

HBL

ASSET MANAGEMENT LTD.

ایسیٹ مینجمنٹ 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 Islamic Money Market Fund, HBL Islamic Income Fund, HBL Islamic Stock Fund, HBL Islamic Equity Fund, HBL Islamic Asset Allocation Fund, HBL Islamic Financial Planning Fund and HBL Islamic Dedicated Equity 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.

As per latest data available, Islamic Banking industry assets posted 17.0% growth and stood at PKR 2,658 billion by Dec-18. Similarly, deposits of Islamic banks also witnessed a sharp growth of 16.9% YoY and reached PKR 2,203 billion by Dec-18. Despite the massive growth in assets and deposits, SBP did not issue any fixed or floating rate GOP Ijarah Sukuk in FY18 and in 9MFY19. During 9MFY19, PKR 314bn of GoP Ijara matured while government conducted "Bai-Muajjal" transaction of PKR 237bn carried out with the banks so that banks could park their excess liquidity. The "Bai-Muajjal" was SLR Eligible which ensured that the Islamic banks continue to meet the SLR requirement.

The government has issued Islamic Sukuk of PKR 200bn to partially retire the circular debt. This will be a long term instrument and will be SLR Eligible resulting in increased investment avenues for the Islamic banks. Moreover, we expect an additional PKR 200bn of Islamic Sukuk would be issued in 4QFY19 to settle circular debt and the issue is also expected to be a long term instrument with SLR eligibility.

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

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 KMI30 recorded strong performance of 12% in Jan-19 but index could not maintain its performance subsequently due to escalating tension across Pakistan-India border & uncertainty regarding Pakistan entry into IMF program. For 9MFY19, benchmark index has posted 10.9% decline due to weak investors' sentiments owing to lack of economic policy direction by the incumbent government, stringent measures such as increase in interest rate, hike in gas & electricity tariffs, etc. to curb consumption led growth in the economy. On the flows side, foreigners were the net buyers during the 3QFY19 with net inflows of USD 31mn, still lower than cumulative selling of USD 373mn during 9MFY19.

The benchmark KMI30 Index recorded 2,140 points recovery (\uparrow 3.2%) during 3QFY19 to close at 63,314 level. Index heavy weight sectors oil & gas exploration and fertilizer sectors primarily supported the index. Increase in oil prices & anticipation of better results of fertilizer sectors were the main reasons behind respective sector performance. 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 and expected announcement of amnesty scheme. We highlight that the current macro-economic environment bodes well for index heavy weights (E&Ps and Power) while recent underperformance has opened up valuations of cyclical stocks. We believe Pakistan's equities offers a good entry opportunity for long term investors.

FUND'S PERFORMANCE

HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 67.19 million and Rs. 54.83 million respectively during the period ended March 31, 2019. The Net Asset Value (NAV) of the Fund increased from Rs. 104.9735 per unit as on June 30, 2018 to Rs. 106.4075 per unit as on March 31, 2019 (after incorporating dividend of Rs. 4.15 per unit); thereby giving an annualized return of 7.38%. During the same period, the benchmark return (3 Month bank deposit rates) was 3.04%. The size of Fund was Rs. 1.19 billion as on March 31, 2019 as compared to Rs. 0.96 billion at the start of the year.

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

HBL Islamic Income Fund

The total income and net income of the Fund was Rs. 261.18 million and Rs. 214.05 million respectively during the period ended March 31, 2019. The Net Asset Value (NAV) of the Fund increased from Rs. 106.3013 per unit as on June 30, 2018 to Rs. 106.7906 per unit as on March 31, 2019 (after incorporating dividend of Rs. 5.00 per unit); thereby giving an annualized return of 7.20%. During the same period, the benchmark return (6 Month bank deposit rates) was 3.22%. The size of Fund was Rs. 3.93 billion as on March 31, 2019 as compared to Rs. 4.04 billion at the start of the year.

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

HBL Islamic Stock Fund

The total and net loss of the Fund was Rs. 64.42 million and Rs. 128.33 million respectively during the period ended March 31, 2019. The Net Asset Value (NAV) of the Fund decreased from Rs. 111.8276 per unit as on June 30, 2018 to Rs. 105.0942 per unit as on March 31, 2019 giving a negative return of 6.01% during the period against the benchmark return (KMI 30 Index) of negative 10.90%. The size of Fund was Rs. 1.60 billion as on March 31, 2019 as compared to Rs. 2.54 billion at the start of the year.

HBL Islamic Equity Fund

The total and net loss of the Fund was Rs. 38.54 million and Rs. 60.47 million respectively during the period ended March 31, 2019. The Net Asset Value (NAV) of the Fund decreased from Rs. 92.4834 per unit as on June 30, 2018 to Rs.87.0129 per unit as on March 31, 2019 giving a negative return of 5.88% during the period against the benchmark return (KMI 30 Index) of negative 10.90%. The size of Fund was Rs. 0.55 billion as on March 31, 2019 as compared to Rs. 1.32 billion at the start of the year.

HBL Islamic Asset Allocation Fund

The total and net income of the Fund was Rs. 84.61 million and Rs. 38.15 million respectively during the period ended March 31, 2019. The Net Asset Value (NAV) of the Fund increased from Rs. 104.7748 per unit as on June 30, 2018 to Rs. 106.2095 per unit as on March 31, 2019 (after incorporating dividend of Rs. 0.30 per unit); thereby giving a return of 1.61% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of negative 1.21%. The size of Fund was Rs. 1.69 billion as on March 31, 2019 as compared to Rs. 2.47 billion at the start of the year.

HBL Islamic Financial Planning Fund

HBL Islamic Financial Planning Fund comprises of four sub funds (plans) namely Active allocation plan, Conservative allocation plan, Strategic allocation plan and Islamic Capital Preservation Plan.

The Fund as a whole earned and incurred total income and net loss of Rs. 13.79 million and Rs. 0.98 million respectively during the period under review. The fund size of the fund stood at Rs. 4.72 billion. Performance review for plan is given below:

Active Allocation Plan

During the period under review, the Active allocation plan incurred total and net loss of Rs. 3.99 million and Rs. 4.56 million respectively. The net assets of the Active allocation plan stood at Rs. 177 million representing Net Asset Value (NAV) of Rs. 98.0184 per unit as at March 31, 2019. The plan earned a negative return of 2.39% for the period under review. The plan is invested to the extent of 49% in equity funds & 50% in fixed income funds.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 0.90 million and Rs. 0.77 million respectively. The net assets of the Conservative allocation plan stood at Rs. 21 million representing Net Asset Value (NAV) of Rs. 104.2236 per unit as at March 31, 2019. The plan earned a return of 2.77% for the period under review. The plan is invested to the extent of 20% in equity funds & 80% in fixed income funds.

Strategic Allocation Plan

During the period under review, the Strategic allocation plan earned and incurred total income and net loss of Rs. 6.13 million and Rs. 4.79 million respectively. The net assets of the Strategic allocation plan stood at Rs. 4.04 billion representing Net Asset Value (NAV) of Rs.101.3861 per unit as at March 31, 2019. The plan earned a negative return of 0.10% for the period under review. The plan is invested to the extent of 26% in equity funds & 74% in fixed income funds.

Islamic Capital Preservation Plan

Islamic Capital Preservation Plan commenced its operations from October 02, 2018. During this period from October 02, 2018 to March 31, 2019, the Islamic Capital Preservation plan earned total and net income of Rs. 10.75 million and Rs. 7.45 million respectively. The net assets of the Islamic Capital Preservation plan stood at Rs. 477 million representing Net Asset Value (NAV) of Rs. 101.5735 per unit as at March 31, 2019. The plan earned a return of 1.54% for the period under review. The plan is invested to the extent of 28% in equity funds & 71% in cash.

HBL Islamic Dedicated Equity Fund

The HBL Islamic Dedicated Fund commence its operation from October 01, 2018. The total and net loss of the Fund was Rs. 24.17 million and Rs. 34.27 million respectively during the period from October 01, 2018 to March 31, 2019. The Net Asset Value (NAV) of the Fund was Rs. 96.8138 per unit as on March 31, 2019. The Fund yielded a negative return of 3.18% during the period against the benchmark return (KMI 30 Index) of negative 1.11%. The size of Fund was Rs. 0.43 billion as on March 31, 2019.

MANAGEMENT COMPANY RATING

The JCR-VIS Credit Rating Company Limited (JCR-VIS) has maintained management quality rating of 'AM2+ (Positive outlook)' to the Management Company.

Acknowledgement

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

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

جات 477 ارب روپے پر موجود تھے جو 31 مارچ 2019 کے مطابق 101.5735 روپے فی یونٹ کے خالص اثاثہ جات کی مالیت (این اے وی) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کیلئے %1.54 کا منافع حاصل کیا۔ پلان نے ایکویٹی فنڈز اور اے ایم پی میں %28 کی حد تک اور کیش میں %71 کی حد تک سرمایہ کاری کی۔

ایچ بی ایل اسلامک ڈیڈیکیٹڈ ایکویٹی فنڈ

ایچ بی ایل اسلامک ڈیڈیکیٹڈ فنڈ نے اپنے تجارتی آپریشنز کا آغاز 01 اکتوبر 2018 کو کیا۔ 01 اکتوبر 2018 سے 31 مارچ 2019 کی مدت تک دوران فنڈ نے بالترتیب 24.17 ملین روپے اور 34.27 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کے خالص اثاثہ جات 31 مارچ 2019 کے مطابق 96.8138 روپے فی یونٹ تھے۔ فنڈ نے منفی %1.11 کے نیچے مارک منافع (Index30KM) کے برخلاف زیر جائزہ مدت کیلئے %3.18 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق صفر اعشاریہ تینتالیس (0.43) ارب روپے تھا۔

انتظامی کمپنی کی ریٹنگ

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

اعتراف

بورڈ اس موقع پر اپنے معزز یونٹ ہولڈرز کا ان کے اعتماد اور مستقل سرپرستی کے لیے شکر گزار ہے۔ اس کے ساتھ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور ایم سی بی فنانشل سروسز بطور ٹرسٹی، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی معاونت اور رہنمائی پر ان کا بھرپور شکریہ ادا کرتا ہے۔

بورڈ اپنے عملے کی انتھک کاوشوں اور خلوص و جدوجہد پر انہیں بھی خراج تحسین پیش کرنا چاہتا ہے۔

منجانب بورڈ آف ایچ بی ایل ایسیٹ منجمنٹ لمیٹڈ
چیف ایگزیکٹو آفیسر

ایچ بی ایل اسلامک ایسیٹ ایلوکیشن فنڈ

31 مارچ 2019 کو ختم ہونے والی مدت کے لیے فنڈ کی مجموعی آمدنی اور خالص آمدنی بالترتیب 84.61 ملین روپے اور 38.15 ملین روپے تھی۔ 30 جون 2018 کے مطابق فنڈ کی خالص اثاثہ جات کی مالیت (این اے وی) 104.7748 روپے فی یونٹ سے بڑھ کر 31 مارچ 2019 کو 106.2095 روپے فی یونٹ (0.30 روپے فی یونٹ کا منافع منقسمہ تشکیل دینے کے بعد) ہو گئی، جس کے ذریعے منفی %1.21 کے نتیجے میں منافع (30KM) انڈیکس کے حجم شدہ اوسطاً روزانہ منافع اور اے ریٹڈ یا زائد درجہ بندی کے حامل بینکوں کے اے ایم پی چھ ماہ کے ڈپازٹ ریٹ) کے برخلاف %1.61 کا منافع دیا گیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 1.69 ارب روپے تھا اس کے مقابلے میں سال کے آغاز پر یہ 2.47 ارب روپے تھا۔

ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ

ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ چار ذیلی فنڈز (پلاننگ) بنام ایکٹو ایلوکیشن پلان، کنزرویٹو ایلوکیشن پلان، اسٹریٹیجک ایلوکیشن پلان اور اسلامک کیپٹل پریزرویشن پلان پر مشتمل ہے۔ فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 13.79 ملین روپے کی مجموعی آمدنی اور 0.98 کا خالص خسارہ حاصل کیا۔ فنڈ کا حجم 4.72 ارب روپے پر موجود ہے۔ پلان کے لیے کارکردگی کا جائزہ درج ذیل ہے۔

ایکٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران ایکٹو ایلوکیشن پلان نے بالترتیب 3.99 ملین روپے اور 4.56 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا، ایکٹو ایلوکیشن پلان کے خالص اثاثہ جات 177 ملین روپے پر موجود تھے جو 31 مارچ 2019 کے مطابق 98.0184 روپے فی یونٹ کے خالص اثاثہ جات کی مالیت (این اے وی) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے %2.39 کا منفی منافع حاصل کیا۔ پلان نے ایکویٹی فنڈز اور اے ایم پی میں %49 کی حد تک اور فکسڈ انکم فنڈز میں پچاس فیصد کی حد تک سرمایہ کاری کی۔

کنزرویٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلوکیشن پلان کی مجموعی آمدنی اور خالص آمدنی بالترتیب 090 ملین روپے اور 0.77 ملین روپے تھی۔ کنزرویٹو ایلوکیشن پلان کے خالص اثاثہ جات 21 ملین روپے پر موجود تھے جو 31 مارچ 2019 کے مطابق 104.2236 روپے فی یونٹ کے خالص اثاثہ جات کی مالیت (این اے وی) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے %2.77 کا منافع حاصل کیا۔ پلان نے ایکویٹی فنڈز اور اے ایم پی میں %20 کی حد تک اور فکسڈ انکم فنڈز میں %80 کی حد تک سرمایہ کاری کی۔

اسٹریٹیجک ایلوکیشن پلان

زیر جائزہ مدت کے دوران اسٹریٹیجک ایلوکیشن پلان کی مجموعی آمدنی اور خالص خسارہ بالترتیب 6.13 ملین روپے اور 4.79 ملین روپے تھا۔ اسٹریٹیجک ایلوکیشن پلان کے خالص اثاثہ جات 4.04 ارب روپے پر موجود تھے جو 31 مارچ 2019 کے مطابق 101.3861 روپے فی یونٹ کے خالص اثاثہ جات کی مالیت (این اے وی) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کیلئے %0.10 کا منفی منافع حاصل کیا۔ پلان نے ایکویٹی فنڈز اور اے ایم پی میں %26 کی حد تک اور فکسڈ انکم فنڈز میں %74 کی حد تک سرمایہ کاری کی۔

اسلامک کیپٹل پریزرویشن پلان

اسلامک کیپٹل پریزرویشن پلان نے اپنے تجارتی آپریشنز کا آغاز 102 اکتوبر 2018 کو کیا۔ 102 اکتوبر 2018 سے 31 مارچ 2019 کی مدت کے اسلامک کیپٹل پریزرویشن پلان نے بالترتیب 10.75 ملین روپے اور 7.45 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ اسلامک کیپٹل پریزرویشن پلان کے خالص اثاثہ

آگے بڑھتے ہوئے انویسٹرز کو مکمل طور پر حکومت کی جانب سے آئی ایم ایف پروگرام میں شمولیت کے فیصلے، ایمنسٹی اسکیم 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 ہبوی وٹس (ای اینڈ پی، بینکس اور پاور) انڈیکس کے لیے مثبت کارکردگی کا مظاہرہ کریں گے جبکہ حالیہ نچلی کارکردگی زیر گردش ذخائر کی ویلیو ایٹنز بڑھائے گی۔ ہمیں یقین ہے کہ پاکستان ایکویٹیز طویل مدتی سرمایہ کاروں کے لیے بہتر مواقع کی پیشکش کرے گی۔

فنڈ کی کارکردگی

ایچ بی ایل اسلامک منی مارکیٹ فنڈ

31 مارچ 2019 کو ختم ہونے والی مدت کے لیے فنڈ کی مجموعی آمدنی اور خالص اکم بالترتیب 67.19 ملین روپے اور 54.83 ملین روپے تھی۔ 30 جون 2018 کے مطابق فنڈ کی خالص اثاثہ جات کی مالیت (این اے وی) 104.9735 روپے فی یونٹ سے بڑھ کر 31 مارچ 2019 کو 106.4075 روپے فی یونٹ (4.15 روپے فی یونٹ کا منافع منقسمہ تشکیل دینے کے بعد) ہو گئی، جس کے ذریعے 7.38% کا سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک منافع (تین ماہ کے بینک ڈپازٹ کی شرحیں) 3.04% تھا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 1.19 ارب روپے تھا اس کے مقابلے میں سال کے آغاز پر یہ 0.96 ارب روپے تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کے لیے AA(f) (ڈبل اے ایف) فنڈ کے استحکام کی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل اسلامک انکم فنڈ

31 مارچ 2019 کو ختم ہونے والی مدت کے لیے فنڈ کی مجموعی آمدنی اور خالص اکم بالترتیب 261.18 ملین روپے اور 214.05 ملین روپے تھی۔ 30 جون 2018 کے مطابق فنڈ کی خالص اثاثہ جات کی مالیت (این اے وی) 106.3013 روپے فی یونٹ سے بڑھ کر 31 مارچ 2019 کو 106.7906 روپے فی یونٹ (5.00 روپے فی یونٹ کا منافع منقسمہ تشکیل دینے کے بعد) ہو گئی، جس کے ذریعے 7.20% کا سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک منافع (6 ماہ کے بینک ڈپازٹ کی شرحیں) 3.22% تھا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 3.93 ارب روپے تھا اس کے مقابلے میں سال کے آغاز پر یہ 4.04 ارب روپے تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کے لیے A+(f) (اے پلس ایف) فنڈ کے استحکام کی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل اسلامک اسٹاک فنڈ

31 مارچ 2019 کو ختم ہونے والی مدت کے لیے فنڈ کا مجموعی اور خالص خسارہ بالترتیب 64.42 ملین روپے اور 128.33 ملین روپے رہا۔ 30 جون 2018 کے مطابق فنڈ کی خالص اثاثہ جات کی مالیت (این اے وی) 111.8276 روپے فی یونٹ سے کم ہو کر 31 مارچ 2019 کو 105.0942 روپے فی یونٹ ہو گئی، جس کے ذریعے اس مدت کے دوران بیچ مارک منافع (Index 30 KMI) منفی 10.90% کے برخلاف 6.01% کا منفی منافع دیا گیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 1.60 ارب روپے تھا اس کے مقابلے میں سال کے آغاز پر یہ 2.54 ارب روپے تھا۔

ایچ بی ایل اسلامک ایکویٹی فنڈ

31 مارچ 2019 کو ختم ہونے والی مدت کے لیے فنڈ کا مجموعی اور خالص خسارہ بالترتیب 38.54 ملین روپے اور 60.47 ملین روپے رہا۔ 30 جون 2018 کے مطابق فنڈ کی خالص اثاثہ جات کی مالیت (این اے وی) 92.4834 روپے فی یونٹ سے کم ہو کر 31 مارچ 2019 کو 87.0129 روپے فی یونٹ ہو گئی، جس کے ذریعے اس مدت کے دوران بیچ مارک منافع (Index 30 KMI) منفی 10.90% کے برخلاف 5.88% کا منفی منافع دیا گیا۔ فنڈ کا حجم 31 مارچ 2019 کے مطابق 0.55 ارب روپے تھا اس کے مقابلے میں سال کے آغاز پر یہ 1.32 ارب روپے تھا۔

ضبط کا سلسلہ جاری رکھا۔

تازہ ترین دستیاب ڈیٹا کے مطابق اسلامک بینکنگ کی صنعت کے اثاثہ جات نے 17% گروتھ ظاہر کی اور دسمبر 18 تک اس کے اثاثے 2,658 ارب روپے پر موجود تھے۔ اسی طرح اسلامک بینکنگ کے ڈپازٹس نے بھی 16.9% YoY کی تیز رفتار شرح نمو ظاہر کی اور دسمبر 18 تک 2,203 ارب روپے تک پہنچ گئے۔ اثاثہ جات اور ڈپازٹس میں بڑے پیمانے پر گروتھ کے باوجود ایس بی پی نے کوئی بھی فلوئنگ یا فلوئنگ ریٹ کے سرکاری اجارہ چھوڑنے کے بجائے حکومت پاکستان کے اجارہ چھوڑنے کے بجائے حکومت نے بینکوں کے ساتھ 237 ارب روپے کی ”بائی معقل“ ٹرانزیکشن انجام دی تاکہ بینک اپنی اضافی لیکویڈٹی پارک نہ کر سکیں۔ ”بائی معقل“ ایس ایل آر کی اہل تھی جو اس امر کو یقینی بناتی ہے کہ اسلامی بینکنگ ایس ایل آر کی شرائط پوری کرنے کا سلسلہ جاری رکھیں گے۔

حکومت نے جزوی طور پر سرکریڈیٹ کوریٹرز کے لیے 200 ارب روپے کے اسلامک سلوک جاری کیے۔ یہ طویل مدتی انسٹرومنٹ ہوں گے اور ایس ایل آر کے اہل ہوں گے جس کے نتیجے میں اسلامی بینکوں کے لیے سرمایہ کاری کی راہوں میں اضافہ ہوگا۔ مزید برآں ہم 200 ارب روپے کے اضافی اسلامی سلوک کی توقع کرتے ہیں جو مالی سال 19 کی چوتھی سہ ماہی میں جاری کیے جائیں گے تاکہ سرکریڈیٹ کوریٹرز کو نمٹایا جائے اور یہ اجارہ بھی ایس ایل آر کی اہلیت کے ساتھ امکانی طور پر طویل مدتی انسٹرومنٹ ہوگا۔

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 روپے حاصل کیے جبکہ گزشتہ سال کی اسی مدت کے دوران 1,391 ارب روپے لیے گئے تھے۔ دریں اثنا ایس بی پی سے حکومت کے قرضہ جات اس مدت کے دوران 3,485 ارب روپے تک بڑھے جبکہ گزشتہ برس کی اس مدت کے دوران قرضے کی شرح 2,161 ارب روپے تھی۔

مارچ 2019 میں جاری مانیٹری پالیسی میں پالیسی ریٹ مزید 50bps بڑھا کر 10.75% کیا گیا، آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ سخت مانیٹری نظم و ضبط کا سلسلہ جاری رہے گا اور شرح سود مالی سال 2019 کے باقی ماندہ ماہ کے دوران بدستور موجود سطح (10.75-11%) 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 شیئنگ مارک KM130 نے جنوری 19 میں 12% 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 شیئنگ مارک انڈیکس نے 10.9% کی کمی ظاہر کی جس کی وجہ نوزائیدی حکومت کی جانب سے معاشی پالیسی کی سمت کے تعین کے فقدان، معاشی بے یقینی، مانیٹری نظام میں سخت رویہ مثلاً شرح سود میں اضافہ، گیس اور بجلی کے ٹیرف میں نمایاں اضافے اور پاک روپے کی قدر میں کمی کے سبب سرمایہ کاروں کے کمزور اور درست رجحانات تھے جس کی وجہ سے معیشت میں بہتری کے امکانات پیدا نہ ہو سکے۔ 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 شیئنگ مارک KM130 نے 1,583 پوائنٹس کی ریکوری (اوپری ایریوہ 3.2%) کی اور 63,314 کی سطح پر بند ہوا۔ ہیوی ویٹ شعبے کمرشل بینکنگ، آئل اور گیس ایکسپلوریشن اور فریٹلائزرز ریکلٹرز نے انڈیکس میں بنیادی معاونت فراہم کی۔ تیل کی قیمتیں بڑھنے اور فریٹلائزرز ریکلٹرز متعلقہ سیکٹرز کی کامیابی اس کے پیچھے مرکزی عوامل تھے۔ آئل اور گیس ایکسپلوریشن اور فریٹلائزرز ریکلٹرز نے شیئنگ مارک انڈیکس کے لیے غیر معمولی کارکردگی کا مظاہرہ کیا اور بالترتیب 15% اور 6% کی شرح حاصل کی۔ ریٹائرمنٹ، پاور اور او ایف سیز اس مدت کے دوران کلیدی چلنی کارکردگی کا مظاہرہ کرنے والے شعبے رہے جس کی وجہ حکومت کی جانب سے غیر معینہ مدت کے لیے ایف او پر منحصر جزیشن بند کرنے کا فیصلہ تھا۔ مزید برآں مالی سال 19 کی پہلی سہ ماہی کے دوران ریٹائرمنٹ سے کمزور مالیاتی نتائج اور مالی سال 19 کی تیسری سہ ماہی کے دوران او ایف سی کے حجم میں کمی سمیت متعلقہ شعبے کی سست کارکردگی تھی۔ ریٹائرمنٹ، پاور اور او ایف سی سیکٹرز نے شیئنگ مارک KSE100 میں چلنی کارکردگی ظاہر کی اور بالترتیب 19%، 9% اور 7% گر گئی۔

