

HBL

ASSET MANAGEMENT LTD.
ایس ایٹ مینجمنٹ لمیٹڈ

AMC Rating : AM2++ by JCR-VIS



HALF YEARLY REPORT 2020

For the half year ended December 31, 2020

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Directors	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Ms. Shabbir Hussain Hashmi	(Independent Director)
	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)
	Mr. Muhammad Afaq Khan	(Non-Executive Director)
	Mr. Abrar Ahmed Mir	(Non-Executive Director)
	Mr. Tariq Masaud	(Non-Executive Director)

Audit Committee

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

Human Resource Committee

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

Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Muhammad Afaq Khan	(Non-Executive Director)
	Mr. Tariq Masaud	(Non-Executive Director)

Technology Committee

Chairman	Mr. Abrar Ahmed Mir	(Non-Executive Director)
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Muhammad Afaq Khan	(Non-Executive Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2++ (Stable Outlook)

Legal Advisors

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

Website

www.hblasset.com

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

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2020

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund and HBL Financial Planning Fund, HBL Growth Fund & HBL Investment Fund the Funds) for the half year ended December 31, 2020.

ECONOMIC REVIEW

The policy decisions taken by the government after Covid-19 epidemic has resulted in an improvement in the macroeconomic landscape. The country has witnessed significant improvement in the current account position on the back of strong remittances growth and decline in Services deficit. The current account surplus along with flows from multilateral and bilateral sources has shored up our reserves which has helped the local currency to depict strength.

The PKR appreciated by around 4.9% during 1HFY21 taking Real Effective Exchange Rate to 97 (SBP Oct-20 number) indicating that the currency is trading below fair value. The Central bank maintained the interest rates in 1HFY21 after a cumulative 625 bps decrease in interest rates in 2HFY20 in response to the Covid-19 pandemic. On the external front export declined by 7.1% compared to decline in import by 1.0%, leading 5MFY21 trade deficit to increase by 6.9% to USD 8.6bn. However Services Deficit decreased by 38% to USD 925mn in the period. Remittances also showed encouraging trend as it witnessed an uptick of 26.9% in 5MFY21 clocking at USD 11.8bn. These factors led the Current Account Surplus for 5MFY21 to clock at USD 1.6bn (1.4% of GDP) compared to a current account deficit of USD 1.7bn (1.6% of GDP) during same period last year. Pakistan economy has started to regain its pre-Covid trajectory as there has been a notable pickup in economic activity, as evident by LSM growth of 7.4% YoY in 5MFY21. The overall Foreign exchange reserves increased to USD 20.5bn compared to USD 18.9bn at the end of FY20.

CPI for 1HFY21 has averaged 8.6% compared to 11.1% in the same period last year due to economic slowdown and hike in utilities price in base period. We expect inflation to further taper down due to high base effect and government effort in controlling food prices. On the fiscal side FBR tax collection went up by 4.9% YoY to PKR 2,204bn during 1HFY21 against the tax collection target of PKR 2,210bn.

Moving ahead, we believe that the GDP growth is likely to show recovery as most of the businesses have opened but the ongoing second wave of Covid-19 can dampen the recovery. The focus would remain on Covid-19 numbers and the policy actions taken by the government to control the fallout from the pandemic.

STOCK MARKET REVIEW

The market sustained its bullish momentum in 1HFY21 as it rallied by 60.7% from its recent low in Mar-20. The stellar performance of the index can be attributed to 1) improvement in domestic COVID-19 infection and recovery rates, 2) flows into equities post 625bps cut in interest rates, 3) business friendly policies induced by the GoP and 4) Improvement in macroeconomic indicators led by stable currency and current account surplus.

The benchmark KSE-100 index recorded 9,333 points increase (+27.1%) during 1HFY21 to close at 43,755 points. During the period construction linked industries (Cement, Steel, and Glass) rallied on the back of the monetary easing done by the SBP and government focus on construction sector. Technology sector also remained in limelight due to increasing focus on technology post Covid-19 pandemic. Banking Sector also rallied due to attractive valuations. On the flows side, foreigners were the net sellers during 1HFY21 and sold shares of worth USD 279mn, compared to net buy of USD 8mn during same period last year.

Pakistan equities are likely to continue the positive momentum due to cheaper valuation (trading at a Forward P/E of 6.8x against peer average 17.7x) and improvement in the macroeconomic landscape. Market participants would closely follow trend of coronavirus cases and the ensuring macro numbers. Cyclical sectors (Cement, Steel) are expected to continue their rally due to Government's push towards Naya Pakistan Housing Scheme. Textile sector is also expected to garner investors' attention due to huge export potential. Banking sector would also remain in limelight due to attractive valuations. We will maintain our strategic focus towards "bottom-up" approach and align exposure towards stocks with strong earnings potential.

MONEY MARKET REVIEW

The Central bank maintained the interest rates in the period after a cumulative 625 bps decrease in interest rates in 2HFY20 in response to the Covid-19 pandemic. SBP clearly stated that it will hold forward looking real interest rate at zero to cushion the impact of the Coronavirus shock on growth and employment.

Yields across all the tenors changed between -20bps to +142 bps during 1HFY21 due to a general market consensus that the monetary easing cycle is over and we may witness some hike in interest rate in CY21. Secondary market yields of 3, 5 and 10-year PIBs increased by 74, 114 and 129 bps respectively while yields of 3, 6 and 12 month T-Bills increased in tandem by 2, 12 and 23 bps respectively during the period. The cut-off yields in the last T-Bill Auction were 7.15%, 7.20% and 7.29% for 3M, 6M and 12M tenor whereas the cut offs in the last PIB Auction were 8.24%, 10.00% and 10.58% for the 3Y, 15Y, and 20Y tenor.

During 1HFY21, Government largely managed its borrowing requirements through domestic sources, and largely from commercial banks. Government borrowed PKR 1,002bn from scheduled banks compared to borrowing of PKR 927bn during same period last year. Meanwhile, Government borrowing from SBP declined by PKR 536bn during the period against decline in borrowing of PKR 741bn during same period last year. This further decline in borrowing took place as IMF has restricted borrowing from the central bank to avoid inflationary pressure. Going forward the government will continue to meet additional borrowing requirements from the commercial banks.

In the monetary policy held in Nov-20, SBP maintained status quo in the interest rates. Going forward, we feel that the monetary easing has taken place and we are nearly at the bottom of the interest rate cycle. Due to the ongoing second wave of Covid-19 we expect the government to maintain status quo in the SBP policy rate for the next few months to support the recovery of the economy while at the same time addressing the root cause of cost push inflation by controlling food prices.

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 85.91 million and Rs. 62.84 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 108.2828 per unit as on June 30, 2020 which increased to Rs. 112.3167 per unit as on December 31, 2020 thereby giving an annualized return of 7.39%. During the same period, the benchmark (6 Month KIBOR) return was 7.22%. The size of Fund was Rs. 2.50 billion as on December 31, 2020 as compared to Rs. 1.54 billion at the start of the year.

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

HBL Government Securities Fund

The total income and net income of the Fund was Rs. 70.47 million and Rs. 41.87 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 112.2745 per unit as on June 30, 2020 which increased to Rs. 114.3111 per unit as on December 31, 2020 thereby giving an annualized return of 3.60%. During the same period the benchmark (6 Month PKRV Rates) return was 7.07%. The size of Fund was Rs. 1.76 billion as on December 31, 2020 as compared to Rs. 3.51 billion at the start of the year.

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

HBL Money Market Fund

The total income and net income of the Fund was Rs. 487.00 million and Rs. 436.61 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.3799 per unit as on June 30, 2020 which increased to Rs. 105.7973 per unit as on December 31, 2020 thereby giving an annualized return of 6.62%. During the same period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 6.68%. The size of Fund was Rs. 17.01 billion as on December 31, 2020 as compared to Rs. 9.98 billion at the start of the year.

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

HBL Cash Fund

The total income and net income of the Fund was Rs. 862.89 million and Rs. 788.64 million respectively during the period ended December 31, 2020. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 101.1599 per unit as on June 30, 2020. The NAV of the Fund was Rs 101.6423 per unit as on December 31, 2020 (after incorporating interim monthly dividends of Rs. 2.9237 per unit); thereby giving an annualized return of 6.77%. During the same period, the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 6.68%. The size of Fund was Rs 28.09 billion as on December 31, 2020 as compared to Rs. 17.97 billion at the start of the year.

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

HBL Stock Fund

The total and net income of the Fund was Rs. 421.94 million and Rs. 367.68 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs 86.3419 per unit as on June 30, 2020. The NAV of the Fund was Rs. 104.0097 per unit as on December 31, 2020; thereby giving a return of 20.46%. During the same period, the benchmark KSE 30 index yielded a return of 25.51%. The size of Fund was Rs 2.18 billion as on December 31, 2020 as compared to Rs. 1.84 billion at the start of the year.

HBL Equity Fund

The total and net income of the Fund was Rs. 177.124 million and Rs. 155.02 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 100.3410 per unit as on June 30, 2020. The NAV of the Fund was Rs. 130.8386 per unit as on December 31, 2020; thereby giving a return of 30.39%. During the same period, the benchmark KSE 100 index yielded a return of 27.11%. The size of Fund was Rs. 1.10 billion as on December 31, 2020 as compared to Rs. 0.42 billion at the start of the year.

HBL Energy Fund

The total and net income of the Fund was Rs. 102.43 million and Rs. 81.77 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 10.0106 per unit as on June 30, 2020. The NAV of the Fund was Rs. 11.3711 per unit as on December 31, 2020; thereby giving a return of 13.59%. During the same period, the benchmark KSE 30 index yielded a return of 25.51%. The size of Fund was Rs. 0.73 billion as on December 31, 2020 as compared to Rs. 0.57 billion at the start of the year.

HBL Multi Asset Fund

The total and net income of the Fund was Rs. 34.90 million and Rs. 30.03 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs 94.0814 per unit as on June 30, 2020. The NAV of the Fund was Rs 108.8453 per unit as on December 31, 2020; thereby giving a return of 15.69%. During the same period, the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a return of 19.02%. The size of Fund was Rs 0.20 billion as on December 31, 2020 as compared to Rs. 0.19 billion at the start of the year.

HBL Financial Planning Fund

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

The Fund as a whole earned a total and net income of Rs. 13.20 million and Rs. 11.98 million respectively during the period under review. The fund size of the fund stood at Rs. 0.24 billion as on December 31, 2020.

Performance review for plans is given below:

Active Allocation Plan

During the period under review, the Active allocation plan earned a total and net income of Rs. 6.74 million and Rs 6.31 million respectively. The net assets of the Active allocation plan stood at Rs. 0.06 billion representing Net Asset Value (NAV) of Rs. 106.5609 per unit as at December 31, 2020 as compared to Net Asset Value (NAV) of 95.9459 per unit as at the start of the year, thereby giving a return of 11.06% as compared to its Benchmark return of 15.67%.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 3.52 million and Rs. 3.10 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.05 billion representing Net Asset Value (NAV) of Rs. 114.1509 per unit as at December 31, 2020 as compared to Net Asset Value (NAV) of Rs. 108.3030 as at the start of the year, thereby giving a return of 5.40% as compared to its Benchmark return of 7.88%.

Special Income Plan

During the period under review, the Plan earned a total and net income of Rs. 2.94 million and Rs. 2.56 million respectively. The net assets of the Special Income Plan stood at Rs. 0.12 billion representing Net Asset Value (NAV) per unit of Rs. 106.6451 as at December 31, 2020 (after incorporating quarterly dividends of Rs. 0.20 per unit) as compared to Net Asset Value (NAV) of Rs. 104.7978 as at the start of the year. The Plan posted a return of 1.96% as compared to its Benchmark return of 3.48% during the period under review.

HBL Growth Fund

The Fund as a whole earned a total and net income of Rs. 370.51 million and Rs. 213.25 million respectively during the period under review. The size of the fund stood at Rs. 8.26 billion as on December 31, 2020 as compared to Rs. 6.63 billion at the start of the year.

Performance review of each class is presented below:

HBL Growth Fund – Class ‘A’

HBL Growth Fund – Class ‘A’ earned & incurred a total income and net loss of Rs. 27.40 million and Rs. 85.73 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 22.9399 per unit as on December 31, 2020 as compared to Rs. 18.0827 as at June 30, 2020, thereby giving a return of 26.86%. During the same period the benchmark KSE 100 index yielded a return of 27.11%. The size of Class ‘A’ was Rs. 6.50 billion as on December 31, 2020 as compared to Rs. 5.13 billion at the start of the year.

HBL Growth Fund – Class ‘B’

HBL Growth Fund – Class ‘B’ earned a total and net income of Rs. 343.11 million and Rs. 298.98 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 18.2564 per unit as on December 31, 2020 as compared to Rs. 15.2116 as at June 30, 2020, thereby giving a return of 20.02%. During the same period the benchmark KSE 100 index yielded a return of 27.11%. The size of Class ‘B’ was Rs. 1.76 billion as on December 31, 2020 as compared to Rs. 1.50 billion at the start of the year.

HBL Investment Fund

The Fund as a whole earned a total and net income of Rs. 267.82 million and Rs. 191.94 million respectively during the period under review. The size of the fund stood at Rs. 3.73 billion as on December 31, 2020 as compared to Rs. 3.00 billion at the start of the year.

Performance review of each class is presented below:

HBL Investment Fund – Class ‘A’

HBL Investment Fund – Class ‘A’ earned and incurred a total and net loss of Rs. 7.53 million and Rs. 34.19 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 8.3419 per unit as on December 31, 2020 as compared to Rs. 6.4934 as at June 30, 2020, thereby giving a return of 28.47%. During the same period the benchmark KSE 100 index yielded a return of 27.11%. The size of Class ‘A’ was Rs. 2.37 billion as on December 31, 2020 as compared to Rs. 1.84 billion at the start of the year.

HBL Investment Fund – Class ‘B’

HBL Investment Fund – Class ‘B’ earned a total and net income of Rs. 260.29 million and Rs. 226.13 million respectively during the period ended December 31, 2020. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 9.4357 per unit as on December 31, 2020 as compared to Rs. 7.8872 as at June 30, 2020, thereby giving a return of 19.63%. During the same period the benchmark KSE 100 index yielded a return of 27.11%. The size of Class ‘B’ was Rs. 1.36 billion as on December 31, 2020 as compared to Rs. 1.16 billion at the start of the year.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited has upgraded the management quality rating to ‘AM2++’ (AM Two Plus Plus) from ‘AM2+’ (AM Two Plus) to the Management Company and the outlook on the assigned rating has been assessed as ‘Stable’.

Acknowledgement

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

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

انتظامی کمپنی کے ڈائریکٹرز کی رپورٹ

انجینیئر ایل ایسٹ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت اپنی رپورٹ بشمول انجینیئر ایل ایم فنڈ، انجینیئر ایل گورنمنٹ سکیورٹیز فنڈ، انجینیئر ایل مٹی مارکیٹ فنڈ، انجینیئر ایل کیش فنڈ، انجینیئر ایل اسٹاک فنڈ، انجینیئر ایل ایکویٹی فنڈ، انجینیئر ایل انرجی فنڈ، انجینیئر ایل ملٹی ایسٹ فنڈ، انجینیئر ایل فنانشل پلاننگ فنڈ، انجینیئر ایل گروٹھ فنڈ اور انجینیئر ایل انویسٹمنٹ فنڈ (دی فنڈز) کے مالیاتی حسابات برائے سال ختمہ 31 دسمبر 2020 پیش کر رہے ہیں۔

اقتصادی جائزہ

کوویڈ-19 کی وبائی صورتحال کے بعد حکومت کی جانب سے کیے گئے پالیسی فیصلوں کے نتیجے میں میکرو اکنامک کی صورتحال بہتر ہوئی۔ انتہائی مستحکم زرتریلیات گروٹھ اور سروسز خسارے میں کمی کے پیش نظر ملک میں کرنٹ اکاؤنٹ کی پوزیشن میں نمایاں بہتری کے آثار دیکھے گئے۔ کرنٹ اکاؤنٹ سرفلس بشمول کثیر الجہتی اور باہمی ذرائع سے رقومات کے حصول سے ہمارے ذخائر بڑھ رہے ہیں جس سے مقامی کرنسی کو مستحکم بنانے میں بھی مدد ملی ہے۔

مالی سال 21 کی پہلی ششماہی کے دوران پاک روپیہ کی قدر میں لگ بھگ 4.9% کی بہتری دیکھنے میں آئی جس سے حقیقی موثر زرمبادلہ کی شرح 97 تک پہنچی (ایس بی پی اکتوبر-90 نمبر) جو اس امر کا اشارہ ہے کہ کرنسی اپنی فیئر ویلیو سے نیچے گردش کر رہی ہے۔ مرکزی بینک نے کوویڈ-19 کی وبائی صورتحال کے ردعمل میں مالی سال 20 کی دوسری ششماہی میں شرح سود میں 625 بی پی ایس کی مجموعی کمی کے بعد مالی سال 21 کی پہلی ششماہی میں بھی اسی شرح سود کو برقرار رکھا۔

بیرونی محاذ پر برآمدات، امپورٹ میں، 1.0% کی کمی کے مقابلے میں 7.1% تک کم ہو گئیں اور نتیجے میں مالی سال 21 کے پانچ ماہ کے دوران تجارتی خسارہ 6.9% تک بڑھ ہو کر 8.6 ارب یو ایس ڈالر ہو گیا۔ جبکہ سروسز خسارہ 38% کم ہو کر اس مدت میں 925 ملین یو ایس ڈالر ہو گیا۔ زرتریلیات نے بھی حوصلہ افزا رجحان ظاہر کیا اور یہ مالی سال 21 کے پانچ ماہ کے دوران 26.9% تک بڑھ کر 11.8 ارب یو ایس ڈالر ہو گئے۔ ان عناصر کی وجہ سے کرنٹ اکاؤنٹ سرفلس مالی سال 21 کے پانچ ماہ کے لیے 1.6 ارب امریکی ڈالر تک پہنچ گیا (جی ڈی پی 1.4%) جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ 1.7 بلین یو ایس ڈالر (جی ڈی پی کا 1.6%) تھا۔ کوویڈ کی وبا کے بعد پاکستانی معیشت میں بہتری کا آغاز ہوا تھا کیونکہ اقتصادی سرگرمیوں میں نمایاں تیزی دیکھنے میں آ رہی ہے جیسا کہ مالی سال 21 کے پہلے پانچ ماہ میں ایل ایس ایم گروٹھ YoY 7.4% تک رہی۔ غیر ملکی زرمبادلہ کے مجموعی ذخائر 20.5 ارب ڈالر تک بڑھ گئے جو مقابلاً مالی سال 20 کے اختتام پر 18.9 ارب ڈالر تھے۔

مالی سال 21 کی پہلی ششماہی کے لیے اوسط سی بی آئی کی شرح 8.6% رہی تھی جو گزشتہ سال کی اسی مدت کے دوران 11.1% رہا کیونکہ گئی تھی جس کی وجہ اس مدت میں یوٹیلٹی کے نرخوں میں اضافہ اور معاشی سست روی تھی۔ بجلی اور گیس کے ٹیرف میں بلند تر اضافے کے ساتھ ساتھ کرنسی کی قدر میں کمی تھی۔ ہم توقع کرتے ہیں کہ حکومت کی جانب سے اشیائے خورد و نوش کے نرخوں میں کمی کی کوششوں اور بلند تر بنیادی اثرات کی وجہ سے افراط زر میں کمی آئے گی۔ مالیاتی جانب مالی سال 21 کی پہلی ششماہی کے دوران ایف بی آر کی ٹیکس وصولی YoY 4.9% تک بڑھ کر 2,204 ارب روپے رہی جبکہ اس کے برخلاف ٹیکس وصولی کا ہدف 2,210 ارب روپے تھا۔

آگے بڑھتے ہوئے ہمیں یقین ہے کہ جی ڈی پی گروٹھ میں ممکنہ طور پر بحالی دیکھنے میں آئے گی کیونکہ بہت سے کاروبار کھل چکے ہیں تاہم کوویڈ-19 کی جاری دوسری لہر سے بحالی متاثر ہو سکتی ہے۔ توجہ کوویڈ-19 کے اعداد و شمار اور حکومت کی جانب سے اس وبائی صورتحال کے کنٹرول کے لیے کیے جانے والے پالیسی اقدامات پر مرکوز رہے گی۔

