | 111 | 111 | | | | |
| | <u>-</u> | <u>165</u> | <u>165</u> | | | | |

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

12.2 Transfers during the period

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the half year ended March 31, 2019 is 0.40%, 0.54% and 0.54% (March 2018: 0.37%, 0.38% and 0.49%) which includes 0.08%, 0.13% and 0.08% (March 2018: 0.18%, 0.14% and 0.17%) representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan respectively.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 30, 2019 by the Board of Directors of the Management Company.

15. GENERAL

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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 March 31, 2019

| | Note | March 31, 2019 2019 (Un-Audited) | | | June 30, 2018 2018 (Audited) |
|---|------|--|--------------------|-------------------|------------------------------------|
| | | Class A | Class B | Total | Total |
| ----- (Rupees in '000) ----- | | | | | |
| Assets | | | | | |
| Bank balances | 4 | 163,180 | 732,773 | 895,953 | 729,178 |
| Investments | 5 | 5,674,221 | 4,575,951 | 10,250,172 | 12,112,200 |
| Dividend receivable and accrued mark-up | | 3,959 | 60,123 | 64,082 | 205,437 |
| Advances, deposits and prepayments | | 709 | 3,550 | 4,259 | 3,176 |
| Total assets | | 5,842,069 | 5,372,397 | 11,214,466 | 13,049,991 |
| Liabilities | | | | | |
| Payable to Management Company | 6 | 17,875 | 15,304 | 33,179 | 24,928 |
| Payable to the Trustee | | 660 | 646 | 1,306 | 786 |
| Payable to the Securities and Exchange Commission of Pakistan | | 4,798 | 3,769 | 8,567 | 12,397 |
| Payable against purchase of investment | | - | 5,884 | 5,884 | 28,631 |
| Accrued expenses and other liabilities | 7 | 223 | 168,198 | 168,421 | 170,516 |
| Unclaimed dividend | | - | 135,836 | 135,836 | 136,773 |
| Total liabilities | | 23,556 | 329,637 | 353,193 | 374,031 |
| Net assets | | 5,818,514 | 5,042,760 | 10,861,274 | 12,675,960 |
| Unit holders' fund (as per statement attached) | | 5,818,514 | 5,042,760 | 10,861,274 | 12,675,960 |
| Contingencies and commitments | | | | | |
| ----- Number of units ----- | | | | | |
| Number of units in issue | | 283,500,000 | 277,738,236 | | 283,500,000 |
| ----- (Rupees in '000) ----- | | | | | |
| Net assets value per unit | | 20.5239 | 18.1565 | | 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 (Un-Audited)
For the Nine Months and Quarter ended March 31, 2019

| Note | Nine Months Ended March 31, | | | Quarter Ended March 31, | | | | |
|--|--------------------------------|------------------|------------------|----------------------------|-----------------|----------------|----------------|----------------|
| | 2019 | | 2018 | 2019 | | | 2018 | |
| | Class A | Class B | Total | Total | Class A | Class B | Total | |
| | (Rupees in '000) | | | | | | | |
| Income | | | | | | | | |
| Capital loss on sale of investments - net | - | (86,076) | (86,076) | (550,681) | - | (11,220) | (11,220) | (185,495) |
| Dividend income | 95,017 | 170,349 | 265,366 | 497,514 | - | 54,003 | 54,003 | 47,049 |
| Income from Government Securities | - | - | - | 760 | - | - | - | 760 |
| Mark-up on deposits with banks | 10,879 | 55,398 | 66,277 | 52,667 | 4,801 | 20,537 | 25,338 | 16,203 |
| Back end load | - | 7,821 | 7,821 | - | - | 3,250 | 3,250 | - |
| | 105,896 | 147,492 | 253,388 | 260 | 4,801 | 66,569 | 71,370 | (121,483) |
| Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net | - | (310,535) | (310,535) | (61,184) | - | 300,699 | 300,699 | 719,365 |
| | 105,896 | (163,043) | (57,147) | (60,924) | 4,801 | 367,268 | 372,069 | 597,882 |
| investments at fair value through profit or loss - net | - | - | - | - | - | - | - | - |
| Expenses | | | | | | | | |
| Remuneration of Management Company | 114,134 | 89,648 | 203,782 | 221,426 | 34,476 | 28,913 | 63,389 | 72,445 |
| Remuneration of Trustee | 6,226 | 4,908 | 11,134 | 6,701 | 1,878 | 1,570 | 3,448 | 2,200 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 4,798 | 3,769 | 8,567 | 9,338 | 1,449 | 1,248 | 2,697 | 3,045 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 5,050 | 4,033 | 9,083 | 9,798 | 1,525 | 1,346 | 2,871 | 3,206 |
| Selling and marketing expense | 20,044 | 15,613 | 35,657 | - | 6,101 | 5,118 | 11,219 | - |
| Settlement and bank charges | 9 | 1,100 | 1,109 | 1,107 | 4 | 389 | 393 | 330 |
| Auditors' remuneration | 283 | 158 | 441 | 498 | 107 | (14) | 93 | 156 |
| Fees and subscription | 1,194 | 452 | 1,646 | 1,268 | 983 | 148 | 1,131 | 150 |
| Conversion expense from closed end to open end fund | - | 396 | 396 | 2,280 | - | - | - | 1,492 |
| Securities transaction charges | - | 8,330 | 8,330 | 7,343 | - | 2,941 | 2,941 | 3,494 |
| | 151,738 | 128,407 | 280,145 | 259,759 | 46,523 | 41,659 | 88,182 | 86,518 |
| Net loss operating activities | (45,842) | (291,450) | (337,292) | (320,683) | (41,722) | 325,609 | 283,887 | 511,364 |
| Element of income and capital gains included in prices of units issued less those in units redeemed - net | - | - | - | - | - | - | - | - |
| Provision for Sindh Workers' Welfare fund | 7.1 | - | - | - | - | - | - | - |
| Net loss for the period before taxation | (45,842) | (291,450) | (337,292) | (320,683) | (41,722) | 325,609 | 283,887 | 511,364 |
| Taxation | 9 | - | - | - | - | - | - | - |
| Net loss for the period after taxation | (45,842) | (291,450) | (337,292) | (320,683) | (41,722) | 325,609 | 283,887 | 511,364 |

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 Comprehensive Income (Un-Audited)
For the Nine Months and Quarter ended March 31, 2019

| | Nine Months Ended March 31, | | | Quarter Ended March 31, | | | | |
|--|--------------------------------|------------------|--------------------|----------------------------|------------------|----------------|------------------|-----------|
| | 2019 | | 2018 | 2018 | | 2018 | | |
| | Class A | Class B | Total | Class A | Class B | Total | Total | |
| | ----- (Rupees in '000) ----- | | | | | | | |
| Net (loss) / income for the period after taxation | (45,842) | (291,450) | (337,292) | (320,683) | (41,722) | 325,609 | 283,887 | 511,363 |
| Item that may be reclassified subsequently to Income Statement | | | | | | | | |
| Unrealised diminution re-measurement of investments classified as available-for-sale | - | - | - | (383,622) | - | - | - | 718,711 |
| Items that will not be reclassified to income statement | | | | | | | | |
| Unrealized diminution on re-measurement of investments classified as fair value through other comprehensive income | (1,368,058) | - | (1,368,058) | - | (230,364) | - | (230,364) | - |
| Total comprehensive loss for the period | (1,413,900) | (291,450) | (1,705,350) | (704,305) | (272,086) | 325,609 | 53,523 | 1,230,074 |

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 Unitholders' Fund (Un-Audited)

For the Nine Months Ended March 31, 2019

| | 2019 | | | | | 2018 | | | 2018 | | | | |
|--|------------------|----------------------|--|----------------------------------|------------------|------------------|----------------------|------------------|------------------|----------------------|--|----------------------------------|-------------------|
| | Class A | | Class B | | | Class B | | | Total | | | | |
| | Capital value | Undistributed Income | Unrealized Income/(loss) on Investment | Premium on issue of certificates | Total | Capital value | Undistributed Income | Total | Capital Value | Undistributed Income | Unrealized Income/(loss) on Investment | Premium on issue of certificates | Total |
| | (Rupees) | | | | | | | | | | | | |
| Net assets at beginning of the period | 2,835,000 | 1,226,556 | 5,621,904 | 2,992,500 | 12,675,960 | - | - | - | 2,835,000 | 2,565,464 | 6,189,749 | 2,992,500 | 14,582,713 |
| Transfer from premium on issue of certificates | - | 984,688 | - | 984,688 | - | - | - | - | - | - | - | - | - |
| Issue of 283,500,000 Class B units at the time of conversion | - | (5,443,546) | - | - | (5,443,546) | 2,835,000 | 2,608,546 | 5,443,546 | - | - | - | - | - |
| Issue of 1,189,511 units | - | - | - | - | - | 24,806 | - | 24,806 | - | - | - | - | - |
| - Capital value (at net asset value per unit at the beginning of the period) | - | - | - | - | - | (75) | - | (75) | - | - | - | - | - |
| - Element of loss | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total proceeds on issuance of units | - | - | - | - | - | 24,731 | - | 24,731 | - | - | - | - | - |
| Redemption of 3,493,796 units | - | - | - | - | - | 134,287 | - | 134,287 | - | - | - | - | - |
| - Capital value (at net asset value per unit at the beginning of the period) | - | - | - | - | - | (268,354) | - | (268,354) | - | - | - | - | - |
| - Element of loss | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total payment on redemption of units | - | - | - | - | - | (134,067) | - | (134,067) | - | - | - | - | - |
| Total comprehensive loss for the period | - | (45,842) | (1,368,058) | - | (1,413,900) | - | (291,450) | (291,450) | - | (320,683) | (383,622) | - | (704,306) |
| Distribution during the year period | - | - | - | - | - | - | - | - | - | (779,625) | - | - | (779,625) |
| Net loss for the period less distribution | - | (45,842) | (1,368,058) | - | (1,413,900) | - | (291,450) | (291,450) | - | (1,100,308) | (383,622) | - | (1,483,931) |
| Net assets at end of the period | 2,835,000 | (3,278,144) | 4,253,846 | 2,007,812 | 5,818,514 | (109,336) | 2,317,096 | 5,042,760 | 2,835,000 | 1,465,156 | 5,806,127 | 2,992,500 | 13,098,783 |
| Undistributed income brought forward | | | | | | | | | | | | | |
| - Realised | | 1,518,756 | | | | | | | | 1,748,697 | | | |
| - Unrealised | | (292,200) | | | | | | | | 816,767 | | | |
| | | <u>1,226,556</u> | | | | | | | | <u>2,565,464</u> | | | |
| Transfer from premium on issue of certificates | | 984,688 | | | | | | | | | | | |
| Transferred to Class B - Segment on conversion of Fund | | (5,443,546) | | | | | 2,608,546 | | | | | | |
| Net loss for the period | | (45,842) | | | | | (291,450) | | | (320,683) | | | |
| Distribution during the period | | - | | | | | - | | | (779,625) | | | |
| (Accumulated loss) / Undistributed income carried forward | | <u>(3,278,144)</u> | | | | | <u>2,317,096</u> | | | <u>1,465,156</u> | | | |
| (Accumulated loss) / Undistributed income carried forward | | | | | | | | | | | | | |
| - Realised | | (3,278,144) | | | | | 2,928,330 | | | 1,526,340 | | | |
| - Unrealised | | - | | | | | (611,234) | | | (61,184) | | | |
| | | <u>(3,278,144)</u> | | | | | <u>2,317,096</u> | | | <u>1,465,156</u> | | | |
| | (Rupees) | | | | | | | | | | | | |
| Net assets value per unit at beginning of the period | <u>25.5112</u> | | | | | | <u>19.2012</u> | | | <u>51.44</u> | | | |
| Net assets value per unit at end of the period | <u>20.5239</u> | | | | | | <u>18.1565</u> | | | <u>46.20</u> | | | |