انتظامی کمپنی کے ڈائریکٹرز کی رپورٹ

انچ 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 بشمول انچ بی ایل اسلامک منی مارکیٹ فنڈ، انچ بی ایل اسلامک انکم فنڈ، انچ بی ایل اسلامک اسٹاک فنڈ، انچ بی ایل اسلامک ایکویٹی فنڈ، انچ بی ایل اسلامک ایسیٹ ایلوکیشن فنڈ، انچ بی ایل اسلامک فنانشل پلاننگ فنڈ اور انچ بی ایل اسلامک ڈیڈ ویلٹی 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 زرتریل 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 شیڈ 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 زرتریل 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 نوڈ 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 ”منی 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 ایمنسٹی 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

Islamic Money Market Fund

FUND INFORMATION

Name of Fund	HBL Islamic Money Market Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Bank Al-Habib Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited Askari Bank Limited Allied Bank Limited Faysal Bank Limited Summit Bank Limited
Fund Rating	'AA(f)' (JCR-VIS)

HBL Islamic Money Market 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	1,068,979	958,590
Accrued mark-up on deposit with banks		12,011	4,863
Investments	5	118,198	-
Deposits and prepayments		142	60
Total assets		1,199,330	963,513
Liabilities			
Payable to the Management Company	6	1,279	678
Payable to the Trustee		160	120
Payable to Securities and Exchange Commission of Pakistan		559	609
Accrued expenses and other liabilities	7	9,267	4,997
Total liabilities		11,265	6,404
Net assets		1,188,065	957,109
Unit holders' fund (as per statement attached)		1,188,065	957,109
Contingencies and Commitments	8		
		----- (Number of units) -----	
Number of units in issue		11,165,238	9,117,621
		----- (Rupees) -----	
Net assets value per unit		106.4075	104.9736

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

	Nine Month ended		Quarter Ended	
	March 31,		March 31,	
	2019	2018	2019	2018
Note	----- (Rupees in '000) -----			
Income				
Mark-up on deposit with banks	60,386	31,761	27,001	10,790
Mark-up on term deposit receipts	456	2,465	-	1,058
Mark-up on clean placement	6,348	-	2,828	-
	67,190	34,226	27,001	11,848
Expenses				
Remuneration of the Management Company	7,419	6,329	3,186	1,800
Remuneration of the Trustee	1,231	1,023	447	342
Annual fee to the Securities and Exchange Commission of Pakistan	559	452	211	151
Allocation of expenses related to registrar services, accounting, operation and valuation services	746	603	283	202
Auditors' remuneration	449	264	259	88
Settlement and bank charges	205	81	-	6
Fee and subscription	628	357	362	139
Printing and stationary	-	124	-	54
Total expenses	11,237	9,232	4,748	2,781
Net income from operating activities	55,953	24,995	22,253	9,067
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	1,119	(500)	445
				(181)
Net income for the period before taxation	54,834	24,495	21,808	8,887
Taxation	8	-	-	-
Net income for the period after taxation	54,834	24,495	21,808	8,887
Allocation of net income for the period:				
Income already paid on redemption of units	12,713	3,672		
Accounting income available for distribution:				
- Relating to capital gains	-	-		
- Excluding capital gains	42,121	20,823		
	42,121	20,823		
	54,834	24,495		

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 Islamic Money Market Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine Months ended 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	54,834	24,495	21,808	8,887
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	54,834	24,495	21,808	8,887

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
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HBL Islamic Money Market Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the Nine month ended March 31, 2019

	Nine month ended March 31,					
	2019			2018		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	926,993	30,116	957,109	830,183	5,099	835,282
Issue of 13,115,521 units (2018: 26,107,650 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,322,353	-	1,322,353	565,873	9,513	575,386
- Element of income	37,155	-	37,155	-	-	-
Total proceeds on issue of units	1,359,508	-	1,359,508	565,873	9,513	575,386
Redemption of 11,067,905 units (2018: 17,806,929 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,115,905)	-	(1,115,905)	(581,754)	(8,672)	(590,426)
- Income already paid on redemption of units	-	(12,713)	(12,713)	-	-	-
- Element of loss	(16,931)	-	(16,931)	-	-	-
Total payments on redemption of units	(1,145,549)	-	(1,145,549)	(581,754)	(8,672)	(590,426)
Total comprehensive Gain for the period	-	54,834	54,834	-	24,495	24,495.00
Refund of Capital	(14,140)	-	(14,140)	-	-	-
Distribution during the Period	-	(23,697)	(23,697)	-	-	-
Net income for the period less distribution	(14,140)	31,137	16,997	-	24,495	24,495
Net assets at end of the period	1,126,812	61,253	1,188,065	814,302	30,435	844,737
Undistributed income brought forward						
- Realised		30,116			5,099	
- Unrealised		-			-	
		30,116			5,099	
Distribution during the Period		(23,697)			-	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		42,121			20,823	
		42,121			20,823	
Undistributed income carried forward		48,540			25,922	
Undistributed income carried forward						
Relating to realised gain		48,540			25,922	
Relating to unrealised gain		-			-	
		48,540			25,922	
	----- (Rupees) -----					
Net assets value per unit at beginning of the period	104.9736			100.6277		
Net assets value per unit at end of the period	106.4075			103.7397		

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 Islamic Money Market Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine month ended March 31, 2019

	Nine month ended March 31,	
	2019	2018
Note	----- (Rupees in '000') -----	
Cash flows from operating activities		
Net income for the period before taxation	54,834	24,495
Adjustments for non-cash items:		
Mark-up on deposit with banks	(60,386)	(31,761)
Mark-up on commercial paper	(6,348)	-
Mark-up on term deposit receipts	(456)	(2,465)
	(12,356)	(9,731)
Increase in assets		
Deposits and prepayments	(82)	(45)
Investments	(111,850)	-
	(111,932)	(45)
Increase / (Decrease) Increase in liabilities		
Payable to the Management Company	601	(131)
Payable to the Trustee	40	7
Payable to the Securities and Exchange Commission of Pakistan	(50)	(19)
Accrued expenses and other liabilities	4,270	(1,642)
	4,861	(1,785)
	(119,427)	(11,561)
Mark-up received on deposit with banks	53,191	33,466
Mark-up received on term deposit receipts	503	-
	53,694	33,466
Net cash generated from / (used in) operating activities	(65,733)	21,905
Cash flows from financing activities		
Amount received on issue of units	1,359,508	575,386
Payments against redemption of units	(1,145,549)	(590,426)
Cash dividend paid	(37,837)	-
Net cash generated / (used in) from financing activities	176,122	(15,040)
Net increase in cash and cash equivalents	110,389	6,865
Cash and cash equivalents at beginning of the period	958,590	839,601
Cash and cash equivalents at end of the period	1,068,979	846,466

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 Islamic Money Market 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 Islamic Money Market Fund (the Fund) was established under a Trust Deed, dated November 23, 2010, 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 December 10, 2010.
- 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. The units of the Fund were initially offered for public subscription at 'par from May 9, 2011 to May 10, 2011.
- 1.4** The principal activity of the Fund is to seek high liquidity and comparative Shariah Compliant return for investors by investing in low risk securities of shorter duration and maturity.
- 1.5** JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2+' (Positive Outlook) to the Management Company and the fund stability rating of AA(f) to the Fund.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a 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 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 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

This condensed interim financial statement 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 POLICIES, RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

- 3.1** The accounting policies adopted in the preparation of this condensed interim financial information is 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 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.

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.

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

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
Savings account	4.1	1,068,979	873,590
Term deposit receipts		-	85,000
		<u>1,068,979</u>	<u>958,590</u>

4.1 This represents bank accounts held with different banks. Mark up rates on these accounts range between 3.57% - 10.75% (June 2018: 4.5% - 7.1%) per annum.

5. INVESTMENTS

Financial asset at amortised cost

- Clean placement

5.1	118,198	-
	<u>118,198</u>	<u>-</u>

5.1 Investment in Commercial paper - Financial asset at amortised cost

Name of Company	As at July 01, 2018	Placement made during the year	Matured during the year	As at March 31, 2019	Percentage of total value of investments	Percentage of Net Assets
K-Electric	-	118,198	-	118,198	100.00	9.95
Total - As at March 31, 2019	-	118,198	-	118,198	100.00	9.95
Total - As at June 30, 2018	-	-	-	-	-	-

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

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	----- (Rupees in '000) -----	
6. PAYABLE TO THE MANAGEMENT COMPANY		
Management Fee	1,040	537
Sindh Sales Tax	135	70
Allocation of expenses related to registrar services, accounting, operation and valuation services	104	71
	<u>1,279</u>	<u>678</u>

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		361	304
Federal Excise Duty	7.1	2,185	2,185
Provision for Sindh Workers' Welfare Fund	7.2	3,322	2,203
Other payable		3,399	305
		9,267	4,997

7.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2017, is pending for decision.

In view of the above, the Management Company, being prudent, is carrying provision for FED aggregating to Rs. 2.185 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.1957 per unit (June 30, 2018: 0.2632 per unit).

7.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare fund is the same as disclosed in note 11.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, as a matter of being prudent, recognised provision for SWWF amounting to Rs. 3.322 million as at March 31, 2019 in these 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. 0.2976 per unit (June 30, 2018: Rs. 0.1802 per unit).

8. 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.

9. CONTINGENCIES AND COMMITMENTS

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

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, 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 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 including sales tax thereon	7,419	6,329
Allocation of expenses related to registrar services, accounting, operation and valuation services	746	603
Issue of units 652 units (2018: 27,577 units)	66	2,814
Redemption of units 28,596 (2018: Nil units)	294	-
Refund of capital 368 units (2018: Nil units)	37	-
Habib Bank Limited - Sponsor		
Profit on bank deposits earned	9,183	630
Issuance of units 118,710 Units (2018: NIL units)	11,968	-
Redemption of units 762,765 (2018: Nil units)	80,648	-
Executives and key management personnel		
Issue of 456,990 units (2018: 435,786 units)	48,034	44,824
Redemption of 176,607 units (2018: 428,431 units)	18,522	44,099
Al Mizan Foundation - Connected person due to holding 10% or more		
Issue of 1,024 units (2018: NIL units)	103	-
Refund of capital 77,267 units (2018: Nil units)	7,790	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee Remuneration	1,231	118
CDC service charges	4	-

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	----- (Rupees in '000) -----	
10.2 Amounts outstanding as at period end		
HBL Asset Management Limited - Management Company		
Management fee	1,040	537
Sindh Sales Tax	135	70
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	104	71
Investment held in the Fund: Nil units (June 30, 2018: 27,577)	-	2,895
Habib Bank Limited - Sponsor		
Investment held in the Fund: 2,240,000 units (June 30, 2018: 2,884,054 units)	238,353	302,749
Bank balances	1,003,250	1,496
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	160	120
Executives and key management personnel		
Investment held in the Fund: 281,130 units (June 30, 2018: 8,101 units)	29,914	850
AI MIZAN FOUNDATION - Connected person due to holding 10% or more		
Investment held in the Fund: 1,984,745 units (June 30, 2018: 1,906,454 units)	211,192	200,000

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

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

	March 31, 2019						
	Carrying amount			Fair Value			
	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 not measured at fair value							
Bank balance	-	1,068,979	1,068,979				
Accrued mark-up	-	12,011	12,011				
Investments	-	118,198	118,198				
	-	1,199,188	1,199,188				

Financial liabilities not measured at fair value

Payable to the Management Company	-	1,144	1,144				
Payable to the Trustee	-	142	142				
Accrued expenses and other liabilities	-	609	609				
Payable to Securities and Exchange Commission of Pakistan	-	495	495				
	-	2,390	2,390				

	June 30, 2018						
	Carrying amount			Fair Value			
	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 not measured at fair value							
Bank balances	-	958,590	958,590				
Accrued mark-up	-	4,863	4,863				
	-	963,453	963,453				

Financial liabilities not measured at fair value

Payable to the Management Company	-	608	608	-	-	-	-
Payable to the Trustee	-	106	106	-	-	-	-
Accrued expenses and other liabilities	-	3,760	3,760	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan	-	539	539	-	-	-	-
	-	5,013	5,013	-	-	-	-

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

There were no transfers 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, the total expense ratio of the Fund for the half year ended March 31, 2019 is 1.24% (2018: 1.21%) which includes 0.27% (2018: 0.23%) representing government levy, Worker's Welfare Fund and SECP fees.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement 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 This 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.

14.3 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

Islamic Asset Allocation Fund

FUND INFORMATION

Name of Fund	HBL Islamic Asset Allocation Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Bank Al-Habib Limited Habib Bank Limited Askari Bank Limited Allied Bank Limited Dubai Islamic Bank Limited Soneri Bank Limited Bank Islamic Pakistan Limited Summit Bank Limited Al Baraka Bank Pakistan Limited MCB Islamic Bank Limited

HBL Islamic Asset Allocation 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	43,227	1,072,554
Investments	5	1,653,442	1,395,267
Dividend receivable and accrued mark-up		18,627	16,784
Preliminary expenses and floatation costs	6	369	525
Advances, deposits and other receivables	7	5,754	4,205
Receivable against sale of investments		978	2,338
Total assets		1,722,397	2,491,673
Liabilities			
Payable to the Management Company	8	5,046	9,665
Payable to the Trustee		281	344
Payable to the Securities and Exchange Commission of Pakistan		1,636	2,568
Payable against Redemption Units		15,384	-
Accrued expenses and other liabilities	9	8,642	9,537
Total liabilities		30,989	22,114
Net assets		1,691,408	2,469,559
Unit holders' fund (as per statement attached)		1,691,408	2,469,559
Contingencies and Commitments	10		
		(Number of units)	
Number of units in issue		15,925,192	23,570,147
		(Rupees)	
Net assets value per unit		106.2095	104.7748

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 Islamic Asset Allocation 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					
Return on investments		62,425	19,871	46,718	9,273
Profit on deposits with banks		51,396	67,458	33,890	22,418
Dividend income		20,634	26,950	12,824	6,671
Capital loss on sale of investments - net		(25,406)	(53,701)	(26,636)	(23,934)
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial asset at fair value through profit or loss - net		(24,439)	41,145	(11,070)	36,060
		84,610	101,723	55,725	50,488
Impairment loss on equity securities classified as available for sale		-	(82,250)	-	-
		84,610	19,473	55,725	50,488
Expenses					
Remuneration of the Management Company		29,180	34,047	18,864	12,095
Remuneration of the Trustee		2,794	3,118	1,821	1,085
Annual fee to Securities and Exchange Commission of Pakistan		1,636	1,909	1,057	678
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,721	2,104	1,112	809
Selling and marketing expenses		6,886	7,939	4,451	2,759
Auditors' remuneration		276	277	183	93
Amortization of preliminary expenses and floatation costs		156	152	103	46
Settlement and bank charges		463	391	314	127
Printing charges		-	118	-	29
Fee and subscription		50	71	(30)	16
Income from shariah non-compliant transaction		866	2,202	564	294
Securities transaction cost		1,506	993	1,189	441
Shariah advisory fee		146	110	146	37
		45,680	53,431	29,775	18,509
Net loss from operating activities		38,930	(33,958)	25,951	31,979
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		(778)	-	(573)	-
Net loss for the period before taxation		38,152	(33,958)	25,378	31,979
Taxation	11	-	-	-	-
Net loss for the period after taxation		38,152	(33,958)	25,378	31,979
Allocation of income for the period					
Income already paid on redemption of units		16,322	-	-	-
Accounting income available for distribution:					
- Relating to capital (losses) / gains		-	-	-	-
- Excluding capital (losses) / gains		21,830	-	-	-
		21,830	-	-	-
		38,152	(33,958)	25,378	31,979

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 Islamic Asset Allocation 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	38,152	(33,958)	25,378	31,979
Other comprehensive (loss) / income for the period	-	44,039	-	68,568
Total comprehensive income for the period	38,152	10,081	25,378	100,547

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 Islamic Asset Allocation Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For The Nine Months Ended March 31, 2019

	Nine Months ended March 31,							
	2019				2018			
	----- (Rupees in '000) -----							
Capital Value	Undistributed income	Unrealised (losses) / gains on investment	Total	Capital Value	Undistributed income	Unrealised (losses) / gains on investment	Total	
Net assets at beginning of the period	2,347,630	113,632	8,297	2,469,559	2,490,358	105,876	27,084	2,623,318
Adoption of IFRS 9	-	8,297	(8,297)	-	-	-	-	-
Issue of 6,641,869 units (2018: 10,601,757 units)								
- Capital value (at net asset value per unit at the beginning of the period)	691,481	-	-	691,481	1,119,505	-	-	1,119,505
- Element of income / (Loss)	11,896	-	-	11,896	(29,085)	-	-	(29,085)
Total proceeds on issuance of units	703,377.48	-	-	703,377	1,090,421	-	-	1,090,421
Redemption of 14,286,824 units (2018: 8,035,145 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(1,487,393)	-	-	(1,487,393)	(848,394)	-	-	(848,394)
- Income already paid on redemption of units	-	-	-	-	-	-	-	-
- Element of (loss) / income	(25,219)	-	-	(25,219)	15,190	-	-	15,190
Total payments on redemption of units	(1,512,612)	-	-	(1,512,612)	(833,204)	-	-	(833,204)
Total comprehensive loss for the period	-	38,152	-	38,152	-	(33,958)	44,039	10,081
Distribution during the period	-	(7,068)	-	(7,068)	-	-	-	-
Total comprehensive loss for the period	-	31,084	-	31,084	-	(33,958)	44,039	10,081
Net assets at end of the period	1,538,395	153,013	-	1,691,408	2,747,575	71,918	71,123	2,890,616
Undistributed income brought forward								
- Realised		116,763				105,876		
- Unrealised		(3,131)				-		
		113,632				105,876		
Adoption of IFRS 9		8,297				-		
Net loss for the period after taxation		38,152				(33,958)		
Distribution during the period		(7,068)				-		
Undistributed income carried forward		153,013				71,918		
Undistributed income carried forward								
- Realised		177,452				30,773		
- Unrealised		(24,439)				41,145		
		153,013				71,918		
Net assets value per unit at beginning of the period				104.7748				105.5962
Net assets value per unit at end of the period				106.2095				105.4603

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 Islamic Asset Allocation Fund
Condensed Interim Cash Flow Statement (Unaudited)
For The Nine Months 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	38,152	(33,958)
Adjustments for non-cash items:		
Capital loss on sale of investments - net	25,406	53,701
Return / markup on bank profits	(51,396)	(67,458)
Return / markup on investments	(62,425)	(19,871)
Dividend income	(20,634)	(26,950)
Impairment loss on equity securities classified as available for sale	-	82,250
Amortization of preliminary expenses and floatation costs	156	152
Net unrealised appreciation / (diminution) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	24,439	(41,145)
	(46,301)	(53,279)
(Increase) / decrease in assets		
Investments	(308,023)	(894,649)
Advances, deposits and other receivables	(189)	(14,372)
	(308,212)	(909,021)
Increase / (decrease) in liabilities		
Payable to the Management Company	(4,619)	1,133
Payable to the Trustee	(63)	62
Payable to the Securities and Exchange Commission of Pakistan	(932)	565
Payable against Redemption Units	15,384	
Accrued expenses and other liabilities	(895)	(75,729)
	8,875	(73,969)
Net cash used in operations	(345,638)	(1,036,269)
Profit received on bank deposits	52,218	54,662
Dividend income received	18,860	22,565
Markup received on investments	61,536	13,484
Net cash used in from operating activities	(213,024)	(945,558)
Cash flows from financing activities		
Amount received on issue of units	703,377	1,090,421
Payment against redemption of units	(1,519,680)	(833,204)
Net cash (used in) / generated from financing activities	(816,303)	257,217
Net decrease in cash and cash equivalents	(1,029,327)	(688,341)
Cash and cash equivalents at beginning of the period	1,072,554	1,962,227
Cash and cash equivalents at end of the period	43,227	1,273,886

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 Islamic Asset Allocation Fund
Notes to the Condensed Interim Financial Information (Unaudited)
For the half year ended December 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed, dated September 07, 2015, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on October 28, 2015.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The initial public offer period was from January 07, 2016 to January 08, 2016 (both days inclusive). 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 primary objective of the Fund is to provide superior returns through investments in Shari'ah Compliant Equity Securities and Shari'ah Compliant Income/ Money Market Instruments.
- 1.5 JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+' (Positive outlook) 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 ("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 te 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 AND 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.

In the current year, the Fund has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

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;
 - 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.

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	Reclassifications	Remeasurements	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)	161,202	161,202	-	161,202	-
Listed debt securities from available for sale (IAS 39)	124,263	124,263	-	124,263	-
Total	285,465	285,465	-	285,465	-

4. BANK BALANCES	Note	(Un-Audited)	(Audited)
		March 31, 2019	June 30, 2018
(Rupees in '000)			
Balances with banks in:			
Savings accounts	4.1	<u>43,227</u>	<u>1,072,554</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 4.00% - 10.75% per annum (June 30, 2018: 3.75% - 6.5%) per annum.