اسٹاک مارکیٹ کا جائزہ

مارکیٹ نے مالی سال 21 کی پہلی ششماہی میں اپنا تیزی کا رجحان برقرار رکھا جیسا کہ یہ مارچ 20 میں اپنی کم تر شرح سے 60.7% پہنچ چکی ہے۔ انڈیکس کی مستحکم کارکردگی کو (1) کوویڈ-19 کی وبائی صورتحال میں مقامی سطح پر بہتری اور کرنسی ریٹس کی بحالی (2) شرح سود میں 625 بی پی ایس کی کٹوتی کے بعد ایکویٹی شیئر میں بہاؤ (3) حکومت پاکستان کی جانب سے اختیار کی گئی کاروبار دوست پالیسیوں اور (4) مستحکم کرنسی اور کرنٹ اکاؤنٹ سرفلس کے باعث میکرو اکنامک اشاریوں میں بہتری سے منسوب کیا جاسکتا ہے۔

مالی سال 21 کی پہلی ششماہی کے دوران بیچ مارک KSE-100 نے 9,333 پوائنٹس کا اضافہ (27.1%) ریکارڈ کیا اور 43,755 پوائنٹس پر بند ہوا۔ اس مدت کے دوران تعمیرات سے منسلک صنعتوں (سینٹ، اسٹیل اور گلاس) کو ایس بی پی اور حکومت کی جانب سے مالیاتی سہولتیں تعمیراتی صنعت پر خصوصی توجہ کے تحت فراہم کی گئیں۔ جینا لوہی سیکٹر کو بھی کوویڈ-19 کی وبائی صورتحال کے بعد جینا لوہی پر خصوصی توجہ کے تحت تریج دی گئی۔ پیکس ویلوایشن کے باعث بینکاری کا شعبہ بھی توجہ کا مرکز رہا۔ رقومات کے بہاؤ کا جائزہ لیا جائے تو غیر ملکی فروخت کنندگان مالی سال 21 کی پہلی ششماہی کے دوران خالص سیلز رہے اور انہوں نے 279 ملین یو ایس ڈالر کے شیئرز فروخت کیے جو مقابلتاً گزشتہ برس اسی مدت کے دوران 8 ملین یو ایس ڈالر تھے۔

پاکستان ایکویٹیٹیز کمیشن نے 17.7x اور 6.8x کے برعکس P/E (تجارت) اور میکرو اکنامک جائزے میں بہتری کے باعث مثبت رجحان کا سلسلہ برقرار رکھیں گے۔ مارکیٹ کے شرکت کنندگان کو رونا وائرس کے کیسز کے رجحان پر قریبی نگاہ رکھیں گے اور میکرو اعداد و شمار کو یقینی بنا رہے ہیں۔ گردش میں رہنے والے شعبے (سینٹ، اسٹیل) کے بارے میں توقع ہے کہ یہ حکومت کی جانب سے شروع کی گئی نیا پاکستان ہاؤسنگ اسکیم کے باعث فروغ حاصل کر سکیں گے۔ بینکاری کا شعبہ بھی پیکس ویلوایشن کے باعث توجہ کا مرکز بنا رہے گا، ہم چلی سطح سے اپنی حکمت عملی پر توجہ دینے کے ساتھ مستحکم آمدنی کی صلاحیت کے حصول اور اسٹاک کی جانب سے خصوصی توجہ دینے کا سلسلہ برقرار رکھیں گے۔

مٹی مارکیٹ کا جائزہ

مرکزی بینک کے کوویڈ-19 کی وبا کے پیش نظر مالی سال 20 کی دوسری ششماہی میں شرح سود میں مجموعی طور پر 625 بی پی ایس کی کمی کے بعد اس مدت کے دوران بھی اسی شرح سود کو برقرار رکھا۔ ایس بی پی نے واضح کردیا تھا کہ پید ترقی کے عمل اور روزگار کے مواقعوں پر کورونا کے اثرات کو کم کرنے کے لیے شرح سود کو زبردستی سطح پر لایا جاسکتا ہے۔

مالیاتی سال 21 کی پہلی ششماہی کے دوران 20bps تا +142 کے درمیان تمام مدتوں میں تبدیل ہوتے رہے جس کی وجہ مارکیٹ کا عمومی رجحان تھا جیسا کہ مالی سہولتوں کا دورانیہ ختم ہو گیا ہے اور تقویمی سال 21 میں شرح سود میں کچھ اضافہ ہوتا دیکھ رہے ہیں۔ تین، پانچ اور دس سالہ پی آئی بیٹرز کے سیکنڈری مارکیٹ منافع جات اس مدت کے دوران بالترتیب 114.74 اور 129 بی پی ایس تک بڑھ گئے جبکہ اس مدت کے دوران تین ماہ، چھ ماہ اور بارہ ماہ کے ٹی بڑے منافع جات بڑھ کر بالترتیب 12.2 اور 23.2 بی پی ایس پر موجود تھے۔ گزشتہ ٹی بڑے منافع جات میں کٹ آف منافع تین ماہ، چھ ماہ اور بارہ ماہ کی مدت کے لیے 7.15 فیصد، 7.20 فیصد اور 7.29 فیصد تھے جبکہ گزشتہ ٹی آئی بی نیلام میں کٹ آفس تین سال، پندرہ سال اور تیس سال کی مدتوں کے لیے بالترتیب 0.824%، 10.00% اور 10.58% تھے۔

مالی سال 21 کی پہلی ششماہی کے دوران حکومت نے اپنی قرضوں کی بڑی ضرورتوں کا مقامی وسائل اور وسیع بنیاد پر کمرشل بینکوں کے ذریعے انتظام کیا۔ حکومت نے اس مدت کے دوران شیڈولڈ بینکوں سے 1,002 ارب روپے کے قرضے جات حاصل کیے جبکہ گزشتہ برس اس مدت کے دوران 927 ارب روپے کے قرضے حاصل کیے گئے تھے۔ اسی دوران حکومت نے ایس بی پی سے اپنے قرضوں میں 536 ارب روپے کی کمی کی، اس کے برخلاف گزشتہ برس کی اس مدت میں 741 ارب روپے کے قرضوں کی کمی کی گئی تھی۔ قرضوں میں یہ مزید کمی اس وجہ سے کی گئی کیونکہ آئی ایم ایف نے افراط زر کے دباؤ سے بچنے کے لئے مرکزی بینک سے قرض لینے پر پابندی عائد کی تھی۔ آگے بڑھتے ہوئے حکومت اضافی قرضوں کی ضروریات کو کمرشل بینکوں کے ذریعے پوری کرنے کا سلسلہ جاری رکھے گی۔

نومبر 20 میں پیش کی گئی مینٹری پالیسی میں ایس بی پی نے پالیسی ریٹ کا جوں کا توں برقرار رکھتے ہوئے اسے موجودہ سطح پر رکھا۔ آگے بڑھتے ہوئے ہم محسوس کرتے ہیں بڑے پیمانے پر مالیاتی آسانی ظاہر ہوگی اور ہم شرح سود کے دائرے کی چلی سطح پر ہوں گے۔ کوویڈ-19 کی جاری دوسری لہر کے باعث ہم توقع رکھتے ہیں حکومت آئندہ چند ماہ تک ایس بی پی کے پالیسی ریٹ کو برقرار رکھے گی تاکہ معیشت کی بحالی میں معاونت مل سکے جبکہ اس کے ساتھ ایشیائی خورد و نوش کے نرخوں پر بھی کنٹرول کر کے افراط زر کی بنیادی وجوہ پر قابو پانے کی کوشش کی جائے گی۔

فنڈ کی کارکردگی اور پے آؤٹس

ایچ بی ایل انکم فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے بالترتیب 85.91 ملین روپے اور 62.84 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 108.2828 روپے فی یونٹ تھی جو 31 دسمبر 2020 کو بڑھ کر 112.3167 روپے فی یونٹ ہو گئی جس کے ذریعے 3.9% کا ایک سالانہ منافع دیا گیا۔ سال کے دوران بیچ مارک (چھ ماہ کا بور) منافع 7.22% تھا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 2.50 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.54 ملین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے A+(f) فنڈ اسٹیبلٹی ریٹنگ کو اپ گریڈ کیا ہے۔

ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 70.47 ملین روپے اور 41.87 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 112.2745 روپے فی یونٹ تھی جو 31 دسمبر 2020 کو بڑھ کر 114.3111 روپے فی یونٹ ہو گئی جس کے ذریعے %3.60 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک (چھ ماہ PKRV ریٹس) منافع %7.07 تھا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 1.76 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 3.51 ملین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے AA(f) فنڈ اسٹیبلٹی ریٹنگ کو اپ گریڈ کیا ہے۔

ایچ بی ایل منی مارکیٹ فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 487.00 ملین روپے اور 436.61 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 102.3799 روپے فی یونٹ تھی جو 31 دسمبر 2020 کو بڑھ کر 105.7973 روپے فی یونٹ ہو گئی جس کے ذریعے %6.62 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک 3M PKRV اور %70 اور %30 پائرس ریٹس) منافع %6.68 تھا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 9.98 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 9.98 ملین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے AA(f) فنڈ اسٹیبلٹی ریٹنگ کو اپ گریڈ کیا ہے۔

ایچ بی ایل کیش فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 862.89 ملین روپے اور 788.64 ملین روپے رہی۔ فنڈ کی فی یونٹ قبل از منافع منقسمہ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 101.1599 روپے فی یونٹ تھی۔ 31 دسمبر 2020 کے مطابق فنڈ کا این اے وی 101.6423 روپے فی یونٹ (2.9237 روپے فی یونٹ کا عبوری ماہانہ منافع منقسمہ تشکیل دینے کے بعد) ہو گیا۔ جس کے ذریعے %6.77 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک 3M PKRV اور %70 اور %30 پائرس ریٹس) منافع %6.68 تھا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 28.09 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 17.97 ملین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے AA+(f) فنڈ اسٹیبلٹی ریٹنگ کو اپ گریڈ کیا ہے۔

ایچ بی ایل اسٹاک فنڈ

فنڈ نے 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 421.94 ملین روپے اور 367.68 ملین روپے کا مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 86.3419 روپے فی یونٹ تھی۔ 31 دسمبر 2020 کے مطابق فنڈ کا این اے وی 104.0097 روپے فی یونٹ ہو گیا جس کے ذریعے %20.46 کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے %25.51 کا منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 2.18 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.84 ملین روپے رہا تھا۔

ایچ بی ایل ایکویٹی فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 177.124 ملین روپے اور 155.02 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 100.341 روپے فی یونٹ تھی، فنڈ کا این اے وی 31 دسمبر 2020 کے مطابق 130.8386 روپے فی یونٹ ہو گیا جس کے ذریعے 30.39% کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 27.11% کا منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 1.10 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.42 بلین روپے رہا تھا۔

ایچ بی ایل انرجی فنڈ

فنڈ نے 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 102.43 ملین روپے اور 81.77 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 10.0106 روپے فی یونٹ تھی، فنڈ کا این اے وی 31 دسمبر 2020 کے مطابق 11.3711 روپے فی یونٹ ہو گیا جس کے ذریعے 13.59% کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے 25.51% کا منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 0.73 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.57 بلین روپے رہا تھا۔

ایچ بی ایل ملٹی ایسیٹ فنڈ

فنڈ نے 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 34.90 ملین روپے اور 30.03 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 94.0814 روپے فی یونٹ تھی، فنڈ کا این اے وی 31 دسمبر 2020 کے مطابق 108.8453 روپے فی یونٹ ہو گیا جس کے ذریعے 15.69% کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 KSE اور چھ ماہ کے PKRV ریٹس کے روزانہ اوسطاً جمع شدہ) نے 19.02% کا منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 0.20 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.19 بلین روپے رہا تھا۔

ایچ بی ایل فنانشل پلاننگ فنڈ

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

فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 13.20 ملین روپے اور 11.98 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 0.24 ارب روپے پر موجود تھا۔

پلاننگ کے لیے کارکردگی کا جائزہ ذیل میں دیا گیا ہے۔

ایکٹو ایلیٹیشن پلان

زیر جائزہ مدت کے دوران ایکٹو ایلیٹیشن پلان نے بالترتیب 6.74 ملین روپے اور 6.31 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ ایکٹو ایلیٹیشن پلان کے خالص اثاثہ جات 0.06 ارب روپے پر موجود تھے جو 31 دسمبر 2020 کے مطابق 106.5609 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں جبکہ اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات (NAV) کی مالیت 95.9459 روپے فی یونٹ تھی جس کے ذریعے 15.67% کے بیچ مارک منافع کے برخلاف 11.06% کا منافع دیا جا رہا ہے۔

کنزرویٹو ایلیٹیشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلیٹیشن پلان نے بالترتیب 3.52 ملین روپے اور 3.10 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کنزرویٹو ایلیٹیشن پلان کے خالص اثاثہ جات 0.05 ارب روپے پر موجود تھے جو 31 دسمبر 2020 کے مطابق 114.1509 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں جبکہ اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ

جات (NAV) کی مالیت 108.3030 روپے فی یونٹ تھی جس کے ذریعے 7.88% کے شیئ مارک منافع کے برخلاف 5.40% کا منافع دیا جا رہا ہے۔

اسٹیش انکم پلان

زیر جائزہ مدت کے دوران پلان نے بالترتیب 2.94 ملین روپے اور 2.56 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ اسٹیش انکم پلان کے خالص اثاثہ جات 0.12 ارب روپے پر موجود تھے جو 31 دسمبر 2020 کے مطابق 106.645 روپے فی یونٹ (0.20 روپے فی یونٹ کا سہ ماہی منافع منقسمہ تشکیل دینے کے بعد) کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں۔ اس کے مقابلے میں سال کے آغاز پر فنڈ کے خالص اثاثہ جات کی ویلیو (این اے وی) 104.7978 روپے فی یونٹ تھی۔ پلان نے 1.96% کا منافع زیر جائزہ مدت کے دوران 3.48% کے شیئ مارک منافع کے مقابلے میں ظاہر کیا۔

ایچ بی ایل گروتھ فنڈ

فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 370.51 ملین روپے اور 213.25 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 8.26 ارب روپے پر موجود تھا۔ جو اس کے مقابلے میں سال کے آغاز پر 6.63 ارب روپے پر تھا۔

ہر ایک کلاس کی کارکردگی کا جائزہ ذیل میں پیش کیا گیا ہے:

ایچ بی ایل گروتھ فنڈ - کلاس اے

ایچ بی ایل گروتھ فنڈ - کلاس اے نے 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 27.40 ملین روپے اور 85.73 ملین روپے کی مجموعی اور خالص خسارہ حاصل کیا۔ کلاس اے کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 31 دسمبر 2020 کے مطابق 22.9399 روپے فی یونٹ تھی، اس کے مقابلے میں 30 جون 2020 کے مطابق 18.0827 روپے فی یونٹ تھی جس کے ذریعے 26.86% کا منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 27.11% کا منافع حاصل کیا تھا۔ کلاس اے کا حجم 31 دسمبر 2020 کے مطابق 6.50 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 5.13 ملین روپے رہا تھا۔

ایچ بی ایل گروتھ فنڈ - کلاس بی

ایچ بی ایل گروتھ فنڈ - کلاس بی نے 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 343.11 ملین روپے اور 298.98 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس بی کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 31 دسمبر 2020 کے مطابق 18.2564 روپے فی یونٹ تھی، اس کے مقابلے میں 30 جون 2020 کے مطابق 15.2116 روپے فی یونٹ تھی جس کے ذریعے 20.02% کا منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 27.11% کا منافع حاصل کیا تھا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 1.76 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.50 ملین روپے رہا تھا۔

ایچ بی ایل انویسٹمنٹ فنڈ

فنڈ نے مکمل طور پر زیر جائزہ مدت کے دوران بالترتیب 267.82 ملین روپے اور 191.94 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 3.73 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر یہ 3.00 ارب روپے پر موجود تھا۔

ہر ایک کلاس کی کارکردگی کا جائزہ ذیل میں دیا جا رہا ہے۔

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے'

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے' نے 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 7.53 ملین روپے اور 34.19 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ کلاس 'اے' کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے 6.4934 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2020 کے 8.3419 روپے فی یونٹ تھی جس کے ذریعے 28.47% کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 27.11% کا منافع حاصل کیا تھا۔ فنڈ کا حجم 31 دسمبر 2020 کے مطابق 2.37 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.84 ملین روپے رہا تھا۔

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی'

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی' نے 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 260.29 ملین روپے اور 226.13 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'بی' کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے 7.8872 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2020 کے 9.4357 روپے فی یونٹ تھی جس کے ذریعے 19.63% کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 27.11% کا منافع حاصل کیا تھا۔ کلاس 'بی' کا حجم 31 دسمبر 2020 کے مطابق 1.36 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.16 ملین روپے رہا تھا۔

انتظامی کمپنی کی ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (جے سی آر۔ وی آئی ایس) نے انتظامی کمپنی کے لیے مینجمنٹ کوائٹی ریٹنگ 'AM2++' (اے ایم ٹو پلس پلس) پر اپ گریڈ کی ہے اور تفویض کردہ ریٹنگ پراڈکٹ لک "مستحکم" ظاہر کیا ہے۔

اعتراف

بورڈ اس موقع پر اپنے معزز یونٹ - ہولڈرز کا ان کے مستقل تعاون اور سرپرستی کے لیے شکر یہ ادا کرنا چاہتا ہے۔ اس سلسلے میں ہم سیکورٹیز اینڈ انکیسٹمنٹ کمیشن آف پاکستان، سینٹرل ڈیپازٹری کمپنی آف پاکستان اور ایم سی بی فنانشل سروسز لمیٹڈ بطور رٹسٹی، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ تعاون اور رہنمائی پر ان کو خراج تحسین پیش کرتے ہیں۔

بورڈ اپنے اسٹاف کی انتھک کاوشوں اور مخلصانہ جدوجہد پر ان کو بھی خراج تحسین پیش کرنا چاہتا ہے۔

منجانب بورڈ

ایچ بی ایل ایس ڈیٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

HBL

Income Fund

FUND INFORMATION

Name of Fund	HBL Income Fund
Name of Auditor	Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited Samba Bank Limited MCB Bank Limited Askari Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited Sindh Bank Limited Telenor Microfinance Bank Limited Meezan Bank Limited NRSP Microfinance Bank Limited Industrial & Commercial Bank of China Limited First Microfinance Bank Limited U Microfinance Bank Limited
Rating	A+(f) (JCR-VIS)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL INCOME FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Income Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2021



Independent Auditors' Report to the Unit Holders on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Income Fund** (the "Fund") as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2020 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

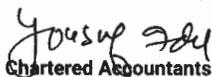
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.