In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that the condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

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 Statement of Cash Flow (Un- Audited)
For the Nine Months Ended March 31, 2019

| | 2019 | | 2018 | |
|---|-----------------------------|------------------|------------------|------------------|
| | Class A | Class B | Total | Total |
| Note | ------(Rupees in '000)----- | | | |
| Cash flow from operating activities | | | | |
| Net loss for the period before taxation | (45,842) | (291,450) | (337,292) | (320,683) |
| Adjustments of non-cash items | | | | |
| Capital loss on sale of investments - net | - | 86,076 | 86,076 | 550,681 |
| Income from Government securities | - | - | - | (760) |
| Unrealised diminution on remeasurement of investments classified as financial asset at fair value through profit or loss - net | - | 310,535 | 310,535 | 61,184 |
| Dividend income | (95,017) | (170,349) | (265,366) | (497,514) |
| Mark-up on deposits with banks | (10,879) | (55,398) | (66,277) | (52,667) |
| | (151,738) | (120,586) | (272,324) | (259,759) |
| (Increase) / Decrease in assets | | | | |
| Investments | - | 97,359 | 97,359 | 594,595 |
| Security deposits | (709) | (374) | (1,083) | - |
| | (709) | 96,985 | 96,276 | 594,595 |
| Increase / (decrease) in liabilities | | | | |
| Payable to Management Company | 17,875 | (9,624) | 8,251 | (2,907) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 660 | (140) | 520 | (1,101) |
| Payable to the Securities and Exchange Commission of Pakistan | 4,798 | (8,628) | (3,830) | (4,170) |
| Payable against purchase of investment | - | (22,747) | (22,747) | - |
| Accrued expenses and other liabilities | 223 | (2,318) | (2,095) | 1,422 |
| Unclaimed dividend (including dividend payable) | - | (937) | (937) | 18,184 |
| | 23,556 | (44,394) | (20,838) | 11,428 |
| Cash (used in) / generated from operations | (128,891) | (67,995) | (196,886) | 346,264 |
| Dividend received | 282,777 | 127,828 | 410,605 | 631,621 |
| Mark-up received on bank deposit | 9,295 | 53,098 | 62,393 | 50,849 |
| | 292,072 | 180,926 | 472,998 | 682,470 |
| Net cash generated from operating activities | 163,180 | 112,931 | 276,112 | 1,028,734 |
| Cash flow from financing activities | | | | |
| Amount received on issue of units | - | 24,731 | 24,731 | - |
| Amount paid on redemption of units | - | (134,067) | (134,067) | - |
| Dividend paid | - | - | - | (779,626) |
| Net cash used in financing activities | - | (109,336) | (109,336) | (779,626) |
| Net increase in cash and cash equivalents | 163,180 | 3,595 | 166,776 | 249,109 |
| Cash and cash equivalents at beginning of the period | - | 729,178 | 729,178 | 649,726 |
| Cash and cash equivalents at end of the period | 163,180 | 732,773 | 895,953 | 898,835 |

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

HBL Growth Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For The Nine Months Ended March 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Growth Fund was established under a Trust Deed, HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The 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.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be 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.

- 1.5** JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (Positive outlook) to the Management Company.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** This condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

-
-
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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 the condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

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 in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2018.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in the condensed interim financial information.

3.5 On application of IFRS - 9 'Financial Instruments', there is no material change in the Fund's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

3.6 Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to the disclosures for the nine months ended March 31, 2019.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;
- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Class A's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Class A's financial assets as regards their classification and measurement

Class A's investment in equity instruments (neither held-for-trading nor contingent consideration arising from business combination) that were previously classified as available-for-sale financial asset and were measured at fair value at each reporting date under IAS 39, have been classified as at FVTOCI. These assets represent the 'frozen portfolio' resulting from the consent agreement with the Government of Pakistan and hence cannot be traded. However, the change in the fair value of these equity instruments will continue to accumulate in the investment revaluation reserve until they are derecognised. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income will be subsequently transferred to retained earnings / undistributed income.

The Management has reviewed and assessed the Class B's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that on initial application of IFRS 9, there is no change in the measurement of the Fund's investments in Class B's equity instruments that are held-for-trading; those instruments were and continue to be measured at FVTPL.

None of the other reclassifications of financial assets have had any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

Please refer to para (d) below for further details regarding the change in classification upon the application of IFRS 9.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Fund had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Fund has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9.

| | Carrying amount as per IAS 39 as on June 30, 2018 | Reclassif- ications | Remeasu- rements | Carrying amount on initial adoption of IFRS 9 on July 01, 2018 | Effect on July 01, 2018 on Retained Earnings |
|--|---|------------------------|---------------------|---|---|
| ----- (Rupees in '000) ----- | | | | | |
| Financial assets | | | | | |
| Fair Value through Other Comprehensive Income | | | | | |
| From available for sale (IAS 39) | 1,420,375 | 1,420,375 | - | 1,420,375 | - |
| Total | 1,420,375 | 1,420,375 | - | 1,420,375 | - |

| | (Unaudited) Mar 31, 2019 | | | (Audited) June 30, 2018 |
|------------------------------|--------------------------------|----------------|----------------|-------------------------------|
| | Class A | Class B | Total | Total |
| ----- (Rupees in '000) ----- | | | | |
| BANK BALANCES | | | | |
| 4. Balances with banks in: | | | | |
| Savings account | 163,180 | 732,773 | 895,953 | 729,178 |

b This represents bank accounts held with different banks. Mark-up rates on these accounts range between 6% to 11.4% p.a (June 30, 2018: 4.50% - 7.50% p.a).

| | Notes | Class A | (Unaudited) March 31, 2019 Class B | Total | (Audited) June 30, 2018 Total |
|---|-------|------------------|---|-------------------|--|
| 5. INVESTMENTS | | | | | |
| At fair value through profit or loss | | | | | |
| - Listed equity securities | 5.1 | - | 4,540,343 | 4,540,343 | 5,069,921 |
| - Advance Against Book Building | 5.3 | - | 35,608 | 35,608 | - |
| At fair value through other comprehensive income | | | | | |
| - Listed equity securities | 5.2 | 5,674,221 | - | 5,674,221 | 7,042,279 |
| | | 5,674,221 | 4,575,951 | 10,214,564 | 12,112,200 |

5.1 Listed equity securities - At fair value through profit and loss

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 March 31, 2019 | Percentage in Relation to | | | |
|---|--------------------------|-----------------------------------|----------------------------|-------------------------------|---------------------------------|-------------------------------------|------------------------------|----------------------|----------------------------|
| | As at July 1, 2018 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at March 31, 2019 | Market value (Rupees in '000) | Net Assets of the fund | Total Investments | Investee Paidup Capital |
| CLASS B | | | | | | | | | |
| INSURANCE | | | | | | | | | |
| TPL Insurance Limited | 1,500 | - | 195 | - | 1,695 | 35 | 0.00% | 0.00% | - |
| Adamjee Insurance Limited | - | 1,198,000 | - | - | 1,198,000 | 47,980 | 0.95% | 1.06% | 0.34% |
| | 1,500 | 1,198,000 | 195 | - | 1,199,695 | 48,015 | 0.95% | 1.06% | |
| TEXTILE COMPOSITE | | | | | | | | | |
| Gul Ahmed Textile Mills Ltd | - | 527,000 | - | 527,000 | - | - | 0.00% | 0.00% | 0.00% |
| Kohinoor Textile Mills Limited | - | 684,500 | - | 67,000 | 617,500 | 27,707 | 0.55% | 0.61% | 0.58% |
| Nishat (Chunian) Limited | - | 425,000 | - | 425,000 | - | - | 0.00% | 0.00% | 0.00% |
| Nishat Mills Limited | 1,067,600 | 320,500 | - | 472,200 | 915,900 | 123,289 | 2.44% | 2.72% | 0.26% |
| | 1,067,600 | 1,957,000 | - | 1,491,200 | 1,533,400 | 150,997 | 2.99% | 3.33% | |
| CEMENT | | | | | | | | | |
| Cherat Cement Company Limited | - | 578,000 | - | 578,000 | - | - | 0.00% | 0.00% | - |
| D G Khan Cement Company Limited | - | 450,000 | - | 450,000 | - | - | 0.00% | 0.00% | - |
| Kohat Cement Limited | - | 510,000 | 52,590 | 258,090 | 304,500 | 26,135 | 0.52% | 0.58% | 0.24% |
| Lucky Cement Limited | 321,450 | 154,000 | - | 29,550 | 445,900 | 190,952 | 3.79% | 4.21% | 0.14% |
| Maple Leaf Cement Factory Limited | - | 2,121,000 | - | 1,566,000 | 555,000 | 20,785 | 0.41% | 0.46% | 0.11% |
| Pioneer Cement Limited | 500,000 | - | - | 500,000 | - | - | - | - | - |
| | 821,450 | 3,813,000 | 52,590 | 3,381,640 | 1,305,400 | 237,872 | 4.72% | 5.24% | |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | |
| Hub Power Company Ltd. | 3,074,100 | 901,500 | - | 526,000 | 3,449,600 | 252,959 | 5.02% | 5.57% | 0.30% |
| K-Electric Limited | 8,642,000 | 940,000 | - | 1,154,000 | 8,428,000 | 47,113 | 0.93% | 1.04% | 0.03% |
| Nishat Chunian Power Ltd | - | 1,245,000 | - | 143,500 | 1,101,500 | 24,002 | 0.48% | 0.53% | 0.30% |
| Pakgen Power Limited | - | 1,600,000 | - | - | 1,600,000 | 24,416 | 0.48% | 0.54% | 0.43% |
| | 11,716,100 | 4,686,500 | - | 1,823,500 | 14,579,100 | 348,489 | 6.91% | 7.68% | |
| ENGINEERING | | | | | | | | | |
| Aisha Steel Mills Limited | 1,470,997 | - | - | 1,470,997 | - | - | 0.00% | 0.00% | 0.00% |
| Aisha Steel Mills Limited - Pref. Shares | 257,327 | - | - | - | 257,327 | 2,445 | 0.05% | 0.05% | 0.58% |
| Aisha Steel Mills Limited. - Conv. Cum. Pref. Shares | 1,628,663 | - | - | - | 1,628,663 | 70,033 | 1.39% | 1.54% | 55.94% |
| Amreli Steels Limited | 734,000 | - | - | 734,000 | - | - | 0.00% | 0.00% | 0.00% |
| Crescent Steel & Allied Products Ltd | - | 352,500 | - | - | 352,500 | 13,673 | 0.27% | 0.30% | 0.45% |
| International Industries Limited | 235,400 | 448,500 | - | 451,800 | 232,100 | 28,804 | 0.57% | 0.63% | 0.19% |
| International Steels Limited | 681,300 | 245,100 | - | 475,900 | 450,500 | 28,846 | 0.57% | 0.64% | 0.10% |
| Mughal Iron & Steel Industries Limited | 571,500 | 360,000 | - | 931,500 | - | - | 0.00% | 0.00% | 0.00% |
| | 5,579,187 | 1,406,100 | - | 4,064,197 | 2,921,090 | 143,800 | 2.85% | 3.17% | |