5. INVESTMENTS

Financial assets at fair value through profit or loss

- Listed equity securities	5.1	481,134	680,467
- Sukuk's	5.2	724,004	714,800
- Advance Against book building	5.5	9,093	-
		<u>1,214,231</u>	<u>1,395,267</u>

Financial assets at amortized cost

- Commercial paper	5.3	188,211	-
- Term Deposit Certificate	5.4	251,000	-
		<u>1,653,442</u>	<u>1,395,267</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 the 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 / Right issue	Sales during the period	As at March 31, 2019		Total Investments	Net Assets	
TEXTILE COMPOSITE									
Kohinoor Textile Mills Ltd	-	167,000	-	15,000	152,000	6,820	0.41%	0.40%	0.14%
Nishat Mills Ltd	184,500	112,400	-	156,000	140,900	18,967	1.15%	1.12%	0.04%
	<u>184,500</u>	<u>279,400</u>	<u>-</u>	<u>171,000</u>	<u>292,900</u>	<u>25,787</u>			
CEMENT									
Cherat Cement Company Limited	-	112,800	-	112,800	-	-	0.00%	0.00%	-
D G Khan Cement Company Limited	72,100	80,000	-	152,100	-	-	0.00%	0.00%	-
Kohat Cement Limited	123,000	76,000	18,270	141,700	75,570	6,486	0.39%	0.38%	0.06%
Lucky Cement Limited	63,750	46,000	-	55,500	54,250	23,232	1.41%	1.37%	0.02%
Maple Leaf Cement Factory Limited	-	653,000	-	403,700	249,300	9,336	0.56%	0.55%	0.05%
Pioneer Cement Limited	95,000	-	-	95,000	-	-	0.00%	0.00%	-
	<u>353,850</u>	<u>967,800</u>	<u>18,270</u>	<u>960,800</u>	<u>379,120</u>	<u>39,054</u>			
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	496,500	220,000	-	283,500	433,000	31,752	1.92%	1.88%	0.04%
K- Electric Limited	2,621,000	934,000	-	1,774,500	1,780,500	9,953	0.60%	0.59%	0.01%
Pakgen Power Limited	-	289,000	-	87,500	201,500	3,075	0.19%	0.18%	0.05%
	<u>3,117,500</u>	<u>1,443,000</u>	<u>-</u>	<u>2,145,500</u>	<u>2,415,000</u>	<u>44,780</u>			
ENGINEERING									
Amreli Steel Mills Limited	236,000	35,000	-	271,000	-	-	0.00%	0.00%	-
Amreli Steels Limited	111,300	13,000	-	124,300	-	-	0.00%	0.00%	-
Crescent Steel & Allied Product Limited	-	60,000	-	-	60,000	2,327	0.14%	0.14%	0.08%
International Industries Limited	32,800	68,000	-	59,100	41,700	5,175	0.31%	0.31%	0.03%
International Steels Limited	111,500	125,000	-	159,000	77,500	4,962	0.30%	0.29%	0.02%
Mughal Iron & Steel Industries Limited	120,500	45,000	-	165,500	-	-	0.00%	0.00%	-
	<u>612,100</u>	<u>346,000</u>	<u>-</u>	<u>778,900</u>	<u>179,200</u>	<u>12,465</u>			
AUTOMOBILE ASSEMBLER									
Millat Tractors Limited	20,600	1,000	-	19,400	2,200	1,969	0.12%	0.12%	0.00%
	<u>20,600</u>	<u>1,000</u>	<u>-</u>	<u>19,400</u>	<u>2,200</u>	<u>1,969</u>			
CABLE & ELECTRICAL GOODS									
Pak Elektron Limited	223,000	45,000	-	268,000	-	-	0.00%	0.00%	-
	<u>223,000</u>	<u>45,000</u>	<u>-</u>	<u>268,000</u>	<u>-</u>	<u>-</u>			
GLASS & CERAMICS									
Shabbir Tiles & Ceramics Limited	262,000	-	-	262,000	-	-	0.00%	0.00%	-
	<u>262,000</u>	<u>-</u>	<u>-</u>	<u>262,000</u>	<u>-</u>	<u>-</u>			
Pharmaceuticals									
AGP Limited	126,500	131,000	-	141,000	116,500	9,919	0.60%	0.59%	0.00%
The Searle Company Limited	37,972	21,500	3,445	40,700	22,217	5,262	0.32%	0.31%	0.01%
	<u>164,472</u>	<u>152,500</u>	<u>3,445</u>	<u>181,700</u>	<u>138,717</u>	<u>15,180</u>			
PAPER & BOARD									
Packages Limited	15,000	3,000	-	4,500	13,500	5,127	0.31%	0.30%	0.02%
	<u>15,000</u>	<u>3,000</u>	<u>-</u>	<u>4,500</u>	<u>13,500</u>	<u>5,127</u>			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	25,240	12,000	2,374	4,500	35,114	43,725	2.64%	2.59%	0.03%
Oil & Gas Development Co Limited	310,500	224,700	-	215,700	319,500	47,142	2.85%	2.79%	0.01%
Pakistan Oilfields Limited	79,200	13,000	15,840	39,000	69,040	30,878	1.87%	1.83%	0.03%
Pakistan Petroleum Limited	268,800	173,600	42,360	209,100	275,660	50,994	3.08%	3.01%	0.01%
	<u>683,740</u>	<u>423,300</u>	<u>60,574</u>	<u>468,300</u>	<u>699,314</u>	<u>172,740</u>			
OIL & GAS MARKETING COMPANIES									
Hascol Petroleum Limited	32,800	-	8,200	41,000	-	-	0.00%	0.00%	-
Pakistan State Oil Company Limited	94,180	108,300	17,036	98,200	121,316	26,226	1.59%	1.55%	0.04%
Sui Northern Gas Pipeline Limited	189,800	127,500	-	142,000	175,300	13,167	0.80%	0.78%	0.03%
	<u>316,780</u>	<u>235,800</u>	<u>25,236</u>	<u>281,200</u>	<u>296,616</u>	<u>39,393</u>			
COMMERCIAL BANKS									
Meezan Bank Limited	287,000	286,000	23,700	481,500	115,200	11,411	0.69%	0.67%	0.01%
	<u>287,000</u>	<u>286,000</u>	<u>23,700</u>	<u>481,500</u>	<u>115,200</u>	<u>11,411</u>			

Name of the 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 / Rights issue	Sales during the period	As at March 31, 2019		Total Investments	Net Assets	
FERTILIZER									
Engro Corporation Limited	163,000	66,500	-	87,000	142,500	46,630	2.82%	2.76%	0.03%
Engro Fertilizers Limited	601,500	115,000	-	468,000	248,500	17,780	1.08%	1.05%	0.02%
Fauji Fertilizers Company Limited	-	152,000	-	46,500	105,500	11,021	0.67%	0.65%	0.01%
	<u>764,500</u>	<u>333,500</u>	<u>-</u>	<u>601,500</u>	<u>496,500</u>	<u>75,431</u>			
Chemicals									
Engro Polymer & Chemicals Limited	545,000	483,931	-	612,500	416,431	15,125	0.91%	0.89%	0.03%
Engro Polymer & Chemicals Limited-LOR	160,931	-	-	160,931	-	-	0.00%	0.00%	-
Lotte Chemical Pakistan Limited	-	430,000	-	80,000	350,000	4,977	0.30%	0.29%	0.02%
	<u>705,931</u>	<u>913,931</u>	<u>-</u>	<u>853,431</u>	<u>766,431</u>	<u>20,102</u>			
AUTOMOBILES PARTS & ACCESSORIES									
Thal Limited	50,200	12,250	-	25,300	37,150	15,677	0.95%	0.93%	0.05%
	<u>50,200</u>	<u>12,250</u>	<u>-</u>	<u>25,300</u>	<u>37,150</u>	<u>15,677</u>			
TECHNOLOGY & COMMUNICATION									
System Limited	74,500	-	-	74,500	-	-	0.00%	0.00%	-
	<u>74,500</u>	<u>-</u>	<u>-</u>	<u>74,500</u>	<u>-</u>	<u>-</u>			
TRANSPORT									
Pakistan National Shipping Corporation Limited	-	33,500	-	-	33,500	2,018	0.12%	0.12%	0.03%
	<u>-</u>	<u>33,500</u>	<u>-</u>	<u>-</u>	<u>33,500</u>	<u>2,018</u>			
Total as at March 31, 2019	<u>7,835,673</u>	<u>5,475,981</u>	<u>131,225</u>	<u>7,577,531</u>	<u>5,865,348</u>	<u>481,134</u>			
Carrying value as at March 31, 2019						<u>512,537</u>			

5.1.1 The above investments include shares with market value aggregating to Rs. 56.007million (June 2018: Rs. 61.683 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 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. 285,017 at March 31, 2019 (June 30, 2018: Rs. 0.3436 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor of the asset management company and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

5.2 Listed Sukuk's certificates- At fair value through profit or loss

Name of the Investee Company

Name of the Investee Company	As at July 01, 2018	Purchases during the period	Sales during the period	As at March 31, 2019	Market value at March 31, 2019 (Rs in '000)	Market value as percentage of	
						Total Investments	Net Assets
------(Number of certificates)-----							
AGP Limited	370	334	704	-	-	0.00%	0.00%
International Brands Limited	-	100	-	100	9,872	0.60%	0.58%
Agha Steel Industries Limited	-	33	-	33	33,000	2.00%	1.95%
K-Electric	28,000	35,000	31,150	31,850	104,823	6.34%	6.20%
Dubai Islamic Bank	124	-	-	124	126,319	7.64%	7.47%
Dawood Hercules Corporation Limited*	4,020	60	1,070	3,010	299,990	18.14%	17.74%
Engro Fertilizers Limited	13,350	-	13,350	-	-	0.00%	0.00%
Fatima Fertilizers Limited	2,000	-	2,000	-	-	0.00%	0.00%
Hub Power Company Limited	-	150	-	150	150,000	9.07%	8.87%
	47,864	35,677	48,274	35,267	724,004	43.79%	42.80%

Cost of investment

724,733

Significant terms and conditions of Sukuk bonds outstanding as at March 31, 2019 are as follows

Name of Security	Remaining Principal (per Sukuk)	Mark-up rate (per annum)	Date of Issue	Maturity Date
AGP Limited	70,000	3 months KIBOR +1.3%	9-Jun-17	09-Jun-22
International Brands Limited	100,000	12 months KIBOR + 0.50%	15-Nov-17	15-Nov-21
Agha Steel Industries Limited	110,000	3 months KIBOR +0.8%	9-Oct-18	09-Oct-24
K-Electric Limited	3,500	3 month KIBOR + 1.00 %	17-Jun-15	17-Jun-22
Dubai Islamic Bank	1,000,000	6 months KIBOR + 0.50%	14-Jul-17	14-Jul-27
Dawood Hercules Corporation Limited*	100,000	3 month KIBOR + 1.00 %	16-Nov-17	16-Nov-22
Dawood Hercules Corporation Limited*	100,000	3 month KIBOR + 1.00 %	01-Mar-18	01-Mar-23
Hub Power Company Limited	1,000,000	9 month KIBOR + 1.00 %	27-Feb-19	27-Nov-19

* Related party due to common directorship

5.3 Commercial Paper

Name of Company	As at July 01, 2018	Purchased made during the period	Matured during the period	As at March 31, 2019	Maturity Date	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----							
K-Electric Limited	-	308,000	214,000	89,602	02-Sep-19	5.42%	5.30%
Hascol Petroleum Limited	-	102,000	-	98,609	15-Jul-19	5.96%	5.83%
Total - As at March 31, 2019	-	410,000	214,000	188,211		11.38%	11.13%

5.4 Term Deposit Receipts

Name of Company	As at July 01, 2018	Purchased made during the period	Matured during the period	As at March 31, 2019	Maturity Date	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----							
Bank Islami Limited	-	530,000	430,000	100,000	11-Apr-19	6.05	5.91
MCB Islamic Bank Limited	-	361,000	210,000	151,000	02-May-19	9.13	8.93
Total - As at March 31, 2019	-	891,000	640,000	251,000		15.18	14.84

5.4.1 Term deposit receipts carries mark-up at rate of 8.60 to 11.4% (June 30, 2018: Nil) per annum.

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

	Note	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
		(Rupees in '000)	
6. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance		525	758
Less: amortized during the period	6.1	(156)	(232)
Closing balance		369	525

6.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortized over a period of five years commencing from the end of the initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC regulations.

	Note	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
		(Rupees in '000)	
7. ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Security deposit with National Clearing Company of Pakistan Limited		5,624	4,105
Security deposit with Central Depository Company of Pakistan Limited		100	100
Prepaid listing fee & Legal Fee		30	-
		5,754	4,205
8. PAYABLE TO THE MANAGEMENT COMPANY			
Management fee		2,460	3,329
Sindh Sales Tax		320	433
Sales load payable		14	49
Selling and marketing expenses payable		2,088	5,632
Allocation of expenses related to registrar services, accounting, operation and valuation services		164	222
		5,046	9,665

9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		184	303
Charity payable	9.1	866	2,449
Federal Excise Duty	9.2	1,063	1,063
Withholding tax payable		-	13
Payable to brokers		393	202
Provision for Sindh Workers' Welfare Fund	9.3	5,445	4,667
Dividend payable (including unclaimed dividend)		25	-
Sales load - payable to related parties		22	635
Payable to NCCPL		38	35
Payable to Shariah advisor		16	18
Other payable		590	152
		8,642	9,537

9.1 This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

9.2 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 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, 2018 aggregating to Rs. 1.063 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.0667 per unit (June 30, 2018: 0.0451 per unit).

9.3 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 13.3 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

As there is loss for the period 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 unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.34 per unit (June 30, 2018: 0.20 per unit).

10. CONTINGENCIES AND COMMITMENTS

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

11. 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.

12. 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 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:

12.1 Transactions during the period	(Un-Audited)	(Un-Audited)
	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	25,823	30,130
Sindh Sales Tax	3,357	3,917
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,721	2,104
Selling and marketing expense	6,886	7,939
Habib Bank Limited - Sponsor		
Issue of 3,029,696 units (December 31, 2018 : 4,947,704)	1,807	500,000
Redemption of 2,959,598 Units (March 2018 Nil)	313,322	-
Bank charges	32	30
Mark-up earned during the period	247	824
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	2,794	3,118
CDC Charges	58	60
HBL Islamic Income Fund		
Sale of AGP Limited Sukuk	19,512	-
HBL Growth Fund		
Sale of Oil & Gas Development Limited 20,000 Shares	2,834	-
Sale of Pakistan Petroleum Limited 27,000 Shares	4,824	-
Sale of Engro Polymer Chemical Limited 65,000 Shares	2,343	-
Sale of Maple Leaf Cement Factory Limited 20,000 Shares	1,552	-
Sale of Engro Fertilizers Limited 25,000 Shares	1,793	-
Sale of Pakistan State Oil Company Ltd 8,000 Shares	1,680	-
Sale of Lotte Chemical Pakistan Ltd 50,000 Shares	687	-
Sale of Lucky Cement Ltd 6,000 Shares	2,601	-
Sale of Kohat Cement Ltd 10,000 Shares	879	-
Sale of Hub Power Company Ltd 35,000 Shares	2,728	-
HBL Investment Fund		
Sale of Oil & Gas Development Limited 10,000 Shares	1,417	-
Sale of Engro Polymer Chemical Limited 35,000 Shares	1,261	-
Sale of Maple Leaf Cement Factory Limited 25,000 Shares	970	-
Sale of Engro Fertilizers Limited 15,000 Shares	1,076	-
Sale of Pakistan State Oil Company Ltd 12,000 Shares	2,520	-
Sale of Lotte Chemical Pakistan Ltd 30,000 Shares	412	-
Sale of Lucky Cement Ltd 4,000 Shares	1,734	-
Sale of Kohat Cement Ltd 8,000 Shares	703	-
Sale of Hub Power Company Ltd 15,000 Shares	1,169	-
HBL Energy Fund		
Sale of Pakistan Petroleum Limited 23,000 Shares	4,110	-
HBL Asset Management Ltd Employees Gratuity Fund		
Issue of 13 units	1	-
HBL Asset Management Ltd Employees Provident Fund		
Issue of 38 units	4	-
Director, Executives and Key Management Personal		
Issue of 951 units	100	-
Redemption of 951 units	101	-
Al Meezan Foundation Connected Persons Due To Holding 10% or more Units		
Issue of 6,571 units	684	-
Redemption of 986 units	103	-
SIUT Connected Persons Due To Holding 10% or more Units		
Issue of 8,064 units	840	-

	(Un-Audited) March 31, 2019	(Audited) June 30, 2019
	(Rupees in '000)	
12.2 Amounts outstanding as at period end		
HBL Asset Management Limited - Management Company		
Management Fee	2,460	3,329
Sindh Sales Tax	320	433
Allocation of expenses related to registrar services, accounting, operation and valuation services	164	222
Sale load payable	14	49
Charging of selling and marketing expenses	2,088	5,632
Habib Bank Limited - Sponsor		
Investment held in the Fund : 6,092,734 units (June 30, 2018: 6,022,636 units)	647,106	631,020
Bank balances	1,719	9,819
Mark-up receivable on deposits with banks	24	24
Sale load payable	22	635
HBL Asset Management Limited - Employees Gratuity Fund - Associate		
Investment held in the Fund : 4,521 units (June 30, 2018: 4,508 units)	480	473
HBL Asset Management Limited - Employees Provident Fund - Associate		
Investment held in the Fund : 13,051 units (June 30, 2018 : 13,014 units)	1,386	1,364
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	249	304
Sindh Sales Tax	32	40
Security deposit	100	100
Al Meezan Foundation - Connected Person due to holding more than 10% units		
Units held : 2,285,987 units (June 30,2018: 2,280,401 units)	242,793	238,929
SIUT Trust - Connected Person due to holding more than 10% units		
Units held : 2,806,410 units (June 30,2018: 2,798,346 units)	298,067	293,196

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Note	Held to maturity	Fair value through profit or loss	Financial asset at amortised cost	Other financial assets / liabilities	Total	Fair Value				
						Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments										
Financial assets measured at fair value										
	Investments									
	- Listed equity securities	481,134	-	-	481,134	481,134	-	-	481,134	
	- Listed Sukuk bonds	724,004	-	-	724,004	541,004	-	183,000	724,004	
	Advance Against book building	9,093	-	-	9,093	-	-	9,093	9,093	
		1,214,231	-	-	1,214,231	1,022,138	-	192,093	1,214,238	
	Financial assets not measured at fair value									
13.1	Bank balances	-	-	43,227	43,227	-	-	-	-	
	Commercial paper	-	188,211	-	188,211	-	-	-	-	
	Term deposit certificate	-	251,000	-	251,000	-	-	-	-	
	Dividend receivable and accrued markup	-	-	18,627	18,627	-	-	-	-	
	Advances, deposits and other receivables	-	-	5,724	5,724	-	-	-	-	
		-	439,211	67,578	506,789	-	-	-	-	
	Financial liabilities not measured at fair value									
13.1	Payable to the Management Company	-	-	4,726	4,726	-	-	-	-	
	Payable to the SECP	-	-	1,636	1,636	-	-	-	-	
	Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	249	249	-	-	-	-	
	Payable against purchase of investments	-	-	15,384	15,384	-	-	-	-	
	Accrued expenses and other liabilities	-	-	2,134	2,134	-	-	-	-	
		-	-	24,129	24,129	-	-	-	-	
	On-balance sheet financial instruments									
	Financial assets measured at fair value									
	Investments									
	- Listed equity securities	161,202	519,265	-	680,467	680,467	-	-	680,467	
	- Sukuks - Listed	124,263	590,537	-	714,800	-	714,800	-	714,800	
		285,465	1,109,802	-	1,395,267	680,467	714,800	-	1,395,267	
	Financial assets not measured at fair value									
	Bank balances	-	-	1,072,554	1,072,554	-	-	-	-	
	Dividend receivable and accrued mark-up	-	-	16,784	16,784	-	-	-	-	
	Advances, deposits and other receivables	-	-	4,205	4,205	-	-	-	-	
	Receivable against sale of investments	-	-	2,338	2,338	-	-	-	-	
		-	-	1,095,881	1,095,881	-	-	-	-	
	Financial liabilities not measured at fair value									
13.1	Payable to the Management Company	-	-	-	9,232	9,232	-	-	-	
	Payable to the SECP	-	-	-	2,568	2,568	-	-	-	
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	304	304	-	-	-	
	Accrued expenses and other liabilities	-	-	-	3,794	3,794	-	-	-	
		-	-	-	15,898	15,898	-	-	-	

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

14. 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 Period ended March 31, 2019 is 1.97% which includes 0.26% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

15. 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 .

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 are 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 period ended March 31, 2019 have not been reviewed.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Stock Fund

FUND INFORMATION

Name of Fund	HBL Islamic Stock Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Dubai Islamic Bank Limited Bank Islamic Pakistan Limited Bank Al Baraka Limited

HBL Islamic 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	118,854	618,133
Investments	5	1,501,052	2,222,627
Dividend and profit receivable		10,273	5,771
Deposits and other receivables		3,545	3,482
Total assets		1,633,724	2,850,013
Liabilities			
Payable to the Managemnt Company	6	5,421	9,226
Payable to the Trustee		254	322
Payable to Securities and Exchange Commission of Pakistan		1,698	1,616
Payable against purchase of equity securities		6,404	276,163
Accrued expenses and other liabilities	7	16,938	20,744
Total liabilities		30,714	308,071
Net assets		1,603,010	2,541,942
Unit holders' fund (as per statement attached)		1,603,010	2,541,942
Contingencies and commitments	14		
		----- Number of units -----	
Number of units in issue		15,253,079	22,730,895
		----- Rupees -----	
Net assets value per unit		105.0942	111.8276

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months ended 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		67,329	50,877	10,078	21,763
Profit on bank deposits		21,094	10,632	6,204	5,331
Capital loss on sale of investments - net		(42,138)	(89,232)	(5,335)	(26,406)
		46,285	(27,723)	10,947	688
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial asset at fair value through profit or loss - net		(110,707)	89,536	96,627	98,649
Impairment loss on investments classified as available for sale		-	(67,023)	-	-
		(64,422)	(5,210)	107,574	99,337
Expenses					
Remuneration of the Management Company		40,392	24,928	11,628	11,619
Remuneration of the Trustee		2,868	2,091	860	858
Annual fee to Securities and Exchange Commission of Pakistan		1,698	1,048	489	489
Selling and marketing expenses	6.1	7,149	4,409	2,058	2,057
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.2	1,787	1,103	514	328
Income from Shariah non-compliant transactions		2,946	107	334	53
Securities transaction costs		5,829	3,860	1,989	2,506
Auditors' remuneration		264	263	86	87
Settlement and bank charges		795	503	333	189
Other expenses		178	4,405	53	52
		63,906	42,717	18,344	18,238
Net loss from operating activities		(128,328)	(47,927)	89,230	81,099
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	-	-	-	-
Net loss for the period before taxation		(128,328)	(47,927)	89,230	81,099
Taxation	8	-	-	-	-
Net loss for the period after taxation		(128,328)	(47,927)	89,230	81,099

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 Islamic Stock Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine months ended 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	(128,328)	(47,927)	89,230	81,099
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	-	160,803	-	104,723
Net reclassification adjustments relating to available-for-sale financial assets	-	(157,523)	-	(26,406)
Other comprehensive (loss) / income for the period	-	3,280	-	78,317
Total comprehensive loss	(128,328)	(44,647)	89,230	159,416

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 Islamic Stock Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the Nine months and quarter ended March 31, 2019

Note	Nine months ended							
	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 at beginning of the period	2,580,952	(40,603)	1,593	2,541,942	904,856	78,478	60,210	1,043,544
Adoption of IFRS 9	-	1,593	(1,593)	-				
Issue of units 4,279,651 (2018: 14,654,992 units)								
- Capital value (at net asset value per unit at the beginning of the period)	478,583	-	-	478,583	1,905,479	-	-	1,905,479
- Element of income / (loss)	(87)	-	-	(87)	(234,937)	-	-	(234,937)
Total proceeds on issue of units	478,496	-	-	478,496	1,670,542	-	-	1,670,542
Redemption of 11,757,466 units (2018: 1,521,349 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(1,314,810)	-	-	(1,314,810)	(197,810)	-	-	(197,810)
- Element of (loss) / income	25,709	-	-	25,709	21,365	-	-	21,365
Total payments on redemption of units	(1,289,100)	-	-	(1,289,100)	(176,445)	-	-	(176,444)
Total comprehensive loss for the period	-	(128,328)	-	(128,328)	-	(44,647)	-	(44,647)
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	(128,328)	-	(128,328)	-	(44,647)	-	(44,647)
Net assets at end of the period	1,770,348	(167,338)	-	1,603,010	2,398,953	33,831	60,210	2,492,996
Undistributed income brought forward								
- Realised		6,041				78,478		
- Unrealised		(46,644)				-		
		(40,603)				78,478		
Net loss for the period		(128,328)				(44,647)		
Adoption of IFRS 9		1,593						
Distribution during the period		-				-		
(Accumulated loss) / undistributed income carried forward		(167,338)				33,831		
(Accumulated loss) / undistributed income carried forward								
- Realised		38,063				42,944		
- Unrealised		(205,401)				(9,113)		
		(167,338)				33,831		
					Rupees			Rupees
Net assets value per unit at beginning of the period				111.8276				130.0225
Net assets value per unit at end of the period				101.9945				117.8192

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 Islamic Stock Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine months ended 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	(128,328)	(47,927)
Adjustments		
Dividend Income	(67,329)	(50,877)
Profit received on bank deposits	(21,094)	(10,632)
Capital loss during the period	42,138	89,232
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	110,707	(89,536)
Impairment loss on investments classified as available for sale	-	67,023
	(63,906)	(42,717)
Decrease / (Increase) in assets		
Investments - net	568,730	(1,216,121)
Deposits and other receivables	(63)	21,838
	568,667	(1,194,283)
Increase / (Decrease) Increase in liabilities		
Payable to the Management Company	(3,805)	3,345
Payable to the Trustee	(68)	130
Payable to the Securities and Exchange Commission of Pakistan	82	134
Payable against purchase of equity securities	(269,759)	-
Payable against redemption of units	-	(70,418)
Accrued expenses and other liabilities	(3,806)	(5,621)
	(277,357)	(72,430)
Net cash used in operations	227,405	(1,309,430)
Dividend received	62,191	37,303
Profit received on bank deposits	21,730	13,034
	83,921	50,337
Cash flows from financing activities		
Amount received on issue of units	478,496	1,670,542
Payment against redemption of units	(1,289,100)	(176,444)
Net cash (used in) / generated from financing activities	(810,604)	1,494,098
Net increase in cash and cash equivalents	(499,279)	235,005
Cash and cash equivalents at beginning of the period	618,133	67,149
Cash and cash equivalents at end of the period	118,854	302,154

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 Islamic Stock 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 Islamic Stock Fund (the Fund) was established under a Trust Deed, dated November 23, 2010, 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 as a unit trust scheme on December 10, 2010.
- 1.2 The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emereld Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 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 May 09, 2011 to May 10, 2011.
- 1.4 The principal activity of the Fund is to provide long-term capital growth by investing mainly in Shariah Compliant equity securities and short-term government securities.
- 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 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 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 December 31, 2018.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

This condensed interim financial information are 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 half year ended December 31, 2018.