Chartered Accountants

Engagement Partner
Naresh Kumar

Date: February 22, 2021
Place: Karachi

HBL Income Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at December 31, 2020

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	1,008,127	622,132
Investments	5	1,511,100	956,596
Accrued mark-up		23,135	20,695
Dividend receivables		51	-
Advances, deposits, prepayments and other receivables	6	28,735	34,691
Total assets		2,571,148	1,634,114
Liabilities			
Payable to the Management Company	7	5,993	4,860
Payable to the Trustee		171	123
Payable to Securities and Exchange Commission of Pakistan		182	304
Dividend payable		4,491	8,858
Accrued expenses and other liabilities	8	59,238	76,142
Total liabilities		70,075	90,287
Net assets		2,501,073	1,543,827
Unit holders' fund (as per statement attached)		2,501,073	1,543,827
Contingencies and commitments	14		
		----- (Number of units) -----	
Number of units in issue		22,268,036	14,257,362
		----- (Rupees) -----	
Net assets value per unit		112.3167	108.2828

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Income Statement (Un-Audited)
For the half year and quarter ended December 31, 2020

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2020	2019	2020	2019
(Rupees in '000)					
Income					
Mark-up on deposit with banks		11,795	45,773	7,079	20,638
Mark-up / return on investments		55,200	58,743	32,268	30,400
Dividend income		4,803	164	2,876	164
Unrealised gain / (loss) on remeasurement of investments classified as fair value through profit or loss		18,096	(11,639)	1,662	(10,578)
Capital (loss) / gain on sale of investments - net		(4,816)	5,889	(633)	(3,124)
Other Income		273	94	267	94
		85,351	99,024	43,519	37,594
Reversal of provision against non-performing Term Finance Certificates	5.1.1.1	555	-	-	-
		85,906	99,024	43,519	37,594
Expenses					
Remuneration of the Management Company		13,485	9,363	7,953	5,465
Remuneration of the Trustee		773	641	456	313
Annual fee of Securities and Exchange Commission of Pakistan		182	151	107	74
Allocation of expenses related to registrar services, accounting, operation and valuation services		912	1,221	538	370
Selling and marketing		3,649	4,419	2,152	1,479
Settlement and bank charges		2,505	906	1,067	514
Auditors' remuneration		108	219	2	122
Fee and subscription		174	166	174	79
		21,788	17,086	12,449	8,416
Net income from operating activities		64,118	81,938	31,070	29,178
Provision for Sindh Workers' Welfare Fund	8.2	(1,283)	(1,638)	(622)	(583)
Net income for the period before taxation		62,835	80,300	30,448	28,595
Taxation	9	-	-	-	-
Net income for the period after taxation		62,835	80,300	30,448	28,595
Allocation of net income for the period					
Income already paid on redemption of units		5,799	16,949	4,304	13,271
Accounting income available for distribution:					
- Relating to capital gains		11,835	-	1,029	(7,684)
- Excluding capital gains		45,201	63,351	25,115	23,008
		57,036	63,351	26,144	15,324
Net income for the period after taxation		62,835	80,300	30,448	28,595

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the half year and quarter ended December 31, 2020

	Half year ended December 31,		Quarter ended, December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	62,835	80,300	30,448	28,595
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	62,835	80,300	30,448	28,595

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
For the half year ended December 31, 2020

	Half year ended December 31,					
	2020			2019		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Rupees in '000'						
Net assets at beginning of the period	1,400,100	143,727	1,543,827	1,388,862	121,881	1,510,743
Issue of 13,911,579 units (2019: 5,284,876 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,506,385	-	1,506,385	560,796	-	560,796
- Element of income	38,778	-	38,778	15,651	-	15,651
Total proceeds on issuance of units	1,545,163	-	1,545,163	576,447	-	576,447
Redemption of 5,900,905 units (2019: 7,746,451 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(638,966)	-	(638,966)	(822,001)	-	(822,001)
- Element of loss	(5,987)	-	(5,987)	-	-	-
- Income already paid on redemption of units	-	(5,799)	(5,799)	(9,722)	(16,949)	(26,671)
	(644,953)	(5,799)	(650,752)	(831,723)	(16,949)	(848,672)
Total comprehensive income for the period	-	62,835	62,835	-	80,300	80,300
Net assets at end of the year	2,300,310	200,763	2,501,073	1,133,586	185,232	1,318,818
Undistributed income brought forward						
- Realised		132,942			125,538	
- Unrealised		10,785			(3,657)	
		143,727			121,881	
Accounting income available for distribution						
- Relating to capital losses		11,835			-	
- Excluding capital losses		45,201			63,351	
		57,036			63,351	
Undistributed income carried forward		200,763			185,232	
Undistributed income carried forward						
- Realised		182,668			196,871	
- Unrealised		18,096			(11,639)	
		200,763			185,232	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			108.2828			106.1134
Net assets value per unit at end of the period			112.3167			111.9968

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended December 31, 2020

	Half year ended December 31,	
	2020	2019
Note	----- (Rupees in '000') -----	
Cash flows from operating activities		
Net income for the period before taxation	62,835	80,300
Adjustments		
Mark-up on deposit with banks	(11,795)	(45,773)
Mark-up / return on investments	(55,200)	(58,743)
Dividend income	(4,803)	(164)
Unrealised (gain) / loss on remeasurement of investments classified as fair value through profit or loss	(18,096)	11,639
Capital loss / (gain) on sale of investments - net	4,816	(5,889)
	(22,243)	(18,630)
Decrease / (increase) in assets		
Investments - net	(541,224)	362,855
Advances, deposits, prepayments and other receivables	5,956	22
	(535,268)	362,877
(Decrease) / increase in liabilities		
Payable to the Management Company	1,133	693
Payable to Central Depository Company of Pakistan Limited - Trustee	48	(89)
Payable to the Securities and Exchange Commission of Pakistan	(122)	(1,327)
Accrued expenses and other liabilities	(16,904)	(7,779)
Dividend payable	(4,367)	(26,990)
	(20,212)	(35,492)
Net cash (used in) / generated from operating activities	(577,722)	308,755
Dividend received	4,751	164
Profit received	64,555	101,449
	69,306	101,613
Net cash (used in) / generated from operating activities	(508,416)	410,368
Cash flows from financing activities		
Amount received on issuance of units	1,545,163	576,447
Payment against redemption of units	(650,752)	(848,672)
Net cash generated from / (used in) financing activities	894,411	(272,225)
Net increase in cash and cash equivalents	385,995	138,143
Cash and cash equivalents at beginning of the period	622,132	552,761
Cash and cash equivalents at end of the period	1,008,127	690,904

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund

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

For the half year ended December 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

VIS Credit Rating Agency has reassigned management quality rating of 'AM2++' (stable outlook) to the Management Company on December 31, 2020 and the fund stability rating of A+(f) to the fund.

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

2. BASIS OF PREPARATION

2.1.1 Statement of compliance

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 Accounting Standard (IAS) 34 Interim Financial Reporting, 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; 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.

Wherever provisions of and directive issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirements of IAS 34 Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirement of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

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, 2020.

2.2 Basis of measurement

This is condensed interim financial information have been prepared under the historical cost convention, except that certain financial assets are measured 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. Amounts in this condensed financial information has been rounded off to the nearest thousand rupees, unless otherwise stated.

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 are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting and reporting standards as applicable in Pakistan 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, 2020.

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, 2020 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 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2020.

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with bank - Savings accounts	4.1	<u>1,008,127</u>	<u>622,132</u>

4.1 Mark-up rates on these accounts range between 4% - 8.85% (June 30, 2020: 4.70% - 14.75%) per annum.

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
Financial assets at fair value through profit or loss	5.1		
- Term finance certificates and sukuk bonds - Listed	5.1.1	168,982	159,768
- Term finance certificates and sukuk bonds - Unlisted	5.1.2	337,506	292,842
- Investment in Government securities	5.1.4	597,736	444,311
- Commercial papers	5.1.5	53,911	59,675
- Listed equity securities (spread transaction)	5.1.6	352,965	-
		<u>1,511,100</u>	<u>956,596</u>

5.1 Financial assets at fair value through profit or loss

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

5.1.1 Term finance certificates and sukuk bonds - listed

Name of the Investee Company	As at July 1, 2020	Purchases during the period	Sales / Matured during the period	As at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of	
						Total Investments	Net Assets
		----- Number of certificates -----			Rupees in '000'		
Commercial Banks							
JS Bank Limited - Sukuk	1,264	-	-	1,264	125,915	8%	5%
	1,264	-	-	1,264	125,915	8%	5%
Financial Services							
Saudi Pak Leasing Company Limited - note 5.1.1.1*	2,000	-	2,000	-	-	-	-
	2,000	-	2,000	-	-	-	-
Technology and Communicaton							
Worldcall Telecom Limited - note 5.1.1.2*	23,750	-	-	23,750	-	-	-
	23,750	-	-	23,750	-	-	-
Chemicals							
Dawood Hercules Chemical Limited** (Sukuk)	710	-	-	710	43,067	3%	2%
	710	-	-	710	43,067	3%	2%
	27,724	-	2,000	25,724	168,982	11%	7%
Carrying Value of Investments as at December 31, 2020					<u>152,576</u>		

** Related party due to common directorship.

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

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

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

The Issuer defaulted again in the payment of principal and mark-up due on September 13, 2011. In accordance with the requirements of Circular No. 33 of 2012 dated October 24, 2012 issued by the Securities and Exchange Commission of Pakistan (SECP), the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non-performing exposure. A provision of Rs. 5.550 million equivalent to 100% of the amount outstanding has been made. During the period, the Fund has received Rs. 0.550 million which is 10 percent of the amount of provision as per final settlement.

5.1.1.2 World call Telecom Limited TFC's were classified by MUFAP as non-performing on November 8, 2012 after default of instalment due on October 7, 2012 (earlier default on April 7, 2012) for the second time. A restructuring agreement was signed on December 26, 2012. The restructuring included the extension of repayment period by 2 years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.767 million has been made out of which till December 31, 2019 Rs. 7.576 million has been received leaving outstanding balance as at December 31, 2020 of Rs. 40.191 million, which is fully provided.

5.1.2 Term finance certificates and sukuk bonds - Unlisted

Name of the Investee Company	As at July 1, 2020	Purchases during the period	Sales / Matured during the period	As at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of	
						Total Investments	Net Assets
	----- Number of certificates -----				Rupees in '000'		
Commercial Banks							
Bank of Punjab	1,550	-	-	1,550	153,269	10%	6%
JS Bank Limited	7,450	-	-	7,450	36,870	2%	1%
Bank Al Falah Limited - TFC	-	7,600	-	7,600	38,000	3%	2%
	9,000	7,600	-	16,600	228,139	15%	9%
Chemicals							
Agritech Limited *	2,000	-	-	2,000	-	-	-
Agritech Limited - TFC 4th Issue	430	-	-	430	-	-	-
Ghani Gases Limited	200	-	-	200	8,374	1%	0%
	2,630	-	-	2,630	8,374	1%	0%
Investment Companies							
Jahangir Siddiqui & Company Limited	10,000	-	-	10,000	41,219	3%	2%
Jahangir Siddiqui & Company Limited	15,100	-	-	15,100	37,774	2%	2%
	25,100	-	-	25,100	78,993	5%	3%
Technology and communication							
TPL Trakker Limited - Sukuk	-	4,400	-	4,400	22,000	1%	1%
	-	4,400	-	4,400	22,000	1%	1%
Others							
New Allied Electronics Industries (Private) Limited note 5.1.2.1*	9,000	-	-	9,000	-	-	-
New Allied Electronics Industries (Private) Limited - Sukuk note 5.1.2.1*	9,000	-	-	9,000	-	-	-
	18,000	-	-	18,000	-	-	-
Total	54,730	12,000	-	66,730	337,506	22%	13%

Carrying Value of investments as at December 31, 2020

335,326

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

5.1.3 Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at December 31, 2020 are as follows:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates and Sukuk bonds - Listed				
Dawood Hercules Corporation Limited - Sukuk	60,000	3 months KIBOR + 1.0%	November 16, 2017	November 16, 2022
JS Bank Limited - TFC	99,880	6 months KIBOR + 1.4%	December 29, 2017	December 29, 2024
Term Finance Certificates and Sukuk bonds - Unlisted				
Jahangir Siddiqui & Company Limited - TFC	4,167	6 months KIBOR + 1.4%	March 6, 2018	March 6, 2023
JS Bank Limited - TFC	4,992	6 months KIBOR + 1.4%	December 14, 2016	December 16, 2023
Bank Of Punjab - TFC	99,840	6 months KIBOR + 1%	February 23, 2016	February 23, 2026
Jahangir Siddiqui & Company Limited - TFC	2,500	6 months KIBOR + 1.4%	July 18, 2017	July 18, 2022
Ghani Gases Limited - Sukuk	50,000	3 months KIBOR + 1%	February 2, 2017	February 2, 2023
Bank Al Falah Limited Series A - TFC		Terms are yet to be provided by issuer		
TPL Trakker - Sukuk		Terms are yet to be provided by issuer		

5.1.4 Investment in Government Securities

Issue Date	Tenure	Face value			Market Value as a percentage of			
		As at July 1, 2020	Purchases during the period	Sales / Matured during the period	As at December 31, 2020	Market value as at December 31, 2020	Total Investments	Net Assets
----- Rupees in '000 -----								
Treasury bill								
July 2, 2020	3 months	-	75,000	75,000	-	-	-	-
July 16, 2020	3 months	-	75,000	75,000	-	-	-	-
October 8, 2020	3 months	-	300,000	300,000	-	-	-	-
October 8, 2020	3 months	-	50,000	50,000	-	-	-	-
October 22, 2020	3 months	-	100,000	100,000	-	-	-	-
October 8, 2020	3 months	-	450,000	450,000	-	-	-	-
October 8, 2020	3 months	-	50,000	50,000	-	-	-	-
October 8, 2020	3 months	-	250,000	250,000	-	-	-	-
October 22, 2020	3 months	-	100,000	100,000	-	-	-	-
July 2, 2020	6 months	-	75,000	75,000	-	-	-	-
July 16, 2020	6 months	-	75,000	75,000	-	-	-	-
August 1, 2019	12 months	-	200,000	200,000	-	-	-	-
July 2, 2020	12 months	-	100,000	100,000	-	-	-	-
September 26, 2019	12 months	-	200,000	200,000	-	-	-	-
August 29, 2019	12 months	-	275,000	275,000	-	-	-	-
September 12, 2019	12 months	-	300,000	300,000	-	-	-	-
September 26, 2019	12 months	-	300,000	300,000	-	-	-	-
October 10, 2019	12 months	-	500,000	500,000	-	-	-	-
October 24, 2019	12 months	-	140,000	140,000	-	-	-	-
		-	3,615,000	3,615,000	-	-	-	-

Issue Date	Tenure	Face value			Market Value as a percentage of			
		As at July 1, 2020	Purchases during the period	Sales / Matured during the period	As at December 31, 2020	Market value as at December 31, 2020	Total Investments	Net Assets
----- Rupees in '000 -----								
Pakistan Investment Bonds								
September 19, 2019	3 Years	100,000	-	100,000	-	-	-	-
September 19, 2019	3 Years	50,000	-	-	50,000	50,871	3%	2%
September 19, 2019	3 Years	87,500	-	-	87,500	89,025	6%	4%
September 19, 2019	3 Years	-	50,000	-	50,000	50,871	3%	2%
September 19, 2019	3 Years	-	50,000	-	50,000	50,871	3%	2%
September 19, 2019	3 Years	-	50,000	-	50,000	50,871	3%	2%
September 19, 2019	3 Years	-	100,000	-	100,000	101,742	7%	4%
September 19, 2019	3 Years	-	150,000	-	150,000	152,614	10%	6%
September 19, 2019	3 Years	-	50,000	-	50,000	50,871	3%	2%
September 19, 2019	5 Years	50,000	-	50,000	-	-	-	-
September 19, 2019	5 Years	50,000	-	50,000	-	-	-	-
September 19, 2019	5 Years	37,500	-	37,500	-	-	-	-
September 19, 2019	5 Years	-	50,000	50,000	-	-	-	-
September 19, 2019	10 years	50,000	-	50,000	-	-	-	-
		425,000	500,000	337,500	587,500	597,736	40%	24%
Grand total		425,000	4,115,000	3,952,500	587,500	597,736	40%	24%

Carrying Value of Investments as at December 31, 2020

598,611

5.1.5 Investment in Commercial Papers - At fair value through profit or loss

Particulars	Profit rate	Issue date	Maturity date	Face value	Carrying / Market Value	Carrying Value as a Percentage of	
						Total Investments	Net Assets
----- (Rupees in '000)-----							
TPL Corporation	9.20%	15-Jul-20	10-Jan-21	20,900	20,845	1.38%	0.83%
HUBCO Musharka	9.88%	12-Nov-20	12-Nov-22	40,000	33,066	2.19%	1.32%
Total as at December 31, 2020				60,900	53,911	3.57%	2.16%

Total as at June 30, 2020

59,675

5.1.6 Listed equity securities (spread transactions) - at fair value through profit or loss

* (Ordinary shares a have face value of Rs. 10/ each unless stated otherwise).

The movement in equity securities given below represents spread transactions entered into by the Fund. The Fund purchases equity securities in ready market and sells them into future market on the same day, resulting in spread income due to differences in ready and future stock prices. This way the Fund has no open exposure to the stock market. These securities (if any) at the year-end are valued at the year end ready rate while the future contracts (representing the derivatives) are valued at the period end future rate and the difference between the contracted rate and the future rate are taken to the Income Statement.

Name of the Investee Company	Number of shares				Balance as at December 31, 2020	Percentage in relation to	
	As at July 1, 2020	Purchases during the period	Sales during the period	As at December 31, 2020	Market value (Rupees in '000)	Net Assets of the fund	Total Investments
TEXTILE COMPOSITE							
Nishat (Chunian) Limited	-	31,500	500	31,000	1,291	0.05%	0.09%
Nishat Mills Limited	-	361,000	285,500	75,500	7,526	0.30%	0.50%
	-	392,500	286,000	106,500	8,817		
CEMENT							
Fauji Cement Company Limited	-	593,000	529,000	64,000	1,328	0.05%	0.09%
	-	593,000	529,000	64,000	1,328		
POWER GENERATION & DISTRIBUTION							
Hub Power Company Limited	-	624,000	586,500	37,500	2,917	0.12%	0.19%
	-	624,000	586,500	37,500	2,917		
CABLE & ELECTRICAL GOODS							
Pak Elektron Limited	-	2,733,000	2,590,500	142,500	5,369	0.21%	0.36%
	-	2,733,000	2,590,500	142,500	5,369		
TRANSPORT							
Pakistan International Bulk Terminal Limited	-	1,213,000	-	1,213,000	15,472	0.62%	1.02%
	-	1,213,000	-	1,213,000	15,472		
Vanapati & Allied Industries							
Unity Foods Limited	-	3,015,000	1,523,000	1,492,000	39,986	1.60%	2.65%
	-	3,015,000	1,523,000	1,492,000	39,986		
OIL & GAS EXPLORATION COMPANIES							
Pakistan Petroleum Limited	-	791,500	691,000	100,500	9,073	0.36%	0.00%
	-	791,500	691,000	100,500	9,073		
OIL & GAS MARKETING COMPANIES							
Hascol Petroleum Limited	-	6,434,500	4,982,000	1,452,500	21,082	0.84%	1.40%
Pakistan State Oil Company Limited	-	242,500	133,000	109,500	23,773	0.95%	1.57%
	-	6,677,000	5,115,000	1,562,000	44,855		
REFINERY							
Attock Refinery Limited	-	184,500	132,000	52,500	8,806	0.35%	0.58%
National Refinery Limited	-	320,000	146,500	173,500	59,582	2.38%	3.94%
Pakistan Refinery Limited	-	762,500	642,500	120,000	2,459	0.10%	0.16%
	-	1,267,000	921,000	346,000	70,847		
COMMERCIAL BANKS							
Habib Bank Limited	-	132,500	131,000	1,500	203	0.01%	0.01%
	-	132,500	131,000	1,500	203		
CHEMICAL							
Lotte Chemical Pakistan Limited	-	224,500	126,500	98,000	1,496	0.06%	0.10%
	-	224,500	126,500	98,000	1,496		
TECHNOLOGY & COMMUNICATION							
Avanceon Limited	-	19,500	1,000	18,500	1,612	0.06%	0.11%
TRG Pakistan Limited	-	2,251,000	220,500	2,030,500	150,990	6.04%	9.99%
	-	2,270,500	221,500	2,049,000	152,602		
Total as at December 31, 2020 (Unaudited)	-	19,933,500	12,721,000	7,212,500	352,965		

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Security deposit with National Clearing Company of Pakistan Limited		3,500	9,311
Security deposit with Central Depository Company of Pakistan Limited		100	100
Receivable against investments of term finance certificates and sukuk bonds		1,998	1,998
Advance tax		24,980	24,980
Prepaid expenses		155	300
		<u>30,733</u>	<u>36,689</u>
Less: Provision against overdue installments of term finance certificates and sukuk bonds		<u>1,998</u>	<u>1,998</u>
		<u><u>28,735</u></u>	<u><u>34,691</u></u>
7. PAYABLE TO THE MANAGEMENT COMPANY			
Management fee	7.1	2,639	1,713
Sindh Sales Tax	7.2	343	223
Sales load payable		657	1,158
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	202	131
Selling & Marketing expenses payable	7.4	2,152	1,635
		<u>5,993</u>	<u>4,860</u>
7.1	As per the offering document of the Fund the maximum limit of management fee is 1.5% per annum of Average Annual Net Assets. During the period, management fee is charged at the rate of 1.308% of average annual net assets of the fund (June 30, 2020: 0.6% to 1.308%)		
7.2	The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 % on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.		
7.3	In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). Currently, the expense is charged at the rate of 0.1% of average annual net assets of the fund (June 30, 2020: 0.1% to 0.3%).		
7.4	SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed cap of 0.4 percent (of average net assets, calculated on daily basis), on charging of selling and marketing expenses which are charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds). Resultantly, Management Company has charged selling and marketing expenses to the Fund at the rate of 0.4% during the period (June 30, 2020: 0.4% to 1%).		
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		106	422
Brokerage Payable		982	2
Federal Excise Duty payable	8.1	27,578	27,578
Other payables		313	315
Capital gain tax payable		267	1,250
Withholding tax payable		305	18,170
Provision for Sindh Workers' Welfare Fund	8.2	29,687	28,405
		<u>59,238</u>	<u>76,142</u>

-
-
- 8.1** The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in the note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities against the order by Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying a provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 27.578 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2020 would have been higher by Rs. 1.2385 per unit (June 30, 2020: Rs. 1.9343 per unit).