| Name of the Investee Company | Number of shares | | | | Balance as at March 31, 2019 | Percentage in Relation to | | | |
|--|--------------------|-----------------------------|----------------------|-------------------------|------------------------------|-------------------------------|------------------------|-------------------|-------------------------|
| | As at July 1, 2018 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at March 31, 2019 | Market value (Rupees in '000) | Net Assets of the fund | Total Investments | Investee Paidup Capital |
| AUTOMOBILE ASSEMBLER | | | | | | | | | |
| Honda Atlas Cars (Pakistan) Limited | 114,450 | - | - | 114,450 | - | - | 0.00% | 0.00% | - |
| Indus Motor Company Limited | 47,120 | - | - | 47,120 | - | - | 0.00% | 0.00% | - |
| Millat Tractors Limited | 87,000 | - | - | 87,000 | - | - | 0.00% | 0.00% | - |
| | 248,570 | - | - | 248,570 | - | - | 0.00% | 0.00% | |
| CABLE & ELECTRICAL GOODS | | | | | | | | | |
| Pak Elektron Limited | 1,047,000 | 90,500 | - | 1,137,500 | - | - | 0.00% | 0.00% | - |
| | 1,047,000 | 90,500 | - | 1,137,500 | - | - | 0.00% | 0.00% | |
| PHARMACEUTICALS | | | | | | | | | |
| AGP Limited | - | 734,000 | - | 100,000 | 634,000 | 53,979 | 1.07% | 1.19% | 0.02% |
| Highnoon Laboratories Limited | - | 10,000 | - | - | 10,000 | 3,382 | 0.07% | 0.07% | 0.00% |
| The Searle Company Limited | 171,220 | 100,000 | 633 | 167,000 | 104,853 | 24,832 | 0.49% | 0.55% | 0.06% |
| | 171,220 | 844,000 | 633 | 267,000 | 748,853 | 82,193 | 1.63% | 1.81% | |
| PAPER & BOARD | | | | | | | | | |
| Century Paper & Board Mills Ltd | - | 106,500 | - | - | 106,500 | 5,378 | 0.11% | 0.12% | 0.07% |
| | - | 106,500 | - | - | 106,500 | 5,378 | 0.11% | 0.12% | |
| GLASS & CERAMICS | | | | | | | | | |
| Shabbir Tiles & Ceramics Limited | 125,000 | 230,000 | - | 355,000 | - | - | 0.00% | 0.00% | - |
| | 125,000 | 230,000 | - | 355,000 | - | - | 0.00% | 0.00% | |
| OIL & GAS EXPLORATION COMPANIES | | | | | | | | | |
| Mari Petroleum Company Limited | 182,440 | 38,780 | 17,394 | 18,500 | 220,114 | 274,095 | 5.44% | 6.04% | 0.20% |
| Oil & Gas Development Company Limited | 1,709,200 | 1,010,700 | - | 645,500 | 2,074,400 | 306,078 | 6.07% | 6.74% | 0.05% |
| Pakistan Oilfields Limited | 409,050 | 71,000 | 69,810 | 183,000 | 366,860 | 164,078 | 3.25% | 3.61% | 0.16% |
| Pakistan Petroleum Limited | 1,544,200 | 340,000 | 231,630 | 593,400 | 1,522,430 | 281,634 | 5.58% | 6.20% | 0.08% |
| | 3,844,890 | 1,460,480 | 318,834 | 1,440,400 | 4,183,804 | 1,025,885 | 20.34% | 22.59% | |
| OIL & GAS MARKETING COMPANIES | | | | | | | | | |
| Hascol Petroleum Limited | 140,000 | - | 35,000 | 175,000 | - | - | 0.00% | 0.00% | 0.00% |
| Pakistan State Oil Company Limited | 605,700 | 353,700 | 126,780 | 157,500 | 928,680 | 200,762 | 3.98% | 4.42% | 0.28% |
| Sui Northern Gas Pipeline Limited | 1,080,200 | 672,500 | - | 434,500 | 1,318,200 | 99,010 | 1.96% | 2.18% | 0.21% |
| | 1,825,900 | 1,026,200 | 161,780 | 767,000 | 2,246,880 | 299,772 | 5.94% | 6.60% | |
| COMMERCIAL BANKS | | | | | | | | | |
| Allied Bank Limited | - | 924,300 | - | 240,000 | 684,300 | 73,932 | 1.47% | 1.63% | 0.06% |
| Askari Bank Ltd | - | 557,500 | - | - | 557,500 | 11,401 | 0.23% | 0.25% | 0.04% |
| Bank Alfalah Limited | 5,001,000 | 1,516,000 | 410,550 | 2,099,500 | 4,828,050 | 227,256 | 4.51% | 5.01% | 0.30% |
| Bank Al-Habib Limited | 1,748,000 | 2,582,000 | - | 1,322,000 | 3,008,000 | 257,665 | 5.11% | 5.68% | 0.27% |
| Bank of Punjab Limited | 8,192,500 | 5,088,500 | - | 5,697,500 | 7,583,500 | 98,737 | 1.96% | 2.17% | 1.43% |
| Faysal Bank Limited | 2,237,000 | 75,000 | - | 300,000 | 2,012,000 | 47,362 | 0.94% | 1.04% | 0.22% |
| Habib Bank Limited* | 1,596,300 | 792,300 | - | 519,300 | 1,869,300 | 247,664 | 4.91% | 5.45% | 0.13% |
| MCB Bank Limited** | 1,411,200 | - | - | 897,000 | 514,200 | 101,056 | 2.00% | 2.23% | 0.05% |
| Meezan Bank Limited | 476,000 | 125,000 | 60,100 | 661,100 | - | - | 0.00% | 0.00% | - |
| National Bank of Pakistan Limited | - | 1,382,000 | - | 192,000 | 1,190,000 | 47,671 | 0.95% | 1.05% | 0.06% |
| United Bank Limited | 1,597,100 | 987,000 | - | 739,200 | 1,844,900 | 257,419 | 5.10% | 5.67% | 0.15% |
| | 22,259,100 | 14,029,600 | 470,650 | 12,667,600 | 24,091,750 | 1,370,163 | 27.17% | 30.18% | |
| FERTILIZER | | | | | | | | | |
| Engro Corporation Limited | 952,100 | 475,600 | - | 637,000 | 790,700 | 258,741 | 5.13% | 5.70% | 0.15% |
| Engro Fertilizers Limited | 3,049,000 | 25,500 | - | 1,661,500 | 1,413,000 | 101,100 | 2.00% | 2.23% | 0.11% |
| Fauji Fertilizer Bin Qasim Limited | - | 1,428,000 | - | - | 1,428,000 | 48,895 | 0.97% | 1.08% | 0.15% |
| Fauji Fertilizer Company Limited | 1,175,500 | 532,500 | - | 729,500 | 978,500 | 102,214 | 2.03% | 2.25% | 0.08% |
| | 5,176,600 | 2,461,600 | - | 3,028,000 | 4,610,200 | 510,950 | 10.13% | 11.25% | |
| CHEMICAL | | | | | | | | | |
| Engro Polymer & Chemicals Limited | 1,671,000 | 2,397,699 | - | 497,000 | 3,571,699 | 129,724 | 2.57% | 2.86% | 0.29% |
| Engro Polymer & Chemicals Limited - LOR | 599,699 | - | - | 599,699 | - | - | 0.00% | 0.00% | 0.00% |
| Lotte Chemical Pakistan Ltd | - | 1,812,500 | - | - | 1,812,500 | 25,774 | 0.51% | 0.57% | 0.12% |
| | 2,270,699 | 4,210,199 | - | 1,096,699 | 5,384,199 | 155,498 | 3.08% | 3.42% | |
| AUTOMOBILE PARTS & ACCESSORIES | | | | | | | | | |
| Thal Limited | 258,750 | 136,250 | - | 12,700 | 382,300 | 161,331 | 3.20% | 3.55% | 0.40% |
| | 258,750 | 136,250 | - | 12,700 | 382,300 | 161,331 | 3.20% | 3.55% | |

| Name of the Investee Company | Number of shares | | | | | Balance as at March 31, 2019 | Percentage in Relation to | | |
|---|--------------------|-----------------------------|----------------------|-------------------------|----------------------|-------------------------------|---------------------------|-------------------|-------------------------|
| | As at July 1, 2018 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at March 31, 2019 | Market Value (Rupees in '000) | Net Assets of the fund | Total Investments | Investee Paidup Capital |
| TECHNOLOGY & COMMUNICATION Systems Limited | 590,000 | - | - | 590,000 | - | - | 0.00% | 0.00% | - |
| | 590,000 | - | - | 590,000 | - | - | 0.00% | 0.00% | |
| Total as at March 31, 2019 (Unaudited) | 57,003,566 | 37,655,929 | 1,004,682 | 32,371,006 | 63,293,171 | 4,540,343 | 90.04% | 100.00% | |
| Total as at June 30, 2018 (Audited) | 49,947,765 | 45,704,930 | 1,018,657 | 39,667,786 | 57,003,566 | 5,069,921 | | | |
| Cost at 31 March 2019 | | | | | | 4,850,878 | | | |

*Sponsor of the Management Company

**Connected person due to holding more than 10% certificates

5.1.1 4 million shares of Bank Al-Falah Limited and 0.8 million shares of United Bank Limited having market value amounting to Rs. 188.280 million and Rs. 111.624 million, respectively, (2018: 4 million shares of Bank Al-Falah Limited and 0.8 million shares of United Bank Limited having market value amounting to Rs. 209.16 million and Rs. 135.18 million, respectively) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Pakistan Stock Exchange.

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% 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 (MUFAP), 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 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 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. 1.15 million at March 31, 2019 (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 period end.

5.2 Listed equity securities - At fair value through other comprehensive income

| Name of the Investee Company | Number of shares | | | | | Balance as at 31 March 2019 | Percentage in Relation to | | |
|---|--------------------|-----------------------------|----------------------|-------------------------|----------------------|-------------------------------|---------------------------|-------------------|--------------------------|
| | As at July 1, 2018 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at March 31, 2019 | Market Value (Rupees in '000) | Net Assets of the fund | Total Investments | Investee Paid up Capital |
| CLASS A | | | | | | | | | |
| Oil and Gas Marketing Companies | | | | | | | | | |
| Pakistan State Oil Company Limited | 19,003,406 | - | 3,800,681 | - | 22,804,087 | 4,929,788 | 84.73% | 86.88% | 6.99% |
| Sui Northern Gas Pipeline Limited | 9,911,246 | - | - | - | 9,911,246 | 744,434 | 12.79% | 13.12% | 1.56% |
| | 28,914,652 | - | 3,800,681 | - | 32,715,333 | 5,674,221 | 97.52% | 100.00% | |
| Total March 31, 2019 (Unaudited) | 28,914,652 | - | 3,800,681 | - | 32,715,333 | 5,674,221 | | | |
| Total June 30, 2018 (Audited) | 25,747,418 | - | 3,167,234 | - | 28,914,652 | 7,042,279 | | | |
| Cost at 31 March 2019 | | | | | | 1,420,375 | | | |

- 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, 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 Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), 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 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 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. 41.08 million at March 31, 2019 (June 30, 2018: Rs. 50.408) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end
- 5.3** This represents advance against book building of Interloop Ltd, subsequently converted into shares.

| | (Unaudited) | | | (Audited) |
|---|-------------------------------------|----------------|----------------|----------------------|
| | March 31, 2019 | | | June 30, 2018 |
| | Class A | Class B | Total | Total |
| | ----- (Rupees in '000) ----- | | | |
| 6. PAYABLE TO MANAGEMENT COMPANY | | | | |
| Management fee | 9,977 | 8,632 | 18,609 | 21,126 |
| Sindh sales tax | 1,297 | 1,122 | 2,419 | 2,746 |
| Sale load payable | | 1 | | |
| Allocation of expenses relating to registrar services, accounting, operation and valuation services | 499 | 432 | 931 | 1,056 |
| Selling and marketing expenses | 6,102 | 5,117 | 11,219 | - |
| | 17,875 | 15,304 | 33,178 | 24,928 |
| 7. ACCRUED EXPENSES AND OTHER LIABILITIES | | | | |
| Provision for Sindh Workers' Welfare Fund | - | 40,775 | 40,775 | 40,775 |
| Provision for Federal Excise Duty and additional Sales tax on Management Fee | - | 125,303 | 125,303 | 125,303 |
| Brokerage | - | 862 | 862 | 517 |
| Auditors' remuneration | 174 | 292 | 466 | 783 |
| National Clearing Company Pakistan Limited Charges | - | 47 | 47 | 60 |
| Withholding tax | 14 | 62 | 76 | 530 |
| Others | 35 | 858 | 893 | 2,548 |
| | 223 | 168,198 | 168,422 | 170,516 |

7.1 PROVISION FOR 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, being prudent, 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 March 31, 2019 would have been higher by Re. 0.1468 (June 30, 2018 Re. 0.1438) per unit.