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 ('000') -----					
Financial assets					
Fair value through profit or loss					
From available for sale (IAS 39)	20,598	20,598	-	20,598	-
Total	20,598	20,598	-	20,598	-

			(Un-Audited) March 31, 2019	(Audited) June 30, 2018
----- (Rupees in '000) -----				
4. BANK BALANCES	Note			
Balances with banks in:				
Savings accounts	4.1		118,854	618,133

4.1 This represents bank accounts held with different banks. The balance in savings accounts carry expected profit which ranges from 5% to 10.5% (June 30, 2018: 3.65% to 6%) 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		1,477,299	2,222,627
- Advance against book building	5.2		23,753	-
			<u>1,501,052</u>	<u>2,222,627</u>

5.1 Listed equity securities - At fair 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	As at July 01, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period	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
							Total Investments	Net Assets	
						Number of shares		%	
TEXTILE COMPOSITE									
Nishat Mills Limited	629,100	300,600	-	509,100	420,600	56,620	3.83%	3.53%	0.21%
Kohinoor Textile Mills Limited	-	695,500	-	240,000	455,500	20,440	1.38%	1.28%	0.15%
	629,100	996,100	-	749,100	876,100	77,060	5.22%	4.81%	
CEMENT									
Cherat Cement Company Limited.	-	290,600	-	290,600	-	-	-	-	-
D.G. Khan Cement Company Limited	230,000	270,000	-	500,000	-	-	-	-	-
Lucky Cement Limited	207,750	163,500	-	188,300	182,950	78,350	5.30%	4.89%	0.08%
Pioneer Cement Limited	324,500	-	-	324,500	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	2,088,000	-	1,476,500	611,500	22,900	1.55%	1.43%	0.12%
Kohat Cement	332,000	361,500	61,290	499,600	255,190	21,900	1.48%	1.37%	0.14%
	1,094,250	3,173,600	61,290	3,279,500	1,049,640	123,150	8.34%	8.68%	
TRANSPORT									
Pakistan National Shipping Corporation	-	127,500	-	-	127,500	7,680	0.52%	0.48%	0.00%
COMMERCIAL BANK									
Meezan Bank Limited	1,264,500	1,218,000	114,400	2,100,500	496,400	49,170	3.33%	3.07%	0.11%
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	1,379,000	1,056,000	-	884,500	1,550,500	113,700	7.70%	7.09%	0.18%
K-Electric Limited - (Par value 3.5/share)	9,442,000	3,628,000	-	7,551,000	5,519,000	30,850	2.09%	1.92%	0.72%
Pakgen Power Limited	-	700,000	-	200,000	500,000	7,630	0.52%	0.48%	0.06%
	10,821,000	5,384,000	-	8,635,500	7,569,500	152,180	10.30%	9.49%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	84,930	45,800	9,291	41,340	98,681	122,880	8.32%	7.67%	0.10%
Oil and Gas Development Company Limited	1,048,900	1,021,600	-	1,027,300	1,043,200	153,920	10.42%	9.60%	0.62%
Pakistan Oilfields Limited	213,100	139,000	37,220	231,050	158,270	70,790	4.79%	4.42%	0.01%
Pakistan Petroleum Limited	829,700	522,500	130,155	704,900	777,455	143,820	9.74%	8.97%	0.03%
	2,176,630	1,728,900	176,666	2,004,590	2,077,606	491,410	33.26%	30.66%	
FERTILIZERS									
Dawood Hercules Corporation Limited	-	211,200	-	78,500	132,700	17,030	1.15%	1.06%	0.02%
Engro Corporation Limited	517,600	382,100	-	481,500	418,200	136,850	9.26%	8.54%	0.13%
Engro Fertilizer Limited	1,887,500	407,000	-	1,512,000	782,500	55,990	3.79%	3.49%	0.18%
Fauji Fertilizer Co Limited	509,500	262,000	-	466,500	305,000	31,860	2.16%	1.99%	0.04%
	2,914,600	1,262,300	-	2,538,500	1,638,400	241,730	16.36%	15.08%	
CHEMICALS									
Engro Polymer and Chemicals Limited	1,646,000	1,578,566	-	1,930,000	1,294,566	47,020	3.18%	2.93%	0.28%
Engro Polymer & Chemicals Limited - LOR	536,066	-	-	536,066	-	-	-	-	-
Lotte Chemical Pakistan Ltd	-	650,000	-	65,000	585,000	8,320	0.56%	0.52%	0.28%
Sitara Chemical Industries Limited	-	27,100	-	2,400	24,700	7,410	-	-	-
	2,182,066	2,255,666	-	2,533,466	1,904,266	62,750	3.75%	3.45%	

Name of the Investee Company	As at July 01, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period	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
							Total Investments	Net Assets	
----- Number of shares ----- % ----- % -----									
PAPER AND BOARD									
Packages Limited	52,000	16,000	-	22,300	45,700	17,360	1.18%	1.08%	0.06%
GLASS & CERAMICS									
Shabbir Tiles & Ceramics Limited	801,500	150,000	-	951,500	-	-	-	-	-
Cable and Electrical Goods									
Pak Elektron Limited	898,500	223,000	-	1,121,500	-	-	-	-	-
PHARMA AND BIO TECH									
AGP Limited	427,750	283,000	-	410,000	300,750	25,610	1.73%	1.60%	0.33%
The Searle Company Limited	76,291	87,500	10,633	106,300	68,124	16,130	1.09%	1.01%	0.01%
	504,041	370,500	10,633	516,300	368,874	41,740	2.83%	2.60%	
AUTOMOBILE ASSEMBLER									
Millat Tractors Limited	65,980	16,900	-	80,480	2,400	2,150	0.15%	0.13%	0.29%
AUTOMOBILE PARTS AND ACCESSORIES									
Thal Limited (par value of Rs. 5 each)	143,350	51,900	-	79,900	115,350	48,680	3.30%	3.04%	0.39%
OIL AND GAS MARKETING COMPANIES									
Hascol Petroleum Limited	91,300	50,000	30,825	172,125	-	-	-	-	-
Pakistan State Oil Company Limited	320,400	363,700	65,680	379,200	370,580	80,110	5.42%	5.00%	0.15%
Sui Northern Gas Pipeline Limited	612,300	319,500	-	373,500	558,300	41,930	2.84%	2.62%	0.07%
	1,024,000	733,200	96,505	924,825	928,880	122,040	8.26%	7.61%	
TECHNOLOGY & COMMUNICATION									
Systems Limited	242,500	-	-	242,500	-	-	-	-	-
ENGINEERING									
Aisha Steel Mills Limited	793,500	-	-	793,500	-	-	-	-	-
Amreli Steels Limited	357,200	200,000	-	557,200	-	-	-	-	-
Crescent Steel & Allied Products Ltd	-	222,000	-	-	222,000	8,610	0.58%	0.54%	0.12%
International Industries Limited	117,200	179,300	-	167,800	128,700	15,970	1.08%	1.00%	0.10%
International Steels Limited	388,500	470,000	-	614,500	244,000	15,620	1.06%	0.97%	0.08%
Mughal Iron & Steel Inds Limited	535,500	133,000	-	668,500	-	-	-	-	-
	2,191,900	1,204,300	-	2,801,500	594,700	40,200	2.72%	2.51%	
Grand total	27,005,917	18,911,866	459,494	28,581,961	17,795,316	1,477,299	99%	92.70%	

Cost of investments at March 31, 2019

1,452,440

- 5.1.1 Investments include shares having market value aggregating to Rs. 62.047 million (June 30, 2018, 66.97 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.
- 5.1.2 These includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 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. 0.59 million at March 31, 2019 (June 30, 2018: Rs. 0.73 million) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

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

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	Note	(Rupees in '000)	
6. PAYABLE TO MANAGEMENT COMPANY			
Management fee		2,803	4,048
Sindh Sales Tax on Management Company's remuneration		364	526
Sales load payable		55	1
Selling and marketing payable		2,058	4,449
Allocation of expenses related to registrar services, accounting, operation and valuation services		140	202
		5,421	9,226
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Federal Excise Duty	7.1	6,793	6,793
Provision for Sindh Workers' Welfare Fund	7.2	6,312	6,312
Charity payable	7.3	2,946	5,290
Withholding tax payable		19	21
Auditors' remuneration		176	304
Payable to brokers		486	1,812
Payable to Shariah Advisor		16	18
Capital Gain Tax payable		13	3
Payable to NCCPL		50	50
Zakat payable		40	40
Payable to Printer		87	101
		16,938	20,744

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 passed 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. 6.79 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.4454 per unit (June 30, 2018: 0.3 per unit).

7.2 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 12.3 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

There is a loss for the nine months ended March 31, 2019, therefore, no provision for SWWF has been recognised in this 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. 0.4138 per unit (June 30, 2018: 0.28 per unit).

7.3 This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

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 / related parties 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 agreed / contracted rates and terms determined in accordance with market rates. and the Trust Deed respectively.

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

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

		Nine months ended	
		March 31,	
		2019	2018
		----- (Rupees in '000) -----	
10.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Management fee including sales tax thereon	40,392	24,928
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,787	1,103
	Selling and marketing expenses	7,149	4,409
	Redemption of 50,979 units (2018: Nil units)	5,500	-
	Habib Bank Limited - Sponsor		
	Bank charges paid	35	151
	Bank profit	466	1,728
	Executives and their relatives		
	Issuance of 3,264 units (2018: 2,040 units)	4,902	250,001
	Redemption of 15,834 units (2018: 901 units)	2,981	100
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	2,868	2,091
	Central Depository services charges	250	71
	HBL Islamic Financial Planning Fund Active Allocation Plan - Associate		
	Issuance of 3,600 units (2018: 653,736 units)	400	73,400
	Redemption of 384,690 units (2018: Nil units)	42,235	-
	HBL Islamic Financial Planning Fund Strategic Allocation Plan - Associate		
	Issuance of 865,348 units (2018: 10,004,788 units)	100,000	1,124,500
	Redemption of 6,388,486 units (2018: Nil units)	690,317	-
	HBL Islamic Financial Planning Fund Conservative Allocation Plan - Associate		
	Issuance of 1,772 units (2018: 12,691 units)	185	1,500
	Redemption of 5,398 units (2018: 2,821 units)	590	320

10.2	Balances outstanding as at period / year end	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	2,803	4,048
	Sindh Sales Tax on Management Company's remuneration	364	526
	Sales load payable	55	1
	Selling and marketing payable	2,058	4,449
	Allocation of expenses related to registrar services, accounting, operation and valuation services	140	202
	Investment held in the Fund 164,082 units (June 30, 2018 : 215,061 units)	17,244	24,050
	Habib Bank Limited - Sponsor		
	Bank balances	8,406	50,608
	Profit receivable	36	85
	Investment held in the Fund 6,198,853 units (June 30, 2018: 6,198,853 units)	651,463	693,203
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable including sales tax thereon	254	322
	Security deposit	100	100
	Executives and their relatives		
	Investment held in the Fund : 34,968 units (June 30, 2018: 14,572 units)	3,675	1,630
	HBL Islamic Financial Planning Fund Active Allocation Plan - Associate		
	Investment held in the Fund : 581,923 units (June 30, 2018: 963,012 units)	61,157	107,691
	HBL Islamic Financial Planning Fund Strategic Allocation Plan - Associate		
	Investment held in the Fund : 4,791,860 units (June 30, 2018: 10,314,998 units)	503,597	1,153,502
	HBL Islamic Financial Planning Fund Conservative Allocation Plan - Associate		
	Investment held in the Fund : 1,336 units (June 30, 2018: 5,913 units)	140	661

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 (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			
	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) -----									
Financial assets measured at fair value									
Investments									
- Listed equity securities	1,477,299	-	-	-	1,477,299	1,477,299	-	-	1,477,299
- Advance against book building - Interloop Ltd	23,753	-	-	-	23,753	-	-	23,753	23,753
Financial assets not measured at fair value									
Bank balances	-	-	-	118,854	118,854				
Dividend and profit receivable	-	-	-	10,273	10,273				
Other receivables	-	-	-	2,607	2,607				
	-	-	-	131,734	131,734				
Financial liabilities not measured at fair value									
Payable to the Managemnt Company	-	-	-	5,056	5,056				
Payable to Securities and Exchange Commission of Pakistan	-	-	-	1,503	1,503				
Payable to the Trustee	-	-	-	225	225				
Payable against purchase of equity securities	-	-	-	6,404	6,404				
Accrued expenses and other liabilities	-	-	-	3,608	3,608				
	-	-	-	16,796	16,796				
----- (Rupees in '000) -----									
	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) -----									
Financial assets measured at fair value									
Investments									
- Listed equity securities	2,202,029	20,598	-	-	2,222,627	2,222,627	-	-	2,222,627
	2,202,029	20,598	-	-	2,222,627	2,222,627	-	-	2,222,627
Financial assets not measured at fair value									
Bank balances	-	-	-	618,133	618,133				
Dividend and profit receivable	-	-	-	5,771	5,771				
Other receivables	-	-	-	2,600	2,600				
	-	-	-	626,504	626,504				
Financial liabilities not measured at fair value									
Payable to the Managemnt Company	-	-	-	8,700	8,700				
Payable to Securities and Exchange Commission of Pakistan	-	-	-	1,430	1,430				
Payable to the Trustee	-	-	-	285	285				
Payable against purchase of equity securities	-	-	-	276,163	276,163				
Accrued expenses and other liabilities	-	-	-	7,406	7,406				
	-	-	-	293,984	293,984				

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 There were no transfers 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, the total expense ratio of the Fund for the half year ended March 31, 2019 is 2.54% (March 31, 2018: 1.7%), which includes 0.28% (March 31, 2018: 0.19%) representing government levy, Worker's Welfare Fund and SECP fee.

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 .

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.

15.3 This condensed interim financial information are unaudited and have been reviewed by the auditors. Further, the figures presented in 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

Islamic Income Fund

FUND INFORMATION

Name of Fund	HBL Islamic Income Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited Al Baraka Bank Pakistan Limited United Bank Limited Burj Bank Limited Faysal Bank Limited Allied Bank Limited Askari Bank Limited Soneri Bank Limited Summit Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited
Rating	'A+(f)'

HBL Islamic 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	1,649,291	2,716,661
Investments	5	2,247,799	1,389,253
Profit receivable		51,030	38,957
Receivable against sale of investments		-	10,156
Preliminary expenses and floatation costs		127	740
Deposits and prepayments		4,279	4,450
Total assets		3,952,526	4,160,217
Liabilities			
Payable to the Management Company	6	6,557	3,308
Payable to the Trustee		418	421
Payable to Securities and Exchange Commission of Pakistan		2,238	3,331
Dividend payable		43	20
Payable against redemption of units		-	101,997
Accrued expenses and other liabilities	7	14,026	9,614
Total liabilities		23,283	118,691
Net assets		3,929,243	4,041,526
Unit holders' fund (as per statement attached)		3,929,243	4,041,526
		----- (Number of units) -----	
Number of units in issue		36,793,894	38,019,523
		----- (Rupees) -----	
Net assets value per unit		106.7906	106.3013

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 Islamic Income Fund
Condensed Interim Income Statement (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
Note	----- (Rupees in '000) -----			
Income				
Capital gain on sale of investments - net	659	13,819	772	503
Income from sukuks	107,875	48,765	40,544	19,490
Income from TDR	59,011	-	23,496	-
Profit on bank deposits	102,775	150,181	39,878	52,835
	270,320	212,765	104,690	72,828
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(9,144)	(11,142)	(7,992)	3,434
	261,176	201,623	96,698	76,262
Expenses				
Remuneration of the Management Company	6.1 & 6.2	31,097	23,181	11,288
Remuneration to the Trustee		3,587	3,887	1,332
Annual fee to the Securities and Exchange Commission of Pakistan		2,238	2,472	727
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	2,984	3,298	970
Amortisation of preliminary expenses and floatation costs		613	613	201
Security transaction, settlement and bank charges		699	484	131
Auditors' remuneration		177	177	58
Fees and subscription		442	340	205
Printing charges		-	225	74
Selling and marketing expense		5,292	-	-
		47,130	34,677	16,688
		12,324		
Net income from operating activities		214,046	166,946	80,010
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	(4,281)	(3,339)	(1,600)
		(1,277)		
Net income for the period before taxation		209,765	163,607	78,410
Taxation	8	-	-	-
Net income for the period after taxation		209,765	163,607	78,410
Allocation of net income for the period	3.6			
Net income for the period after taxation		209,765	163,607	
Income already paid on units redeemed		(66,001)	(42,396)	
		143,764	121,211	
Accounting income available for distribution				
- Relating to capital gains		-	2,013	
- Excluding capital gains		143,764	119,198	
		143,764	121,211	

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 Islamic 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	209,765	163,607	78,410	62,661
Other comprehensive income for the period				
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	209,765	163,607	78,410	62,661

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 Islamic Income Fund
Condensed Interim Cash Flow Statement (Unaudited)
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 income for the period before taxation	209,765	163,607
Adjustments for:		
Capital gain on sale of investments - net	(659)	(13,819)
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	9,144	11,142
Amortisation of preliminary expenses and floatation costs	613	613
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
Mark up / return on;		
- Bank profits	(102,775)	(150,181)
- Investments	(166,886)	(48,765)
Provision for Sindh Workers' Welfare Fund	4,281	3,339
	(46,517)	(34,064)
(Increase) / decrease in assets		
Investments - net	(856,875)	918
Advance against initial public offering	-	-
Deposits and prepayments	171	(4,363)
	(856,704)	(3,445)
Increase / (decrease) in liabilities		
Payable to the Management Company	3,249	2,240
Payable to the Trustee	(3)	184
Payable to Securities and Exchange Commission of Pakistan	(1,093)	2,119
Dividend payable	23	-
Payable against redemption of units	(101,997)	(533,432)
Accrued expenses and other liabilities	131	(3,747)
	(99,690)	(532,636)
Income received from sukuk	107,387	49,681
Income received from TDR	53,892	
Profit received on bank deposits	96,309	125,744
	257,588	175,425
Net cash used in operations	(745,323)	(394,720)
Cash flow from financing activities		
Amount received on issue of units	3,250,414	2,653,392
Dividend paid	(44,653)	(1,777)
Payment against redemption of units	(3,527,810)	(2,801,876)
Net cash (used in) / generated from financing activities	(322,049)	(150,261)
Net (decrease) / increase in cash and cash equivalents	(1,067,372)	(544,981)
Cash and cash equivalents at beginning of the year	2,716,661	3,192,747
Cash and cash equivalents at end of the year	1,649,291	2,647,766

4

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 Islamic Income Fund
Condensed Interim Statement of Movement in Unitholders' Fund
For the Nine Months and Quarter Ended March 31, 2019

	For the 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	3,947,620	93,906	4,041,526	4,414,052	47,193	4,461,245
Issuance of 32,831,461,541 units (2018: 25,779,393 units)						
Capital value (at net asset value per unit at the beginning of the period)	3,325,871	-	3,325,871		-	
Element of income / (loss)	69,988	-	69,988		-	
Total proceeds on issuance of Units	3,395,859	-	3,395,859	2,605,501	47,891	2,653,392
Redemption of 34,057,090 units (2018: 27,253,994 units)						
Capital value (at net asset value per unit at the beginning of the period)	(3,450,029)	-	(3,450,029)		-	-
Element of income	(77,781)	-	(77,781)		-	-
Total payments on redemption of units	(3,527,810)	-	(3,527,810)	(2,754,537)	(47,338)	(2,801,876)
Total comprehensive loss for the period	-	209,765	209,765	-	163,607	163,607
Refund of Capital	(145,445)		(145,445)			
Distribution for the period		(44,653)	(44,653)			
Net assets at end of the period	3,670,224	259,018	3,929,243	4,265,015	211,353	4,476,368
Undistributed income brought forward						
- Realised		106,089			34,077	
- Unrealised		(12,183)			13,116	
		93,906			47,193	
Accounting income available for distribution		143,764			121,211	
Net income for the period - for prior period	3.6					
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement	3.6					
Undistributed income carried forward		93,906			49,206	
Undistributed income carried forward						
- Realised		103,050			60,348	
- Unrealised		(9,144)			(11,142)	
		93,906			49,206	
				Rupees		Rupees
Net assets value per unit at beginning of the period			106.3013			101.0691
Net assets value per unit at end of the period			106.7906			104.9167

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 Islamic Income 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

The HBL Islamic Income Fund ('the Fund') was established 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. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/PIIF/949/2014 dated April 4, 2014 as a notified entity and the trust deed was executed on February 20, 2014.

Through an order dated August 31, 2016 SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on Feb 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 Agha 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 has been categorised as a Shariah Compliant Income Scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking into account liquidity considerations.

Title to the assets of the Fund is held in the name of Central Depository Company Limited as 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 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, 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, 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 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 half year ended March 31, 2018.

2.1.4 This 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 quarters ended March 31, 2018 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, 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.