- 8.2** The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

In view of the above, the Management Company, being prudent, recognized provision for SWWF amounting to Rs. 29.687 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2020 would have been higher by Rs. 1.333 per unit (June 30, 2020: Rs. 1.992 per unit)

9. TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2021 to its unit holders.

10. 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 December 31, 2020 is 1.27% (December 31, 2019: 1.25%), which includes 0.17% (December 31, 2019: 0.20%) representing government levy, Worker's Welfare Fund and SECP fee.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Details of the transactions with connected persons during the period and balances with them at period/ year end, if not disclosed elsewhere in the condensed interim financial statements are as follows:

		Half year ended	
		December 31,	
		2020	2019
		(Un-Audited)	(Un-Audited)
		----- (Rupees in '000) -----	
11.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Management fee inclusive of sales tax	13,485	9,363
	Allocation of expenses related to registrar services, accounting, operation and valuation services	912	1,221
	Selling & marketing expenses	3,649	4,419
	Habib Bank Limited - Sponsor		
	Bank charges paid	64	31
	Mark-up earned during the period	2,100	2,950
	MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - CIS Managed by the Management Company		
	Issuance of nil units (2019: Nil units)	-	-
	Redemption of nil units (2019: 745,067 units)	-	81,178
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	773	641
	CDC charges	103	27
	Executives and their relatives		
	Issuance of 16,412 units (2019: Nil units)	1,824	-
	Redemption of 2,578 units (2019: 5,165 units)	286	551
	Pakistan Society For The Welfare Of Mentally Retarded Children		
	Issuance of 1,367,100 units (2019: Nil units)	151,916	-
		December 31,	June 30,
		2020	2020
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
11.2	Balances outstanding as at period / year end		
	HBL Asset Management Limited - Management Company		
	Management fee	2,639	1,713
	Sindh Sales Tax	343	223
	Sales Load payable	657	1,158
	Allocation of expenses related to registrar services, accounting, operation and valuation services	202	131
	Selling & marketing expenses payable	2,152	1,635
	Habib Bank Limited - Sponsor		
	Investment held by HBL in the Fund: 2,000,000 units (June 30, 2020: 2,000,000 units)	224,633	216,566
	Bank balances with HBL	26,630	360,964
	MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate		
	Investment held in the Fund: 67,728 units (June 30, 2020: 67,728 units)	7,607	7,334

	December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Executives and their relatives		
Investment held in the Fund: 100,785 units (June 30, 2020: 86,951 units)	11,320	9,415
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	151	98
Sindh Sales tax	20	13
Security deposit	100	100
CDC Charges	171	12
The First Microfinance Bank-Associat		
Bank balances	10	10
Pakistan Society For The Welfare Of Mentally Retarded Children		
Investment held in the Fund: 2,593,728 units (June 30, 2020: nil units)	291,319	-

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 quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

		December 31, 2020 (Un-Audited)						
		Carrying amount			Fair Value			
		At fair value through profit and	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000')						
Financial assets measured at fair value								
Investments								
	- Investment in Government Securities	597,736	-	597,736	-	597,736	-	597,736
	- Term finance certificates and sukuk bonds	506,488	-	506,488	-	506,488	-	506,488
	- Investment in ready / future - spread transaction	352,965	-	352,965	352,965	-	-	352,965
	- Investment in commercial paper	53,911	-	53,911	-	53,911	-	53,911
		1,511,100	-	1,511,000	352,965	1,158,135	-	1,511,100
Financial assets not measured at fair value								
12.1	Bank balances	-	1,008,127	1,008,127				
	Accrued mark-up	-	23,135	23,135				
	Deposits	-	3,600	3,600				
		-	1,034,862	1,034,862				
Financial liabilities not measured at fair value								
12.1	Payable to the Management Company	-	5,993	5,993				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	171	171				
	Accrued expenses and other liabilities	-	1,401	1,401				
	Dividend payable	-	4,491	4,491				
	Net assets attributable to unit holders	-	2,501,073	2,501,073				
		-	2,513,129	2,513,129				
		June 30, 2020 (Audited)						
		Carrying amount			Fair Value			
		At Fair Value through profit and	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000')						
Financial assets measured at fair value								
Investments								
	- Term finance certificates and sukuk bonds	956,596	-	956,596	-	956,596	-	956,596
		956,596	-	956,596	-	956,596	-	956,596
Financial assets not measured at fair value								
12.1	Bank balances	-	622,132	622,132				
	Accrued mark-up	-	20,695	20,695				
	Deposits and other receivables	-	9,311	9,311				
		-	652,138	652,138				
Financial liabilities not measured at fair value								
12.1	Payable to Management Company	-	4,860	4,860				
	Payable to Trustee	-	123	123				
	Dividend payable	-	8,858	8,858				
	Accrued expenses and other liabilities	-	739	739				
	Net assets attributable to unit holders	-	1,543,827	1,543,827				
		-	1,558,407	1,558,407				

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

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

The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. HBL Asset Management Limited (Management Company) classified HBL Income Fund (the Fund) as Income Scheme' in accordance with the said circular. As at December 31, 2020, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Name of Non-Complaint Investment	Type of Investment	Value of Investment before provision	Provision held	Value of Investment after provision	% of Gross Assets
		----- (Rupees in '000)-----			
New Allied Electronics Industries (Private) Limited	TFC	19,025	19,025	-	-
New Allied Electronics Industries (Private) Limited	Sukuk	44,149	44,149	-	-
Agritech Limited	TFC	9,992	9,992	-	-
World Call Telecom Limited	TFC	40,191	40,191	-	-

The above securities have ratings lower than investment grade.

14. CONTINGENCIES AND COMMITMENTS

14.1 Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). Distribution of income by collective investment schemes includes (a) the income already distributed upon redemption of units and (b) the remaining amount of income distributed by way of cash dividend.

Open end mutual funds continuously offer issuance and redemption of units at prevailing Net Assets Value (NAV) applicable at the time of offer and redemption. The unit-holder who invests in the open end mutual fund during the year and redeems during the same year has effectively taken his due share of income for the year and the differential amount (proceeds received less original investment) is and should be treated as "distribution of profit". In case of unit holder who existed at the beginning of the year and makes redemption during the year, the amount representing his due share of income from the current year's income is and should be considered as "distribution of profit".

In assessment for Tax Year 2018, the said exemption has been denied by The Additional Commissioner – Audit (AC), on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income as per criteria envisaged under Clause 99 of Part 1 of the Second Schedule of the Ordinance and AC due to commented that the distribution by the Fund fell short of 90% distribution threshold.

In response to the order, the Fund filed appeal with Commissioner Appeals office. In judgment dated January 15, 2021 Commissioner Appeals upheld Assessment Order passed by AC. The Fund has now initiated appeal in Appellate Tribunal, which is pending adjudication.

Meanwhile, Fund filed petition for stay in High Court of Sindh (SHC), and stay order dated December 10, 2020 has been granted by SHC. In its judgment, SHC held that since the subject matter is pending before Appellate Tribunal, therefore, the recovery of

impugned demand will not be enforced till the final decision of Tribunal. SECP agrees with MUFAPs interpretation and is also actively following up with FBR to resolve the matter at the earliest.

Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open end mutual fund. SECP agrees with MUFAPs interpretation and is also actively following up with FBR to resolve the matter at the earliest.

Based on the opinion of the Fund's tax advisor, the management believes that the Fund has distributed required amount of income to be eligible for tax exemption under clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 and hence, no provision for taxation is required to be made in this condensed interim financial information.

14.2 Other than contingency disclosed in note 14.1 above, there are no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

15. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 10, 2021.

16. GENERAL

16.1 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 December 31, 2020 have not been reviewed.

16.2 In continuation of note 1.7 to annual audited financial statements for the year ended June 30, 2020, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The management of the Fund is closely monitoring the situation and so far there is no impact on this interim financial information of the Fund.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Government Securities Fund

FUND INFORMATION

Name of Fund	HBL Government Securities Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Allied Bank Limited JS Bank Limited Samba Bank Limited MCB Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited Sindh Bank Limited Dubai Islamic Bank Faysal Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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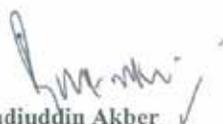
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL GOVERNMENT SECURITIES FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Government Securities Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2021







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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL GOVERNMENT SECURITIES FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL GOVERNMENT SECURITIES FUND ("the Fund") as at December 31, 2020 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 10 FEB 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL Government Securities Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
AS AT DECEMBER 31, 2020

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	-----Rupees in '000-----	
ASSETS			
Bank balances	4	292,603	523,734
Investments	5	1,467,377	2,994,984
Mark-up / Profit receivable		41,757	83,265
Advances, deposits, prepayments and other receivables	6	1,640	2,279
TOTAL ASSETS		1,803,377	3,604,262
LIABILITIES			
Payable to the Management Company	7	4,645	14,233
Payable to the Trustee	8	114	233
Payable to Securities and Exchange Commission of Pakistan	9	253	690
Dividend payable		-	32
Accrued expenses and other liabilities	10	36,000	80,188
TOTAL LIABILITIES		41,012	95,376
NET ASSETS		1,762,365	3,508,886
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,762,365	3,508,886
CONTINGENCIES AND COMMITMENTS			
	11	-----Number of units-----	
Number of units in issue		15,417,267	31,252,745
		-----Rupees-----	
Net assets value per unit		114.3111	112.2745

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Note	Half year ended		Quarter ended	
		December 31		December 31	
		2020	2019	2020	2019
-----Rupees in '000-----					
INCOME					
Capital (loss) / gain on sale of investments - net		(33,183)	20,608	(19,157)	1,286
Income from Government securities		103,992	85,677	37,857	53,017
Income from term finance certificates and sukuks		3,011	10,268	1,117	5,403
Income from money market placements		-	677	-	-
Mark-up on bank deposits		7,363	84,953	3,273	39,716
		81,183	202,183	23,090	99,422
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	5.3	(10,715)	7,059	9,160	7,489
		70,468	209,242	32,250	106,911
EXPENSES					
Remuneration of the Management Company		15,812	15,443	6,364	9,940
Sindh sales tax on remuneration of the Management Company		2,056	2,008	828	1,292
Remuneration of the Trustee		822	912	331	412
Sindh sales tax on remuneration of the Trustee		107	119	43	54
Annual fee to the Securities and Exchange Commission of Pakistan		253	281	100	159
Allocation of expenses related to registrar services, accounting, operation and valuation services		2,808	3,339	1,130	1,765
Selling and marketing expense		5,060	7,720	2,037	3,180
Auditors' remuneration		215	223	103	111
Fees and subscription		150	151	74	75
Securities transaction and settlement costs		338	1,242	178	436
Bank charges		122	396	29	245
		27,743	31,834	11,217	17,668
Net income for the period from operating activities		42,725	177,408	21,033	89,243
Provision for Sindh Workers' Welfare Fund	10.2	(854)	(3,548)	(420)	(1,782)
Net income for the period before taxation		41,871	173,860	20,613	87,461
Taxation	12	-	-	-	-
Net income for the period after taxation		41,871	173,860	20,613	87,461
Allocation of net income for the period					
Income already paid on redemption of units		11,174	37,702	9,797	25,708
Accounting income available for distribution:					
Relating to capital gains		-	23,005	-	5,765
Excluding capital gains		30,697	113,153	10,816	55,988
		30,697	136,158	10,816	61,753
		41,871	173,860	20,613	87,461
Earnings per unit	13				

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020**

	Half year ended		Quarter ended	
	December 31		December 31	
	2020	2019	2020	2019
	-----Rupees in '000-----			
Net income for the period after taxation	41,871	173,860	20,613	87,461
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>41,871</u>	<u>173,860</u>	<u>20,613</u>	<u>87,461</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31					
	2020			2019		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000-----					
Net assets at beginning of the period	3,314,588	194,298	3,508,886	2,041,657	74,625	2,116,282
Issuance of 4,786,843 units (2019: 27,386,859 units)						
Capital value (at net asset value per unit at the beginning of the period)	537,441	-	537,441	2,898,677	-	2,898,677
Element of income	2,589	-	2,589	98,172	-	98,172
Total proceeds on issuance of units	540,030	-	540,030	2,996,849	-	2,996,849
Redemption of 20,622,321 units (2019: 17,325,218 units)						
Capital value (at net asset value per unit at the beginning of the period)	(2,315,361)	-	(2,315,361)	(1,833,734)	-	(1,833,734)
Income already paid on redemption of units	-	(11,174)	(11,174)	-	(37,702)	(37,702)
Element of loss	(1,887)	-	(1,887)	(26,277)	-	(26,277)
Total payments on redemption of units	(2,317,248)	(11,174)	(2,328,422)	(1,860,011)	(37,702)	(1,897,713)
Total comprehensive income for the period	-	41,871	41,871	-	173,860	173,860
Refund of capital	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
	-	41,871	41,871	-	173,860	173,860
Net assets at end of the period	1,537,370	224,995	1,762,365	3,178,495	210,783	3,389,278
Undistributed income brought forward						
Realised income		74,342			74,572	
Unrealised income		119,956			53	
		194,298			74,625	
Accounting income available for distribution						
Relating to capital gains		-			23,005	
Excluding capital gains		30,697			113,153	
		30,697			136,158	
Distribution for the period		-			-	
Undistributed income carried forward		224,995			210,783	
Undistributed income carried forward						
Realised income		224,995			210,783	
Unrealised income		-			-	
		224,995			210,783	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			112.2745			105.8419
Net assets value per unit at end of the period			114.3111			112.7639

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Cash Flow Statement (Unaudited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	Half year ended	
		December 31	
		2020	2019
		-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		41,871	173,860
Adjustments for:			
Capital loss / (gain) on sale of investments - net		33,183	(20,608)
Mark-up / profit on bank deposits		(7,363)	(84,953)
Income from Government securities		(103,992)	(85,677)
Income from term finance certificates and sukuks		(3,011)	(10,268)
Income from money market placements		-	(677)
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net		10,715	(7,059)
		(28,597)	(35,382)
Decrease / (increase) in assets			
Investments - net		1,502,310	(1,883,771)
Mark-up / interest receivable		-	(74,533)
Advances, deposits, prepayments and other receivables		639	250
		1,502,949	(1,958,054)
(Decrease) / increase in liabilities			
Payable to the Management Company		(9,588)	258
Payable to the Trustee		(119)	(17)
Payable to the Securities and Exchange Commission of Pakistan		(437)	(389)
Accrued expenses and other liabilities		(44,187)	184
		(54,331)	36
Cash generated from / (used in) operations		1,420,021	(1,993,400)
Income received from Government securities		125,118	50,347
Income received from term finance certificates and sukuks		4,067	9,997
Mark-up / profit received on bank deposits		8,087	94,087
		137,272	154,431
Net cash generated from / (used in) operating activities		1,557,293	(1,838,969)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		540,030	2,996,849
Payment against redemption of units		(2,328,422)	(1,918,487)
Dividend paid		(32)	(970)
Net cash (used in) / generated from financing activities		(1,788,424)	1,077,392
Net decrease in cash and cash equivalents		(231,131)	(761,577)
Cash and cash equivalents at the beginning of the period		523,734	2,013,539
Cash and cash equivalents at end of the period	4	292,603	1,251,962

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

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

The Fund has been categorized as a sovereign income scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CISs).

The core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.

JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2++' (Stable Outlook) to the Management Company and assigned stability rating of AA(f) to the Fund as at December 31, 2020 and December 30, 2020, respectively.

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

1.1 Impact of Covid-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), the directives issued by the SECP and the requirements of the Trust Deed.

Where 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, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, 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, the directives issued by the SECP and the 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 audited financial statements of the Fund for the year ended June 30, 2020.
- 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, 2020, 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 December 31, 2019.
- 2.1.4** This condensed interim financial information is unaudited, but 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 December 31, 2020 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 December 31, 2020.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.

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

2.3 Functional and presentation currency

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

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

- 3.1** The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020.
- 3.2** The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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, 2020.
- 3.4** There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. 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.
- 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, 2020.
- 3.6** 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, 2020.

			December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	-----Rupees in '000-----		
4	BANK BALANCES			
	In savings accounts	4.1	292,603	523,734
4.1	This represents bank accounts held with various banks. Mark-up rates on these accounts range between 4.00% to 7.8% per annum (June 30, 2020: 6.00% to 14.50% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 14.250 million (June 30, 2020: Rs. 282.377 million) on which return is earned at rate ranging between 5.5% to 7.8% (June 30, 2020: 6.53% to 14.50%) per annum.			
5	INVESTMENTS			
	Financial assets			
	At fair value through profit or loss	5.1	1,467,377	2,994,984
	At amortized cost	5.2	-	-
			1,467,377	2,994,984
5.1	Financial assets at fair value through profit or loss			
	Government securities			
	Market treasury bills	5.1.1	-	581,032
	Pakistan Investment Bonds	5.1.2	1,417,935	2,332,126
	GoP Ijara Sukuk Certificates	5.1.3	-	-
			1,417,935	2,913,158
	Term Finance Certificates and Corporate Sukuk Bonds	5.1.4	49,442	81,826
			1,467,377	2,994,984

5.1.1 Market Treasury Bills

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2020	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchases during the period	Sales / matured during the period	As at December 31, 2020					
-----Rupees in '000-----										
March 12, 2020	6 Months	250,000	-	250,000	-	-	-	-	-	-
March 12, 2020	12 Months	250,000	-	250,000	-	-	-	-	-	-
January 30, 2020	12 Months	100,000	-	100,000	-	-	-	-	-	-
December 19, 2019	12 Months	-	400,000	400,000	-	-	-	-	-	-
August 29, 2019	12 Months	-	375,000	375,000	-	-	-	-	-	-
July 16, 2020	12 Months	-	100,000	100,000	-	-	-	-	-	-
July 2, 2020	12 Months	-	100,000	100,000	-	-	-	-	-	-
July 2, 2020	3 Months	-	75,000	75,000	-	-	-	-	-	-
July 16, 2020	3 Months	-	75,000	75,000	-	-	-	-	-	-
October 8, 2020	3 Months	-	100,000	100,000	-	-	-	-	-	-
August 27, 2020	3 Months	-	100,000	100,000	-	-	-	-	-	-
September 10, 2020	3 Months	-	100,000	100,000	-	-	-	-	-	-
July 2, 2020	6 Months	-	75,000	75,000	-	-	-	-	-	-
January 30, 2020	6 Months	-	275,000	275,000	-	-	-	-	-	-
July 16, 2020	6 Months	-	575,000	575,000	-	-	-	-	-	-
November 16, 2020	6 Months	-	109,000	109,000	-	-	-	-	-	-
Total - As at December 31, 2020		600,000	2,459,000	3,059,000	-	-	-	-	-	-
Total - As at June 30, 2020		1,000,000	48,209,000	48,609,000	600,000	569,032	581,032	12,000	16.56%	19.40%

5.1.2 Pakistan Investment Bonds Non-Floating

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2020	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchases during the period	Sales during the period	As at December 31, 2020					
Rupees in '000										
September 19, 2019	3 Years	953,000	291,900	650,000	594,900	609,150	605,266	(3,884)	34%	41%
September 19, 2019	5 Years	462,500	175,000	625,000	12,500	13,150	12,749	(401)	0.7%	0.9%
September 19, 2019	10 Years	50,000	-	50,000	-	-	-	-	-	-
Total - As at December 31, 2020		1,465,500	466,900	1,325,000	607,400	622,300	618,015	(4,285)	35%	42%
Total - As at June 30, 2020		100	9,823,500	8,358,100	1,465,500	1,406,199	1,525,326	119,127	43.470%	50.929%

These Pakistan Investment Bonds (PIBs) carry effective yield ranging from 7.88% to 8.85% per annum (June 30, 2020: 7.36% to 8.62%).