7.2 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 March 31, 2019 would have been higher by Re. 0.4512 (June 30, 2018: Re. 0.442) per unit.

8. Contingencies And Commitments

There were no contingencies or commitments outstanding as at March 31, 2019 and as at June 30, 2018.

9. Taxation

The Fund's income 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 is also exempt from the provision of Section 113 (minimum tax) under the Clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. 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. TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio for the nine months ended March 31, 2019 is 2.23% and 2.41% which includes 0.28% and 0.29% representing government levy, and SECP fee of the Class A and Class B respectively.

11. TRANSACTION AND BALANCES WITH CONNECTED PERSONS

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

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 are as follows:

| 11.1 | Transactions during the period | Nine Months Ended March 31, | | | 2018 Total |
|--|---|--------------------------------|---------|---------|---------------|
| | | Class A | Class B | Total | |
| | | ----- (Rupees in '000) ----- | | | |
| HBL Asset Management Limited - Management Company | | | | | |
| | Remuneration of the Management Company | 101,004 | 79,335 | 180,338 | 195,952 |
| | Sales tax on remuneration of the management company | 13,130 | 10,313 | 23,444 | 25,474 |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | 5,050 | 4,033 | 9,083 | 9,798 |
| | Selling and marketing expense | 20,044 | 15,613 | 35,657 | - |
| Habib Bank Limited - Sponsor | | | | | |
| | Dividend income | - | 5,807 | 5,807 | 3,125 |
| | Mark-up on deposits with banks | - | 76 | 76 | 1,179 |
| | Bank charges | - | - | - | 1 |
| MCB Bank Limited- Connected person - due to holding more than 10% Units | | | | | |
| | Mark-up on deposits with banks | 2,494 | 9,974 | 12,468 | 10,394 |
| | Bank charges | 3 | 12 | 15 | 21 |
| | Dividend income | - | 13,746 | 13,746 | 14,821 |
| Central Depository Company of Pakistan Limited-Trustee | | | | | |
| | Trustee Fee | 6,226 | 4,908 | 11,134 | 6,701 |
| | Annual Listing Fee | 158 | - | 158 | 497 |
| | CDS Charges | - | 512 | 512 | 606 |
| HBL Islamic Asset Allocation Fund | | | | | |
| | Purchase 20,000 shares of OGDC (2018: nil shares) | - | 2,834 | 2,834 | - |
| | Purchase 27,000 shares of PPL (2018: nil shares) | - | 4,824 | 4,824 | - |
| | Purchase 65,000 shares of EPCL (2018: nil shares) | - | 2,343 | 2,343 | - |
| | Purchase 40,000 shares of MLCF (2018: nil shares) | - | 1,552 | 1,552 | - |
| | Purchase 25,000 shares of EFERT (2018: nil shares) | - | 1,793 | 1,793 | - |
| | Purchase 8,000 shares of PSO (2018: nil shares) | - | 1,680 | 1,680 | - |
| | Purchase 50,000 shares of LOTCHEM (2018: nil shares) | - | 687 | 687 | - |
| | Purchase 6,000 shares of LUCK (2018: nil shares) | - | 2,601 | 2,601 | - |
| | Purchase 10,000 shares of KOHC (2018: nil shares) | - | 879 | 879 | - |
| | Purchase 35,000 shares of HUBC (2018: nil shares) | - | 2,728 | 2,728 | - |

| | March 31, 2019 | | | June 30, 2018 |
|---|------------------------------|---------|---------|--------------------|
| | Class A | Class B | Total | (Audited) Total |
| | (Un-Audited) | | | |
| | ----- (Rupees in '000) ----- | | | |
| 11.2 Balances at period end | | | | |
| HBL Asset Management Company Limited - Management Company | | | | |
| Payable to Management Company | 9,977 | 8,632 | 18,609 | 21,126 |
| Sindh sales tax on remuneration of Management Company | 1,297 | 1,122 | 2,419 | 2,746 |
| Allocation of expenses relating to registrar services, accounting, operation and valuation services | 499 | 432 | 931 | 1,056 |
| Selling and marketing expense payable | 6,102 | 5,117 | 11,219 | - |
| Habib Bank Limited - Sponsor | | | | |
| Banks Balances- savings accounts | - | 1,352 | 1,352 | 1,281 |
| MCB Bank Limited- Connected person - due to holding more than 10% certificate | | | | |
| Banks Balance - savings account | 33 | 166,027 | 166,060 | 167,595 |
| Mark-up Receivable | - | 874 | 874 | 859 |
| Units held: 43,482,858 Units (June 2018: 43,482,858 Units) | 892,707 | - | 892,707 | 434,829 |
| Units held: 43,482,858 Units (June 2018: Nil Units) | - | 789,566 | 789,566 | - |
| 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) | 624,063 | - | 624,063 | 304,067 |
| Units held: 30,406,721 Units (June 2018: Nil Units) | - | 552,128 | 552,128 | - |
| 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) | 741,069 | | 741,069 | 360,967 |
| Units held: 36,096,714 Units (June 2018: Nil Units) | - | 655,448 | 655,448 | - |
| Central Depository Company of Pakistan Limited - Trustee | | | | |
| Trustee remuneration payable | 660 | 646 | 1,306 | 726 |
| Security deposit with trustee | 100 | 175 | 275 | 275 |
| CDS charges payable | - | 62 | 62 | 60 |
| Jubilee General Insurance Company Limited - associate | | | | |
| Units held: 142,500 Units (June 2018: 142,500 Units) | 2,926 | - | 2,926 | 1,425 |
| Units held: 142,500 Units (June 2018: Nil Units) | - | 2,588 | 2,588 | - |
| Directors and Executives of the Management Company | | | | |
| Units held: 18,000 Units (June 2018: 18,000 Units) | 370 | - | 370 | 180 |
| Units held: 18,000 Units (June 2018: Nil Units) | - | 327 | 327 | - |

12. Fair Value Of Financial Instruments

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

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

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

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

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

- Fair value measurements using quoted price (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.

12.1

| | Class A | | | | | | | | |
|---|---|-------------------|--------------------------------------|---------|------------|-----------|---------|-------|-----------|
| | March 31, 2019 (Un-audited) | | | | | | | | |
| | Carrying amount | | | | Fair Value | | | | |
| Fair value through profit or loss | Fair value through other comprehensive income | At amortised cost | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total | |
| ----- (Rupees in '000) ----- | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investment in listed equity securities | - | 5,674,221 | - | - | 5,674,221 | 5,674,221 | - | - | 5,674,221 |
| | - | 5,674,221 | - | - | 5,674,221 | 5,674,221 | - | - | 5,674,221 |
| Financial assets not measured at fair value | | | | | | | | | |
| Bank balances | - | - | - | 163,180 | 163,180 | | | | |
| Dividend and profit receivable | - | - | - | 3,959 | 3,959 | | | | |
| Security Deposit | - | - | - | 100 | 100 | | | | |
| | - | - | - | 167,239 | 167,239 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Payable to Management Company | - | - | - | 16,578 | 16,578 | | | | |
| Payable to trustee | - | - | - | 584 | 584 | | | | |
| Payable to Securities and Exchange Commission of Pakistan | - | - | - | 4,798 | 4,798 | | | | |
| Accrued expenses and other liabilities | - | - | - | 209 | 209 | | | | |
| Payable against purchase of investment | - | - | - | - | - | | | | |
| Unclaimed dividend | - | - | - | - | - | | | | |
| | - | - | - | 22,169 | 22,169 | | | | |

12.2

| | Class B | | | | | | | | |
|---|---|--------------------|--------------------------------------|--------------------------------------|-------------------|-------------------|---------|---------------|-------------------|
| | March 31, 2019 (Unaudited) | | | | | | | | |
| | Carrying amount | | | | Fair Value | | | | |
| Fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total | |
| (Rupees in '000) | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investment in listed equity securities | 4,540,343 | - | - | - | 4,540,343 | 4,540,343 | - | - | 4,540,343 |
| Advance against book building - Interloop Ltd. | 35,608 | - | - | - | 35,608 | - | - | 35,608 | 35,608 |
| | 4,575,951 | - | - | - | 4,575,951 | 4,540,343 | - | 35,608 | 4,575,951 |
| Financial assets not measured at fair value | | | | | | | | | |
| Bank balances | - | - | - | 732,773 | 732,773 | | | | |
| Dividend and profit receivable | - | - | - | 60,123 | 60,123 | | | | |
| Security Deposit | - | - | - | 2,675 | 2,675 | | | | |
| | - | - | - | 795,571 | 795,571 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Payable to Management Company | - | - | - | 14,181 | 14,181 | | | | |
| Payable to trustee | - | - | - | 572 | 572 | | | | |
| Payable to Securities and Exchange Commission Of Pakistan | - | - | - | 3,769 | 3,769 | | | | |
| Accrued expenses and other liabilities | - | - | - | 2,058 | 2,058 | | | | |
| Payable against purchase of investment | - | - | - | 5,884 | 5,884 | | | | |
| Unclaimed dividend | - | - | - | 135,836 | 135,836 | | | | |
| | - | - | - | 162,300 | 162,300 | | | | |
| June 30, 2018 (Audited) | | | | | | | | | |
| | Carrying amount | | | | Total | Fair Value | | | Total |
| | Held for trading | Available for sale | Loans and receivables | Other financial assets / liabilities | | Level 1 | Level 2 | Level 3 | |
| (Rupees in '000) | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investment in listed equity securities | 7,042,279 | 5,069,921 | - | - | 12,112,200 | 12,112,200 | - | - | 12,112,200 |
| | 7,042,279 | 5,069,921 | - | - | 12,112,200 | 12,112,200 | - | - | 12,112,200 |
| Financial assets not measured at fair value | | | | | | | | | |
| Bank balances | - | - | - | 729,178 | 729,178 | | | | |
| Dividend and profit receivable | - | - | - | 205,437 | 205,437 | | | | |
| Security Deposit | - | - | - | 2,775 | 2,775 | | | | |
| | - | - | - | 937,390 | 937,390 | | | | |
| Financial liability not measured at fair value | | | | | | | | | |
| Payable to Management Company | - | - | - | 22,182 | 22,182 | | | | |
| Payable to trustee | - | - | - | 696 | 696 | | | | |
| Payable to Securities and Exchange Commission Of Pakistan | - | - | - | 12,397 | 12,397 | | | | |
| Accrued expenses and other liabilities | - | - | - | 3,908 | 3,908 | | | | |
| Payable against purchase of investment | - | - | - | 28,631 | 28,631 | | | | |
| Unclaimed dividend | - | - | - | 136,773 | 136,773 | | | | |
| | - | - | - | 204,587 | 204,587 | | | | |

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.