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 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
Financial assets					
Bank balances - Saving Accounts	(b)	Loans and receivables	Amortised cost	1,991,661	1,991,661
Bank balances - Term Deposit Receipts (TDRs)	(b)	'Loans and receivables	Amortised cost	725,000	725,000
Investments - Privately Placed Sukuk Certificates	(a)	Held for trading	FVTPL	1,389,253	1,389,253
Profit Receivable	(b)	Loans and receivables	Amortised cost	38,957	38,957
Receivable against sale of investments	(b)	Loans and receivables	Amortised cost	10,156	10,156
Deposits and Prepayments	(b)	Loans and receivables	Amortised cost	4,450	4,450

- (a) Debt 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 be 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.

	Note	March 31, 2019 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2018 (Audited)
4. BANK BALANCES			
In savings accounts	4.1	1,649,291	1,991,661
Term deposit receipt	4.2	-	725,000
		1,649,291	2,716,661

4.1 Mark-up rates on these accounts range between 6.50% - 10.75% per annum (June 30, 2018: 5.45% - 6.50% per annum).

4.2 These term deposit receipts carry mark up at the rate of 11.00% - 12.26% (June 30, 2018: 6.15% - 7.46% per annum). These will mature at various dates maximum by March 31, 2019.

	Note	March 31, 2019 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2018 (Audited)
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss' - held-for-trading			
- Privately placed sukuk certificates	5.1	1,394,121	1,389,253
Loans and receivable			
- Advance against initial public offering		-	-
- Commercial paper	5.2	125,677	-
- Term Deposit Receipt	5.3	728,000	-
		2,247,799	1,389,253

5.1 Privately placed sukuk certificates

Name of the Investee Company	Number of units				Market value as at Mar 31, 2019 (Rupees in '000)	Market value as a percentage of	
	As at July 1, 2018	Purchases during the period	Sales during the period	As at Mar 31, 2019		Total Investments	Net Assets

Corporate Sukuks

K Electric Limited	-	76,700	44,917	31,783	104,603	4.65	2.66
International Brands Limited	1,040	60	-	1,100	108,594	4.83	2.76
Dawood Hercules	5,220	-	150	5,070	502,386	22.35	12.79
Dawood Hercules	1,000	-	-	1,000	100,000	4.45	2.55
AGP Limited	2,660	1,314	550	3,424	183,560	8.17	4.67
Dubai Islamic Bank Limited	190	-	-	190	193,554	8.61	4.93
Ghani Gasses Limited	1,530	-	-	1,530	101,424	4.51	2.58
Agha Steel	-	100	-	100	100,000	4.45	2.55
	42,040	104,074	94,967	51,047	1,394,121	62	35

Cost of investments at March 31, 2019 1,194,292

5.1.1 These Sukuk carry semi annual mark-up at the rate ranging from 11.03% - 12.03% per annum. (June 30, 2018: semi annual mark-up at the rate of 6.04% & 7.96% per annum) respectively.

5.2 Commercial paper

Name of Company	As at July 1, 2018	Placement made during the period	Income Accrued	Matured during the period	As at Mar 31, 2019	Percentage of total value of investments	Percentage of Net Assets
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(Rupees in '000)

Hascal Petroleum Limited (5.3.1)	-	122,549	3,128	-	125,677	11.592	3.199
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5.2.1 The commercial Paper carries mark-up at the rate of 12.26% per annum and will be matured on July 07, 2019.

5.3 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 fifteen 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 K-Electric Limited and Dawood Hercules Corporation Limited, as at March 31, 2019, were 15.34%, respectively, of the net assets of the Fund.

Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
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6 PAYABLE TO THE MANAGEMENT COMPANY

Management fee	6.1	3,693	2,475
Sindh sales tax	6.2	480	322
Sales load payable		94	154
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	350	357
Selling and marketing payable	6.4	1,940	-
		6,557	3,308

- 6.1** As per the offering document of the Fund, the Management Company shall charge a fee at the rate of 10% of gross earnings of the Scheme, calculated on daily basis not exceeding 1.50% of the average daily net assets of the Scheme and subject to a minimum fee of 0.50% of the average daily net assets of the Scheme subject to the guidelines as may be issued by the Commission from time to time. 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 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% 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/Circular/394/2018 dated June 04, 2018 prescribed some amendments in circular No. SCD/PRDD/Circular/361/2016 dated December 30, 2016 and 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 all categories of open-end mutual funds (except fund of funds and money market 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.

	Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
----- (Rupees in '000) -----			
7	ACCRUED EXPENSES AND OTHER LIABILITIES		
		2,016	2,045
		1,344	1,344
	7.1		
		10,022	5,741
	7.2		
		110	169
		121	43
		238	254
		175	18
		14,026	9,614

7.1 Provision for Federal Excise Duty

The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan 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. 1.344 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.04 per unit (June 30, 2018: Rs. 0.04 per unit).

7.2 Provision for Sindh Workers' Welfare Fund

The legal status of applicability of Sindh workers' welfare fund (SWWF) 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.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 3.34 million for the nine months year 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. 0.27 per unit (June 30, 2018: Rs. 0.02 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, 2018 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.

Transaction and balances with related 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.

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

11.1 Transactions during the period	March 31,	
	2019	2018
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	27,519	20,514
Sindh Sales Tax on remuneration of Management Company	3,578	2,667
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,984	3,298
Issue of 245,246 units (2018: Nil units)	25,000	-
Redemption 245,246 units (2018: Nil) units	25,096	-
Habib Bank Limited - Sponsor		
Bank charges paid	89	45
Profit on bank deposits earned	355	166
Redemption 2,541,753 units (2018: Nil) units	269,961	-
Refund of capital	4,960	-
Dividend Paid	12,111	-
HBL Asset Management Ltd Employess Gratuity Fund		
Issuance of units 2019: 96 (2018: 4,124 units)	8	428
Refund of capital	11	-
Dividend Paid	21	-
HBL Asset Management Ltd Employess Provident Fund		
Issuance of units 2019: 414 (2018: 22,169 units)	42	2,313
Refund of capital	69	-
Dividend Paid	111	-
Executives of the Management Company		
Issuance of units 2019: 292,153 (2018: 147,655 units)	30,640	15,132
Redemption of units 2019: 490,337 (2018: 76,607 units)	51,528	7,813
Refund of capital	408	-
Dividend Paid	1,182	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	3,587	3,887
Central Depository Service charges	100	35
MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan*		
Issuance of units 2019: 374,002 (2018: 1,521,984 units)	39,164	155,600
Redemption of units 2019: 499,961 (2018: 1,545,537 units)	51,877	158,400
Refund of capital	4,574	-
Dividend Paid	4,590	-
MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan*		
Issuance of units 2019: 6,523 (2018: 585,459 units)	681	59,850
Redemption of units 2019: 139,268 (2018: 661,122 units)	14,356	67,650
Refund of capital	1,364	-
Dividend Paid	1,369	-

		Nine months ended March 31,	
		2019	2018
		----- (Rupees in '000) -----	
MCBFSL Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan*			
Issuance of units 2019: 14,557,943 (2018: 3,019,582 units)		1,518,052	313,350
Redemption of units 2019: 7,762,482 (2018: 19,346,057 units)		806,679	1,987,410
Refund of capital		101,610	-
Dividend Paid		101,956	
CDC Trustee HBL Islamic Asset Allocation Fund			
Purchase of AGP Limited Sukuk		19,435	-
Dawood Hercules Corporation Limited Associated Company due to Common Directorship Purchase of 5,070 Certificate		7,163	-
		March 31, 2019	June 30, 2018
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
11.2	Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company			
Remuneration of the Management Company		3,693	2,475
Sindh Sales Tax on remuneration of the Management Company		480	322
Sales load payable		94	154
Allocation of expenses related to registrar services, accounting, operation and valuation services		350	357
Habib Bank Limited - Sponsor			
Bank balances		1,202	8,636
Units held: Nil (June 30, 2018: 2,422,199) units			257,483
HBL Asset Management Ltd Employess Gratuity Fund			
Units held: 4,327 (June 30, 2018: 4,124) units		462	438
HBL Asset Management Ltd Employess Provident Fund			
Units held: 23,263 (June 30, 2018: 22,169) units		2,484	2,357
Executives of the Management Company			
Units held in the Fund : 47,864 units (June 30,2018: 260,862 units)		5,111	27,730
MCBFSL Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan-Associated company			
Units held: 28,192,708 (June 30, 2018: 20,391,293) units		3,010,716	2,167,622

	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
	----- (Rupees in '000) -----	
MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan		
Units held: 153,750 (June 30, 2018: 273,740) units	16,419	29,099
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	418	421
Security deposit	100	100

* Comparative transactions / balances of these parties have not been disclosed as these parties were not related parties in last period

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 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

	Carrying amount			Fair Value			
	At fair value through profit or loss - 'held for-trading	At Amortized 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

- Corporate sukuk certificates	1,394,121	-	1,394,121	-	1,394,121	-	1,394,121
- GOP Ijarah Sukuks	-	-	-	-	-	-	-
	<u>1,394,121</u>	<u>-</u>	<u>1,394,121</u>	<u>-</u>	<u>1,394,121</u>	<u>-</u>	<u>1,394,121</u>

Financial assets not measured at fair value

Bank balances	-	1,649,291	1,649,291
Investments	-	125,677	125,677
Profit receivable	-	51,030	51,030
	<u>-</u>	<u>1,825,998</u>	<u>1,825,998</u>

Financial liabilities not measured at fair value

Payable to the Management Company	-	6,557	6,557
Payable to the Trustee	-	418	418
Accrued expenses and other liabilities	-	480	480
Payable against redemption of units	-	-	-
Unit holders' fund		3,929,243	3,929,243
	<u>-</u>	<u>3,936,698</u>	<u>3,936,698</u>

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
Note ----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments							
- Corporate sukuk certificates	1,389,253	-	1,389,253	1,389,253			1,389,253
	<u>1,389,253</u>	<u>-</u>	<u>1,389,253</u>	<u>-</u>	<u>1,389,253</u>	<u>-</u>	<u>1,389,253</u>
Financial assets not measured at fair value 10.1							
Bank balances	-	2,716,661	2,716,661	-	-	-	-
Profit receivable	-	38,957	38,957	-	-	-	-
Receivable against sale of investment		10,156	10,156				
	<u>-</u>	<u>2,765,774</u>	<u>2,765,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value 10.1							
Payable to the Management Company	-	3,308	3,308	-	-	-	-
Payable to the Trustee	-	421	421	-	-	-	-
Payable against redemption of units	-	101,997	101,997	-	-	-	-
Accrued expenses and other liabilities	-	9,614	9,614	-	-	-	-
Dividend payable		20	20				
	<u>-</u>	<u>115,361</u>	<u>115,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12.1 For level 2 investments at fair value through profit or loss - investment in Privately Placed Sukuks, are valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012 at reporting date.

For level 3 investments at fair value through profit or loss - investment in respect of Sukuk, the Fund has received Agha Steel Industries sukuks which are in the process of listing. Accordingly, these are stated at cost.

12.2 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.

12.3 Transfers during the period

There were no transfers 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 1.28% (2018: 1.18%) which includes 0.26% (2018: 0.27%) representing government levy, Sindh Worker's Welfare Fund 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

Islamic Equity Fund

FUND INFORMATION

Name of Fund	HBL Islamic Equity Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Bank Islami Pakistan Limited Al Baraka Bank Pakistan Limited United Bank Limited Burj Bank Limited MCB Bank Limited Faysal Bank Limited Habib Bank Limited

HBL Islamic 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	37,508	159,107
Investments	5	509,099	1,168,226
Dividends and profit receivable		3,990	3,035
Deposits, prepayments and other receivables		3,053	3,001
Receivable against sale of investments		6,233	2,152
Preliminary and floatation costs		32	183
Total assets		559,914	1,335,704
Liabilities			
Payable to the Management Company	6	1,692	5,309
Payable to the Trustee		107	442
Payable to Securities and Exchange Commission of Pakistan		572	1,194
Payable against redemption of units		-	5
Accrued expenses and other liabilities	7	8,216	10,855
Total liabilities		10,586	17,805
Net assets		549,328	1,317,899
Unit holders' fund (as per statement attached)		549,328	1,317,899
		----- (Number of units) -----	
Number of units in issue		6,313,183	14,250,123
		----- (Rupees) -----	
Net assets value per unit		87.0129	92.4834

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 Islamic 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		(27,903)	(86,768)	2,757	(21,721)
Dividend income		19,754	42,198	3,366	10,634
Profit on bank deposits		6,541	9,135	1,569	3,111
		(1,608)	(35,435)	7,692	(7,976)
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		(36,932)	15,395	16,329	144,700
		(38,540)	(20,040)	24,021	136,724
Expenses					
Remuneration of the Management Company	6.1 & 6.2	13,600	20,702	3,242	7,597
Remuneration of the Trustee		1,297	1,859	324	658
Annual fee to Securities and Exchange Commission of Pakistan		572	870	137	319
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	602	916	144	336
Selling and marketing expense	6.4	2,407	3,664	574	1,345
Securities transaction costs		2,532	2,905	386	1,107
Amortization of preliminary and floatation costs		152	152	50	50
Auditors' remuneration		177	177	58	58
Settlement and bank charges		392	349	91	100
Fees and subscription		195	190	58	68
Printing charges		-	225	-	76
		21,925	32,009	5,064	11,714
Net (loss) / income from operating activities		(60,465)	(52,049)	18,957	125,010
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	-	-	-	-
Net (loss) / income for the period before taxation		(60,465)	(52,049)	18,957	125,010
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		(60,465)	(52,049)	18,957	125,010
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 Islamic Equity 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) / income for the period after taxation	(60,465)	(52,049)	18,957	125,010
Other comprehensive income for the period				
Item that may be reclassified subsequently to Income Statement	-	-	-	-
Total comprehensive income for the period	(60,465)	(52,049)	18,957	125,010

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 Islamic Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
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 loss for the period before taxation	(60,465)	(52,049)
Adjustments		
Dividend income	(19,754)	(42,198)
Profit from bank deposits	(6,541)	(9,135)
Capital gain on sale of investments - net	27,903	86,768
Amortisation of preliminary and flotation costs	152	152
Unrealised appreciation on remeasurement of investments at fair value through profit or loss - held-for-trading - net	36,932	(15,395)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-
Provision for Sindh Workers' Welfare Fund	-	-
	(21,773)	(31,857)
(Increase) / decrease in assets		
Investments - net	594,292	(123,859)
Deposits, prepayments and other receivables	(52)	240
Receivable against sale of investments	(4,081)	(24,278)
	590,159	(147,897)
Increase / (Decrease) in liabilities		
Payable to the Management Company	(3,617)	(1,208)
Payable to the Trustee	(335)	(214)
Payable to Securities and Exchange Commission of Pakistan	(622)	(324)
Payable against redemption of units	(5)	13
Accrued expenses and other liabilities	(2,639)	(656)
	(7,218)	(2,389)
	561,168	(182,143)
Dividend received	18,702	35,063
Profit received on bank deposit	6,638	8,557
	586,508	(138,523)
Net cash used in operating activities		
Cash flows from financing activities		
Amount received on issue of units	65,016	910,778
Payment against redemption of units	(773,122)	(250,954)
Dividend paid	-	-
	(708,106)	659,824
Net cash generated from / (used in) financing activities		
	(121,598)	521,301
Cash and cash equivalents at beginning of the period	159,107	159,107
Cash and cash equivalents at end of the period	37,508	680,408

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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 Islamic Equity Fund
Condensed Interim Statement of Movement in Unitholders' Fund
For the nine months ended March 31, 2019

Note	Nine months ended March 31,					
	2019			2018		
	(Rupees in '000)					
	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Total
Net assets at beginning of the period	1,402,368	(84,469)	1,317,899	748,901	41,006	789,907
Issuance of 695,541 units (2018: 9,566,774 units)						
Capital value (at net asset value per unit at the beginning of the period)	64,326	-	64,326		-	
Element of income / (loss)	690	-	690		-	
Total proceeds on issuance of units	65,016	-	65,016	1,009,061	(98,283)	910,778
Redemption of 8,632,481 units (2018: 2,737,981 units)						
Capital value (at net asset value per unit at the beginning of the period)	(798,362)	-	(798,362)		-	-
Element of income	25,240	-	25,240		-	-
Total payments on redemption of units	(773,122)	-	(773,122)	(288,790)	37,836	(250,954)
Total comprehensive loss for the period	-	(60,465)	(60,465)	-	(52,049)	(52,049)
Net assets at end of the period	694,262	(144,934)	549,328	1,469,172	(147,162)	1,397,682
Accumulated (loss) / Undistributed income brought forward						
- Realised		(40,048)			29,237	
- Unrealised		(44,421)			11,769	
		(84,469)			41,006	
Accounting income available for distribution		(60,465)			(52,049)	
Net Income for the period - for prior period						
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement 3.6		-			-	
(Accumulated loss) / undistributed income carried forward		(144,934)			(11,043)	
(Accumulated loss) / undistributed income carried forward						
- Realised		(108,002)			(26,438)	
- Unrealised		(36,932)			15,395	
		(144,934)			(11,043)	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			92.4834			105.4755
Net assets value per unit at end of the period			87.0129			97.6184

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 Islamic Equity 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 Islamic 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 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/AMCW/PISF/965/2014 dated April 23, 2014 as a notified entity and the Trust Deed was executed on February 20, 2014.

The Fund has been categorised as a Shariah Compliant equity scheme as per the criteria laid down by the SECP for categorisation of Open-End Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed 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 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.

The objective of HBL Islamic Equity Fund is to provide the maximum total return to the unit holders from investment in 'Shariah Compliant' equity investments for the given level of risk. Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

JCR-VIS Credit Rating Company has assigned an asset 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 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.

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- 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 half year ended March 31, 2019.
- 2.1.4** This 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.
- 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 is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

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 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 a 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
Financial assets					
Listed equity securities	(a)	Held for trading	FVTPL	1,168,226	1,168,226
Bank balances	(b)	Loans and receivables	Amortised cost	159,107	159,107
Dividend and Profit receivable	(b)	Loans and receivables	Amortised cost	3,035	3,035
Receivable against of investments	(b)	Loans and receivables	Amortised cost	2,152	2,152
Deposits, prepayments & other receivable	(b)	Loans and receivables	Amortised cost	3,001	3,001

(a) 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.

(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, 2019 (Un-Audited)	June 30, 2018 (Audited)
Note	----- (Rupees in '000) -----	
4. BANK BALANCES		
Current accounts	1,435	1,435
Savings accounts	36,073	157,672
	37,508	159,107

4.1 Mark-up rates on these accounts range between 6.50% to 10.00% p.a (June 30, 2018: 5.45% - 6.50% p.a).

	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
Note	----- (Rupees in '000) -----	
5. INVESTMENTS		
Financial assets 'at fair value through profit or loss' held for trading		
- Listed equity securities	501,043	1,168,226
- Advanced against BOOK Building	8,056	-
	509,099	1,168,226

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 stated otherwise

Name of the Investee Company	Number of shares					Market value			Par value as a percentage of issued capital of the investee company
	As at July 1, 2018	Purchases during the period	Bonus issue	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									
Millat Tractors Limited	32,460	7,000	-	38,560	900	806	0.16	0.15	0.00
	32,460	7,000	-	38,560	900	806	0.16	0.15	
Automobiles Parts & Accessories									
Thal Limited (Par value Rs 5 per share)	75,450	20,000	-	56,000	39,450	16,648	3.32	3.03	0.05
	75,450	20,000	-	56,000	39,450	16,648	3.32	3.03	
Cable & Electrical Goods									
Pak Elektron Limited	409,500	21,000	-	430,500	-	-	-	-	-
	409,500	21,000	-	430,500	-	-	-	-	-
Cement									
Cherat Cement Company Limited	-	94,000	-	94,000	-	-	-	-	-
D.G Khan Cement Company Limited	115,200	97,500	-	212,700	-	-	-	-	-
Kohat Cement Limited	177,200	89,500	14,010	185,000	95,710	8,215	1.64	1.49	0.07
Lucky Cement Limited	106,150	43,200	-	87,050	62,300	26,679	5.32	4.86	0.02
Maple Leaf Cement Factory Ltd	-	637,500	-	426,000	211,500	7,921	1.58	1.44	0.04
Pioneer Cement Limited	149,500	-	-	149,500	-	-	-	-	-
	548,050	961,700	14,010	1,154,250	369,510	42,815	8.55	7.79	
Chemicals									
Engro Polymer & Chemicals Limited	854,500	589,952	-	992,000	452,452	16,433	3.28	2.99	0.04
Engro Polymer & Chemicals Limited-LOR	273,952	-	-	273,952	-	-	-	-	-
Lotte Chemical Pakistan Ltd	-	225,000	-	-	225,000	3,200	0.64	0.58	0.01
Sitara Chemical Industries Ltd	-	8,800	-	-	8,800	2,640	0.53	0.48	0.04
	1,128,452	823,752	-	1,265,952	686,252	22,273	4.45	4.05	
Commercial Bank									
Meezan Bank Limited	642,500	370,000	43,250	887,500	168,250	16,665	3.33	3.03	0.02
	642,500	370,000	43,250	887,500	168,250	16,665	3.33	3.03	
Engineering									
Aisha Steel Mills Ltd	440,000	-	-	440,000	-	-	-	-	-
Amreli Steels Limited	184,100	70,000	-	254,100	-	-	-	-	-
Crescent Steel & Allied Products Limited	-	56,500	-	-	56,500	2,192	-	-	-
International Industries Limited	55,800	56,000	-	68,500	43,300	5,373	0.44	0.40	0.07
International Steels Limited	194,000	105,000	-	217,000	82,000	5,250	1.07	0.98	0.04
Mughal Iron & Steel Inds Ltd	288,500	5,000	-	293,500	-	-	1.05	0.96	0.02
	1,162,400	292,500	-	1,273,100	181,800	12,815	2.56	2.34	
Fertilizer									
Dawood Herculers Corporation Ltd	-	55,000	-	10,000	45,000	5,777	1.15	1.05	0.01
Engro Corporation Limited	275,800	89,000	-	225,000	139,800	45,747	9.13	8.32	0.03
Engro Fertilizers Limited	987,000	133,500	-	852,000	268,500	19,211	3.83	3.50	0.02
Fauji Fertilizer Co. Ltd	267,000	71,000	-	233,000	105,000	10,968	2.19	2.00	0.01
	1,529,800	348,500	-	1,320,000	558,300	81,703	16.31	14.87	
Oil and Gas Exploration Companies									
Mari Petroleum Company Limited (5.1.1)	43,230	15,540	2,025	27,980	32,815	40,863	8.16	7.44	0.03
Oil & Gas Development Company Limited	499,400	475,000	-	621,000	353,400	52,144	10.41	9.49	0.01
Pakistan Oilfields Limited	109,300	45,650	14,120	115,850	53,220	23,803	4.75	4.33	0.02
Pakistan Petroleum Limited	429,700	186,900	29,580	390,100	256,080	47,372	9.45	8.62	0.01
	1,081,630	723,090	45,725	1,154,930	695,515	164,182	32.77	29.88	
Oil and Gas Marketing Companies									
Hascol Petroleum Limited	50,900	3,000	5,650	59,550	-	-	-	-	-
Pakistan State Oil Company Limited (5.1.2)	167,200	124,000	23,740	189,000	125,940	27,226	5.43	4.95	0.04
Sui Northern Gas Pipeline Limited	327,300	128,000	-	267,500	187,800	14,106	2.82	2.57	0.03
	545,400	255,000	29,390	516,050	313,740	41,332	8.25	7.52	

Name of the Investee Company	Number of shares					Market value			Par value as a percentage of issued capital of the investee company
	As at July 1, 2018	Purchases during the period	Bonus issue	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	
Power Generation & Distribution									
Hub Power Company Limited	954,300	273,500	-	714,000	513,800	37,677	7.52	6.86	0.04
K-Electric Limited	4,867,000	1,475,000	-	4,496,000	1,846,000	10,319	2.06	1.88	0.01
Pakgen Power Limited	-	187,500	-	-	187,500	2,861	0.57	0.52	0.05
	5,821,300	1,936,000	-	5,210,000	2,547,300	50,857	10.15	9.26	
Pharmaceuticals									
AGP Limited	223,500	64,500	-	186,000	102,000	8,684	1.73	1.58	-
The Searle Company Limited (5.1.2)	39,820	25,800	2,823	44,500	23,943	5,670	1.13	1.03	0.01
	263,320	90,300	2,823	230,500	125,943	14,354	2.86	2.61	
Paper & Board									
Packages Limited	27,000	2,000	-	14,500	14,500	5,507	1.10	1.00	0.02
	27,000	2,000	-	14,500	14,500	5,507	1.10	1.00	
Transport									
Pakistan National Shipping Corp Ltd	-	41,500	-	-	41,500	2,500	0.50	0.46	0.03
	-	41,500	-	-	41,500	2,500	0.50	0.46	
Textile Composite									
Kohinoor Textile Mills Ltd	-	305,000	-	157,000	148,000	6,641	1.33	1.21	0.14
Nishat Mills Limited	345,500	74,000	-	279,100	140,400	18,899	3.77	3.44	0.04
	345,500	379,000	-	436,100	288,400	25,540	5.10	4.65	
Technology & Communication									
Pakistan Telecommunication Co. Ltd	-	300,000	-	-	300,000	2,727	0.54	2.50	0.01
Systems Limited	140,000	-	-	137,000	3,000	320	0.06	0.06	-
	140,000	300,000	-	137,000	303,000	3,047	0.61	2.56	
Glass & Ceramics									
Shabbir Tiles & Ceramics Ltd	408,500	-	-	408,500	-	-	-	-	-
	408,500	-	-	408,500	-	-	-	-	
March 31, 2019 Total:	14,161,262	6,571,342	135,198	14,533,442	6,334,360	501,043	94.22	85.94	
Carrying value as at March 31, 2018						537,975			

5.1.1 These investments include shares with market value aggregating to Rs. 79.14 million (June 30, 2018: Rs. 92.766 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. Details are as follows:

Engro Polymer & Chemicals Limited (180,000 shares)

Hub Power Company Limited (300,000 shares)

Oil & Gas Development Company Limited (300,000 shares)

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. 0.89 million at March 31, 2019 (June 30, 2018: Rs. 0.472 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.