Floating

Issue date	Tenure	Face value				Carrying value as at December 31, 2020	Market value As at December 31, 2020	Unrealised appreciation / (diminution) on re-measurement of investments	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchases during the period	Sales during the period	As at December 31, 2020					
Rupees in '000										
August 22, 2019	10 Years	800,000	-	-	800,000	806,800	799,920	(6,880)	22.78%	27.00%
Total - As at December 31, 2020		800,000	-	-	800,000	806,800	799,920	(6,880)	22.78%	27.00%
Total - As at June 30, 2020		-	1,800,000	1,000,000	800,000	816,230	806,800	(9,430)	22.99%	26.94%

5.1.2.2 As at December 31, 2020, Pakistan Investment Bonds (PIBs) had a face value of Rs. 800 million (June 30, 2020: Rs. 800 million) carrying effective yield ranging of 9.91%, per annum (June 30, 2020: 8.61%)

5.1.3 GoP Ijara Sukuk Certificates

Issue date	Tenure	Face value				Balance as at December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchases during the period	Sales / matured during the period	As at December 31, 2020	Carrying value	Market value	Appreciation / (diminution)		
Rupees in '000										
Total - As at December 31, 2020		-	-	-	-	-	-	-	-	-
Total - As at June 30, 2020		-	460,000	460,000	-	-	-	-	-	-

5.1.4 Term Finance Certificates

Name of the investee company	Number of units				Carrying value	Market value As at December 31, 2020	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2020	Purchases during the period	Sales during the period	As at December 31, 2020					
(Rupees in '000)									
Term finance certificates - unlisted									
Askari Bank Limited	7,000	-	7,000	-	-	-	-	0.000%	0.000%
Bank of Punjab	500	-	-	500	48,992	49,442	450	2.805%	3.369%
Total - as at December 31, 2020	7,500	-	7,000	500	48,992	49,442	450	3%	3%
Total - as at June 30, 2020	7,100	1,500	1,100	7,500	83,567	81,826	(1,741)	2.332%	2.732%

5.1.4.1 These Term Finance Certificates carry mark-up at the rate 8.35% per annum (June 30, 2020: 8.68% to 12.45%).

5.1.4.2 Significant terms and conditions of Term Finance Certificates as at December 31, 2020 are as follows:

Name of the investee company	Remaining principal	Mark-up rate (per annum)	Issue date	Maturity date
------------------------------	---------------------	--------------------------	------------	---------------

Term finance certificates - unlisted

Askari Bank Limited	-	6 months KIBOR	September 30, 2014	September 30, 2024
Bank of Punjab	99,840	6 months KIBOR	December 23, 2016	December 23, 2026

5.2 Financial assets at amortized cost:

5.2.1 Commercial paper

Name of the investee company	As at July 1, 2020	Placement made during the period	Income accrued	Matured during the period	As at December 31, 2020	Percentage of net assets	Percentage of total investment
(Rupees in '000)							
The Hub Power Company Limited (5.2.2)	-	-	-	-	-	-	-
Total - as at December 31, 2020	-	-	-	-	-	-	-
Total - as at June 30, 2020	99,324	-	676	100,000	-	-	-

5.2.2 Commercial paper issued by The Hub Power Company Limited carried mark-up at the rate of 12.11% at June 30, 2020 has been matured on July 22, 2019.

5.3 Net unrealized (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss

	December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	------(Rupees in '000)-----	
	1,467,377	2,994,984
Market value of investments	(1,478,092)	(2,875,028)
less: carrying value of investments	<u>(10,715)</u>	<u>119,956</u>

6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with:

National Clearing Company of Pakistan Limited
Central Depository Company

Prepaid expenses

Advance tax

Receivable against conversion in of units

250	767
<u>100</u>	<u>100</u>
350	867
6.1 87	209
6.2 391	391
<u>812</u>	<u>812</u>
<u>1,640</u>	<u>2,279</u>

6.1 This includes prepaid expenses recognized in respect of payment made for listing and rating fee.

6.2 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Furthermore, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150A, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R", dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time as per Income Tax Ordinance, 2001.

7 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration of the Management Company	1,884	3,945
Sindh Sales Tax payable on the Management Company's remuneration	245	513
Sales load payable	144	4,476
Allocation of expenses related to registrar services, accounting, operation and valuation services	335	701
Selling and marketing expense	<u>2,037</u>	<u>4,598</u>
	<u>4,645</u>	<u>14,233</u>

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
Note		-----Rupees in '000-----	
8	PAYABLE TO THE TRUSTEE		
	Trustee fee payable	111	232
	CDS charges payable	3	1
		<u>114</u>	<u>233</u>
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	<u>253</u>	<u>690</u>
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	10.1 15,531	15,531
	Provision for Sindh Workers' Welfare Fund	10.2 19,136	18,280
	Withholding tax payable	255	44,835
	Auditors' remuneration	241	281
	Printing charges	101	142
	Brokerage payable	-	611
	Zakat payable	452	452
	Others	284	56
		<u>36,000</u>	<u>80,188</u>
10.1	The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.		
	In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2020 would have been higher by Re. 1.007 per unit (June 30, 2020: Re. 0.4969 per unit).		
10.2	The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is the same as disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020 and a constitutional petition filed by certain CISs, through their trustees, in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, is pending adjudication.		
	As at December 31, 2020, the provision in relation to SWWF amounted to Rs. 19.136 million. Had the provision not been made, the net asset value per unit as at December 31, 2020 would have been higher by Re. 1.2412 (June 30, 2020: Re. 0.586) per unit.		

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 (June 30, 2020: Nil).

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, 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 at least 90% of the Fund's accounting income as reduced by capital gains, whether realised or unrealized, for the year ending June 30, 2021 to its unit holders.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with parties who were connected persons due to holding 10% or more units and directors and executives of the Management Company 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:

	Half year ended	
	December 31	
	2020	2019
	(Un-Audited)	(Un-Audited)
	-----Rupees in '000-----	
14.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	15,812	15,443
Sindh Sales Tax on remuneration of the Management Company	2,056	2,008
Sales load paid	6,254	15,959
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,808	3,339
Selling and marketing expense	5,060	7,720
Habib Bank Limited - Sponsor		
Bank charges	111	341
Mark-up on bank deposits	1,536	6,870

	Half year ended December 31	
	2020 (Un-Audited)	2019 (Un-Audited)
	-----Rupees in '000-----	
HBL Financial Planning Fund Special Income Plan		
- Fund under common management		
Issue of Nil (2019: 1,220,437) units	-	133,000
Redemption of 1,279,309 (2019: Nil) units	144,994	-
Executive of the Management Company		
Issue of Nil (2019: 37,450) units	-	4,026
Redemption of 307 (2019: 38,857) units	35	4,257
CDC Trustee - HBL Income Fund		
Purchase of Bank of Punjab - Term Finance Certificate	-	50,201
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	822	912
Sindh Sales Tax payable on the Trustee fee	107	119
Central Depository service charges	9	47
	December 31,	June 30,
	2020	2020
	(Un-Audited)	(Audited)
	-----Rupees in '000-----	
14.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	1,884	3,945
Sindh Sales Tax on remuneration of the Management Company	245	513
Sales load payable	144	4,476
Allocation of expenses related to registrar services, accounting, operation and valuation services	335	701
Selling and marketing payable	2,037	4,598
Habib Bank Limited - Sponsor		
Bank balances	14,250	282,377
Markup receivable	90	614
HBL Financial Planning Fund Special Income Plan		
- Fund under common management		
Units held: Nil (June 30, 2020: 1,279,309)	-	143,634
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	111	205
CDS charges payable	3	1
Security deposit	100	100
Executives of the Management Company		
Units held: 44 (June 30, 2020: 350)	5	39

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

As per the requirements of IFRS 13 (Fair Value Measurements), 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.

		December 31, 2020 (Un-Audited)						
		Carrying Amount			Fair Value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Note		-----Rupees in '000-----						
Financial assets measured at fair value	15.1							
Pakistan Investment Bonds		1,417,935	-	1,417,935	-	1,417,935	-	1,417,935
Term Finance Certificates and Corporate Sukuk Bond		49,442	-	49,442	-	49,442	-	49,442
		<u>1,467,377</u>	<u>-</u>	<u>1,467,377</u>	<u>-</u>	<u>1,467,377</u>	<u>-</u>	<u>1,467,377</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	292,603	292,603				
Mark-up / interest receivable		-	41,757	41,757				
Deposits		-	350	350				
		<u>-</u>	<u>334,710</u>	<u>334,710</u>				
Financial liabilities not measured at fair value	15.2							
Payable to Management Company		-	4,400	4,400				
Payable to the Trustee		-	101	101				
Accrued expenses and other liabilities		-	581	581				
		<u>-</u>	<u>5,082</u>	<u>5,082</u>				

		June 30, 2020 (Audited)						
		Carrying Amount			Fair Value			
	Note	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----						
Financial assets measured at fair value								
	15.1	581,032	-	581,032	-	581,032	-	581,032
		2,332,126	-	2,332,126	-	2,332,126	-	2,332,126
		81,826	-	81,826	-	81,826	-	81,826
		<u>2,994,984</u>	<u>-</u>	<u>2,994,984</u>	<u>-</u>	<u>2,994,984</u>	<u>-</u>	<u>2,994,984</u>
Financial assets not measured at fair value								
	15.2	-	523,734	523,734				
		-	83,265	83,265				
		-	1,679	1,679				
		<u>-</u>	<u>608,678</u>	<u>608,678</u>				
Financial liabilities not measured at fair value								
	15.2	-	13,720	13,720				
		-	182	182				
		-	32	32				
		-	1,076	1,076				
		<u>-</u>	<u>15,010</u>	<u>15,010</u>				

15.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Pakistan Investment Bonds, Fund uses the rates which are derived from PKRV and PKRFV rates at reporting date and for investment in respect of Term Finance Certificates, Fund uses the rates prescribed by MUFAP.

15.2 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.

15.3 Transfers during the period

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

16 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 half year ended December 31, 2020 is 1.14% (December 31, 2019: 1.27%) which includes 0.13% (December 31, 2019: 0.22%) representing Government levy and SECP fee.

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 10, 2021.

18 GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

18.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure, effect of which is not material.

For HBL Asset Management Limited (Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Money Market Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

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Email: info@cdcpak.com



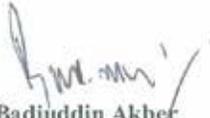
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MONEY MARKET FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Money Market Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2021



Independent Auditors' Report to the Unit Holders on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Money Market Fund** (the "Fund") as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2020 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

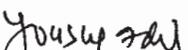
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.


Chartered Accountants

Engagement Partner
Naresh Kumar

Date: February 22, 2021
Place: Karachi

HBL Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at December 31, 2020

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	17,046,167	7,992,986
Investments	5	-	3,334,100
Accrued mark-up		74,334	34,531
Deposits and prepayments		263	105
Total assets		17,120,764	11,361,722
Liabilities			
Payable to the Management Company	6	7,454	4,664
Payable to the Trustee		969	604
Payable to Securities and Exchange Commission of Pakistan	7	1,335	1,753
Payable against purchase of investments		-	1,181,200
Dividend payable		2,325	1,758
Accrued expenses and other liabilities	8	103,201	196,448
Total liabilities		115,284	1,386,427
Net assets		17,005,480	9,975,295
Unit holders' fund (as per statement attached)		17,005,480	9,975,295
Contingencies and commitments	9	----- (Number of units) -----	
Number of units in issue		160,736,473	97,434,106
Net assets value per unit		105.7973	102.3799

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Income Statement (Un-Audited)
For the half year ended December 31, 2020

	Note	Half year ended December 31,		Quarter ended December 31,	
		2020	2019	2020	2019
(Rupees in '000)					
Income					
Mark-up on deposits with banks		178,704	338,721	125,655	261,749
Mark-up / return on investments		312,616	233,675	146,720	47,887
Capital (loss) / gain on sale of investments - net		(4,318)	(3,686)	430	(2,865)
Unrealised loss on re-measurement of investments classified as at fair value through profit and loss		-	(33)	-	-
		487,002	568,678	272,805	306,772
Expenses					
Remuneration of the Management Company		33,946	38,957	18,622	24,290
Remuneration of the Trustee		4,903	3,051	2,690	1,636
Annual fee of Securities and Exchange Commission of Pakistan		1,335	889	732	503
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	4,136	-	1,090
Settlement and bank charges		792	559	571	452
Auditors' remuneration		322	322	161	169
Fee and subscription		159	157	82	81
Securities transaction cost		23	217	13	109
Selling and marketing expenses		-	4,647	-	-
		41,480	52,937	22,871	28,332
Net income from operating activities		445,522	515,741	249,934	278,440
Provision for Sindh Workers' Welfare Fund	8.1	(8,910)	(10,315)	(4,998)	(5,568)
Net income for the period before taxation		436,612	505,426	244,936	272,872
Taxation	10	-	-	-	-
Net income for the period after taxation		436,612	505,426	244,936	272,872
Allocation of income for the period					
Income already paid on redemption of units		130,668	104,497	111,944	85,773
Accounting income available for distribution:					
- Relating to capital gains		-	-	430	-
- Excluding capital gains		305,944	400,929	132,562	187,066
		305,944	400,929	132,992	187,100
Net income for the period after taxation		436,612	505,426	244,936	272,872

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the half year ended December 31, 2020

	Half year ended		Quarter ended,	
	December 31,		December 31,	
	2020	2019	2020	2019
----- (Rupees in '000) -----				
Net income for the period after taxation	436,612	505,426	244,936	272,872
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	436,612	505,426	244,936	272,872

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Statement of Cash Flows (Un-Audited)
For the half year ended December 31, 2020

	Half year ended	
	December 31,	
Note	2020	2019
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net income for the period before taxation	436,612	505,426
Adjustments for non-cash items:		
Capital loss on sale of investments - net	4,318	3,686
Mark-up / return on investments	(312,616)	(233,675)
Profit on bank deposits	(178,704)	(338,721)
Unrealised loss on re-measurement of investments classified as Financial asset at fair value through profit and loss	-	33
Provision for Sindh Worker's Welfare Fund	8,910	10,315
	(41,480)	(52,937)
(Decrease) / increase in assets		
Investments - net	3,329,782	284,112
Advances , deposits, prepayments and other receivables	(158)	(147)
	3,329,624	283,965
Increase / (decrease) in liabilities		
Payable to the Management Company	2,790	5,703
Payable to the Trustee	365	(494)
Payable to the Securities and Exchange Commission of Pakistan	(418)	(4,597)
Payable against purchase of investment	(1,181,200)	(492,454)
Accrued expenses and other liabilities	(101,590)	(128,230)
	(1,280,053)	(620,072)
	2,008,091	(389,044)
Bank profit received	138,901	299,763
Income on investments received	312,616	225,439
	451,517	525,202
Net cash generated from operating activities	2,459,608	136,158
Cash flows from financing activities		
Amount received on issuance of units	20,263,016	6,902,357
Payment against redemption of units	(13,669,443)	(4,504,916)
Net cash generated from financing activities	6,593,573	2,397,441
Net increase in cash and cash equivalents	9,053,181	2,533,599
Cash and cash equivalents at beginning of the period	7,992,986	5,485,942
Cash and cash equivalents at end of the period	17,046,167	8,019,541

4

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended December 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

VIS Credit Rating Company has re assigned a management quality rating of AM2++' (stable outlook) to the Management Company and fund stability rating of AA+(f) to the fund on December 31,2020

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 condensed 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 Accounting Standard (IAS) 34 Interim Financial Reporting, 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; 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.

Wherever provisions of and directive issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirements of IAS 34 Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules , the NBFC Regulations and requirement 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, 2020.

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 December 31, 2020.

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. Amounts in this condensed financial information has been rounded off to the nearest thousand rupees, unless otherwise stated.

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2020.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting and reporting standards as applicable in Pakistan 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 recognized 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, 2020.

3.4 Certain amendments to approved accounting and reporting standards as applicable in Pakistan have been published and are mandatory for the Fund's accounting periods beginning on or after July 01, 2020. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2020.

		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with bank in:			
- Savings account	4.1	<u>17,046,167</u>	<u>7,992,986</u>
		<u>17,046,167</u>	<u>7,992,986</u>

4.1 Mark-up on these accounts ranges between 5.00% - 8% per annum (June 30, 2020: 6.50% - 14.35% per annum).

5. INVESTMENTS	Note	(Un-Audited)	(Audited)
		December 31, 2020	June 30, 2020
		----- (Rupees in '000) -----	
Financial asset at fair value through profit and loss			
- Government Securities	5.1	-	2,988,658
- Commercial Paper	5.2	-	345,442
- Letter of Placements	5.3	-	-
- Sukuk	5.4	-	-
		-	3,334,100
		-	3,334,100

5.1 Investment in Government Securities - At fair value through profit and loss

Issue Date	Tenure	Face value			Market Value as at December 31, 2020	Market value as a percentage of	
		As at July 1, 2020	Purchases during the year	Sales / Matured during the year		As at December 31, 2020	Total Investments
----- (Rupees in '000) -----							
Treasury bills							
August 1, 2019	12 Month	-	550,000	550,000	-	-	-
August 29, 2019	12 Month	-	1,900,000	1,900,000	-	-	-
September 12, 2019	12 Month	494,000	3,450,000	3,944,000	-	-	-
September 26, 2019	12 Month	-	600,000	600,000	-	-	-
October 10, 2019	12 Month	500,000	2,800,000	3,300,000	-	-	-
December 19, 2019	12 Month	-	9,568,000	9,568,000	-	-	-
March 12, 2020	6 Month	750,000	750,000	1,500,000	-	-	-
March 26, 2020	6 Month	-	2,655,000	2,655,000	-	-	-
April 9, 2020	6 Month	375,000	300,000	675,000	-	-	-
April 23, 2020	6 Month	-	3,150,000	3,150,000	-	-	-
May 7, 2020	6 Month	925,000	-	925,000	-	-	-
May 21, 2020	6 Month	-	235,500	235,500	-	-	-
July 2, 2020	6 Month	-	475,000	475,000	-	-	-
July 16, 2020	6 Month	-	775,000	775,000	-	-	-
May 21, 2020	3 Month	-	300,000	300,000	-	-	-
June 4, 2020	3 Month	-	468,560	468,560	-	-	-
July 2, 2020	3 Month	-	149,840	149,840	-	-	-
July 16, 2020	3 Month	-	6,350,000	6,350,000	-	-	-
July 30, 2020	3 Month	-	400,000	400,000	-	-	-
August 27, 2020	3 Month	-	1,875,000	1,875,000	-	-	-
October 8, 2020	3 Month	-	4,000,000	4,000,000	-	-	-
October 22, 2020	3 Month	-	10,630,000	10,630,000	-	-	-
November 19, 2020	3 Month	-	3,325,000	3,325,000	-	-	-
Total - As at December 31, 2020		3,044,000	54,706,900	57,750,900	-	-	-
Total - As at June 30, 2020		500,000	72,713,500	70,169,500	3,044,000	2,988,658	90% 30%

5.2 Investment in Commercial Papers - At fair value through profit or loss

Particulars	Face value				Carrying Value	Percentage of total value of investments	Carrying value as a % of total investment
	As at July 01, 2020	Purchases during the year	Sales / Matured during the year	As at December 31, 2020			
----- (Rupees in '000) -----							
K - Electric - II (ICP-6)	150,000	-	150,000	-	-	-	-
K - Electric - III (ICP-8)	205,000	-	205,000	-	-	-	-
Total as at December 31, 2020				-	-		
Total as at June 30, 2020				355,000	354,442		

5.3 Letter of Placement - At fair value through profit or loss

Particulars	Face value				Carrying Value	Percentage of total value of investments	Carrying value as a % of total investment
	As at July 01, 2020	Purchases during the year	Sales / Matured during the year	As at December 31, 2020			
----- (Rupees in '000) -----							
Pak Kuwait Investment Company Limited	-	850,000	850,000	-	-	-	-
Pak Oman Investment Company (Private) Limited	-	560,000	560,000	-	-	-	-
Saudi Pak Ind & Agri Investment Company (Private) Limited	-	800,000	800,000	-	-	-	-
Total as at December 31, 2020				-	-		
Total as at June 30, 2020				-	-		

5.4 Sukuk - Unlisted

Name of the Investee Company	As at July 01, 2020	Purchases during the year	Sales / Matured during the year	As at December 31, 2020	Market value as at December 31, 2020	Percentage of total value of investments	Carrying value as a % of total investment
----- Number of certificates -----					Rupees in '000'		
Power Generation and Distribution							
Hub Power Company Limited - Sukuk *	-	2,250	2,250	-	-	-	-
Total as at December 31, 2020					-		
Total as at June 30, 2020					-		

* These Sukuk carry face value of Rs: 100,000 per unit and these are non tradeable.