13. Date Of Authorisation For Issue

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 30, 2019.

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.No significant rearrangement or reclassification was made in these financial statements during the current year.

14.3 This condensed interim financial information is unaudited. Further, the figures of this condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended March 31, 2019 have not been reviewed.

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 Soneri Bank Limited |

HBL Investment Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2019

| | March 31, 2019 (Un-Audited) | | | June 30, 2018 (Audited) | |
|---|--------------------------------|--------------------|--------------------|----------------------------|--------------------|
| | Class A | Class B | Total | Total | |
| Assets | | | | | |
| Bank balances | 4 | 61,981 | 373,366 | 435,347 | 371,142 |
| Investments | 5 | 2,030,436 | 2,418,217 | 4,448,653 | 5,179,170 |
| Dividend receivable and accrued mark-up | | 1,487 | 31,262 | 32,749 | 79,037 |
| Advances, deposits and prepayments | | 266 | 3,368 | 3,634 | 3,317 |
| Total assets | | 2,094,170 | 2,826,213 | 4,920,383 | 5,632,666 |
| Liabilities | | | | | |
| Payable to the Management Company | 6 | 6,414 | 8,031 | 14,445 | 10,689 |
| Payable to the Trustee | | 298 | 352 | 650 | 421 |
| Payable to the Securities and Exchange Commission of Pakistan | | 1,721 | 1,968 | 3,689 | 5,304 |
| Payable against purchase of investment | | - | 3,781 | 3,781 | 13,183 |
| Accrued expenses and other liabilities | 7 | 180 | 79,054 | 79,234 | 81,509 |
| Unclaimed dividend | | - | 86,052 | 86,052 | 86,271 |
| Total liabilities | | 8,613 | 179,238 | 187,851 | 197,377 |
| Net assets | | 2,085,557 | 2,646,975 | 4,732,532 | 5,435,289 |
| Unit holders' fund (as per statement attached) | | 2,085,557 | 2,646,975 | 4,732,532 | 5,435,289 |
| Contingencies and commitments | | | | | |
| 8 ----- Number of units ----- | | | | | |
| Number of units in issue | | 284,125,000 | 278,914,505 | | 284,125,000 |
| ----- (Rupees) ----- | | | | | |
| Net assets value per unit | | 7.3403 | 9.4903 | | 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 (Un-Audited)
For the nine months and quarter ended March 31, 2019

| Note | Nine months ended March 31, | | | 2018 Total | Quarter ended March, 31 | | | 2018 Total |
|--|--------------------------------|-----------------|---------------|---------------|----------------------------|-----------------|---------------|---------------|
| | 2019 Class A | 2019 Class B | 2019 Total | | 2019 Class A | 2019 Class B | 2019 Total | |
| (Rupees in '000) | | | | | | | | |
| Income | | | | | | | | |
| Capital loss on sale of investments - net | - | (46,365) | (46,365) | (290,651) | - | (4,430) | (4,430) | (97,426) |
| Dividend income | 35,533 | 89,088 | 124,621 | 206,459 | - | 28,273 | 28,273 | 24,629 |
| Income from Government securities | - | - | - | 304 | - | - | - | 304 |
| Mark-up on deposits with banks | 3,984 | 27,846 | 31,830 | 26,842 | 1,812 | 10,214 | 12,026 | 8,274 |
| Back end load income | - | 4,301 | 4,301 | - | - | 957 | 957 | - |
| | 39,517 | 74,870 | 114,387 | (57,046) | 1,812 | 35,014 | 36,826 | (64,219) |
| Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net | - | (160,942) | (160,942) | (32,692) | - | 155,788 | 155,788 | 373,394 |
| | 39,517 | (86,072) | (46,555) | (89,738) | 1,812 | 190,802 | 192,614 | 309,175 |
| Expenses | | | | | | | | |
| Remuneration of Management Company | 40,936 | 46,808 | 87,744 | 94,918 | 12,359 | 15,135 | 27,494 | 31,175 |
| Remuneration of Trustee | 2,496 | 2,837 | 5,333 | 3,538 | 746 | 909 | 1,655 | 1,168 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 1,721 | 1,968 | 3,689 | 3,990 | 520 | 637 | 1,157 | 1,311 |
| Selling & marketing expense | 7,189 | 8,164 | 15,353 | - | 2,187 | 2,678 | 4,865 | - |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 1,811 | 2,071 | 3,882 | 4,200 | 547 | 670 | 1,217 | 1,380 |
| Securities transaction costs | - | 4,339 | 4,339 | 3,814 | - | 1,519 | 1,519 | 1,580 |
| Auditors' remuneration | 217 | 193 | 410 | 498 | 71 | 34 | 105 | 188 |
| Printing charges | 28 | 30 | 58 | - | - | - | - | - |
| Fee and subscription charges | 524 | 475 | 999 | 1,195 | 188 | 171 | 359 | 26 |
| Settlement & bank charges | 640 | 735 | 1,375 | 1,253 | 2 | 259 | 261 | 937 |
| Conversion expense from closed end to open end fund | - | 283 | 283 | 925 | - | - | - | 925 |
| | 55,562 | 67,903 | 123,465 | 114,331 | 16,620 | 22,012 | 38,632 | 38,690 |
| Net loss from operating activities | (16,045) | (153,975) | (170,020) | (204,069) | (14,808) | 168,790 | 153,982 | 270,485 |
| Element of income and capital gains included in prices of units issued less those in units redeemed - net | - | - | - | - | - | - | - | - |
| Provision for Sindh Workers' Welfare Fund | 7.1 | - | - | - | - | - | - | - |
| Net loss for the period before taxation | (16,045) | (153,975) | (170,020) | (204,069) | (14,808) | 168,790 | 153,982 | 270,485 |
| Taxation | 9 | - | - | - | - | - | - | - |
| Net loss for the period after taxation | (16,045) | (153,975) | (170,020) | (204,069) | (14,808) | 168,790 | 153,982 | 270,485 |

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 Investment Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the nine months and quarter ended March 31, 2019

| | Nine Months ended March 31, | | | Quarter ended March 31, | | | | |
|---|--------------------------------|------------------|------------------|----------------------------|-----------------|----------------|---------------|----------------|
| | 2019 | | 2018 | 2019 | | 2018 | | |
| | Class A | Class B | Total | Total | Class A | Class B | Total | Total |
| | ------(Rupees in '000)----- | | | | | | | |
| Net loss for the period after taxation | (16,045) | (153,975) | (170,020) | (204,069) | (14,808) | 168,790 | 153,982 | 270,485 |
| Item that may be reclassified subsequently to Income Statement | | | | | | | | |
| Unrealised diminution re-measurement of investments classified as available-for-sale | - | - | - | (99,342) | - | - | - | 246,718 |
| Items that will not be reclassified to income statement | | | | | | | | |
| Unrealized diminution on re-measurement of investments classified as fair value through other comprehensive income | (481,009) | - | (481,009) | - | (83,759) | - | (83,759) | - |
| Total comprehensive loss for the period | (497,054) | (153,975) | (651,029) | (303,411) | (98,567) | 168,790 | 70,223 | 517,203 |

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 Cash Flow (Un- Audited)
For the nine months ended March 31, 2019

| | Nine Months ended March 31 | | | 2018 Total |
|---|-------------------------------|-----------------|-----------------|------------------|
| | 2019 | | Total | |
| | Class A | Class B | | |
| Note | ------(Rupees in '000)----- | | | |
| Cash flow from operating activities | | | | |
| Net loss for the period before taxation | (16,045) | (153,975) | (170,020) | (204,069) |
| Adjustments of non-cash items | | | | |
| Capital loss on sale of investment | - | 46,365 | 46,365 | 290,651 |
| Income from government Securities | - | - | - | (304) |
| Unrealised diminution on remeasurement of investments classified as financial asset at fair value through profit or loss - net | - | 160,942 | 160,942 | 32,692 |
| Dividend income | (35,533) | (89,088) | (124,621) | (206,459) |
| Mark-up on deposits with banks | (3,984) | (27,846) | (31,830) | (26,842) |
| | (55,562) | (63,602) | (119,164) | (114,331) |
| (Increase) / Decrease in assets | | | | |
| Investments | - | 42,201 | 42,201 | 326,005 |
| Receivable against sale of investments | - | - | - | - |
| Advances, deposits and prepayments | (166) | (151) | (317) | 649 |
| | (166) | 42,050 | 41,884 | 326,654 |
| Increase / (decrease) in liabilities | | | | |
| Payable to Management Company | 6,414 | (2,658) | 3,756 | (1,347) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 298 | (69) | 229 | (533) |
| Payable to the Securities and Exchange Commission of Pakistan | 1,721 | (3,336) | (1,615) | (1,907) |
| Payable against purchase of investment | - | (9,402) | (9,402) | - |
| Unclaimed dividend | - | (219) | (219) | 5,196 |
| Accrued expenses and other liabilities | 180 | (2,455) | (2,275) | (1,392) |
| | 8,613 | (18,139) | (9,526) | 17 |
| Cash (used in) / generated from operations | (47,115) | (39,691) | (86,806) | 212,340 |
| Dividend received | 105,711 | 66,891 | 172,602 | 250,003 |
| Mark-up received on bank deposit | 3,385 | 26,752 | 30,137 | 26,349 |
| | 109,096 | 93,643 | 202,739 | 276,352 |
| Net cash generated from operating activities | 61,981 | 53,952 | 115,933 | 488,692 |
| Cash flow from financing activities | | | | |
| Amount received on issue of units | - | 52,869 | 52,869 | - |
| Amount paid on redemption of units | - | (104,597) | (104,597) | - |
| Dividend paid | - | - | - | (383,568) |
| Net cash used in financing activities | - | (51,728) | (51,728) | (383,568) |
| Net increase in cash and cash equivalents | 61,981 | 2,224 | 64,205 | 105,124 |
| Cash and cash equivalents at beginning of the period | - | 371,142 | 371,142 | 350,631 |
| Cash and cash equivalents at end of the period | 61,981 | 373,366 | 435,347 | 455,755 |