6.	PAYABLE TO THE MANAGEMENT COMPANY	Note	March 31,	June 30,
			2019 (Un-Audited)	2018 (Audited)
			----- (Rupees in '000) -----	
	Remuneration to the Management Company	6.1	948	2,206
	Sindh Sales Tax on Management Company's remuneration	6.2	123	287
	Sales load payable to Management Company		-	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	47	110
	Selling and marketing payable	6.4	574	2,706
			1,692	5,309

6.1 As per 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 scheme subject to the guidelines as may be issued by the SECP from time to time. Therefore, the management fee is charged at 2%. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 % (June 30 2017: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum 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.

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.

	Note	March 31, 2019 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2018 (Audited)
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty on Management fee	7.1	3,268	3,268
Provision for Sindh Workers' Welfare Fund	7.2	3,194	3,194
Donation payable	7.3	1,008	3,704
Payable to brokers		188	269
Withholding tax payable		195	8
Auditors' remuneration		110	169
Printing charges		213	228
Zakat payable		10	-
Others		30	15
		8,216	10,855

7.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 3.268 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2019 would have been higher by Rs. 0.52 per unit (June 30, 2018: Rs. 0.23 per unit).

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

As there is loss for the nine months ended March 31, 2019, therefore, no provision for SWWF has been recognised in this 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. 0.51 per unit (June 30, 2018: Rs. 0.22 per unit).

7.3 This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

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 ended June 30, 2018 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.

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
	----- (Rupees in '000) -----	
11.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	12,035	18,320
Sindh Sales Tax on remuneration of the Management Company	1,565	2,382
Sales load paid	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	602	916
Selling and marketing expense	2,407	3,664
Redemption of 431,313 units (2018: 787,166 units)	39,500	70,000
Executives of the Management Company		
Issue of 17,908 units (2018: Nil units)	1,595	-
Redemption 26,365 units (2018: Nil) units	2,418	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	1,297	1,859
Central Depository Service charges	92	108

		Nine months ended March 31,	
		2019	2018
		----- (Rupees in '000) -----	
Connected person due to holding of more than 10%			
MCBFSL Trustee HBL Islamic Financial Planning Fund *			
Strategic Allocation Plan			
	Redemption of 7,728,823 units (2018: Nil units)	690,030	775,000
MCBFSL Trustee HBL Islamic Financial Planning Fund *			
Conservative Allocation Plan			
	Issuance of units 8,735 units (2018: 108,943 units)	776	9,937
	Redemption of 36,176 units (2018: 140,405 units)	3,382	13,290
MCBFSL Trustee HBL Islamic Financial Planning Fund *			
Active Allocation Plan			
	Redemption of 134,359 units (2018: 55,258 units)	12,493	5,000
		March 31,	June 30,
		2019	2018
		----- (Rupees in '000) -----	
11.2	Balances outstanding as at period / year end	(Un-Audited)	(Audited)
HBL Asset Management Company Limited			
	Units held: 483,649 (June 30, 2018: 914,962) units	42,084	84,619
	Management fee payable	1,071	2,206
	Sales load payable	-	287
Central Depository Company of Pakistan Limited - Trustee			
	Trustee Fee payable	107	442
Executives of the Management Company			
	Units held: 9,669 (June 30, 2018: 25,777) units	841	2,384
Connected Person due to holding more than 10% units:			
MCBFSL - Trustee HBL Islamic Financial Planning Fund			
Strategic Allocation Plan			
	Units held: 2,696,154 (June 30, 2018: 10,424,976) units	234,600	964,137

	March 31, 2019	June 30, 2018
	----- (Rupees in '000) -----	
	(Un-Audited)	(Audited)
MCBFSL - Trustee HBL Islamic Financial Planning Fund Active Allocation Plan		
Units held: 303,617 (June 30, 2018: 437,975) units	26,419	40,505
MCBFSL - Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan		
Units held: 44,195 (June 30, 2018: 71,636) units	3,846	6,625
MCB Bank Limited		
Units held: 916,259 (June 30, 2018: Nil) units	79,726	-

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						
		Carrying amount			Fair Value			
		Fair value through profit or loss - held-for-trading	At Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
12.1	Investments							
	- Listed equity securities	501,043	-	501,043	-	-	-	501,043
	- Advance against book building - Interloop Ltd	8,056	-	8,056	-	-	8,056	8,056
		<u>509,099</u>	<u>-</u>	<u>509,099</u>	<u>509,099</u>	<u>-</u>	<u>8,056</u>	<u>509,099</u>
Financial assets not measured at fair value								
12.1	Bank balances	-	37,508	37,508				
	Dividends and profit receivable	-	3,990	3,990				
	Receivable against sale of investments	-	6,233	6,233				
		<u>-</u>	<u>47,731</u>	<u>47,731</u>				
Financial liabilities not measured at fair value								
12.1	Payable to the Management Company	-	1,692	1,692				
	Payable to the Trustee	-	107	107				
	Payable against redemption in units	-	-	-				
	Accrued expenses and other liabilities	-	426	426				
	Unit holders' fund	-	549,328	549,328				
		<u>-</u>	<u>551,553</u>	<u>551,553</u>				
		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
		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
12.1	Investments							
	- Listed equity securities	1,168,226	-	1,168,226	1,168,226	-	-	1,168,226
		<u>1,168,226</u>	<u>-</u>	<u>1,168,226</u>	<u>1,168,226</u>	<u>-</u>	<u>-</u>	<u>1,168,226</u>
Financial assets not measured at fair value								
12.1	Bank balances	-	159,107	159,107				
	Dividends and profit receivable	-	3,035	3,035				
	Dividend		2,600	2,600				
	Receivable against sale of investments		2,152	2,152				
		<u>-</u>	<u>166,894</u>	<u>166,894</u>				
Financial liabilities not measured at fair value								
12.1	Payable to the Management Company	-	5,022	5,022				
	Payable to the Trustee	-	442	442				
	Payable against redemption in units	-	5	5				
	Accrued expenses and other liabilities	-	666	666				
		<u>-</u>	<u>6,135</u>	<u>6,135</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 (SECP), the total expense ratio of the fund for the nine months ended March 31, 2019 is 2.72% (June 2018: 3.47%) which includes 0.32% (June 2018: 0.39%) 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

Islamic Financial Planning Fund

FUND INFORMATION

Name of Fund	HBL Islamic Financial Planning Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	MCB Financial Services Limited (MCBFSL)
Bankers	Bank Islami Pakistan Limited Habib Bank Limited Dubai Islamic Bank Limited

HBL Islamic Financial Planning Fund
Condensed Interim Statement Of Assets And Liabilities (Un-audited)
AS AT MARCH 31, 2019

	Note	March 31, 2019 (Un-Audited)				Total	June 30, 2018 (Audited)			
		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation Plan		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
(Rupees in '000)										
ASSETS										
Bank balances	4	812	81	707	340,127	341,727	1,721	199	1,046	2,966
Investments	5	176,869	20,496	4,044,360	134,645	4,376,370	245,764	36,381	4,285,015	4,567,160
Accrued mark-up		6	4	16	3,771	3,796	12	11	10	33
Preliminary expenses and flotation costs		55	15	516	1,389	1,975	68	18	2,248	2,334
Advances		28	18	885	4	934	22	12	660	694
TOTAL ASSETS		177,770	20,614	4,046,483	479,935	4,724,803	247,587	36,621	4,288,979	4,573,187
LIABILITIES										
Payable to the Management Company	6	16	3	366	2,233	2,618	311	4	356	671
Payable to the Trustee		15	2	277	4	297	21	3	278	302
Payable to Securities and Exchange Commission of Pakistan		153	19	3,033	225	3,430	242	45	4,055	4,342
Accrued expenses and other liabilities	7	135	50	1,840	157	2,182	102	23	1,932	2,057
TOTAL LIABILITIES		319	73	5,516	2,619	8,526	676	75	6,621	7,372
NET ASSETS		177,451	20,541	4,040,968	477,317	4,716,276	246,911	36,546	4,282,358	4,565,815
UNIT HOLDER'S FUND (AS PER STATEMENT ATTACHED)		177,451	20,541	4,040,968	477,317	4,716,277	246,911	36,546	4,282,358	4,565,815
CONTINGENCIES AND COMMITMENTS	8	(Units)				(Units)				
Number of units in issue		<u>1,810,383</u>	<u>197,081</u>	<u>39,857,219</u>	<u>4,699,230</u>	<u>2,458,924</u>	<u>360,360</u>	<u>42,193,314</u>		
		(Rupees)				(Rupees)				
Net assets value per unit		<u>98.0184</u>	<u>104.2236</u>	<u>101.3861</u>	<u>101.5735</u>	<u>100.4143</u>	<u>101.4151</u>	<u>101.4938</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 Islamic Financial Planning Fund
Condensed Interim Income Statement (Un-audited)
For The Nine Months Ended March 31, 2019

	For the period from October 02, 2018 to March 31, 2019				Total	Nine months ended March 31, 2018			
	Nine months ended March 31, 2019		Islamic Capital Preservation Plan			Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
Note	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)								
INCOME									
Mark-up on deposits with bank	52	10	79	16,075	16,216	583	150	5,821	6,554
Capital (loss) / gain on sale of investment - net	(1,900)	277	(40,680)	466	(41,837)	1,085	(73)	30,734	31,746
Unrealised (diminution) / appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net	(2,155)	603	45,204	(5,821)	37,831	8,238	849	136,822	145,909
Dividend income	16	5	347	-	368	-	-	-	-
Back end load	-	-	1,183	33	1,216	-	-	7	7
	(3,987)	895	6,133	10,753	13,794	9,906	926	173,384	184,215
EXPENSES									
Remuneration to the Management Company	9	2	13	1,702	1,726	104	24	1,171	1,299
Sindh Sales Tax on remuneration of the Management Company	1	-	2	221	224	13	3	152	168
Remuneration of the Trustee	164	20	2,557	241	2,982	195	38	2,557	2,790
Annual fee to the Securities and Exchange Commission of Pakistan	153	19	3,033	225	3,430	182	35	3,025	3,242
Allocation of expenses related to registrar services, accounting, operation and valuation services	161	20	3,193	237	3,611	191	37	3,185	3,413
Amortisation of preliminary expenses and flotation costs	43	33	1,762	471	2,309	13	3	1,830	1,846
Auditors' remuneration	11	1	197	11	220	13	4	280	297
Printing charges	-	-	-	-	-	5	1	106	112
Bank charges	15	12	10	38	75	24	24	21	69
Fees and subscription	1	-	25	1	27	16	5	403	424
Shariah advisory fee	7	1	132	9	149	6	1	103	110
	565	108	10,924	3,156	14,753	762	178	12,833	13,772
Net (loss) / income for the period from operating activities	(4,552)	787	(4,792)	7,597	(959)	9,144	747	160,550	170,443
Reversal of selling and marketing expense	-	-	-	-	-	24	7	555	586
Provision for Sindh Workers' Welfare Fund	-	(16)	-	(152)	(16)	(183)	(15)	(3,222)	(3,421)
Net (loss) / income for the period before taxation	(4,552)	771	(4,792)	7,445	(975)	8,986	739	157,883	167,608
Taxation	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation	(4,552)	771	(4,792)	7,445	(975)	8,986	739	157,883	167,608
Allocation of income for the period									
Income already paid on redemption of units	-	236	-	52	-	86	67	6	159
Accounting income available for distribution	-	-	-	-	-	-	-	-	-
Relating to capital gains	-	298	-	-	-	8,900	672	157,877	167,449
Excluding capital gains	-	-	-	-	-	-	-	-	-
	-	535	-	7,393	-	8,900	672	157,877	167,449
	-	771	-	7,445	-	8,986	739	157,883	167,608
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 Islamic Financial Planning Fund
Condensed Interim Income Statement (Un-audited)
For The Nine Months and Quarter Ended March 31, 2019 (Continued)

	Quarter ended March 31, 2019					Quarter ended March 31, 2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
Note ----- (Rupees in '000) -----										
INCOME										
Mark-up on deposits with bank	14	5	40	8,826	8,885	60	13	381	453	
Capital (loss) / gain on sale of investment - net	28	139	(19,309)	1,126	(18,016)	993	129	15,984	17,106	
Unrealised (diminution) / appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net	6,286	419	149,666	2,640	159,011	10,988	1,081	163,793	175,862	
Back end load	(16)	(5)	836	33	848	-	-	3	3	
	6,312	558	131,233	12,625	150,728	12,042	1,222	180,161	193,423	
EXPENSES										
Remuneration to the Management Company	6.1 3	1	13	845	862	9	3	55	67	
Sindh Sales Tax on remuneration of the Management Company	6.2 -	0	2	110	112	1	-	7	8	
Remuneration of Trustee	48	6	833	120	1,007	70	10	851	931	
Annual fee to the Securities and Exchange Commission of Pakistan	45	6	987	112	1,150	65	9	1,010	1,084	
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3 47	6	1,040	118	1,211	69	10	1,064	1,143	
Amortisation of preliminary expenses and flotation costs	35	31	603	234	903	5	1	617	623	
Auditors' remuneration	3	-	64	6	73	4	1	93	98	
Printing charges	-	-	-	-	-	2	-	36	38	
Bank charges	6	4	4	4	18	1	6	4	11	
Fees and subscription	-	-	14	1	15	10	4	285	299	
Shariah advisory fee	2	-	40	4	46	2	-	33	35	
	189	54	3,600	1,553	5,397	238	44	4,055	4,337	
Net (loss) / income for the period from operating activities	6,123	502	127,633	11,072	145,331	11,804	1,178	176,106	189,086	
Reversal of selling and marketing expense	-	-	-	-	-	-	-	-	-	
Provision for Sindh Workers' Welfare Fund	7.1 -	(10)	-	(152)	(162)	-	-	-	-	
Net (loss) / income for the period before taxation	6,123	492	127,633	10,920	145,169	11,804	1,178	176,106	189,086	
Taxation	9 -	-	-	-	-	-	-	-	-	
Net (loss) / income for the period after taxation	6,123	492	127,633	10,920	145,169	11,804	1,178	176,106	189,086	
Allocation of income for the period										
Income already paid on redemption of units	-	126	-	52	178	86	67	6	159	
Accounting income available for distribution	-	-	-	-	-	-	-	-	-	
Relating to capital gains	-	136	-	-	136	8,900	672	157,877	167,449	
Excluding capital gains	-	-	-	-	-	-	-	-	-	
	6,123	366	127,633	10,868	144,991	11,718	1,111	176,100	188,927	
	6,123	492	127,633	10,920	145,169	11,804	1,178	176,106	189,086	
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 Islamic Financial Planning Fund
Condensed Interim Income Statement (Un-audited)
For The Nine months and Quarter Ended March 31, 2019

	For the period from October 02, 2018 to March 31, 2019					For the period from October 02, 2017 to March 31, 2018			
	Nine months ended March 31, 2019			Islamic Capital Preservation Plan	Total	Nine months ended March 31, 2018			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan			Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)								
Net (loss) / income for the period after taxation	(4,552)	771	(4,792)	7,445	(1,127)	8,986	739	157,883	167,608
Other comprehensive income for the period									
Item that may be reclassified subsequently to income statement	-	-	-	-	-	-	-	-	-
Item that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	(4,552)	771	(4,792)	7,445	(1,127)	8,986	739	157,883	167,608

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 Islamic Financial Planning Fund
Condensed Interim Statement Of Comprehensive Income (Un-audited)
For The Nine months and Quarter Ended March 31, 2019 (Continued)

	Quater ended March 31, 2018			For the period from October 02, 2018 to March 31, 2019	Total	Quater ended March 31, 2018			Total
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation Plan		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	
	(Rupees in '000)								
Net (loss) / income for the period after taxation	6,123	492	127,633	10,920	145,168	11,804	1,178	176,106	189,088
Other comprehensive income for the period									
Item that may be reclassified subsequently to income statement	-	-	-	-	-	-	-	-	-
Item that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	6,123	492	127,633	10,920	145,168	11,804	1,178	176,106	189,088

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 Islamic Financial Planning Fund
Condensed Interim Statement Of Comprehensive Income (Un-audited)
For The Nine Months Ended March 31, 2019

	Nine months ended March 31, 2019			Nine months ended March 31, 2018		
	Active Allocation Plan			Active Allocation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)					
Net assets at beginning of the period	245,177	1,734	246,911	194,178	26	194,204
Issuance of 31,057 units (2018: 2,106,284 units)						
Capital value (at net asset value per unit at the beginning of the period)	3,119	-	3,119	210,656	-	210,656
Element of income / (loss)	20	-	20	(2,343)	-	(2,343)
Total proceeds on issuance of units	3,139	-	3,139	208,313	-	208,313
Redemption of 679,598 units (2018: 1,117,456 units)						
Capital value (at net asset value per unit at the beginning of the period)	(68,241)	-	(68,241)	(111,760)	-	(111,760)
Element of income	194	-	194	1,226	-	1,226
Total payments on redemption of units	(68,047)	-	(68,047)	(110,535)	-	(110,534)
Total comprehensive loss for the period	-	(4,552)	(4,552)	-	8,986	8,986
Net assets at end of the period	180,269	(2,818)	177,451	291,956	9,012	300,969
Undistributed income brought forward						
Realised		5,405			204	
Unrealised		(3,671)			(178)	
		<u>1,734</u>			<u>26</u>	
Net loss for the period		(4,552)			8,986	
Accumulated loss carried forward		(2,818)			9,012	
Accumulated loss carried forward						
Realised		(663)			773	
Unrealised		(2,155)			8,238	
		<u>(2,818)</u>			<u>9,012</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>100.4143</u>			<u>100.0133</u>
Net assets value per unit at end of the period			<u>98.0184</u>			<u>102.6981</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 Islamic Financial Planning Fund
Condensed Interim Statement Of Movement In Unitholders' Fund (Un-audited)
For The Nine Months Ended March 31, 2019 (Continued)

	Nine months ended March 31, 2019			Nine months ended March 31, 2018		
	Conservative Allocation Plan			Conservative Allocation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	35,957	589	36,546	58,328	10	58,338
Issuance of 31,326 units (2018: 650,445 units)						
Capital value (at net asset value per unit at the beginning of the period)	3,177	-	3,177	65,056	-	65,056
Element of income / (loss)	93	-	93	(780)	-	(780)
Total proceeds on issuance of units	3,270	-	3,270	64,276	-	64,276
Redemption of 194,604 units (2018: 831,396 units)						
Capital value (at net asset value per unit at the beginning of the period)	(19,736)	-	(19,736)	(83,154)	-	(83,154)
Income already paid on redemption of units	-	(236)	(236)	-	-	-
Element of income	(74)	-	(74)	635	-	635
Total payments on redemption of units	(19,810)	(236)	(20,046)	(82,519)	-	(82,519)
Total comprehensive income / (loss) for the period	-	771	771	-	739	739
Net assets at end of the period	19,417	1,124	20,541	40,085	749	40,834
Undistributed income brought forward						
Realised		909			(39)	
Unrealised		(320)			49	
		589			10	
Accounting income available for distribution						
Relating to capital gain	298			-		
Excluding capital gain	-			-		
	298			-		
Net loss for the period	771			739		
Undistributed income / (accumulated loss) carried forward	887			749		
Undistributed income / (accumulated loss) carried forward						
Realised		284			(100)	
Unrealised		603			849	
		887			749	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>101.4151</u>			<u>100.0178</u>
Net assets value per unit at end of the period			<u>104.2236</u>			<u>101.4943</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 Islamic Financial Planning Fund
Condensed Interim Statement Of Movement In Unitholders' Fund (Un-audited)
For The Nine Months Ended March 31, 2019 (Continued)

	Nine months ended March 31, 2019			Nine months ended March 31, 2018		
	Strategic Allocation Plan			Strategic Allocation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	4,219,284	63,074	4,282,358	4,224,907	650	4,225,557
Issuance of Nil units (2018: 10,838 units)						
Capital value (at net asset value per unit at the beginning of the period)	-	-	-	1,084	-	1,084
Element of loss	-	-	-	(4)	-	(4)
Total proceeds on issuance of units	-	-	-	1,081	-	1,080
Redemption of 2,336,095 units (2018: 7,209 units)						
Capital value (at net asset value per unit at the beginning of the period)	(237,099)	-	(237,099)	(721)	-	(721)
Element of income / (loss)	501	-	501	(5)	-	(5)
Total payments on redemption of units	(236,598)	-	(236,598)	(726)	-	(726)
Total comprehensive loss for the period	-	(4,792)	(4,792)	-	157,883	157,883
Net assets at end of the period	3,982,686	58,282	4,040,968	4,225,262	158,533	4,383,794
Undistributed income brought forward						
Realised		114,191			(834)	
Unrealised		(51,117)			1,484	
		63,074			650	
Net loss for the period		(4,792)			157,883	
Accumulated loss carried forward		58,282			158,533	
Accumulated loss carried forward						
Realised		13,078			21,711	
Unrealised		45,204			136,822	
		58,282			158,533	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>101.4938</u>			<u>100.0143</u>
Net assets value per unit at end of the period			<u>101.3861</u>			<u>103.7507</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 Islamic Financial Planning Fund
Condensed Interim Statement Of Movement In Unitholders' Fund (Un-audited)
For The Period Ended December 31, 2018 (Continued)