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
6. PAYABLE TO THE MANAGEMENT COMPANY	<i>Note</i>	(Rupees in '000)	
Management fee	6.1	5,936	3,701
Sindh sales tax on Management Company's remuneration	6.2	772	481
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	-	-
Sale load payable to management company		<u>746</u>	<u>482</u>
		<u>7,454</u>	<u>4,664</u>
6.1	As per the offering document of the Fund the maximum limit of the management fee is 1.5% of the Average Annual Net Assets. During the period, Management fee expense is charged by the Asset Management Company at the rate of 0.45% of the average annual net assets of the fund (June 30, 2020: 0.45% to 0.981%).		
6.2	The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		
		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	<i>Note</i>	(Rupees in '000)	
Annual fee	7.1	<u>1,335</u>	<u>1,753</u>
7.1	SECP vide SRO 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee at 0.02% of the net assets of the fund and accordingly such fee has been charged at the rate of 0.02% percent during the period (June 30, 2020: 0.02%).		
		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	(Rupees in '000)	
Auditors' remuneration		317	638
Withholding tax payable		-	97,595
Capital gain tax payable		3,466	4,451
Provision for Sindh Workers' Welfare Fund	8.1	54,013	45,103
Federal Excise Duty	8.2	41,211	41,211
Advance received against units to be issued		2,500	2,500
Others		1,694	4,950
		<u>103,201</u>	<u>196,448</u>

-
-
- 8.1** The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, as a matter of abundant caution, has recognised provision for SWWF amounting to Rs. 54.013 million 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 December 31, 2020 would have been higher by Rs. 0.336 per unit (June 30, 2020: Rs. 0.4629 per unit)

- 8.2** The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020, 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.

The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 41.211 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2020 would have been higher by Rs. 0.256 (June 30, 2020: Rs. 0.423) per unit.

9. CONTINGENCIES AND COMMITMENTS

- 9.1** Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). Distribution of income by collective investment schemes includes (a) the income already distributed upon redemption of units and (b) the remaining amount of income distributed by way of cash dividend.

Open end mutual funds continuously offer issuance and redemption of units at prevailing Net Assets Value (NAV) applicable at the time of offer and redemption. The unit-holder who invests in the open end mutual fund during the year and redeems during the same year has effectively taken his due share of income for the year and the differential amount (proceeds received less original investment) is and should be treated as "distribution of profit". In case of unit holder who existed at the beginning of the year and makes redemption during the year, the amount representing his due share of income from the current year's income is and should be considered as "distribution of profit".

In assessment for Tax Year 2018, the said exemption has been denied by The Additional Commissioner – Audit (AC), on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income as per criteria envisaged under Clause 99 of Part 1 of the Second Schedule of the Ordinance and AC due to commented that the distribution by the Fund fell short of 90% distribution threshold.

In response to the order, the Fund filed appeal with Commissioner Appeals office. In judgment dated January 15, 2021 Commissioner Appeals upheld Assessment Order passed by AC. The Fund has now initiated appeal in Appellate Tribunal, which is pending adjudication.

Meanwhile, Fund filed petition for stay in High Court of Sindh (SHC), and stay order dated December 10, 2020 has been granted by SHC. In its judgment, SHC held that since the subject matter is pending before Appellate Tribunal, therefore, the recovery of impugned demand will not be enforced till the final decision of Tribunal.

Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open end mutual fund. SECP agrees with MUFAPs interpretation and is also actively following up with FBR to resolve the matter at the earliest.

Based on the opinion of the Fund's tax advisor, the management believes that the Fund has distributed required amount of income to be eligible for tax exemption under clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 and hence, no provision for taxation is required to be made in this condensed interim financial information.

- 9.2** Other than contingency disclosed in note 9.1 above, there are no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

10. TAXATION

"The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded 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, 2021 to its unit holders.

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

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

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

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	<i>Note</i>	(Rupees in '000)	
11.1 Transactions during the period			
HBL Asset Management Limited - Management Company			
Management fee inclusive of sales tax		33,946	38,957
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	4,136
Issue of nil units (2019: 934,643 units)		-	101,195
Redemption of nil units (2019: 692,158 units)		-	75,000
Habib Bank Limited - Sponsor			
Mark-up earned during the period		111,411	35,028
Redemption of nil units (2019: 4,621,263 units)		-	500,000
Central Depository Company of Pakistan Limited - Trustee			
Remuneration of the Trustee		4,903	3,051
Directors, Executives and Key Management personnel			
Issue of 33,053 units (2019: 523,348 units)		3,402	5,601
Redemption of 33,494 units (2019: 52,258 units)		3,446	5,597
Fauji Fertilizer Company Ltd			
Connected persons due to holding 10% or more units			
Issue of units 91,479,014 (2019: 20,743,816 units)		9,535,871	2,160,000
Redemption of 63,140,020 (2019: nil unit)		6,571,368	-

	December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
<i>Note</i>	(Rupees in '000)	
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan		
Issue of units 1,164,959 (2019: 16,246 units)	120,677	1,740
Redemption of 1,160,044 (2019: 159,508 units)	120,279	16,598
11.2 Amounts outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management Fee	5,936	3,701
Sindh Sales Tax	772	481
Sales load payable	746	482
Habib Bank Limited - Sponsor		
Investment held in the Fund : 4,116,245 units (June 30, 2019: 8,737,507 units)	435,488	421,421
Bank balances	12,541,433	503,798
Sales load payable	1,439	4,575
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	858	535
Sindh Sales tax	111	69
Directors, Executives and Key Management personnel		
Investment held in the Fund : 46,369 units (June 30, 2020: 46,802 units)	4,906	4,792
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Investment held in the Fund : 418,009 units (June 30, 2020: 413,094 units)	44,224	42,293
Fauji Fertilizer Company Ltd due to holding 10% or more units		
Investment held in the Fund : 46,036,670 units (June 30, 2020: 17,694,202 units)	4,870,555	1,811,531

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 December 31, 2020 is 0.38% (December 31, 2019: 0.72%) which includes 0.11% (December 31, 2019: 0.18%) representing government levies and SECP fee.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 10, 2021.

15. GENERAL

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

15.2 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed.

18.3 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Cash Fund

FUND INFORMATION

Name of Fund	HBL Cash Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited MCB Bank Limited United Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited Sindh Bank Limited
Fund Rating	'AA+(f) (JCR-VIS)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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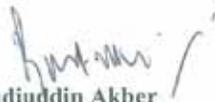
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL CASH FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Cash Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 22, 2021





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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL CASH FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL CASH FUND ("the Fund") as at December 31, 2020 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 10 FEB 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL Cash Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2020

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	28,092,311	13,602,521
Investments	5	-	10,689,435
Mark-up receivable		116,035	47,645
Advances, deposits and prepayments	6	1,381	1,183
TOTAL ASSETS		28,209,727	24,340,784
LIABILITIES			
Payable to the Management Company	7	9,939	5,544
Payable to the Trustee	8	1,655	989
Payable to Securities and Exchange Commission of Pakistan	9	2,361	2,462
Payable against purchase of investments - net		-	6,279,629
Accrued expenses and other liabilities	10	108,297	80,374
TOTAL LIABILITIES		122,252	6,368,998
NET ASSETS		28,087,475	17,971,786
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		28,087,475	17,971,786
CONTINGENCIES AND COMMITMENTS			
	11	----- (Number of Units) -----	
Number of units in issue		276,336,415	177,657,203
		----- (Rupees) -----	
Net assets value per unit		101.6423	101.1599

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Note	Half year ended December 31,		Quarter ended December 31,	
		2020	2019	2020	2019
------(Rupees in '000)-----					
Income					
Capital (loss) / gain on sale of investments - net		(4,504)	(3,378)	306	(2,239)
Income from Government securities		534,233	196,972	266,792	110,363
Income from money market transactions and placements		43,398	125,189	1,425	71,919
Mark-up on bank deposits		289,764	371,891	211,530	193,662
		<u>862,891</u>	<u>690,674</u>	<u>480,053</u>	<u>373,705</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net		-	-	8	-
		<u>862,891</u>	<u>690,674</u>	<u>480,061</u>	<u>373,705</u>
Expenses					
Remuneration of the Management Company		35,413	26,894	19,482	18,455
Sindh Sales Tax on remuneration of the Management Company		4,604	3,496	2,533	2,399
Remuneration of the Trustee		7,673	3,278	4,222	1,762
Sindh Sales Tax on remuneration of the Trustee		997	426	549	229
Annual fee to Securities and Exchange Commission of Pakistan		2,361	1,009	1,299	543
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services		2,951	7,856	1,623	4,132
Selling and marketing expense		2,951	5,707	1,623	-
Auditors' remuneration		223	225	111	118
Fee and subscription		128	164	23	89
Securities transaction costs and settlement charges		334	708	74	424
Bank charges		482	294	317	146
Printing charges		41	20	29	20
		<u>58,158</u>	<u>50,077</u>	<u>31,885</u>	<u>28,317</u>
Net income for the period from operating activities		<u>804,733</u>	<u>640,597</u>	<u>448,176</u>	<u>345,388</u>
Provision for Sindh Workers' Welfare Fund	10.2	(16,095)	(12,812)	(8,964)	(6,908)
Net income for the period before taxation		<u>788,638</u>	<u>627,785</u>	<u>439,212</u>	<u>338,480</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>788,638</u>	<u>627,785</u>	<u>439,212</u>	<u>338,480</u>
Allocation of net income for the period					
Income already paid on redemption		40,158	27,803	11,414	20,158
Accounting income available for distribution:					
Relating to capital gains		-	-	-	-
Excluding capital gains		748,480	599,982	427,798	318,322
		<u>748,480</u>	<u>599,982</u>	<u>427,798</u>	<u>318,322</u>
		<u>788,638</u>	<u>627,785</u>	<u>439,212</u>	<u>338,480</u>
Earnings per unit	13				

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	------(Rupees in '000)-----			
Net income for the period after taxation	788,638	627,785	439,212	338,480
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>788,638</u>	<u>627,785</u>	<u>439,212</u>	<u>338,480</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

Statement Of Movement In Unitholders' Fund

FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,					
	2020			2019		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	17,880,077	91,709	17,971,786	8,764,853	44,070	8,808,923
Issuance of 242,418,452 units (2019: 79,309,465 units)						
Capital value (at net asset value per unit at the beginning of the period)	24,523,028	-	24,523,028	8,001,418	-	8,001,418
Element of income	68,848	-	68,848	33,019	-	33,019
Total proceeds on issuance of units	24,591,876	-	24,591,876	8,034,437	-	8,034,437
Redemption of 143,739,240 units (2019: 61,969,864 units)						
Capital value (at net asset value per unit at the beginning of the period)	(14,540,648)	-	(14,540,648)	(6,252,053)	-	(6,252,053)
Income already paid on redemption of units	-	(40,158)	(40,158)	-	(27,803)	(27,803)
Element of loss	(4,398)	-	(4,398)	(5,104)	-	(5,104)
Total payments on redemption of units	(14,545,046)	(40,158)	(14,585,204)	(6,257,157)	(27,803)	(6,284,960)
Total comprehensive income for the period	-	788,638	788,638	-	627,785	627,785
Interim distribution of Rs. 1.1585 per unit declared on August 02, 2019 as cash dividend	-	-	-	(10,589)	-	(10,589)
Refund of capital	-	-	-	-	(95,237)	(95,237)
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 1.0317 per unit declared on September 03, 2019 as cash dividend	-	-	-	(961)	-	(961)
Refund of capital	-	-	-	-	(94,473)	(94,473)
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 1.0471 per unit declared on October 02, 2019 as cash dividend	-	-	-	(4,030)	-	(4,030)
Refund of capital	-	-	-	-	(96,321)	(96,321)
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 1.1689 per unit declared on November 04, 2019 as cash dividend	-	-	-	(5,371)	-	(5,371)
Refund of capital	-	-	-	-	(111,020)	(111,020)
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 0.9464 per unit declared on December 03, 2019 as cash dividend	-	-	-	(5,373)	-	(5,373)
Refund of capital	-	-	-	-	(99,595)	(99,595)
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 0.7298 per unit declared on August 07, 2020 as cash dividend	(8,203)	-	(8,203)	-	-	-
Refund of capital	-	(138,046)	(138,046)	-	-	-
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 0.4954 per unit declared on September 04, 2020 as cash dividend	(25,191)	-	(25,191)	-	-	-
Refund of capital	-	(84,019)	(84,019)	-	-	-
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 0.5295 per unit declared on October 02, 2020 as cash dividend	(7,305)	-	(7,305)	-	-	-
Refund of capital	-	(115,476)	(115,476)	-	-	-
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 0.6651 per unit declared on November 06, 2020 as cash dividend	(9,923)	-	(9,923)	-	-	-
Refund of capital	-	(159,887)	(159,887)	-	-	-
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 0.5039 per unit declared on December 04, 2020 as cash dividend	(2,811)	-	(2,811)	-	-	-
Refund of capital	-	(128,760)	(128,760)	-	-	-
Distribution for the period	-	-	-	-	-	-
	(53,433)	162,450	109,017	(26,324)	131,139	104,815
Net assets at end of the period	27,873,474	214,001	28,087,475	10,515,809	147,406	10,663,215
Undistributed income brought forward						
Realised income		80,763			44,070	
Unrealised income		10,946			-	
		91,709			44,070	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		748,480			599,982	
		748,480			599,982	
Distribution for the period:						
Interim distribution of Rs. 0.7298 per unit declared on August 07, 2020 as cash dividend		(138,046)			-	
Interim distribution of Rs. 0.4954 per unit declared on September 04, 2020 as cash dividend		(84,019)			-	
Interim distribution of Rs. 0.5295 per unit declared on October 02, 2020 as cash dividend		(115,476)			-	
Interim distribution of Rs. 0.6651 per unit declared on November 06, 2020 as cash dividend		(159,887)			-	
Interim distribution of Rs. 0.5039 per unit declared on December 04, 2020 as cash dividend		(128,760)			-	
		(626,188)			(496,646)	
Undistributed income carried forward		214,001			147,406	
Undistributed income carried forward						
Realised income		214,001			147,406	
Unrealised income		-			-	
		214,001			147,406	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			101.1599			100.8886
Net assets value per unit at end of the period			101.6423			101.8912

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Statement of Cash Flow (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended	
	December 31,	
Note	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	788,638	627,785
Adjustments for:		
Capital loss on sale of investment - net	4,504	3,378
Income from Government securities	(534,233)	(196,972)
Income from money market placements	(43,398)	(125,189)
Mark-up on bank deposits	(289,764)	(371,891)
	<u>(74,253)</u>	<u>(62,889)</u>
Decrease / (increase) in assets		
Investments - net	4,405,302	454,983
Advances, deposits and prepayments	(197)	2,064
	4,405,105	457,047
Increase / (decrease) in liabilities		
Payable to the Management Company	4,395	2,318
Payable to the Trustee	666	(93)
Payable to Securities and Exchange Commission of Pakistan	(101)	(7,878)
Accrued expenses and other liabilities	27,923	2,511
Dividend payable	-	(138)
	<u>32,883</u>	<u>(3,280)</u>
Cash generated from operations	4,363,735	390,878
Income received from Government securities	534,233	196,972
Income received from money market placement	43,398	111,235
Mark-up received on bank deposits	221,374	359,330
	<u>799,005</u>	<u>667,537</u>
Net cash generated from operating activities	5,162,740	1,058,415
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	24,591,876	8,034,437
Amount paid on redemption of units	(14,585,204)	(6,284,960)
Dividend paid	(679,622)	(522,971)
Net cash generated from financing activities	<u>9,327,050</u>	<u>1,226,506</u>
Net increase in cash and cash equivalents during the period	14,489,790	2,284,921
Cash and cash equivalents at the beginning of the period	13,602,521	7,064,377
Cash and cash equivalents at the end of the period	4 <u>28,092,311</u>	<u>9,349,298</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

The core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.

JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2++' (Stable Outlook) to the Management Company and assigned stability rating of AA+(f) to the Fund as at December 31, 2020 and December 30, 2020, respectively.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), the directives issued by the SECP and the requirements of the Trust Deed.

Where 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, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, 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, the directives issued by the SECP and the 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, 2020.

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, 2020, 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 December 31, 2020.

2.1.4 This condensed interim financial information is unaudited, but 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 December 31, 2020 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 December 31, 2020.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of this 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, 2020, unless otherwise stated.

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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, 2020.

3.4 There are certain standards, interpretations and amendments to approved accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. 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.

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, 2020.

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	-----
4 BANK BALANCES			
Cash at bank			
In current account		3,600,007	4,000,007
In saving accounts	4.1	24,492,304	9,602,514
		<u>28,092,311</u>	<u>13,602,521</u>

- 4.1 This represents bank accounts held with various banks. profit rates on these accounts range between 7.75% to 7.85% per annum (June 30, 2020: 5.00% to 14.50% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 21,687.147 million (June 30, 2020: Rs. 7,083.668 million) on which return is earned at the range between 4.50% to 7.80% (June 30, 2020: 5.50% to 14.50%).

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
5 INVESTMENTS	Note	----- (Rupees in '000) -----	
Financial assets			
At fair value through profit or loss	5.1	-	9,742,269
At amortized cost	5.2	-	947,166
		-	10,689,435

5.1 Market Treasury Bills

Issue date	Tenure	As at July 1, 2020	Purchases during the period	Sales during the period	As at December 31, 2020	Balance as at December 31, 2020			Market value as percentage of net assets	Market value as percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
----- (Rupees in '000) -----										
March 26, 2019	1 year	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
August 1, 2019	1 year	-	750,000,000	750,000,000	-	-	-	-	-	-
August 29, 2019	1 year	-	1,900,000,000	1,900,000,000	-	-	-	-	-	-
September 12, 2019	1 year	-	7,350,000,000	7,350,000,000	-	-	-	-	-	-
September 26, 2019	1 year	-	3,200,000,000	3,200,000,000	-	-	-	-	-	-
October 10, 2019	3 months	2,500,000	-	2,500,000	-	-	-	-	-	-
October 10, 2019	1 year	-	8,200,000,000	8,200,000,000	-	-	-	-	-	-
October 24, 2019	1 year	-	250,000,000	250,000,000	-	-	-	-	-	-
December 5, 2019	3 months	533,730	-	533,730	-	-	-	-	-	-
January 30, 2020	3 months	100,000	-	100,000	-	-	-	-	-	-
March 12, 2020	3 months	1,250,000	-	1,250,000	-	-	-	-	-	-
March 12, 2020	6 months	-	1,050,000,000	1,050,000,000	-	-	-	-	-	-
March 26, 2020	3 months	550,000	-	550,000	-	-	-	-	-	-
March 26, 2020	6 months	-	6,100,000,000	6,100,000,000	-	-	-	-	-	-
April 9, 2020	3 months	1,375,000	225,000,000	226,375,000	-	-	-	-	-	-
May 7, 2020	3 months	3,625,000	-	3,625,000	-	-	-	-	-	-
October 24, 2019	1 year	-	250,000,000	250,000,000	-	-	-	-	-	-
December 19, 2019	1 year	-	16,800,000,000	16,800,000,000	-	-	-	-	-	-
April 23, 2020	6 months	-	1,987,000,000	1,987,000,000	-	-	-	-	-	-
May 21, 2020	6 months	-	200,000,000	200,000,000	-	-	-	-	-	-
June 18, 2020	6 months	-	125,000,000	125,000,000	-	-	-	-	-	-
July 2, 2020	3 months	-	75,000,000	75,000,000	-	-	-	-	-	-
July 2, 2020	6 months	-	75,000,000	75,000,000	-	-	-	-	-	-
July 16, 2020	3 months	-	325,000,000	325,000,000	-	-	-	-	-	-
July 16, 2020	6 months	-	3,175,000,000	3,175,000,000	-	-	-	-	-	-
August 27, 2020	3 months	-	730,000,000	730,000,000	-	-	-	-	-	-
September 10, 2020	3 months	-	500,000,000	500,000,000	-	-	-	-	-	-
September 24, 2020	3 months	-	250,000,000	250,000,000	-	-	-	-	-	-
October 8, 2020	3 months	-	9,510,000,000	9,510,000,000	-	-	-	-	-	-
October 22, 2020	3 months	-	13,288,000,000	13,288,000,000	-	-	-	-	-	-
November 19, 2020	3 months	-	540,000,000	540,000,000	-	-	-	-	-	-
Total - As at December 31, 2020		9,933,730	78,855,000,000	78,864,933,730	-	-	-	-	-	-
Total - June 30, 2020		1,000,000	138,946,215	130,012,485	9,933,730	9,731,323	9,742,269	10,946	54%	91%

5.2 Commercial paper

Name of investee company	Maturity Date	As at July 1, 2020	Placement made during the year	Income accrued	Placement matured / sold during the year	As at December 31, 2020	Percentage of total of investments	Percentage of net assets
----- (Rupees in '000) -----								
K Electric Limited	August 14, 2020	375,548	-	6,452	382,000	-	-	-
K Electric Limited	August 26, 2020	132,105	-	2,895	135,000	-	-	-
K Electric Limited	September 10, 2020	100,390	-	2,609	102,999	-	-	-
K Electric Limited	October 6, 2020	339,123	-	10,114	349,237	-	-	-
Total - as at December 31, 2020		947,166	-	22,071	969,237	-	-	-
Total - as at June 30, 2020		1,308,874	1,355,484	92,808	1,810,000	947,166	6%	9%

These commercial papers carry mark-up at the rate of Nil (June 30, 2020: 11.76% to 14.13%) per annum.