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 Unitholders' Fund (Un-Audited)
For the nine months ended March 31, 2019

| | Nine Months ended March 31, | | | | | | | | | | | | | | |
|--|--------------------------------|--|----------------------------------|-----------------|-------|---------------|------------------|-----------|---------------|---|--|----------------------------------|-----------------|-------|-----------|
| | 2019 | | | | | Class B | | | 2018 | | | | | | |
| | Class A | | | | | Class B | | | | Total | | | | | |
| Capital value | Accumulated loss | Unrealised income / (loss) on investment | Premium on issue of certificates | General reserve | Total | Capital value | Accumulated loss | Total | Capital value | Undistributed income / (Accumulated loss) | Unrealised income / (loss) on investment | Premium on issue of certificates | General reserve | Total | |
| (Rupees in '000) | | | | | | | | | | | | | | | |
| Net assets at beginning of the period | 2,841,250 | (384,828) | 1,993,954 | 984,688 | 225 | 5,435,289 | - | - | - | 2,841,250 | 357,436 | 2,146,970 | 984,688 | 225 | 6,330,569 |
| Transfer from premium on issue of certificates | - | 984,688 | - | (984,688) | - | - | - | - | - | - | - | - | - | - | - |
| Transfer from general reserve | - | 225 | - | - | (225) | - | - | - | - | - | - | - | - | - | - |
| | - | 984,913 | - | (984,688) | (225) | - | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - |
| Issue of 2,585,247 units | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Capital value (at net asset value per unit at the beginning of the period) | - | - | - | - | - | - | 53,736 | - | 53,736 | - | - | - | - | - | - |
| - Element of loss | - | - | - | - | - | - | (867) | - | (867) | - | - | - | - | - | - |
| Total proceeds on issuance of units | - | - | - | - | - | - | 52,869 | - | 52,869 | - | - | - | - | - | - |
| Redemption of 4,651,082 units | - | - | - | - | - | - | (106,050) | - | (106,050) | - | - | - | - | - | - |
| - Capital value (at net asset value per unit at the beginning of the period) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Element of (loss) / income | - | - | - | - | - | - | 1,453 | - | 1,453 | - | - | - | - | - | - |
| Total payment on redemption of units | - | - | - | - | - | - | (104,597) | - | (104,597) | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | (16,045) | (481,009) | - | - | (497,054) | - | (153,975) | (153,975) | - | (204,069) | (99,342) | - | - | (303,411) |
| Distribution during the period | - | - | - | - | - | - | - | - | - | - | (383,568) | - | - | - | (383,568) |
| Net income for the period less distribution | - | (16,045) | (481,009) | - | - | (497,054) | - | (153,975) | (153,975) | - | (587,637) | (99,342) | - | - | (686,979) |
| Net assets at end of the period | 2,841,250 | (2,268,638) | 1,512,945 | - | - | 2,085,557 | 2,789,522 | (142,547) | 2,646,975 | 2,841,250 | (230,201) | 2,047,628 | 984,688 | 225 | 5,643,590 |
| Undistributed income / (loss) brought forward | | | | | | | | | | | | | | | |
| - Realised | | (229,448) | | | | | | | | | (80,439) | | | | |
| - Unrealised | | (155,380) | | | | | | | | | 437,875 | | | | |
| | | (384,828) | | | | | | | | | 357,436 | | | | |
| Transfer from premium on issue of certificates | | 984,688 | | | | | | | | | | | | | |
| Transfer from general reserve | | 225 | | | | | | | | | | | | | |
| Transferred to Class B - Segment on conversion of Fund | | (2,852,678) | | | | | | 11,428 | | | | | | | |
| Net loss for the period | | (16,045) | | | | | | (153,975) | | | (204,069) | | | | |
| Distribution during the period | | - | | | | | | - | | | (383,568) | | | | |
| Accumulated loss carried forward | | (2,268,638) | | | | | | (142,547) | | | (230,201) | | | | |
| Accumulated loss carried forward | | | | | | | | | | | | | | | |
| - Realised | | (2,268,638) | | | | | | 18,395 | | | (197,509) | | | | |
| - Unrealised | | - | | | | | | (160,942) | | | (32,692) | | | | |
| | | (2,268,638) | | | | | | (142,547) | | | (230,201) | | | | |
| (Rupees) | | | | | | | | | | | | | | | |
| Net assets value per unit at beginning of the period | 9.0897 | | | | | | 10.0402 | | | 22.28 | | | | | |
| Net assets value per unit at end of the period | 7.3403 | | | | | | 9.4903 | | | 19.86 | | | | | |

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

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

For The Nine months Ended March 31, 2019

1. STATUS AND NATURE OF BUSINESS

- 1.1** HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The 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.
- 1.4** 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 Limited. Whereas Class-B Units can be redeemed at the redemption price.

- 1.5** JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (Positive outlook) to the Management Company.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

2. BASIS OF PREPERATION

2.1 Statement of compliance

- 2.1.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

-
-
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

Wherever provisions of and directive issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirement of the Trust Deed have been followed.

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 March 31, 2019.

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 in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

3.5 On application of IFRS - 9 'Financial Instruments', there is no material change in the Fund's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

3.6 Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to the disclosures for the nine months ended March 31, 2019.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;
- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and

-
-
- the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Class A's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Class A's financial assets as regards their classification and measurement

Class A's investment in equity instruments (neither held-for-trading nor contingent consideration arising from business combination) that were previously classified as available-for-sale financial asset and were measured at fair value at each reporting date under IAS 39, have been classified as at FVTOCI. These assets represent the 'frozen portfolio' resulting from the consent agreement with the Government of Pakistan and hence cannot be traded. However, the change in the fair value of these equity instruments will continue to accumulate in the investment revaluation reserve until they are derecognised. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income will be subsequently transferred to retained earnings / undistributed income.

The Management has reviewed and assessed the Class B's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that on initial application of IFRS 9, there is no change in the measurement of the Fund's investments in Class B's equity instruments that are held-for-trading; those instruments were and continue to be measured at FVTPL.

None of the other reclassifications of financial assets have had any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

Please refer to para (d) below for further details regarding the change in classification upon the application of IFRS 9.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Fund had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Fund has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9.

| | Carrying amount as per IAS 39 as on June 30, 2018 | Reclassi- fications | Remeas- urements | Carrying amount on initial adoption of IFRS 9 on July 01, 2018 | Effect on July 01, 2018 on Retained Earnings |
|---|---|------------------------|---------------------|---|---|
| ----- (Rupees in '000) ----- | | | | | |
| Financial assets Fair Value through Other Comprehensive Income | | | | | |
| From available for sale (IAS 39) | 2,511,445 | 2,511,445 | - | 2,511,445 | - |
| Total | 2,511,445 | 2,511,445 | - | 2,511,445 | - |

| | March 31, 2019 (Un-Audited) | | | June 30, 2018 (Audited) |
|------------------------------|--------------------------------|---------|-------|----------------------------|
| Note | Class A | Class B | Total | Total |
| ----- (Rupees in '000) ----- | | | | |

4. BANK BALANCES

Balances with banks in:

| | | | | | |
|------------------|-----|---------------|----------------|----------------|----------------|
| Savings accounts | 4.1 | <u>61,981</u> | <u>373,366</u> | <u>435,347</u> | <u>371,142</u> |
|------------------|-----|---------------|----------------|----------------|----------------|

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 5.35% to 11.15% p.a (June 30, 2018: 5.35% - 6.70% p.a).

| Note | March 31, 2019 (Un-Audited) | | | June 30, 2018 (Audited) |
|------|--------------------------------|---------|-------|----------------------------|
| | Class A | Class B | Total | Total |

----- (Rupees in '000) -----

5. INVESTMENTS

At fair value through profit or loss

| | | | | | |
|---------------------------------|-----|---|-----------|-----------|-----------|
| - Listed equity securities | 5.1 | - | 2,391,548 | 2,391,548 | 2,667,725 |
| - Advance against Book Building | 5.2 | - | 26,669 | 26,669 | - |

At fair value through other comprehensive income

| | | | | | |
|----------------------------|-----|------------------|------------------|------------------|------------------|
| - Listed equity securities | 5.3 | 2,030,436 | - | 2,030,436 | 2,511,445 |
| | | 2,030,436 | 2,418,217 | 4,448,653 | 5,179,170 |

5.1 Listed equity securities - At fair value through profit or loss

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

| Name of investee company | Number of Shares | | | | | Market value as at March 31, 2019 (Rupees in '000) | Market value as a percentage of | | Par value as a percentage of issued capital of the investee company |
|--|---------------------|-----------------------------|---------------|-------------------------|----------------------|--|---------------------------------|------------|---|
| | As at July 01, 2018 | Purchases during the period | Bonus issue | Sales during the period | As at March 31, 2019 | | Total Investments | Net Assets | |
| CLASS B | | | | | | | | | |
| Automobile Assembler | | | | | | | | | |
| Honda Atlas Cars (Pakistan) Limited | 58,750 | - | - | 58,750 | - | - | - | - | - |
| Indus Motor Company Limited | 26,680 | - | - | 26,680 | - | - | - | - | - |
| Millat Tractors Limited | 45,000 | - | - | 45,000 | - | - | - | - | - |
| | 130,430 | - | - | 130,430 | - | - | | | |
| Automobile Parts and Accessories | | | | | | | | | |
| Thal Limited (Par value Rs. 5 per share) | 136,100 | 88,200 | - | 25,000 | 199,300 | 84,105 | 3.48% | 3.18% | 0.25% |
| | 136,100 | 88,200 | - | 25,000 | 199,300 | 84,105 | | | |
| Cable and Electrical Goods | | | | | | | | | |
| Pak Elektron Limited | 561,500 | 38,500 | - | 600,000 | - | - | - | - | - |
| | 561,500 | 38,500 | - | 600,000 | - | - | | | |
| Chemicals | | | | | | | | | |
| Engro Polymer & Chemicals Limited | 875,000 | 1,242,462 | - | 241,000 | 1,876,462 | 68,153 | 2.82% | 2.57% | 0.15% |
| Engro Polymer & Chemicals Limited-LOR | 314,462 | - | - | 314,462 | - | - | - | - | - |
| Lotte Chemical Pakistan Ltd | - | 945,000 | - | - | 945,000 | 13,438 | 0.56% | 0.51% | 0.06% |
| | 1,189,462 | 2,187,462 | - | 555,462 | 2,821,462 | 81,591 | | | |
| Cement | | | | | | | | | |
| Cherat Cement Company Limited | - | 303,100 | - | 303,100 | - | - | - | - | - |
| D.G Khan Cement Company Limited | - | 240,000 | - | 240,000 | - | - | - | - | - |
| Maple Leaf Cement Factory Limited | - | 1,091,000 | - | 790,500 | 300,500 | 11,254 | 0.47% | 0.43% | 0.06% |
| Lucky Cement Limited | 166,000 | 74,500 | - | 7,000 | 233,500 | 99,994 | 4.14% | 3.78% | 0.07% |
| Pioneer Cement Limited | 250,000 | - | - | 250,000 | - | - | - | - | - |
| Kohat Cement Limited | - | 262,200 | 25,560 | 125,760 | 162,000 | 13,904 | 0.57% | 0.53% | 0.13% |
| | 416,000 | 1,970,800 | 25,560 | 1,716,360 | 696,000 | 125,152 | | | |