For the period from October 02, 2018 to March 31, 2019

	Islamic Capital Preservation Plan		
	Capital value	Undistributed income / (accumulated loss) (Rupees in '000)	Total
Net assets at beginning of the period	-	-	-
Issuance of 4,731,620 units			
Capital value (at net asset value per unit at the beginning of the period)	473,162	-	473,162
Element of income	-	-	-
Total proceeds on issuance of units	473,162	-	473,162
Redemption of 32,388 units			
Capital value (at net asset value per unit at the beginning of the period)	(3,239)	-	(3,239)
Element of loss	(51)	-	(51)
Total payments on redemption of units	(3,290)	-	(3,290)
Total comprehensive loss for the period	-	7,445	7,445
Net assets at end of the period	469,872	7,445	477,317
Undistributed income brought forward			
Realised		-	
Unrealised		-	
		-	
Net loss for the period		7,445	
Accumulated loss carried forward		7,445	
Accumulated loss carried forward			
Realised		13,266	
Unrealised		(5,821)	
		7,445	
		(Rupees)	
Net assets value per unit at beginning of the period		100.0000	
Net assets value per unit at end of the period		101.5735	

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 Islamic Financial Planning Fund

Condensed Interim Statement Of Cash Flow (Un-audited)

For The Nine Months Ended March 31, 2019

Note	For the period from October 02, 2018 to March 31, 2019					For the period from October 02, 2017 to March 31, 2018			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
(Rupees in '000)									
CASH FLOWS FROM OPERATING ACTIVITIES									
Net (loss) / income for the period before taxation	(4,552)	771	(4,792)	7,445	(975)	8,986	739	157,883	167,608
Adjustments for:									
Mark-up on deposits with bank	(52)	(10)	(79)	(16,075)	(16,216)	(583)	(150)	(5,821)	(6,554)
Capital loss/ (gain) on sale of investment - net	1,900	(277)	40,680	(466)	41,837	(1,085)	73	(30,734)	(31,746)
Unrealised (appreciation) / diminution on re-measurement of investments at 'fair value through profit or loss' - net	2,155	(603)	(45,204)	5,821	(37,831)	(8,238)	(849)	(136,822)	(145,909)
Amortisation of preliminary expenses and flotation costs	43	33	1,762	471	2,309	13	3	1,830	1,846
Cash used in operations before working capital changes	(506)	(86)	(7,633)	(2,804)	(10,876)	(908)	(183)	(13,663)	(14,754)
Decrease / (Increase) in assets									
Investments	64,840	16,765	245,179	(140,000)	186,784	(119,600)	9,972	(146,015)	(255,643)
Preliminary expenses and flotation costs	(30)	(30)	(30)	(1,860)	(1,950)	-	-	-	-
Advances	(6)	(6)	(225)	(4)	(241)	32,184	11,224	157,887	201,295
	64,804	16,729	244,924	(141,864)	184,593	(87,416)	21,197	11,872	(54,348)
(Decrease) / increase in liabilities									
Payable to the Management Company	(295)	(1)	10	2,233	1,947	37	(40)	(12,265)	(12,267)
Payable to the Trustee	(6)	(1)	(1)	4	(4)	19	2	189	210
Payable to Securities and Exchange Commission of Pakistan	(89)	(26)	(1,022)	225	(912)	176	33	2,893	3,102
Accrued expenses and other liabilities	33	27	(92)	157	125	(34,525)	(8,078)	300	(42,303)
	(357)	(1)	(1,105)	2,619	1,156	(34,293)	(8,083)	(8,883)	(51,258)
Cash (used in) / generated from operations	63,941	16,642	236,186	(142,049)	174,873	(122,618)	12,931	(10,674)	(120,360)
Profit received on bank deposits	58	17	73	12,304	12,452	709	186	9,440	10,335
Net cash generated from / (used in) operating activities	63,999	16,659	236,259	(129,745)	187,326	(121,909)	13,117	(1,234)	(110,025)
CASH FLOWS FROM FINANCING ACTIVITIES									
Amount received on issue of units	3,139	3,270	-	473,162	479,571	208,313	64,276	1,081	273,671
Amount paid on redemption of units	(68,047)	(20,046)	(236,598)	(3,290)	(327,981)	(110,535)	(82,519)	(726)	(193,780)
Net cash (used in) / generated from financing activities	(64,908)	(16,776)	(236,598)	469,872	151,590	97,778	(18,243)	355	79,891
Net (decrease) / increase in cash and cash equivalents	(909)	(117)	(339)	340,127	338,916	(24,131)	(5,126)	(878)	(30,134)
Cash and cash equivalents at the beginning of the period	1,721	199	1,046	-	2,966	25,286	5,166	2,018	32,470
Cash and cash equivalents at the end of the period	4 812	82	707	340,127	341,882	1,155	40	1,140	2,336

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 Islamic Financial Planning Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For The Nine Months And Period Ended March 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic 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 May 4, 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 June 17, 2017.

The Fund is an open ended shariah compliant fund of fund scheme and is listed on Pakistan Stock Exchange Limited. The Fund has four different plans namely Conservative Allocation Plan, Active Allocation Plan, Strategic Allocation Plan and Islamic Capital Preservation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Strategic Allocation Plan were offered from June 15, 2016 to June 16, 2016 and units of Islamic Capital Preservation Plan were offered from July 01, 2018 to October 01, 2018. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may have a set time frame. Each Allocation Plan announce separate NAVs which 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 objective of the Fund is to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the investor. The investment policy for each of the Plan including the newly launched Plan "Islamic Capital Preservation Plan" (launched on October 02, 2018) are as follows;

- The "Conservative Allocation Plan" is an Allocation Plan under the Fund and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of shariah compliant 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 plan will exist till perpetuity.
- The "Active Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active asset allocation between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on the Fund Manager's outlook on the asset classes. The plan will exist till perpetuity.
- The "Strategic Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active allocation of funds between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. Fund Manager take a medium term strategic view of the portfolio assets to deliver competitive returns to investors. The duration of this plan is 24 months (Two Years). HBL Islamic Financial Planning Fund - Strategic Allocation Plan is due to mature on June 16, 2019, unless the Management Company decides otherwise.
- The "Islamic Capital Preservation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities and Shariah Compliant Money Market based Collective Investment Schemes, Shariah compliant saving accounts and term deposits while aiming providing capital preservation on the initial amount excluding front end load upon maturity of the allocation plan. The duration of this plan is 24 months (Two Years).

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

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

1.1 No comparative figures / information in condensed interim statement of asset and liabilities condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim statement of cash flows have been disclosed in this condensed interim financial information for Islamic Capital Preservation Plan as the Plan commenced its operations on October 02, 2018 and this is the first condensed interim financial information of the Plan since inception.

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 cashflows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2017.

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 December 31, 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.

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

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 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 Fair Value through Profit or Loss	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 Fair value through Other Comprehensive Income	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 Fair value through Other Comprehensive Income	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.

		Held by Active Allocation Plan			
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	(b) Loans and receivables	Amortised cost		
			1,721	1,721	
	Investment in units of Mutual Funds	(a) trading	FVTPL	245,764	
	Accrued markup	(b) Loans and receivables	Amortised cost	12	
			12	12	
	Advances and prepayments	(b) Loans and receivables	Amortised cost	22	
			22	22	
			<u>247,519</u>	<u>247,519</u>	

		Held by Conservative Allocation Plan			
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	(b) Loans and receivables	Amortised cost		
			199	199	
	Investment in units of Mutual Funds	(a) trading	FVTPL	36,381	
	Accrued markup	(b) Loans and receivables	Amortised cost	11	
			11	11	
	Advances and prepayments	(b) Loans and receivables	Amortised cost	12	
			12	12	
			<u>36,603</u>	<u>36,603</u>	

		Held by Strategic Allocation Plan			
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	(b) Loans and receivables	Amortised cost		
			1,046	1,046	
	Investment in units of Mutual Funds	(a) trading	FVTPL	4,285,015	
	Accrued markup	(b) Loans and receivables	Amortised cost	10	
			10	10	
	Advances and prepayments	(b) Loans and receivables	Amortised cost	660	
			660	660	
			<u>4,286,731</u>	<u>4,286,731</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 01, 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	Islamic Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
(Rupees in '000)										
4. BANK BALANCES										
Savings accounts	4.1	812	81	707	340,127	341,728	1,721	199	1,046	2,966
4.1	This represents bank accounts held with various banks. Mark-up rates on these accounts range between 4% to 10% (2018:3.6% to 5.6%) per annum.									
5. INVESTMENTS										
At fair value through profit or loss										
Units of mutual funds	5.1	176,869	20,496	4,044,360	134,645	4,376,370	245,764	36,381	4,285,015	4,567,160

5.1 Units of mutual funds

Name of Investee Funds	As at July 1, 2018	Purchases during the period	Redemptions during the period	As at March 31, 2019	Total carrying value as at March 31, 2019	Total market value as at March 31, 2019	Appreciation/ (diminution) as at March 31, 2019	Market value as a percentage of net assets of Plan	Market value as a percentage of total value of Investments of Plan
	Number of units			(Rupees in '000)					
	%								
Active Allocation Plan									
HBL Islamic Income Fund	917,910	419,344	499,961	837,293	85,967	89,370	3,403	50.36	50.53
HBL Islamic Equity Fund	437,975	-	135,451	302,524	27,980	26,333	(1,648)	14.84	14.89
HBL Islamic Stock Fund	963,012	3,600	384,690	581,922	65,077	61,166	(3,910)	34.47	34.58
HBL Islamic Dedicated Equity Fund	-	203,779	203,779	-	-	-	-	-	-
As at December 31, 2018 (Un-Audited)	2,318,897	626,723	1,223,881	1,721,739	179,024	176,869	(2,155)	99.67	100.00
As at June 30, 2018 (Audited)	1,689,091	4,008,868	3,379,062	2,318,897	249,435	245,764	(3,671)	100.00	100.00
Conservative Allocation Plan									
HBL Islamic Income Fund	273,740	20,029	140,017	153,752	15,591	16,411	820	79.89	80.07
HBL Islamic Equity Fund	71,636	8,735	36,211	44,160	4,058	3,844	(214)	18.71	18.75
HBL Islamic Stock Fund	5,913	1,772	5,398	2,287	242	240	(2)	1.17	1.17
As at December 31, 2018 (Un-Audited)	351,289	30,536	181,627	200,199	19,892	20,496	604	99.78	100.00
As at June 30, 2018 (Audited)	490,763	989,492	1,128,966	351,289	36,701	36,381	(320)	100.00	100.00
Strategic Allocation Plan									
HBL Islamic Income Fund	20,391,293	15,563,898	7,762,482	28,192,708	2,895,288	3,009,191	113,903	74.47	74.40
HBL Islamic Equity Fund	10,424,976	-	7,728,823	2,696,153	249,365	234,682	(14,683)	5.81	5.80
HBL Islamic Stock Fund	10,314,998	865,348	6,388,486	4,791,860	537,276	503,676	(33,600)	12.46	12.45
HBL Islamic Dedicated Equity Fund	-	4,996,012	1,930,499	3,065,513	317,227	296,811	(20,416)	7.35	7.34
As at December 31, 2018 (Un-Audited)	41,131,267	21,425,258	23,810,290	38,746,235	3,999,155	4,044,360	45,204	100	100
As at June 30, 2018 (Audited)	40,212,482	48,703,119	47,784,334	41,131,267	4,336,132	4,285,015	(51,117)	100	100
Islamic Capital Preservation Plan									
HBL Islamic Dedicated Equity Fund	-	2,334,334	943,696	1,390,638	140,466	134,645	(5,821)	28.21	100.00
As at December 31, 2018 (Un-Audited)	-	2,334,334	943,696	1,390,638	140,466	134,645	(5,821)	28.21	100.00
Total as at March 31, 2019	43,801,453	24,416,852	26,159,494	42,058,812	4,338,538	4,376,370	37,832		
Total as at June 30, 2018	42,392,336	53,701,479	52,292,362	43,801,453	4,622,268	4,567,160	(55,108)		

6. PAYABLE TO THE MANAGEMENT COMPANY

Note	March 31, 2019 (Un-Audited)					June 30, 2018 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)								
Formation cost	-	-	-	1,860	1,860	-	-	-	-
Remuneration to the Management Company	6.1	1	-	12	288	301	-	-	-
Sindh Sales Tax on Management Company's remuneration	6.2	-	-	2	37	39	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	15	3	352	41	411	21	4	356
Sales load payable	-	-	-	7	7	290	-	-	290
	16	3	366	2,233	2,617	311	4	356	671

- 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 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

Note	March 31, 2019 (Un-Audited)					June 30, 2018 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)								
Withholding tax	2	-	-	-	2	2	2	3	7
Provision for Sindh Workers' Welfare Fund	81	34	1,607	152	1,874	81	18	1,607	1,706
Shariah advisory fee	1	0	13	1	16	1	-	17	18
Auditors' remuneration	8	1	136	4	149	12	2	210	224
Other payables	44	15	83	-	142	6	1	95	100
	135	50	1,840	157	2,182	102	23	1,932	2,055

- 7.1 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, as a matter of abundant caution, has recognised provision for SWWF amounting to Rs. 0.0809 million, Rs. 0.0340 million, Rs. 1.6071 million and Rs. 0.1520 (June 30, 2018 Rs. 0.0810 million, Rs. 0.0180 million, Rs. 1.6090 million and Rs. 0) for Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Islamic Capital Preservation Plan respectively 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 Rs. 0.0447, Rs. 0.1727, Rs. 0.0403 and Rs. 0.0323 (June 30, 2018 Rs. 0.033, Rs. 0.050, Rs. 0.038 and Rs. 0) per unit for Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan respectively and Islamic Capital Preservation Plan.

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

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, MCB Financial Services Limited (MCBFSL), 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.

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:

	For the period from October 02, 2018 to March 31, 2019				Nine months ended March 31, 2018				
	Nine months ended March 31, 2019		Strategic Allocation Plan	Islamic Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
Active Allocation Plan	Conservative Allocation Plan								
------(Rupees in '000)-----									
11.1 Transactions during the period									
HBL Asset Management Limited - Management Company									
Remuneration to the Management Company	9	2	13	1,702	1,726	104	24	1,171	1,299
Sindh Sales Tax on remuneration of the Management Company	1	-	2	221	224	13	3	152	168
Allocation of expenses related to registrar services, accounting, operation and valuation services	161	20	3,193	237	3,611	191	37	3,185	3,413
Habib Bank Limited - Sponsor									
Mark-up on deposits with bank	29	5	14	580	628	153	64	52	269
Bank Charges	9	8	6	1	24	-	-	-	-
Issuance of 684,657 (2018: nil) units	-	-	-	70,013	70,013	-	-	-	-
MCB Financial Services Limited - Trustee									
Remuneration of the Trustee	164	20	2,557	241	2,982	195	38	2,557	2,790
HBL Islamic Income Fund - CIS managed by Management Company									
Purchase of 419,344 (2018: 1,521,984 units)	43,764	-	-	-	43,764	155,600	-	-	155,600
Purchase of 20,029 (2018: 585,496 units)	-	2,049	-	-	2,049	-	59,850	-	59,850
Purchase of 15,563,898 (2018: 3,019,582 units)	-	-	1,619,956	-	1,619,956	-	-	313,350	313,350
Redemption of 499,961 (2018: 1,545,537 units)	51,877	-	-	-	51,877	158,400	-	-	158,400
Redemption of 140,017 (2018: 661,122 units)	-	14,436	-	-	14,436	-	67,650	-	67,650
Redemption of 7,762,482 (2018: 19,346,058 units)	-	-	806,679	-	806,679	-	-	1,987,410	1,987,410
HBL Islamic Equity Fund - CIS managed by Management Company									
Purchase of Nil (2018: 566,975 units)	-	-	-	-	-	54,000	-	-	54,000
Purchase of 8,735 (2018: 108,943 units)	-	776	-	-	776	-	9,937	-	9,937
Purchase of Nil (2018: 8,183,464 units)	-	-	-	-	-	-	-	775,000	775,000
Redemption of 135,451 (2018: 55,258 units)	12,493	-	-	-	12,493	5,000	-	-	5,000
Redemption of 36,211 (2018: 120,243 units)	-	3,382	-	-	3,382	-	13,290	-	13,290
Redemption of 7,728,823 (2017: nil units)	-	-	690,030	-	690,030	-	-	-	-
HBL Islamic Money Market Fund - CIS managed by Management Company									
Purchase of Nil (2018: 974,853 units)	-	-	-	-	-	-	-	100,000	100,000
Redemption of Nil (2018: 1,759,925 units)	-	-	-	-	-	-	-	179,425	179,425
HBL Islamic Stock Fund - CIS managed by Management Company									
Purchase of 3,600 (2018: 653,736 units)	400	-	-	-	400	73,400	-	-	73,400
Purchase of 1,772 (2018: 12,691 units)	-	185	-	-	185	-	1,500	-	1,500
Purchase of 865,348 (2018: 10,004,788 units)	-	-	100,000	-	100,000	-	-	1,124,500	1,124,500
Redemption of 384,690 (2018: nil units)	42,235	-	-	-	42,235	-	-	-	-
Redemption of 5,398 (2018: 2,821 units)	-	694	-	-	694	-	320	-	320
Redemption of 6,388,486 (2017: nil units)	-	-	690,317	-	690,317	-	-	-	-
Darayus Happy Minwalla - Connected Person due to 10% holding									
Issue of Nil (2018: 2,383 units)	-	-	-	-	-	-	-	237	237
Imperial Developers & Builders (Private) Limited - Connected Person due to 10% holding									
Issue of Nil (2018: 1,574 units)	-	-	-	-	-	-	-	157	157

	Nine months ended March 31, 2019				For the period from October 02, 2018 to March 31, 2019	Nine months ended March 31, 2018			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)								
HBL Islamic Dedicated Equity Fund - CIS managed by Management Company									
Purchase of 203,782 (2018: nil units)	22,000	-	-	-	22,000	-	-	-	-
Purchase of 4,996,012 (2018: nil units)	-	-	517,000	-	517,000	-	-	-	-
Purchase of 2,334,334 (2018: nil units)	-	-	-	235,000	235,000	-	-	-	-
Redemption of 203,780 (2018: nil units)	19,811	-	-	-	19,811	-	-	-	-
Redemption of 1,930,499 (2018: nil units)	-	-	193,500	-	193,500	-	-	-	-
Redemption of 943,696 (2018: nil units)	-	-	-	95,000	95,000	-	-	-	-
Pakistan Society for Welfare of Mentally Retarded Child Connected person due to 10% holding*									
Issue of 811,054 (2018: nil units)	-	-	-	81,105	81,105	-	-	-	-
Nashid Anam Shahid - Connected person due to 10% holding*									
Redemption of 11,867 units (2018: 19,944 units)	-	1,225	-	-	1,225	-	1,980	-	1,980
New Jubilee Insurance Co. Limited Staff Provident Fund - Associated									
Issue of 50,009 (2018: nil units)	-	-	-	5,001	5,001	-	-	-	-
Barrett Hodgson Pakistan (Private) Limited - Connected person due to 10% holding*									
Issue of 1,002,789 (2018: nil units)	-	-	-	100,279	100,279	-	-	-	-
	March 31, 2019 (Un-Audited)					June 30, 2018 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)								
11.2 Balances outstanding as at period / year end									
HBL Asset Management Limited - Management Company									
Remuneration payable to the management Company	1	-	12	288	301	-	-	-	-
Sindh Sales Tax on Management Company's remuneration	-	-	2	37	39	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	15	3	352	41	411	21	4	356	381
Sales load payable	-	-	-	7	7	290	-	-	290
Formation cost	-	-	-	1,860	1,860	-	-	-	-
HBL Asset Management Limited - Employees Provident Fund									
Units held 11,575 (June 30, 2018: 11,575 units)	1,135	-	-	-	1,135	1,162	-	-	1,162
Habib Bank Limited - Sponsor									
Mark-up receivable on deposits with bank	3	-	1	1	5	11	15	2	28
Balance in savings account	636	84	84	1,764	2,568	1,517	29	339	1,885
Units held 684,657 (June 30, 2018: nil units)	-	-	-	69,543	69,543	-	-	-	-
MCB Financial Services Limited - Trustee									
Remuneration payable to the Trustee	15	2	277	4	297	21	3	278	302
Darayus Happy Minwalla - Connected Person due to 10% holding									
Units held 15,187,894 (June 30, 2018: 15,190,277 units)	-	-	1,539,841	-	1,539,841	-	-	1,541,719	1,541,719
Imperial Developers & Builders (Private) Limited - Connected Person due to 10% holding									
Units held 20,055,600 (June 30, 2018: 20,057,174 units)	-	-	2,033,359	-	2,033,359	-	-	2,035,679	2,035,679
Mohsin Safdar - Connected Person due to 10% holding									
Units held 59,748 (June 30, 2018: 59,748 units)	-	6,227	-	-	6,227	-	6,059	-	6,059
Mrs. Nashid Anam Shahid- Connected Person due to 10% holding									
Units held 22,588 (June 30, 2018: 59,030 units)	-	2,354	-	-	2,354	-	5,987	-	5,987
Directors and Executives									
Units held Nil (June 30, 2018: 500,000 units)	-	-	-	-	-	-	51,880	-	51,880
Falak Naz - Connected Person due to 10% holding									
Units held 34,036 (June 30, 2018: 34,036 units)	-	3,547	-	-	3,547	-	3,452	-	3,452
Pakistan Society for Welfare of Mentally Retarded Child - due to 10% holding									
Units held 811,054 (June 30, 2018: nil units)	-	-	-	82,382	82,382	-	-	-	-
Barrett Hodgson Pakistan (Pvt.) Ltd. - due to 10% holding									
Units held 1,002,789 (June 30, 2018: nil units)	-	-	-	101,857	101,857	-	-	-	-

	March 31, 2019 (Un-Audited)					June 30, 2018 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)								
New Jubilee Insurance Co. Limited Staff Provident Fund - Associate									
Units held 50,009 (June 30, 2018: nil units)	-	-	-	5,080	5,080	-	-	-	-
Archroma Pakistan Limited - Employees Gratuity Fund - Associate									
Units held 634,327 (June 30, 2018: nil units)	-	-	64,312	-	64,312	-	-	-	-
HBL Islamic Income - CIS managed by Management Company									
Investment held 837,293 (June 30, 2018: 917,910 units)	26,333	-	-	-	26,333	97,559	-	-	97,559
Investment held 153,752 (June 30, 2018: 273,740 units)	-	16,411	-	-	16,411	-	29,094	-	29,094
Investment held 28,192,708 (June 30, 2018: 20,391,293 units)	-	-	3,009,191	-	3,009,191	-	-	2,167,258	2,167,258

	December 31, 2018 (Un-Audited)					June 30, 2018 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Islamic Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)								
HBL Islamic Equity Fund - CIS managed by Management Company									
Investment held 302,524 (June 30, 2018: 437,975) units	26,333	-	-	-	26,333	40,508	-	-	40,508
Investment held 44,160 (June 30, 2018: 71,636) units	-	3,844	-	-	3,844	-	6,626	-	6,626
Investment held 2,696,153 (June 30, 2018: 10,424,976) units	-	-	234,682	-	234,682	-	-	964,196	964,196
HBL Islamic Dedicated Equity Fund - CIS managed by Management Company									
Investment held 3,065,513 (June 30, 2018: nil) units	-	-	296,811	-	296,811	-	-	-	-
Investment held 1,390,638 (June 30, 2018: nil) units	-	-	-	134,645	134,645	-	-	-	-
HBL Islamic Stock Fund - CIS managed by Management Company									
Investment held 581,922 (June 30, 2018: 963,012) units	61,166	-	-	-	61,166	107,697	-	-	107,697
Investment held 2,287 (June 30, 2018: 5,913) units	-	240	-	-	240	-	661	-	661
Investment held 4,791,860 (June 30, 2018: 10,314,998) units	-	-	503,676	-	503,676	-	-	1,153,561	1,153,561

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

*Comparative transactions / balances of these parties have not been disclosed as these parties were not related parties in last 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, the total expense ratio for the nine months ended March 31, 2019 is 0.26%, 0.47%, 0.25% and 0.68% which includes 0.08%, 0.14%, 0.07% and 0.12% representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Islamic Capital Preservation Plan, respectively.