	December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	

6 ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with:

Central Depository Company of Pakistan Limited	100	100
	100	100
Prepaid expenses	266	72
Advance tax	6.1 1,015	1,011
	<u>1,381</u>	<u>1,183</u>

6.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Furthermore, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R", dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time, as per ITO 2001.

	December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	

7 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration to the Management Company	6,759	4,038
Sindh sales tax payable on the Management Company's remuneration	878	525

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
Allocation of expenses related to registrar services, accounting, operation and valuation services		563	337
Sales load payable		115	133
Selling and marketing expenses payable		1,624	511
		<u>9,939</u>	<u>5,544</u>
8 PAYABLE TO THE TRUSTEE			
Trustee fee payable		<u>1,655</u>	<u>989</u>
9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable		<u>2,361</u>	<u>2,462</u>
10 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty	10.1	7,528	7,528
Provision for Sindh Workers' Welfare Fund	10.2	79,662	63,567
Withholding tax payable		20,369	8,254
Sales Load-payable		222	253
Auditors' remuneration		252	313
Brokerage payable		182	408
Zakat Payable		51	51
Other payable		31	-
		<u>108,297</u>	<u>80,374</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 7.528 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2020 would have been higher by Rs. 0.027 per unit (June 30, 2020: Rs. 0.072 per unit).

10.2 The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 79.662 million as at December 31, 2020 in this condensed interim financial information. Had the provision not been made, net assets value per unit at December 31, 2020 would have been higher by Rs.0.288 per unit (June 30, 2020: Rs.0.36 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 (June 30, 2020: Nil).

12 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 unrealized, 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 unrealized) for the period ending June 30, 2021 to its unit holders.

13 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.

14 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 and directors and executives of the Management Company 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 this condensed interim financial information are as follows:

14.1 Transaction during the period	Half year ended	
	December 31,	
	2020	2019
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
HBL Asset Management Limited		
Remuneration of the Management Company	35,413	26,894
Sindh Sales Tax on remuneration of the Management Company	4,604	3,496
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,951	7,856
Selling and marketing expense	2,951	5,707
Issuance of 6,833,444 units (2019: 7,470,986 units)	693,611	758,392
Redemption of 3,859,497 units (2019: 7,241,923 units)	392,000	735,000
Dividend paid	1,618	3,652
Central Depository Company Of Pakistan Limited - Trustee		
Remuneration of the Trustee	7,673	3,278
Sindh Sales Tax on remuneration of the Trustee	997	426
CDS connection charges	12	327
Habib Bank Limited - Sponsor		
Mark-up on bank deposits	173,865	97,237
Bank charges paid	448	197
Directors and Executives of the Management Company		
Issuance of 64,369 (2019: 19,193) units	6,532	1,946
Redemption of 41,054 (2019: 24,264) units	4,168	2,460
Dividend paid	75	39
HBL Financial Planning Fund - Active Allocation Plan - Associate		
Issuance of 20,970 (2019: 74,806) units	2,122	7,572
Redemption of 156,391 (2019: 332,243) units	15,851	33,723
Dividend paid	571	1,747
HBL Financial Planning Fund - Conservative Allocation Plan - Associate		
Issuance of 3 (2019: 1,729) units	0.342	176
Dividend paid	0.342	-
HBL Financial Planning Fund - Special Income Plan - Associate		
Issue of 1,362,104 (2019: 46,655) units	138,348	4,744
Redemption of 190,299 (2019: Nil) units	19,302	-
Dividend paid	927	107
HBL Financial Planning Fund - Strategic Allocation Plan - Associate		
Issue of Nil (2019: 5,435) units	-	548
Redemption of Nil (2019: 182,477) units	-	18,456
Dividend paid	-	548

	Half year ended December 31,	
	2020	2019
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
Attock Cement Pakistan Limited - Associate		
Issue of 247,846 (2019: Nil) units	25,118	-
Redemption of 247,846 (2019: Nil) units	25,121	-
Dividend paid	85	-
First Micro Finance Bank Limited - Associated Company due to common Directorship		
Sale of treasury bills	247,219	-
Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units		
Issuance of 91,397,340 (2019: 10,941,152) units	9,275,662	1,111,222
Redemption of 55,265,917 (2019: 4,858,690) units	5,608,192	494,000
Dividend paid	152,037	111,571
HBL Islamic Money Market Fund - under common management		
Sale of Commercial Papers	199,489	-
HBL Income Fund - under common management		
Purchase of The Hub Power Company Limited - Sukuk Certificates	-	187,022
HBL Islamic Asset Allocation Fund - under common management		
Purchase of The Hub Power Company Limited - Sukuk Certificates	-	101,404
Purchase of K-Electric Limited- Commercial paper	-	29,188
	December 31,	June 30,
	2020	2020
	(Un-Audited)	(Audited)
	----- (Rupees in '000) -----	

14.2 Balances outstanding as at period / year end

HBL Asset Management Limited		
Units held: 2,973,947 (June 30, 2020: Nil)	302,279	-
Payable to Management Company	6,759	4,038
Sindh sales tax on Management Company's remuneration	878	525
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	563	337
Sales load payable	115	133
Selling and marketing expense payable	1,624	511
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,655	989
Security deposit held	100	100

	December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Habib Bank Limited - Sponsor		
Bank balances	21,687,147	7,083,668
Mark-up receivable	86,364	25,169
Sales load payable	222	253
Directors and Executives of the Management Company		
Units held: 46,646 (June 30, 2020: 23,332)	4,741	2,360
HBL Financial Planning Fund - Active Allocation Plan - Associate		
Units held: 49,675 (June 30, 2020: 185,093)	5,049	18,724
HBL Financial Planning Fund - Conservative Allocation Plan - Associate		
Units held: 119 (June 30, 2020: 116)	12	12
HBL Financial Planning Fund - Special Income Plan - Associate		
Units held: 1,171,805 (June 30, 2020: Nil)	119,105	-
Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units		
Units held: 73,928,427 (June 30, 2020: 37,797,004)	7,514,255	3,823,542

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		December 31, 2020 (Un-Audited)						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
Financial assets not measured at fair value	15.2							
Bank balances		-	28,092,311	28,092,311				
Mark-up / interest receivable		-	116,035	116,035				
Deposits		-	100	100				
		-	28,208,346	28,208,346				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	9,061	9,061				
Payable to the Trustee		-	1,465	1,465				
Accrued expenses and other liabilities		-	656	656				
		-	11,182	11,182				

		June 30, 2020 (Audited)						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
Financial assets measured at fair value	15.1							
Investments								
Market treasury bills		9,742,269	-	9,742,269	-	9,742,269	-	9,742,269
		9,742,269	-	9,742,269	-	9,742,269	-	9,742,269
Financial assets not measured at fair value	15.2							
Bank balances		-	13,602,521	13,602,521				
Investments		-	947,166	947,166				
Mark-up receivable		-	47,645	47,645				
Deposits		-	100	100				
		-	14,597,432	14,597,432				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	5,019	5,019				
Payable to the Trustee		-	774	774				
Payable against purchase of investments		-	6,279,629	6,279,629				
Accrued expenses and other liabilities		-	974	974				
		-	6,286,396	6,286,396				

15.1 Valuation techniques

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

15.2 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.

15.3 Transfers during the period

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

16 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 December 31, 2020 is 0.32% (2019: 0.63%) which includes 0.11% (2019: 0.18%) representing Government levy and SECP fee.

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 10, 2021.

18 GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

18.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure, the effect of which is not material.

18.3 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Stock Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel: (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL STOCK FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Stock Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 18, 2021



Independent Auditors' Report to the Unit Holders on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Stock Fund** (the "Fund") as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2020 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

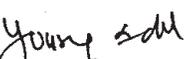
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.


Chartered Accountants

Engagement Partner
Naresh Kumar

Date: February 22, 2021
Place: Karachi

HBL Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at December 31, 2020

	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
Note	----- (Rupees in '000) -----	
Assets		
Bank balances	4 101,233	209,661
Investments	5 2,144,962	1,708,222
Dividend receivable and accrued mark-up	6,319	2,587
Receivable against sale of investments	48,703	5,415
Advances and deposits	6 3,009	2,992
Total assets	2,304,226	1,928,877
Liabilities		
Payable to the Management Company	7 10,745	8,994
Payable to the Trustee	302	263
Payable to the Securities and Exchange Commission of Pakistan	8 209	417
Payable against purchase of investment	32,033	4,106
Accrued expenses and other liabilities	9 82,901	74,353
Total liabilities	126,190	88,133
Net assets	2,178,036	1,840,744
Unit holders' fund (as per statement attached)	2,178,036	1,840,744
Contingencies and commitments	10	
	----- (Number of units) -----	
Number of units in issue	20,940,704	21,319,246
	----- (Rupees) -----	
Net assets value per unit	104.0097	86.3419

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Income Statement (Un-Audited)
For the half year ended December 31, 2020

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Income	Note -----(Rupees in '000)-----			
Dividend income	36,836	59,977	31,416	32,768
Mark-up on deposits with banks	4,218	15,940	1,924	7,790
Income on Government securities	-	179	-	179
Capital gain on sale of investments - net	123,239	55,067	56,948	74,538
	164,293	131,163	90,288	115,275
Unrealised gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	257,642	300,311	47,557	407,465
	421,935	431,474	137,845	522,740
Expenses				
Remuneration of the Management Company	23,563	22,962	11,809	12,701
Remuneration of the Trustee	1,748	1,767	838	873
Annual fee to the Securities and Exchange Commission of Pakistan	209	212	105	112
Allocation of expenses related to registrar services, accounting, operation and valuation services	5,734	2,675	2,873	905
Selling and marketing expense	10,947	7,804	5,487	4,216
Securities transaction costs	3,873	5,077	1,951	2,708
Auditors' remuneration	319	321	159	241
Settlement and bank charges	347	429	220	259
Other expenses	17	11	17	11
	46,757	41,259	23,459	22,027
Net income from operating activities	375,178	390,215	114,386	500,713
Provision for Sindh Workers' Welfare Fund	9.2 (7,504)	(7,804)	(2,288)	(7,804)
Net income for the period before taxation	367,675	382,411	112,099	492,909
Taxation	11 -	-	-	-
Net income for the period after taxation	367,675	382,411	112,099	492,909
Allocation of net income for the period:				
Income already paid on redemption of units	17,264	7,960	4,902	7,960
Accounting income available for distribution:				
- Relating to capital gains	350,410	348,522	104,505	475,147
- Excluding capital gains	-	25,930	2,691	9,802
	350,410	374,452	107,196	484,949
	367,675	382,411	112,099	492,909

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the half year ended December 31, 2020

	Half year ended December 31,		Quarter ended, December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	367,675	382,411	112,099	492,909
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	367,675	382,411	112,099	492,909

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Statement Of Movement In Unitholders' Fund
For the half year ended December 31, 2020

	Half year ended December 31,							
	2020			2019				
	Capital Value	Undistributed income / (loss) (accumulated)	Unrealised income / (loss) on investment	Total	Capital Value	Undistributed income / (loss) (accumulated)	Unrealised income / (loss) on investment	Total
	(Rupees in '000)							
Net assets as at the beginning of the period	2,925,074	(1,084,330)	-	1,840,744	3,154,963	(1,008,446)	-	2,146,517
Issue of 3,505,409 units (2019: 5,419,361 units)								
- Capital value (at net asset value per unit at the beginning of the period)	302,664	-	-	302,664	486,236	-	-	486,236
- Element of income	46,551	-	-	46,551	15,828	-	-	15,828
Total proceeds on issue of units	349,215	-	-	349,215	502,064	-	-	502,064
Redemption of 3,883,952 units (2019: 6,033,837 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(335,348)	-	-	(335,348)	(541,368)	-	-	(541,368)
- Amount paid out of element of loss	(26,985)	-	-	(26,985)	-	-	-	-
- Income already paid on redemption	-	(17,264)	-	(17,264)	2,342	(7,960)	-	(5,618)
Total payments on redemption of units	(362,333)	(17,264)	-	(379,597)	(539,026)	(7,960)	-	(546,986)
Total comprehensive income for the period	-	367,675	-	367,675	-	382,411	-	382,411
Distribution during the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	367,675	-	367,675	-	382,411	-	382,411
Net assets as at the end of the period	2,911,956	(733,920)	-	2,178,036	3,118,001	(633,995)	-	2,484,006
Accumulated loss								
- Realised		(1,084,330)				(1,008,446)		
- Unrealised		-				-		
		(1,084,330)				(1,008,446)		
Accounting income available for distribution:								
- Relating to capital gains		350,410				348,522		
- Excluding capital gains		-				25,930		
Net Income available for distribution		350,410				374,452		
Distribution during the period		-				-		
Accumulated loss carried forward		(733,920)				(633,995)		
Accumulated loss carried forward								
- Realised		(991,561)				(934,306)		
- Unrealised		257,642				300,311		
		(733,920)				(633,995)		
Net asset value per unit at the beginning of the period				86.3419				89.7221
Net asset value per unit at end of the period				104.0097				106.5658

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended December 31, 2020

	2020	2019
Note	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net income for the period before taxation	367,675	382,411
Adjustments for non-cash items:		
Mark-up on deposits with banks	(4,218)	(15,940)
Dividend income	(36,836)	(59,977)
Income from Government securities	-	(179)
Capital gain on sale of investments - net	(123,239)	(55,067)
Unrealised gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(257,642)	(300,311)
	(54,260)	(49,063)
Decrease / (Increase) in assets		
Investments - net	(55,859)	31,249
Advances and deposits	(15,379)	14,516
	(71,238)	45,766
Increase / (Decrease) Increase in liabilities		
Payable to the Management Company	1,751	2,441
Payable to the Trustee	39	28
Payable to the Securities and Exchange Commission of Pakistan	(208)	(3,969)
Accrued expenses and other liabilities	8,548	8,166
	10,131	6,666
Mark-up on bank deposits received	4,920	16,265
Dividend received	32,402	61,387
Net cash (used in) / generated from operating activities	(78,046)	81,021
Cash flows from financing activities		
Amount received on issue of units	349,215	502,064
Payments / Payable against redemption of units	(379,597)	(546,986)
Net cash used in financing activities	(30,382)	(44,922)
Net (decrease)/increase in cash and cash equivalents	(108,428)	36,099
Cash and cash equivalents at beginning of the period	209,661	236,034
Cash and cash equivalents at end of the period	101,233	272,133

4

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

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

For the half year ended December 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Stock Fund (the Fund) was established under a Trust Deed, dated August 09, 2007, executed between HBL Asset Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on August 21, 2007.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from August 29, 2007 to August 31, 2007.
- 1.4** The principal activity of the Fund is to provide long-term capital growth by investing primarily in a diversified pool of equities and equities related instruments.
- 1.5** VIS Credit Rating Company has assigned a management quality rating of AM2++' (Stable 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 Accounting Standard (IAS) 34 Interim Financial Reporting, 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; and
- the requirements of the 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 of the Trust Deed.

Wherever provisions of and directive issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirement of IAS 34 Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirement of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have been limited based on the requirements of IAS-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, 2020.

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, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

The principal accounting policies used in the preparation of this condensed interim financial information are set out below:

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, 2020.

3.2 The preparation of the financial statements in conformity with the accounting and reporting standards applicable in Pakistan 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.

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, 2020,

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, 2020 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 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2020.

		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	101,214	209,637
Current accounts		19	24
		<u>101,233</u>	<u>209,661</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 5% - 6.2% (June 30, 2020: 6.31% - 14.05%) per annum.

		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
Financial assets at fair value through profit or loss account			
- Listed equity securities	5.1	2,144,962	1,708,222
		<u>2,144,962</u>	<u>1,708,222</u>

5.1 Listed Equity Securities

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

Name of the Investee Company	-----Number of shares-----					Market value as at December 31, 2020 (Rupees in '000)	Market value as a percentage		Par value as a percentage of issued capital of the investee company
	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2020		Total Investments	Net Assets	
INSURANCE									
Adamjee Insurance Co Ltd	791,000	-	-	615,500	175,500	6,901	0.32%	0.32%	0.05%
IGI Holdings Limited	407,600	28,500	-	15,000	421,100	85,669	3.99%	3.93%	0.34%
IGI Life Insurance Limited	-	272,500	-	-	272,500	15,625	0.73%	0.72%	0.02%
TPL Insurance Limited	654,000	-	-	-	654,000	19,810	0.92%	0.91%	0.87%
	1,852,600	301,000	-	630,500	1,523,100	128,005	6%	6%	
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Ltd	913,500	15,000	-	22,000	906,500	33,314	1.55%	1.53%	0.25%
Interloop Limited	425,250	43,000	-	27,000	441,250	30,036	1.40%	1.38%	5.08%
Nishat Mills Ltd	445,200	25,000	-	135,000	335,200	34,113	1.59%	1.57%	0.10%
	1,783,950	83,000	-	184,000	1,682,950	97,463	5%	4%	
CEMENT & Material									
Cherat Cement Company Ltd.	314,000	1,500	-	165,000	150,500	22,002	1.03%	1.01%	0.09%
D G Khan Cement Co.Ltd.	-	352,400	-	53,000	299,400	34,305	1.60%	1.58%	0.07%
Fauji Cement Company Limited	-	200,000	-	200,000	-	-	0.00%	0.00%	0.00%
Kohat Cement Ltd	189,000	2,000	-	96,500	94,500	20,718	0.97%	0.95%	0.07%
Lucky Cement Ltd	266,150	9,000	-	55,500	219,650	152,896	7.13%	7.02%	0.07%
Maple Leaf Cement Factory Ltd	1,083,000	75,000	-	352,000	806,000	36,278	1.69%	1.67%	0.15%
Pioneer Cement Limited	-	55,000	-	-	55,000	5,682	0.26%	0.26%	0.02%
	1,852,150	694,900	-	922,000	1,625,050	271,881	13%	12%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	1,134,863	58,500	-	135,000	1,058,363	83,960	3.91%	3.85%	0.08%
K-Electric Limited	4,393,000	-	-	1,200,000	3,193,000	12,485	0.58%	0.57%	0.01%
	5,527,863	58,500	-	1,335,000	4,251,363	96,445	4%	4%	
ENGINEERING									
Amreli Steels Limited	-	226,000	-	-	226,000	10,907	0.51%	0.50%	0.08%
International Industries Ltd	92,600	-	-	92,600	-	-	0.00%	0.00%	0.00%
International Steels Limited	387,000	285,000	-	432,000	240,000	22,375	1.04%	1.03%	0.06%
Mughal Iron & Steel Inds Ltd	18,165	297,000	-	-	315,165	23,867	1.11%	1.10%	0.13%
	497,765	808,000	-	524,600	781,165	57,149	3%	3%	
AUTOMOBILE ASSEMBLER									
Honda Atlas Cars (Pakistan) Ltd	-	66,500	-	-	66,500	21,819	1.02%	1.00%	0.05%
Indus Motor Company Limited	-	9,500	-	-	9,500	11,381	0.53%	0.52%	0.01%
Millat Tractors Ltd	-	10,000	-	-	10,000	10,941	0.51%	0.50%	0.02%
Pak Suzuki Motor Company Limited	-	99,500	-	50,000	49,500	11,977	0.56%	0.55%	0.06%
Sazgar Engineering Works Limited	-	25,000	-	25,000	-	-	0.00%	0.00%	0.00%
	-	210,500	-	75,000	135,500	56,118	3%	3%	
Transport									
Pakistan National Shipping Corp Ltd	136,500	-	-	27,500	109,000	9,963	0.46%	0.46%	0.08%
	136,500	-	-	27,500	109,000	9,963	0.46%	0.46%	
Pharmaceuticals									
AGP Limited	219,500	31,000	-	250,500	-	-	0.00%	0.00%	0.00%
Ferozsons Laboratories Ltd	-	43,000	2,600	13,000	32,600	10,771	0.50%	0.49%	0.11%
GlaxoSmithKline Pakistan Ltd	129,900	-	-	129,900	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	79,750	500	-	26,450	53,800	32,270	1.50%	1.48%	0.01%
The Searl Co Ltd LOR	-	3,880	-	3,880	-	-	0.00%	0.00%	0.00%
The Searle Company Ltd	96,181	-	-	59,000	37,181	9,267	0.43%	0.43%	0.02%
	525,331	78,380	2,600	482,730	123,581	52,308	2.44%	2.40%	
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	-	645,000	-	355,000	290,000	11,638	0.54%	0.53%	0.06%
Waves Singer Pakistan Limited	-	1,317,000	-	393,500	923,500	26,033	1.21%	1.20%	0.05%
	-	1,962,000	-	748,500	1,213,500	37,671	1.76%	1.73%	