| Name of investee company | Number of Shares | | | | | Market value as at March 31, 2019 (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 issue | Sales during the period | As at March 31, 2019 | | Total Investments | Net Assets | |
| Commercial Banks | | | | | | | | | |
| Bank Of Punjab | 4,338,500 | 2,610,000 | - | 2,971,000 | 3,977,500 | 51,787 | 2.14% | 1.96% | 0.75% |
| National Bank Of Pakistan | - | 741,500 | - | 118,000 | 623,500 | 24,977 | 1.03% | 0.94% | 0.03% |
| Bank Al-Falah Limited | 2,620,500 | 796,000 | 212,650 | 1,094,000 | 2,535,150 | 119,331 | 4.93% | 4.51% | 0.16% |
| Faysal Bank Limited | 1,219,275 | 17,500 | - | 175,000 | 1,061,775 | 24,994 | 1.03% | 0.94% | 0.11% |
| MCB Bank Limited | 732,000 | - | - | 465,200 | 266,800 | 52,434 | 2.17% | 1.98% | 0.02% |
| United Bank Limited | 826,200 | 503,000 | - | 340,000 | 989,200 | 138,024 | 5.71% | 5.21% | 0.08% |
| Allied Bank Limited | - | 442,600 | - | 102,000 | 340,600 | 36,798 | 1.52% | 1.39% | 0.03% |
| Bank-Al Habib Limited | 900,500 | 1,355,500 | - | 674,500 | 1,581,500 | 135,471 | 5.60% | 5.12% | 0.14% |
| Meezan Bank Limited | 200,000 | 125,000 | 32,500 | 357,500 | - | - | - | - | - |
| Askari Bank Ltd | - | 300,000 | - | - | 300,000 | 6,135 | 0.25% | 0.23% | 0.02% |
| Habib Bank Limited** | 828,000 | 396,600 | - | 245,300 | 979,300 | 129,747 | 5.37% | 4.90% | 0.07% |
| | 11,664,975 | 7,287,700 | 245,150 | 6,542,500 | 12,655,325 | 719,698 | | | |
| Engineering | | | | | | | | | |
| Aisha Steel Mills Limited | 1,103,600 | - | - | 1,103,600 | - | - | - | - | - |
| Aisha Steel Mills Limited - Preference Shares | 130,000 | - | - | - | 130,000 | 1,235 | 0.05% | 0.05% | 0.29% |
| Aisha Steel Mills Limited - Conv Cum Pref Shares | 1,065,000 | - | - | - | 1,065,000 | 45,795 | 1.89% | 1.73% | 36.58% |
| Amreli Steel Limited | 388,000 | - | - | 388,000 | - | - | - | - | - |
| Crescent Stell & Allied Product Ltd | - | 177,500 | - | - | 177,500 | 6,885 | 0.28% | 0.26% | 0.23% |
| International Steels Limited | 357,600 | 143,000 | - | 265,600 | 235,000 | 15,047 | 0.62% | 0.57% | 0.05% |
| International Industries Limited | 129,100 | 224,600 | - | 231,900 | 121,800 | 15,115 | 0.63% | 0.57% | 0.10% |
| Mughal Iron & Steel Industries Limited | 310,500 | 175,000 | - | 485,500 | - | - | - | - | - |
| | 3,483,800 | 720,100 | - | 2,474,600 | 1,729,300 | 84,077 | | | |
| Fertilizer | | | | | | | | | |
| Engro Corporation Limited | 494,100 | 235,500 | - | 313,900 | 415,700 | 136,030 | 5.63% | 5.14% | 0.08% |
| Engro Fertilizers Limited | 1,590,500 | 15,000 | - | 857,500 | 748,000 | 53,519 | 2.21% | 2.02% | 0.06% |
| Fauji Fertilizers Bin Qasim Limited | - | 748,500 | - | - | 748,500 | 25,629 | 1.06% | 0.97% | 0.08% |
| Fauji Fertilizers Company Limited | 636,000 | 274,000 | - | 399,000 | 511,000 | 53,379 | 2.21% | 2.02% | 0.04% |
| | 2,720,600 | 1,273,000 | - | 1,570,400 | 2,423,200 | 268,557 | | | |
| Insurance | | | | | | | | | |
| TPL Direct Insurance Limited | 610 | - | 79 | - | 689 | 14 | - | - | - |
| Adamjee Insurance Company Limited | - | 625,500 | - | - | 625,500 | 25,051 | 1.04% | 0.95% | 0.18% |
| | 610 | 625,500 | 79 | - | 626,189 | 25,065 | | | |
| Oil and Gas Exploration Companies | | | | | | | | | |
| Oil and Gas Development Company | 892,400 | 523,500 | - | 325,000 | 1,090,900 | 160,962 | 6.66% | 6.08% | 0.03% |
| Pakistan Oilfields Limited | 214,300 | 35,000 | 36,860 | 93,100 | 193,060 | 86,346 | 3.57% | 3.26% | 0.08% |
| Pakistan Petroleum Limited | 808,700 | 205,200 | 121,305 | 323,400 | 811,805 | 150,177 | 6.21% | 5.67% | 0.04% |
| Mari Petroleum Company Limited | 94,880 | 19,800 | 9,088 | 9,780 | 113,988 | 141,942 | 5.87% | 5.36% | 0.10% |
| | 2,010,280 | 783,500 | 167,253 | 751,280 | 2,209,753 | 539,427 | | | |
| Oil & Gas Marketing Companies | | | | | | | | | |
| Sui Northern Gas Pipeline Limited | 572,500 | 339,500 | - | 227,500 | 684,500 | 51,413 | 2.13% | 1.94% | 0.11% |
| Pakistan State Oil Company Limited | 317,800 | 175,000 | 64,560 | 70,500 | 486,860 | 105,249 | 4.35% | 3.98% | 0.15% |
| Hascol Petroleum Limited | 71,500 | - | 17,875 | 89,375 | - | - | - | - | - |
| | 961,800 | 514,500 | 82,435 | 387,375 | 1,171,360 | 156,662 | | | |
| Pharmaceuticals | | | | | | | | | |
| AGP Limited | - | 328,500 | - | 50,000 | 278,500 | 28,139 | 1.16% | 1.06% | 0.01% |
| Highnoon Laboratories Limited | - | 5,000 | - | - | 5,000 | 1,691 | 0.07% | 0.06% | - |
| The Searle Company Limited | 85,140 | 50,000 | 456 | 82,100 | 53,496 | 12,669 | 0.52% | 0.48% | 0.03% |
| | 85,140 | 383,500 | 456 | 132,100 | 336,996 | 42,499 | | | |
| Power Generation and Distribution | | | | | | | | | |
| The Hub Power Company Limited | 1,654,200 | 473,500 | - | 348,500 | 1,779,200 | 130,469 | 5.40% | 4.93% | 0.15% |
| K-Electric Limited (Par value Rs. 3.50 per share) | 4,527,000 | 470,000 | - | 600,000 | 4,397,000 | 24,579 | 1.02% | 0.93% | 0.02% |
| Nishat Chunian Power Ltd | - | 671,000 | - | 90,000 | 581,000 | 12,660 | 0.52% | 0.48% | 0.16% |
| Pakgen Power Limited | - | 832,000 | - | - | 832,000 | 12,696 | 0.53% | 0.48% | 0.22% |
| | 6,181,200 | 2,446,500 | - | 1,038,500 | 7,589,200 | 180,404 | | | |

| Name of investee company | Number of Shares | | | | | Market value as at March 31, 2019 (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 issue | Sales during the period | As at March 31, 2019 | | Total Investments | Net Assets | |
| Textile | | | | | | | | | |
| Nishat (Chunian) Limited | - | 220,500 | - | 220,500 | - | - | - | - | - |
| Nishat Mills Limited | 567,100 | 164,700 | - | 250,300 | 481,500 | 64,815 | 2.68% | 2.45% | 0.14% |
| Mohib Textile Mills Limited* | 40,820 | - | - | - | 40,820 | - | - | - | - |
| Sunshine Cloth Limited* | 50,000 | - | - | - | 50,000 | - | - | - | - |
| Gul Ahmed Textile Mills Ltd | - | 275,000 | - | 275,000 | - | - | - | - | - |
| Kohinoor Textile Mills Limited | - | 351,500 | - | 29,000 | 322,500 | 14,471 | 0.60% | 0.55% | 0.30% |
| | <u>657,920</u> | <u>1,011,700</u> | <u>-</u> | <u>774,800</u> | <u>894,820</u> | <u>79,286</u> | | | |
| Glass & Ceramics | | | | | | | | | |
| Shabbir Textile & Ceramics Limited | 75,000 | 107,500 | - | 182,500 | - | - | - | - | - |
| | <u>75,000</u> | <u>107,500</u> | <u>-</u> | <u>182,500</u> | <u>-</u> | <u>-</u> | | | |
| Paper & Board | | | | | | | | | |
| Century Paper & Board Mills Ltd | - | 99,500 | - | - | 99,500 | 5,025 | - | - | - |
| | <u>-</u> | <u>99,500</u> | <u>-</u> | <u>-</u> | <u>99,500</u> | <u>5,025</u> | | | |
| Technology & Communication | | | | | | | | | |
| Systems Limited | 308,500 | - | - | 308,500 | - | - | - | - | - |
| | <u>308,500</u> | <u>-</u> | <u>-</u> | <u>308,500</u> | <u>-</u> | <u>-</u> | | | |
| Total - As at March 31, 2019 (Un-audited) | 30,583,317 | 19,537,962 | 520,933 | 17,189,807 | 33,452,405 | 2,391,548 | | | |
| Total - As at June 30, 2018 (Audited) | 26,773,108 | 23,511,920 | 525,247 | 20,226,958 | 30,583,317 | 2,667,725 | | | |
| Cost at 31 March 2019 | | | | | | 2,552,490 | | | |

*Suspended/Delisted Companies
**Sponsors of Management Company

5.1.1 Investments include shares having market value aggregating to Rs: 163.90m (June 30, 2018 : Rs189.070m) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Funds's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP.

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 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 (MUFAP), 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 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 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. 0.564 million at March 31, 2019 (June 30, 2018: Rs.0.670m) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

5.2 This represents book building against Interloop Ltd, subsequently converted into shares.

5.3 Financial Assets 'at fair value through other comprehensive Income (FVTOCI)

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

| Name of investee company | Number of Shares | | | | Market value as at March 31, 2019 (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 issue | Sales during the period | | As at Mar 31, 2019 | Total Investments | |

Class A

Oil and Gas Marketing Companies

| | | | | | | | | | |
|---|------------------|----------|------------------|----------|-------------------|------------------|--------|--------|-------|
| Sui Northern Gas Pipeline Limited | 2,488,024 | - | - | - | 2,488,024 | 186,876 | 9.20% | 8.96% | 0.39% |
| Pakistan State Oil Company Limited | 7,106,578 | - | 1,421,315 | - | 8,527,893 | 1,843,560 | 90.80% | 88.40% | 2.62% |
| Total - As at March 31, 2019 (Unaudited) | 9,594,602 | - | 1,421,315 | - | 11,015,917 | 2,030,436 | | | |
| Total - As at June 30, 2018 (Audited) | 8,410,173 | - | 1,184,429 | - | 9,594,602 | 2,511,445 | | | |

Cost at 31 December 2018

517,492

5.3.1 The above mentioned shares of Sui Northern Gas Pipelines Limited and Pakistan State Oil Company Limited are frozen/blocked 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.

5.3.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), 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 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 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. 15.36 million at March 31, 2019 (June 30, 2018: Rs. 18.851m) 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.

| | March 31, 2019 (Un-Audited) | | | June 30, 2018 (Audited) |
|--|--------------------------------|--------------|---------------|----------------------------|
| | Class A | Class B | Total | Total |
| 6. PAYABLE TO MANAGEMENT COMPANY | (Rupees in '000) | | | |
| Management fee | 3,582 | 4,535 | 8,117 | 9,058 |
| Sindh Sales Tax | 466 | 590 | 1,056 | 1,178 |
| Allocation of expenses relating to registrar services, accounting, operation and valuation services | 179 | 227 | 406 | 453 |
| Selling & marketing payable | 2,187 | 2,679 | 4,866 | - |
| | 6,414 | 8,031 | 14,445 | 10,689 |

| | | March 31, 2019 (Un-Audited) | | | June 30, 2018 (Audited) |
|--|-------------|--------------------------------|---------------|---------------|----------------------------|
| | | Class A | Class B | Total | Total |
| 7. ACCRUED EXPENSES AND OTHER LIABILITIES | Note | (Rupees in '000) | | | |
| Provision for Sindh Workers' Welfare Fund | 7.1 | - | 21,075 | 21,075 | 21,075 |
| Provision for Federal Excise Duty | 7.2 | - | 55,961 | 55,961 | 55,961 |
| Printing charges | | 27 | - | 27 | 2,810 |
| Auditors remuneration | | 145 | 294 | 439 | 783 |
| Security transaction charges | | - | 539 | 539 | 273 |
| Withholding tax payable | | 8 | 35 | 43 | 607 |
| Other payable | | - | 1,150 | 1,150 | - |
| | | 180 | 79,054 | 79,234 | 81,509 |

7.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

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 nine months year ended March 31, 2019, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per certificate of the Fund as at March 31, 2019 would have been higher by Rs. 0.08 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 Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per certificate of the Fund as at March 31, 2019 would have been higher by Rs. 0.20 per certificate (June 30, 2018: 0.20 per certificate) of class B.