13. 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:

- 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)						
		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	176,869	-	176,869	176,869	-	-	176,869
		<u>176,869</u>	<u>-</u>	<u>176,869</u>	<u>176,869</u>	<u>-</u>	<u>-</u>	<u>176,869</u>
Financial assets not measured at fair value								
	Bank balances	-	812	812				
	Accrued mark-up	-	6	6				
		<u>-</u>	<u>818</u>	<u>818</u>				
Financial liabilities not measured at fair value								
	Payable to the Management Company	-	16	16				
	Payable to the Trustee	-	15	15				
	Accrued expenses and other liabilities	-	52	52				
		<u>-</u>	<u>83</u>	<u>83</u>				
		----- (Rupees in '000) -----						
		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	245,764	-	245,764	245,764	-	-	245,764
		<u>245,764</u>	<u>-</u>	<u>245,764</u>	<u>245,764</u>	<u>-</u>	<u>-</u>	<u>245,764</u>
Financial assets not measured at fair value								
	Bank balances	-	1,721	1,721				
	Accrued mark-up	-	12	12				
		<u>-</u>	<u>1,733</u>	<u>1,733</u>				
Financial liabilities not measured at fair value								
	Payable to the Management Company	-	311	311				
	Payable to the Trustee	-	21	21				
	Accrued expenses and other liabilities	-	19	19				
		<u>-</u>	<u>351</u>	<u>351</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	20,496	-	20,496	20,496	-	-	20,496
		<u>20,496</u>	<u>-</u>	<u>20,496</u>	<u>20,496</u>	<u>-</u>	<u>-</u>	<u>20,496</u>
Financial assets not measured at fair value								
13.1	Bank balances	-	81	81				
	Accrued mark-up	-	4	4				
		<u>-</u>	<u>85</u>	<u>85</u>				
Financial liabilities not measured at fair value								
13.1	Payable to the Management Company	-	3	3				
	Payable to the Trustee	-	2	2				
	Accrued expenses and other liabilities	-	16	16				
		<u>-</u>	<u>20</u>	<u>20</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	36,381	-	36,381	36,381	-	-	36,381
		<u>36,381</u>	<u>-</u>	<u>36,381</u>	<u>36,381</u>	<u>-</u>	<u>-</u>	<u>36,381</u>
Financial assets not measured at fair value								
13.1	Bank balances	-	199	199				
	Accrued mark-up	-	11	11				
		<u>-</u>	<u>210</u>	<u>210</u>				
Financial liabilities not measured at fair value								
13.1	Payable to the Management Company	-	4	4				
	Payable to the Trustee	-	3	3				
	Accrued expenses and other liabilities	-	3	3				
		<u>-</u>	<u>10</u>	<u>10</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	4,044,360	-	4,044,360	4,044,360	-	-	4,044,360
		<u>4,044,360</u>	<u>-</u>	<u>4,044,360</u>	<u>4,044,360</u>	<u>-</u>	<u>-</u>	<u>4,044,360</u>
Financial assets not measured at fair value								
13.1	Bank balances	-	707	707				
	Accrued mark-up	-	16	16				
		<u>-</u>	<u>723</u>	<u>723</u>				
Financial liabilities not measured at fair value								
13.1	Payable to the Management Company	-	366	366				
	Payable to the Trustee	-	277	277				
	Accrued expenses and other liabilities	-	232	232				
		<u>-</u>	<u>875</u>	<u>875</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	4,285,015	-	4,285,015	4,285,015	-	-	4,285,015
		<u>4,285,015</u>	<u>-</u>	<u>4,285,015</u>	<u>4,285,015</u>	<u>-</u>	<u>-</u>	<u>4,285,015</u>
Financial assets not measured at fair value								
13.1	Bank balances	-	1,046	1,046				
	Accrued mark-up	-	10	10				
		<u>-</u>	<u>1,056</u>	<u>1,056</u>				
Financial liabilities not measured at fair value								
13.1	Payable to the Management Company	-	356	356				
	Payable to the Trustee	-	278	278				
	Accrued expenses and other liabilities	-	322	322				
		<u>-</u>	<u>956</u>	<u>956</u>				

March 31, 2019 (Un-Audited)
Islamic Capital Preservation 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	134,645	-	134,645	134,645	-	-	134,645	
	<u>134,645</u>	<u>-</u>	<u>134,645</u>	<u>134,645</u>	<u>-</u>	<u>-</u>	<u>134,645</u>	
Financial assets not measured at fair value								
Bank balances	-	340,127	340,127					
Accrued mark-up	-	3,771	3,771					
	<u>-</u>	<u>343,898</u>	<u>343,898</u>					
Financial liabilities not measured at fair value								
Payable to the Management Company	-	2,233	2,233					
Payable to the Trustee	-	4	4					
Accrued expenses and other liabilities	-	5	5					
	<u>-</u>	<u>2,242</u>	<u>2,242</u>					

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

13.2 Transfers during the period

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

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was 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

HBL Islamic Dedicated Equity Fund

FUND INFORMATION

Name of Fund	HBL Islamic Dedicated Equity Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	MCB Financial Services Limited (MCBFSL)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Dubai Islamic Bank Limited Bank Islamic Pakistan Limited

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

	Note	(Un-Audited) March 31, 2019 (Rupees in '000)
Assets		
Bank balances	5	10,079
Investments	6	410,414
Dividend receivable and accrued mark-up		5,878
Receivable against sale of equity securities		4,557
Others		331
Deposits and prepayments	7	3,590
Total assets		434,849
Liabilities		
Payable to the Management Company	8	1,529
Payable to the Trustee		40
Payable to Securities and Exchange Commission of Pakistan		226
Accrued expenses and other liabilities	9	1,637
Total liabilities		3,432
Net assets		431,417
Unit holders' fund (as per statement attached)		431,417
Contingencies and commitments	10	-- (Number of units)
Number of units in issue		4,456,152
Net assets value per unit		96.8138

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Income Statement (Un-Audited)
For the Period October 1, 2018 and Quarter ended March 31, 2019

	For the Period October 1, 2018 to March 31, 2019	Quarter ended March 31, 2019
	(Rupees in '000)	
Income		
Dividend income	7,492	2,931
Mark-up on deposits with banks	1,642	614
Other income	8	
Capital loss on sale of investments - net	(8,276)	4,752
	866	8,297
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(25,037)	17,396
	(24,171)	25,693
Expenses		
Remuneration of the Management Company	5,386	2,698
Remuneration of the Trustee	242	121
Annual fee to Securities and Exchange Commission of Pakistan	226	113
Selling and marketing expenses	953	477
Allocation of expenses related to registrar services, accounting, operation and valuation services	238	119
Auditors' remuneration	164	85
Settlement and bank charges	283	114
Shariah advisory fee	107	60
Income from Shariah non-compliant transactions	270	93
Other expense	2,231	666
	10,100	4,485
Net loss from operating activities	(34,271)	21,155
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	
Provision for Sindh Workers' Welfare Fund	-	
Net loss for the period before taxation	(34,271)	21,155
Taxation	-	-
Net loss for the period after taxation	(34,271)	21,155

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Period October 1, 2018 to March 31, 2019

	For the Period October 1, 2018 to March 31, 2019	Quarter ended, March 31, 2019
	(Rupees in '000)	
Net loss for the period after taxation	(34,271)	21,155
Other comprehensive income for the period	-	
Total comprehensive loss for the period	(34,271)	21,155

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the Period October 1, 2018 to March 31, 2019

For the Period October 1, 2018 to
March 31, 2019

	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
----- (Rupees in '000) -----				
Net assets at beginning of the period	-	-	-	-
Issue of 7,534,126 units				
- Capital value (at net asset value per unit at the beginning of the period)	753,413	-	-	753,413
- Element of income	20,587	-	-	20,587
Total proceeds on issue of units	774,000	-	-	774,000
Redemption of 3,077,974 units				
- Capital value (at net asset value per unit at the beginning of the period)	(307,797)	-	-	(307,797)
- Element of income	(515)	-	-	(515)
Total payments on redemption of units	(308,312)	-	-	(308,312)
Total comprehensive income for the period	-	(34,271)	-	(34,271)
Distribution during the period	-	-	-	-
	-	(34,271)	-	(34,271)
Net assets at end of the period	465,688	(34,271)	-	431,417
Undistributed income brought forward				
- Realised		-		
- Unrealised		-		
Net loss for the period		(34,271)		
Distribution during the period		-		
Accumulated loss carried forward		(34,271)		
Accumulated loss carried forward				
- Realised		(9,234)		
- Unrealised		(25,037)		
		(34,271)		
				Rupees
Net assets value per unit at end of the period				96.8138

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Period October 1, 2018 to March 31, 2019

	For the Period October 1, 2018 to March 31, 2019 (Rupees in '000)
Cash flows from operating activities	
Net loss for the period before taxation	(34,271)
Adjustments	
Capital loss during the period	8,276
Dividend income	(7,492)
Mark-up on deposits with banks	(1,642)
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	25,037
	(10,092)
Decrease / (Increase) in assets	
Investments - net	(443,727)
Dividend receivable and accrued mark-up	3,256
Receivable against Sale of equity securities	(4,557)
Others	(330)
Deposits and prepayments	(3,590)
	(448,948)
Increase in liabilities	
Payable to the Management Company	1,529
Payable to the Trustee	40
Payable to the Securities and Exchange Commission of Pakistan	226
Accrued expenses and other liabilities	1,637
	3,432
Net cash used in operating activities	(455,608)
Cash flows from financing activities	
Amount received on issue of units	774,000
Payment against redemption of units	(308,312)
Net cash generated from financing activities	465,688
Net increase in cash and cash equivalents	10,079
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	10,079

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Period October 1, 2018 to March 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Islamic Dedicated Equity Fund (the Fund) was established under a Trust Deed, dated June 22, 2017, executed between HBL Asset Management Limited as the Management Company and MCB Financial Services limited (MCBFSL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on July 04, 2018.
- 1.2 The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (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, Pakistan.
- 1.3 The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4 The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.5 JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+ (Positive Outlook) to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of MCB Financial Services 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 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 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. NEW ACCOUNTING STANDARDS AND AMENDMENTS

3.1 The following standards and amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Funds's financial statements other than certain additional disclosures:

	Effective from accounting period beginning on or after
- IFRS 16 'Leases'	January 01, 2019
- Amendments to IFRS 9 'Financial Instruments' Prepayment features with negative compensation	January 01, 2019
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective date is deferred indefinitely earlier adoption is permitted
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' Long-term interests in Associates and Joint Ventures	January 01, 2019
- Amendments to IAS 19 'Employee Benefits'. Plan amendment, curtailment or settlement	January 01, 2019
- IFRIC 23 'Uncertainty over Income Tax Treatments'. Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019
- Annual Improvements to IFRS Standards 2015-2017 Cycle amendments to:	January 01, 2019
- IFRS 3 Business Combinations;	
- IFRS 11 Joint Arrangements;	
- IAS 12 Income Taxes; and	
- IAS 23 Borrowing Costs.	

	Effective from accounting period beginning on or after
- Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
- Amendments to IFRS 3 'Business Combinations' Amendment in the definition of business'	January 01, 2020
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Clarify the definition of 'Material' and align the definition used in the Conceptual Framework and the Standards	January 01, 2020

3.2 Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

4.2 Financial instruments

4.2.1 Financial assets

4.2.1.1 Classification

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (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 fair value through other comprehensive income (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.

4.2.1.2 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.

4.2.1.3 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.1.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.1.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Preliminary and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Collaterals

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies those collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

4.6 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the Provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.7 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statement in the period in which such distributions are declared.

4.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.9 Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The element of income and capital gains included in the prices of units issued less those in units redeemed to the extent that it is represented by distributable income earned during the year is recognised in the income statement and statement of comprehensive income and the element of income and capital gains represented by distributable income carried forward from prior periods is included in the "Statement of Movement in Unitholders' Fund".

4.10 Net assets value per unit

The net asset value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net asset of the Fund by the number of units in issue at the year end.

4.11 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income from equity securities is recognised when the right to receive dividend is established.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on bank deposits is recognised on a time apportionment basis using the effective interest method.

4.12 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee, annual fee payable to the SECP, and selling and marketing expense) are recognised in the income statement on a time apportionment basis using the effective interest method.

		(Un-Audited) March 31, 2019 (Rupees in '000)
	Note	
5. BANK BALANCES		
Balances with banks in:		
Savings accounts	5.1	<u>10,079</u>

5.1 This represents bank accounts held with different banks. The balance in savings accounts carry expected profit which ranges from 8.00% to 10.00% per annum.

		(Un-Audited) March 31, 2019 (Rupees in '000)
		Note
6. INVESTMENTS		
Financial assets at fair value through profit or loss account		
- Listed equity securities	6.1	404,130
- Advance against Book Building	6.2	6,284
		410,414

6.1 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	As at July 01, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2019	Market value as at March 31, 2019 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee
----- Number of shares -----									
TEXTILE COMPOSITE									
Kohinoor Textile Mills Limited	-	201,000	-	94,000	107,000	4,801	1.17%	1.11%	0.11%
Nishat Mills Limited	-	270,300	-	159,100	111,200	14,969	3.65%	3.47%	0.04%
	-	471,300	-	253,100	218,200	19,770	4.82%	4.58%	
CEMENT									
Cherat Cement Company Limited.	-	83,000	-	83,000	-	-	-	-	0.00%
D G Khan Cement Company Limited.	-	122,500	-	122,500	-	-	-	-	0.00%
Kohat Cement Limited	-	130,500	1,650	56,500	75,650	6,493	1.58%	1.51%	0.04%
Lucky Cement Limited	-	90,000	-	42,500	47,500	20,341	4.96%	4.72%	0.02%
Maple Leaf Cement Factory Limited	-	540,000	-	377,000	163,000	6,104	1.49%	1.41%	0.01%
	-	966,000	1,650	681,500	286,150	32,939	8.03%	8.64%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	-	811,000	-	398,000	413,000	30,285	7.38%	7.02%	0.04%
K-Electric Limited	-	3,650,000	-	2,185,500	1,464,500	8,187	1.99%	1.90%	0.01%
Pakgen Power Limited	-	210,000	-	50,000	160,000	2,442	0.59%	0.57%	0.06%
	-	4,671,000	-	2,633,500	2,037,500	40,913	9.97%	9.48%	
ENGINEERING									
Amreli Steels Limited	-	133,500	-	133,500	-	-	-	-	0.00%
Crescent Steel & Allied Products Ltd	-	43,000	-	-	43,000	1,668	0.41%	0.39%	0.00%
International Industries Limited	-	52,300	-	21,000	31,300	3,884	0.95%	0.90%	0.03%
International Steels Limited	-	169,500	-	102,000	67,500	4,322	1.05%	1.00%	0.02%
	-	398,300	-	256,500	141,800	9,874	2.41%	3.29%	
AUTOMOBILE ASSEMBLER									
Millat Tractors Ltd	-	6,000	-	4,550	1,450	1,298	0.32%	0.30%	0.02%
	-	6,000	-	4,550	1,450	1,298	0.32%	0.30%	

Name of the Investee Company	As at July 01, 2018	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2019	Market value as at March 31, 2019 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
----- Number of shares -----									
TRANSPORT									
Pakistan National Shipping Corp Ltd	-	34,500	-	-	34,500	2,079	0.51%	0.48%	0.02%
	-	34,500	-	-	34,500	2,079	0.51%	0.48%	
PHARMACEUTICALS									
The Searle Company Limited	-	214,000	-	109,000	105,000	8,940	2.18%	2.07%	0.01%
	-	32,000	3,450	17,000	18,450	4,370	1.06%	1.01%	0.01%
	-	246,000	3,450	126,000	123,450	13,309	3.24%	3.08%	
PAPER & BOARD									
Packages Limited	-	18,600	-	7,000	11,600	4,405	1.07%	1.02%	0.01%
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	-	36,500	170	9,020	27,650	34,431	8.39%	7.98%	0.02%
Oil & Gas Developet Company Limited	-	532,100	-	255,100	277,000	40,871	9.96%	9.47%	0.01%
Pakistan Oilfields Limited	-	93,450	-	50,600	42,850	19,165	4.67%	4.44%	0.02%
Pakistan Petroleum Limited	-	400,300	3,300	193,000	210,600	38,959	9.49%	9.03%	0.01%
	-	1,062,350	3,470	507,720	558,100	133,426	32.51%	30.93%	
OIL & GAS MARKETING COMPANIES									
Hascol Petroleum Limited	-	22,700	5,675	28,375	-	-	-	-	-
Pakistan State Oil Company Limited	-	165,700	-	69,600	96,100	20,775	5.06%	4.82%	0.03%
Sui Northern Gas Pipeline Limited	-	281,500	-	135,000	146,500	11,004	2.68%	2.55%	0.02%
	-	469,900	5,675	232,975	242,600	31,779	7.74%	7.37%	
COMMERCIAL BANKS									
Meezan Bank Limited	-	508,000	-	369,500	138,500	13,718	3.34%	3.18%	0.02%
FERTILIZER									
Dawood Hercules Corporation Limited *	-	57,400	-	23,300	34,100	4,377	1.07%	1.01%	0.01%
Engro Corporation Limited	-	221,200	-	109,500	111,700	36,552	8.91%	8.47%	0.03%
Engro Fertilizers Limited	-	446,500	-	232,500	214,000	15,312	3.73%	3.55%	0.02%
Fauji Fertilizer Company Limited	-	117,500	-	34,500	83,000	8,670	2.11%	2.01%	0.01%
	-	842,600	-	399,800	442,800	64,911	15.82%	15.05%	
CHEMICAL									
Engro Polymer & Chemicals Limited	-	753,000	-	378,000	375,000	13,620	3.32%	3.16%	0.04%
Lotte Chemical Pakistan Ltd	-	220,000	-	16,000	204,000	2,901	0.71%	0.67%	0.01%
SITARA CHEMICAL INDUSTRIES	-	6,500	-	-	6,500	1,950	0.48%	0.45%	0.03%
	-	979,500	-	394,000	585,500	18,471	4.50%	4.28%	
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	-	61,050	-	20,200	40,850	17,239	4.20%	4.00%	0.06%
Grand total					4,863,000	404,130	98%	96%	
Cost of investments at March 31, 2019						429,168			

* Related party due to common directorship

6.1.1 Investments include shares having market value aggregating to Rs. 57.238 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.

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

	Note	(Un-Audited) March 31, 2019 (Rupees in '000)
7 DEPOSITS AND PREPAYMENTS		
Security deposit with National Clearing Company of Pakistan Limited		2,500
Security deposit with Central Depository Company of Pakistan Limited		100
Preliminary cost		990
		3,590
8. PAYABLE TO THE MANAGEMENT COMPANY		
Management fee		896
Sindh Sales Tax on Management Company's remuneration		116
Selling and marketing payable		477
Allocation of expenses related to registrar services, accounting, operation and valuation services		40
		1,529
9. ACCRUED EXPENSES AND OTHER LIABILITIES		
Charity payable	9.1	270
Auditors' remuneration		105
Payable to brokers		111
Other payables		1,151
		1,637

9.1 This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

10. CONTINGENCIES AND COMMITMENTS

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

11. PROVISION FOR SINDH WORKERS' WELFARE FUND

As there is loss for the period ended March 31, 2019, therefore, no provision for SWWF has been recognised in these condensed interim financial information.

12. 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.

13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

Connected persons / related parties 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 agreed / contracted rates and terms determined in accordance with market rates. and the Trust Deed respectively.

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

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

	For the Period October 1, 2018 to March 31, 2019 (Rupees in '000)
13.1 Transactions during the period	
HBL Asset Management Limited - Management Company	
Remuneration of the Management Company	5,386
Allocation of expenses related to registrar services, accounting, operation and valuation services	238
Selling and marketing cost	953
Central Depository Company of Pakistan Limited - Trustee	
Remuneration	242
MCBFSL Trustee HBL IFPF Islamic Capital Preservation Plan	
Issue of units 2,334,334 units	235,000
Redemption of units 943,696 units	95,000
MCBFSL Trustee HBL IFPF Active Allocation Plan	
Issue of units 203,779 units	22,000
Redemption of units 203,779 units	19,811

**For the Period
October 1, 2018 to
March 31, 2019
(Rupees in '000)**

MCBFSL Trustee HBL IFPF Strategic Allocation Plan

Issue of units 4,996,012 units	517,000
Redemption of units 1,930,499 units	193,500

13.2 Amounts outstanding as at period / year end

HBL Asset Management Limited - Management Company

Management fee payable	896
Sales tax payable	116
Allocation of expenses related to registrar services, accounting, operation and valuation services	40
Selling and marketing cost	477

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	35
Sindh Sales Tax	5

MCBFSL Trustee HBL IFPF Islamic Capital Preservation Plan

Investment held in the Fund: 1,390,638 units	134,633
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MCBFSL Trustee HBL IFPF Strategic Allocation Plan

Investment held in the Fund: 3,065,513 units	296,784
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14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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)								
Financial assets measured at fair value										
Investments										
- Listed equity securities	6	404,130	-	-	-	404,130	404,130	-	-	404,130
- Advance against book building - Interloop ltd		-	-	-	-	-	-	-	6,284	6,284
		404,130	-	-	-	404,130	404,130	-	6,284	410,414
Financial assets not measured at fair value										
	14.1									
Bank balances		-	-	-	10,079	10,079	-	-	-	-
Dividend receivable and accrued mark-up		-	-	-	5,878	5,878	-	-	-	-
Other receivables		-	-	-	2,600	2,600	-	-	-	-
		-	-	-	18,557	18,557	-	-	-	-
Financial liabilities not measured at fair value										
	14.1									
Payable to the Management Company		-	-	-	1,413	1,413	-	-	-	-
Payable to the Trustee		-	-	-	35	35	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan		-	-	-	200	200	-	-	-	-
Accrued expenses and other liabilities		-	-	-	1,637	1,637	-	-	-	-
		-	-	-	3,285	3,285	-	-	-	-

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

14.2 Transfers during the period

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

15. 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 Period ended March 31, 2019 is 2.01%, which includes 0.17% representing government levy, Workers' Welfare Fund and SECP fee.

16 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.

17. GENERAL

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

17.2 This condensed interim financial information is unaudited and has been reviewed by the auditors.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

ASSET MANAGEMENT LTD.

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