8. Contingencies & Commitments

There were no contingencies and commitment as at March 31, 2019.

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 is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in 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. 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 March 31, 2019 is 2.29% and 2.44% which includes 0.28% and 0.29% representing government levy and SECP fee of the Class A and Class B respectively.

11. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

Details of the transactions with connected persons and balances with them are as follows:

| | Nine Months Ended March 31, | | | 2018 Total |
|---|--------------------------------|---------|--------|---------------|
| | 2019 Class A | Class B | Total | |
| ----- Rupees in '000 ----- | | | | |
| Transactions during the period | | | | |
| HBL Asset Management Limited | | | | |
| Remuneration of Management Company | 36,227 | 41,423 | 77,650 | 83,998 |
| Sindh Sales Tax on remuneration of Management Company | 4,709 | 5,385 | 10,094 | 10,920 |
| Reimbursement of fund Operations, accounting and Related costs | 1,811 | 2,071 | 3,882 | 4,200 |
| Selling and marketing | 7,189 | 8,164 | 15,353 | - |
| Habib Bank Limited - Sponsor | | | | |
| Dividend income | - | 3,012 | 3,012 | 1,790 |
| Mark-up on deposits with banks | - | 22 | 22 | 400 |
| Aga Khan University Employees Provident Fund Trust | | | | |
| Redemption of unit 588,000 | - | 5,296 | 5,296 | - |
| Aga Khan University Employees Gratuity Fund Trust | | | | |
| Redemption of unit 138,000 | - | 1,243 | 1,243 | - |
| HBL Investment Fund | | | | |
| Purchase of Oil & Gas Development Limited 10,000 Shares | - | 1,417 | 1,417 | - |
| Purchase of Engro Polymer Chemical Limited 35,000 Shares | - | 1,261 | 1,261 | - |
| Purchase of Maple Leaf Cement Factory Limited 25,000 Shares | - | 970 | 970 | - |
| Purchase of Engro Fertilizers Limited 15,000 Shares | - | 1,076 | 1,076 | - |
| Purchase of Pakistan State Oil Company Ltd 12,000 Shares | - | 2,520 | 2,520 | - |
| Purchase of Lotte Chemical Pakistan Ltd 30,000 Shares | - | 412 | 412 | - |
| Purchase of Lucky Cement Ltd 4,000 Shares | - | 1,734 | 1,734 | - |
| Purchase of Kohat Cement Ltd 8,000 Shares | - | 703 | 703 | - |
| Purchase of Hub Power Company Ltd 15,000 Shares | - | 1,169 | 1,169 | - |
| MCB Bank Limited | | | | |
| Connected Person Due to Holding more than 10% Certificate) | | | | |
| Dividend Income | - | 7,123 | 7,123 | 7,782 |
| Mark-up on deposits with banks | 1,045 | 5,929 | 6,974 | 5,932 |
| Central Depository Company of Pakistan Limited - Trustee | | | | |
| Trustee fee | 2,496 | 2,837 | 5,333 | 3,538 |
| CDC connection charges | - | 298 | 298 | 835 |

| | Class A | March 31, 2019 (Un-Audited) Class B ----- Rupees in '000 ----- | Total | June 30, 2018 (Audited) Total |
|---|---------|---|---------|-------------------------------------|
| Balances outstanding at the year end | | | | |
| HBL Asset Management Limited | | | | |
| Payable to the Management Company | 3,582 | 4,535 | 8,117 | 9,058 |
| Sindh Sales tax payable on remuneration to management company | 466 | 590 | 1,056 | 1,178 |
| Finance and operational cost | 179 | 227 | 406 | 453 |
| Selling and marketing expense | 2,187 | 2,679 | 4,866 | - |
| Central Depository Company of Pakistan Limited - Trustee | | | | |
| Trustee fee payable | 298 | 352 | 650 | 385 |
| Security deposit held | 100 | 200 | 300 | 300 |
| CDC Charges Payable | - | 37 | 37 | 36 |
| MCB Bank Limited | | | | |
| Connected Person Due to Holding more than 10% units) | | | | |
| Bank balance | 120 | 103,865 | 103,985 | 106,436 |
| Mark-up on bank deposit receivable | - | 465 | 465 | 490 |
| Related to units of the Fund | | | | |
| Habib Bank Limited | | | | |
| Outstanding units :48,662,161 (2018: 48,662,161) units | 486,621 | - | 486,621 | 486,622 |
| Outstanding units :48,662,161 | - | 461,862 | 461,862 | - |
| Jubilee General Insurance Company Limited | | | | |
| Outstanding units:107,379 (2018: 100,379)units | 1,004 | - | 1,004 | 1,004 |
| Outstanding units:100,379 | - | 952 | 952 | - |
| Jubilee General Insurance Company Limited Staff Provident Fund Trust | | | | |
| Outstanding units:118,454 (2018: 118,454) units | 1,184 | - | 1,184 | 1,184 |
| Outstanding units:118,454 | - | 1,124 | 1,124 | - |
| Jubilee General Insurance Company Limited Gratuity Fund Trust | | | | |
| Outstanding units:224,000 (2018: 224,000) units | 2,240 | - | 2,240 | 2,240 |
| Outstanding units:224,000 | - | 2,126 | 2,126 | - |
| Aga Khan University Employees Provident Fund Trust | | | | |
| Outstanding units:588,000 (2018: 588,000) units | 5,880 | - | 5,880 | 5,880 |
| Aga Khan University Employees Gratuity Fund Trust | | | | |
| Outstanding units:138,000 (2018: 138,000) units | 1,380 | - | 1,380 | 1,380 |
| 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 | 660,900 |
| Outstanding units:66,090,021 | - | 627,273 | 627,273 | - |
| Directors and Executives of the Management Company | | | | |
| Outstanding units:26,195 (2018: 26,195) units | 262 | - | 262 | 262 |
| Outstanding units:5,195 | - | 49 | 49 | - |

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets 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);

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

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 March 31, 2019 (Un-audited) | | | | | Fair Value | | | |
|---|--|---|-------------------|--------------------------------------|-----------|------------|---------|---------|-----------|
| | Carrying amount | | | | | Level 1 | Level 2 | Level 3 | Total |
| | Fair value through profit or loss | Fair value through other comprehensive income | At amortised cost | Other financial assets / liabilities | Total | | | | |
| | (Rupees in '000) | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investments - Listed equity securities | - | 2,030,436 | - | - | 2,030,436 | 2,030,436 | - | - | 2,030,436 |
| | - | 2,030,436 | - | - | 2,030,436 | 2,030,436 | - | - | 2,030,436 |
| Financial assets not measured at fair value | | | | | | | | | |
| Bank balances | - | - | - | 61,981 | 61,981 | | | | |
| Dividend and Profit receivable | - | - | - | 1,487 | 1,487 | | | | |
| Security Deposit | - | - | - | 100 | 100 | | | | |
| | - | - | - | 63,568 | 63,568 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Payable to Management Company | - | - | - | 5,948 | 5,948 | | | | |
| Payable to Trustee | - | - | - | 264 | 264 | | | | |
| Payable to Securities and Exchange Commission Of Pakistan | - | - | - | 1,721 | 1,721 | | | | |
| Payable against purchase of investment | - | - | - | - | - | | | | |
| Accrued expenses and other liabilities | - | - | - | 172 | 172 | | | | |
| Unclaimed Dividend | - | - | - | - | - | | | | |
| | - | - | - | 8,105 | 8,105 | | | | |

| | | | | | Class B | | | |
|-----------------------------------|---|-------------------|--------------------------------------|-------|-----------------------------|---------|---------|-------|
| | | | | | March 31, 2019 (Un-audited) | | | |
| Carrying amount | | | | | Fair Value | | | |
| Fair value through profit or loss | Fair value through other comprehensive income | At amortised cost | Other financial assets / 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 | 2,391,548 | - | - | - | 2,391,548 | 2,391,548 | - | - | 2,391,548 |
| Advance Against Book Building - Interloop Ltd. | 26,669 | - | - | - | 26,669 | - | - | 26,669 | |
| | 2,418,217 | - | - | - | 2,418,217 | 2,391,548 | - | - | 2,418,217 |

Financial assets not measured at fair value

| | | | | | |
|--------------------------------|----------|----------|----------|----------------|----------------|
| Bank balances | - | - | - | 373,366 | 373,366 |
| Dividend and Profit receivable | - | - | - | 31,262 | 31,262 |
| Security Deposit | - | - | - | 2,700 | 2,700 |
| | - | - | - | 407,328 | 407,328 |

Financial liabilities not measured at fair value

| | | | | |
|---|----------|----------|----------------|----------------|
| Payable to Management Company | - | - | 7,441 | 7,441 |
| Payable to Trustee | - | - | 312 | 312 |
| Payable to Securities and Exchange Commission of Pakistan | - | - | 1,968 | 1,968 |
| Payable against purchase of investment | - | - | 3,781 | 3,781 |
| Accrued expenses and other liabilities | - | - | 1,983 | 1,983 |
| Unclaimed Dividend | - | - | 86,052 | 86,052 |
| | - | - | 101,537 | 101,537 |

June 30, 2018(Audited)

| Carrying amount | | | | | Fair Value | | | |
|------------------|--------------------|-----------------------|--------------------------------------|-------|------------|---------|---------|-------|
| Held for trading | Available for sale | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |

(Rupees in '000)

On-balance sheet financial instruments

Financial assets measured at fair value

| | | | | | | | | | |
|--|------------------|------------------|----------|----------|------------------|------------------|----------|----------|------------------|
| Investments - Listed equity securities | 2,667,725 | 2,511,445 | - | - | 5,179,170 | 5,179,170 | - | - | 5,179,170 |
| | 2,667,725 | 2,511,445 | - | - | 5,179,170 | 5,179,170 | - | - | 5,179,170 |

Financial assets not measured at fair value

| | | | | | |
|--------------------------------|----------|----------|----------|----------------|----------------|
| Bank balances | - | - | - | 371,142 | 371,142 |
| Dividend and Profit receivable | - | - | - | 79,037 | 79,037 |
| Security Deposit | - | - | - | 2,800 | 2,800 |
| | - | - | - | 450,179 | 450,179 |

Financial liabilities not measured at fair value

| | | | | |
|---|----------|----------|----------------|----------------|
| Payable to Management Company | - | - | 9,511 | 9,511 |
| Payable to Trustee | - | - | 373 | 373 |
| Payable to Securities and Exchange Commission Of Pakistan | - | - | 5,304 | 5,304 |
| Payable against purchase of investment | - | - | 13,183 | 13,183 |
| Accrued expenses and other liabilities | - | - | 3,866 | 3,866 |
| Unclaimed Dividend | - | - | 86,271 | 86,271 |
| | - | - | 118,508 | 118,508 |

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

This condensed interim financial information was authorised for issue by the Board of Directors of the Management company on April 30, 2019.

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. No significant rearrangement or reclassification was made in these financial statements during the current year.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

ASSET MANAGEMENT LTD.

ایس ایٹ مینجمنٹ لمیٹڈ

Head Office Karachi:

7th Floor, Emerald Tower, Clifton,
Karachi.
UAN:111 HBL AMC (111-425-262)
Fax: 021-35168455
info@hblasasset.com

Lahore:

102-103, Upper Mall, Lahore
Tel: 042-36281600
042-36281640-3
042-36281610
Fax: 042-36281686

Islamabad:

HBL Corporate Center,
HBL building, Jinnah Avenue,
Islamabad
Tel: 051-2821183
Fax: 051-2822206