Name of the Investee Company	-----Number of shares-----					Market value as at December 31, 2020 (Rupees in '000)	Market value as a percentage		Par value as a percentage of issued capital of the investee company
	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2020		Total Investments	Net Assets	
GLASS & CERAMICS									
Tariq Glass Industries Ltd	126,000	-	-	126,000	-	-	0.00%	0.00%	0.00%
	126,000	-	-	126,000	-	-	0.00%	0.00%	
VANASPATI & ALLIED INDUSTRIES									
Unity Foods Limited	-	5,763,000	-	4,395,000	1,368,000	43,858	2.04%	2.01%	0.25%
	-	5,763,000	-	4,395,000	1,368,000	43,858	2.04%	2.01%	
LEATHER & TANNERIES									
Service Industries Ltd	-	12,200	-	-	12,200	10,177	0.47%	0.47%	0.10%
	-	12,200	-	-	12,200	10,177	0.47%	0.47%	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	-	4,747,272	-	405,000	4,342,272	129,487	6.04%	5.95%	0.39%
	-	4,747,272	-	405,000	4,342,272	129,487	6.04%	5.95%	
MISCELLANEOUS									
Tri-Pack Films Ltd	-	19,500	-	19,500	-	-	0.00%	0.00%	0.00%
	-	19,500	-	19,500	-	-	-	-	
REFINERY									
Attock Refinery Ltd	-	127,000	-	127,000	-	-	0.00%	0.00%	0.00%
National Refinery Ltd	-	109,000	-	109,000	-	-	0.00%	0.00%	0.00%
Pakistan Refinery Limited	-	1,391,500	-	891,500	500,000	11,895	0.55%	0.55%	0.09%
	-	1,627,500	-	1,127,500	500,000	11,895	0.55%	0.55%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	99,489	-	-	11,280	88,209	118,184	5.51%	5.43%	0.08%
Oil & Gas Development Co Ltd	1,201,800	-	-	292,500	909,300	94,358	4.40%	4.33%	0.02%
Pakistan Oilfields Ltd	26,000	27,500	-	10,000	43,500	17,200	0.80%	0.79%	0.02%
Pakistan Petroleum Ltd	820,374	285,145	-	96,000	1,009,519	91,190	4.25%	4.19%	0.05%
	2,147,663	312,645	-	409,780	2,050,528	320,932	15.0%	14.7%	
OIL & GAS MARKETING COMPANIES									
Hascal Petroleum Ltd	200,000	600,000	-	450,000	350,000	5,142	0.24%	0.24%	0.06%
Pakistan State Oil Company Ltd	358,241	52,500	-	54,000	356,741	76,806	3.58%	3.53%	0.11%
Sui Northern Gas Pipeline Ltd	820,400	-	-	577,000	243,400	10,812	0.50%	0.50%	0.04%
	1,378,641	652,500	-	1,081,000	950,141	92,760	4.32%	4.26%	
COMMERCIAL BANKS									
Bank Al-Falah Ltd	2,607,980	-	-	1,626,101	981,879	34,690	1.62%	1.59%	0.06%
Bank Al-Habib Limited	345,604	-	-	345,000	604	42	0.00%	0.00%	0.00%
Bank of Punjab Ltd	6,249,500	-	-	3,934,000	2,315,500	21,465	1.00%	0.99%	0.44%
BankIslami Pakistan Limited	918,500	-	-	918,500	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	26,018	-	-	-	26,018	450	0.02%	0.02%	0.00%
Habib Bank Ltd	400,419	267,000	-	261,915	405,504	53,640	2.50%	2.46%	0.03%
MCB Bank Ltd	270,200	87,220	-	67,000	290,420	53,809	2.51%	2.47%	0.03%
National Bank of Pakistan Ltd	878,000	85,000	-	878,000	85,000	3,652	0.17%	0.17%	0.00%
Standard Chartered Bank (Pakistan) Ltd	278,500	2,313,000	-	-	2,591,500	90,288	4.21%	4.15%	0.07%
United Bank Limited	550,900	755,210	-	127,500	1,178,610	148,340	6.92%	6.81%	0.10%
	12,525,621	3,507,430	-	8,158,016	7,875,035	406,376	18.95%	18.66%	
FERTILIZER									
Engro Corporation Ltd	322,450	32,500	-	72,200	282,750	86,906	4.05%	3.99%	0.05%
Engro Fertilizers Limited	460,568	12,000	-	472,568	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Ltd	-	925,500	-	-	925,500	23,434	1.09%	1.08%	0.10%
Fauji Fertilizer Co Ltd	515,000	201,500	-	515,000	201,500	21,863	1.02%	1.00%	0.02%
	1,298,018	1,171,500	-	1,059,768	1,409,750	132,203	6.16%	6.07%	
CHEMICAL									
Engro Polymer & Chemicals Ltd	1,236,079	64,000	-	764,000	536,079	25,469	1.19%	1.17%	0.06%
Ghani Global Holdings Limited	-	742,000	-	742,000	-	-	0.00%	0.00%	0.00%
ICI Pakistan Ltd	-	14,000	-	14,000	-	-	0.00%	0.00%	0.00%
Lotte Chemical Pakistan Ltd	-	400,000	-	-	400,000	6,024	0.28%	0.28%	0.03%
Sitara Chemical Industries Limited	105,700	3,000	-	7,000	101,700	31,527	1.47%	1.45%	0.47%
Sitara Peroxide Limited	-	456,000	-	456,000	-	-	0.00%	0.00%	0.00%
	1,341,779	1,679,000	-	1,983,000	1,037,779	63,020	2.94%	2.89%	

Name of the Investee Company	-----Number of shares-----					Market value as at December 31, 2020 (Rupees in '000)	Market value as a percentage		Par value as a percentage of issued capital of the investee company
	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2020		Total Investments	Net Assets	
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	143,300	-	-	69,300	74,000	34,978	1.63%	1.61%	0.09%
	143,300	-	-	69,300	74,000	34,978	1.63%	1.61%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	307,000	-	74,500	232,500	21,588	1.01%	0.99%	0.12%
TPL Corp Limited	-	5,632,500	-	-	5,632,500	42,751	1.99%	1.96%	2.59%
TPL Trakker Limited	-	1,566,000	-	-	1,566,000	15,895	0.74%	0.73%	0.08%
	-	7,505,500	-	74,500	7,431,000	80,234	3.74%	3.68%	
FOODS & PERSONAL CARE PRODU									
Clover Pakistan Limited	-	150,000	-	-	150,000	12,045	0.56%	0.55%	0.05%
	-	150,000	-	-	150,000	12,045	0.56%	0.55%	
Total as at December 31, 2020	31,137,181	31,344,327	2,600	23,838,194	38,645,914	2,144,962	100%	98%	
Carrying value as at December 31, 2020						1,887,320			

5.1.1 Investments include shares having market value aggregating to Rs. 315.852 million (June 30, 2020: Rs. 279.809 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

5.1.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 4.407 million at December 31, 2020 (June 30, 2020: Rs. 3.10 million) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
5.2 Net unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss		
Market value of investments	2,144,962	1,708,222
Less: carrying value of investments before mark to market	1,887,320	1,839,753
	257,642	(131,531)

Note ----- (Rupees in '000) -----

		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	----- (Rupees in '000) -----	
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited		100	100
Advance tax		392	392
Prepaid listing fee		17	-
Advance against subscription of Term Finance Certificates (TFC)		25,000	25,000
		<u>28,009</u>	<u>27,992</u>
Less: Provision in respect of advance against subscription of term finance certificates	6.1	<u>(25,000)</u>	<u>(25,000)</u>
		<u>3,009</u>	<u>2,992</u>

6.1 The Fund had subscribed towards the Term Finance Certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till December 31, 2020. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at December 31, 2020, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
7. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	----- (Rupees in '000) -----	
Management fee	7.1	3,648	3,025
Sindh Sales Tax	7.2	474	393
Sales load payable		134	259
Selling and marketing payable	7.3	5,486	4,485
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.4	1,003	832
		<u>10,745</u>	<u>8,994</u>

7.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. Currently, the management fee is charged at the rate of 2% of average annual net assets of the fund (June 30, 2020: 1.7% - 2%) during the period.

7.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7.3 SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed cap of 0.4 percent (of average net assets, calculated on daily basis), on charging of selling and marketing expenses which are charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds). Resultantly, Management Company has charged selling and marketing expenses to the Fund at the rate of 1.05% of average annual net assets of the fund (June 30, 2020: 0.4% - 1.05%) during the period.

7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). Currently, the expense is charged at the rate of 0.55% of average annual net assets of the fund (June 30, 2020: 0.1% - 0.55%) during the period.

		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
		----- (Rupees in '000) -----	
8.	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee	<u>209</u>	<u>417</u>
8.1	As per SRO 685(I)/2019 dated June 28, 2019, annual fee at the rate of 0.02% of the net assets of the Fund has been charged during the period by Securities and Exchange Commission of Pakistan.		
		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
		----- (Rupees in '000) -----	
9.	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Federal Excise Duty	9.1 37,838	37,838
	Provision for Sindh Workers' Welfare Fund	9.2 41,884	34,381
	Withholding tax payable	757	807
	Auditors remuneration	797	478
	Payable to broker	848	138
	Others	777	711
		<u>82,901</u>	<u>74,353</u>
9.1	The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities against the order by Supreme Court of Pakistan dated July 16, 2016, is pending for decision.		
	In view of above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 37.838 million (June 30, 2020: Rs. 37.838 million). Had the provision not been retained, NAV per unit of the Fund as at December 31, 2020 would have been higher by Rs. 1.81 per unit (June 30, 2020: 1.77 per unit).		
9.2	PROVISION FOR SINDH WORKERS' WELFARE FUND		
	The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020.		
	As there is profit for the half year ended December 31, 2020, a provision of 7.5 million for SWWF has been recognised in this condensed interim financial information. As at December 31, 2020, the provision in relation to SWWF amounted to Rs. 41.884 million (2020: Rs. 34.381 million). Had the provision not being made, the Net Asset Value per unit as at December 31, 2020 would have been higher by Rs.2.0001 (June 30, 2020: Rs. 1.6127) per unit.		
10.	CONTINGENCIES AND COMMITMENTS		
	There are no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.		
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. 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, 2021 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 contracted rates and terms determined in accordance with market rates.

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

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

	(Un-Audited)	
	Half year ended	
	December 31,	
	2020	2019
	----- (Rupees in '000) -----	
12.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management Fee including sales tax thereon	<u>23,563</u>	<u>22,962</u>
Allocation of expenses related to registrar services, accounting, operation and valuation services	<u>5,734</u>	<u>2,675</u>
Selling and marketing expense	<u>10,947</u>	<u>7,804</u>
Issue of Nil units (December 31, 2019: 1,415,688 units)	<u>-</u>	<u>150,000</u>
Redemption of Nil units (December 31, 2019: 942,564 units)	<u>-</u>	<u>101,348</u>
Habib Bank Limited - Sponsor		
Bank charges paid	<u>9</u>	<u>7</u>
Mark-up on deposits with banks earned	<u>2,160</u>	<u>713</u>
Dividend income earned	<u>36,836</u>	<u>2,142</u>
Executives and their relatives		
Issuance of Nil units (December 31, 2019: 7,695 units)	<u>-</u>	<u>786</u>
Redemption of Nil units (December 31, 2019: 4,690 units)	<u>-</u>	<u>500</u>

	(Un-Audited) Half year ended December 31,	
	2020	2019
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	1,748	1,767
Central Depository service charges	87	91
MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Trustee		
Issuance of 522 units (December 31, 2019 : 191,205 units)	51	16,000
Redemption of 2,988 units (December 31, 2019 : 240,156 units)	291	20,033
MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee		
Issuance of 286,784 units (December 31, 2019 : 24,534 units)	29,725	2,012
Redemption of 306,901 units (December 31, 2019 : 64,860 units)	31,238	5,564
MCBFSL - HBL Financial Planning Fund Strategic Allocation Plan - Trustee		
Redemption of nil units (December 31, 2019 : 440,522 units)	-	36,967
	(Un-Audited)	(Audited)
	December 31,	June 30,
	2020	2020
	----- (Rupees in '000) -----	
12.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management fee	3,648	3,025
Sindh Sales Tax	474	393
Sales load payable	134	259
Selling and marketing payable	5,486	4,485
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,003	832
Habib Bank Limited - Sponsor		
Investment held in the Fund: 8,616,219 units (June 30, 2020: 8,616,219 units)	896,170	743,941
Bank balances	74,744	57,932
Mark-up receivable	301	270
Directors and Executives of the Management Company and their relatives		
Directors and their relatives*		
Investment held in the Fund: 3,873 units (June 30, 2020: 4,727 units)	403	408

	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
HBL Employees Provident Fund - Associated Entity		
Investment held in the Fund: 7,125,389 units (June 30, 2020: 7,125,389 units)	<u>741,110</u>	<u>615,220</u>
MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Associate		
Investment held in the Fund: 323,488 units (June 30, 2020: 325,954 units)	<u>33,646</u>	<u>28,143</u>
MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee		
Investment held in the Fund: 107,539 units (June 30, 2020: 129,177 units)	<u>11,185</u>	<u>11,153</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	<u>267</u>	<u>233</u>
Sindh Sales Tax	<u>35</u>	<u>30</u>
Security deposit	<u>100</u>	<u>100</u>

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

		December 31, 2020 (Un-Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	At Amortised Cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	----- (Rupees in '000) -----						
Financial assets measured at fair value								
Investments								
- Listed equity securities		2,144,962	-	2,144,962	2,144,962	-	-	2,144,962
		2,144,962	-	2,144,962	2,144,962	-	-	2,144,962
Financial assets not measured at fair value								
	13.1							
Bank balances		-	101,233	101,233				
Dividend receivable and accrued mark-up		-	6,319	6,319				
Receivable against sale of investments		-	48,703	48,703				
Deposits		-	2,617	2,617				
			158,872	158,872				
Financial liabilities not measured at fair value								
	13.1							
Payable to the Management Company		-	10,745	10,745				
Payable to the Trustee		-	302	302				
Payable against redemption of units		-	32,033	32,033				
Payable to the Securities and Exchange Commission of Pakistan		-	209	209				
Accrued expenses and other liabilities		-	2,422	2,422				
Net assets attributable to unit holders		-	2,178,036	2,178,036				
			2,223,747	2,223,747				
		June 30, 2020 (Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	At Amortised Cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	----- (Rupees in '000) -----						
Financial assets measured at fair value								
Investments - Listed equity securities		1,708,222	-	1,708,222	1,708,222	-	-	1,708,222
		1,708,222	-	1,708,222	1,708,222	-	-	1,708,222
Financial assets not measured at fair value								
	13.1							
Bank balances		-	209,661	209,661				
Dividend receivable and accrued mark-up		-	2,587	2,587				
Receivable against sale of securities		-	5,415	5,415				
Deposits		-	2,600	2,600				
			220,263	220,263				
Financial liabilities not measured at fair value								
	13.1							
Payable to the Management Company		-	8,994	8,994				
Payable to Trustee		-	263	263				
Payable against purchase of investment		-	4,106	4,106				
Accrued expenses and other liabilities		-	1,327	1,327				
Net assets attributable to unit holders		-	1,840,744	1,840,744				
			1,855,434	1,855,434				

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

14. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended December 31, 2020 is 2.62%, which includes 0.51% representing government levy (2019: 2.33% which includes 0.51% representing government levy), Sindh Worker's Welfare Fund and SECP fee.

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on February 10, 2021.

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

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

17. GENERAL

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

17.2 This condensed interim financial information are unaudited and have been reviewed by the auditors. Further, the figures of the condensed interim income statement and statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed.

17.3 In continuation of note 1.7 to annual audited financial statements for the year ended June 30, 2020, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The management of the Fund is closely monitoring the situation and so far there is no impact on this interim financial information of the Fund.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Equity Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



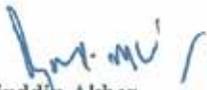
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL EQUITY FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Equity Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 18, 2021





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Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL EQUITY FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL EQUITY FUND ("the Fund") as at December 31, 2020 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 10 FEB 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2020

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Bank balances	4	79,490	26,474
Investments	5	1,070,584	406,330
Dividend and mark-up receivable		3,842	166
Receivable against sale of investments - net		49,384	1,657
Advances, deposits and prepayments	6	2,817	2,804
TOTAL ASSETS		<u>1,206,117</u>	<u>437,431</u>
LIABILITIES			
Payable to the Management Company	7	4,540	1,786
Payable to the Trustee	8	175	84
Payable to Securities and Exchange Commission of Pakistan	9	76	60
Payable against redemption of units		26,329	2,112
Dividend payable		-	214
Accrued expenses and other liabilities	10	76,309	10,423
TOTAL LIABILITIES		<u>107,429</u>	<u>14,679</u>
NET ASSETS		<u>1,098,688</u>	<u>422,752</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>1,098,688</u>	<u>422,752</u>
CONTINGENCIES AND COMMITMENTS			
	11	(Number of Units)	
Number of units in issue		<u>8,397,275</u>	<u>4,213,147</u>
		(Rupees)	
Net assets value per unit		<u>130.8386</u>	<u>100.3410</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Note	Half year ended December 31,		Quarter ended December 31,	
		2020	2019	2020	2019
(Rupees in '000)					
Income					
Capital gain on sale of investments - net		83,463	13,968	41,010	16,846
Dividend income		11,923	7,425	10,757	4,616
Mark-up on bank deposits		1,219	1,808	521	989
		96,605	23,201	52,288	22,451
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit and loss' - net		80,519	36,498	44,837	47,392
		177,124	59,699	97,125	69,843
Expenses					
Remuneration of the Management Company		7,562	2,537	4,245	1,405
Sindh Sales Tax on remuneration of the Management Company		983	330	552	330
Remuneration of the Trustee		757	264	425	140
Sindh Sales Tax on remuneration of the Trustee		98	34	55	34
Annual fee to Securities and Exchange Commission of Pakistan		76	26	43	15
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,554	321	872	123
Selling and marketing expenses		2,499	972	2,017	576
Auditors' remuneration		226	242	117	130
Fees and subscriptions		14	14	7	8
Securities transaction costs and settlement charges		5,173	1,358	3,259	864
Bank charges		3	7	3	4
		18,945	6,105	11,595	3,629
Net income for the period from operating activities		158,179	53,594	85,530	66,214
Provision for Sindh Workers' Welfare Fund	10.2	(3,164)	(1,072)	(1,711)	(1,072)
Net income for the period before taxation		155,015	52,522	83,819	65,142
Taxation	12	-	-	-	-
Net income for the period after taxation		155,015	52,522	83,819	65,142
Allocation of net income for the period					
Income already paid on redemption of units		51,033	1,131	39,947	1,131
Accounting income available for distribution:					
Relating to capital gains		103,982	50,233	43,872	64,011
Excluding capital gains		-	1,158	-	-
		103,982	51,391	43,872	64,011
		155,015	52,522	83,819	65,142
Earnings per unit	13				

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020**

	Half year ended		Quarter ended,	
	December 31,		December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	155,015	52,522	83,819	65,142
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>155,015</u>	<u>52,522</u>	<u>83,819</u>	<u>65,142</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,					
	2020			2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	412,122	10,630	422,752	247,193	(1,596)	245,597
Issuance of 10,140,406 units (2019: 1,375,966 units)						
Capital value (at net asset value per unit at the beginning of the period)	1,017,498	-	1,017,498	128,497		128,497
Element of income	226,640	-	226,640	6,045		6,045
Total proceeds on issuance of units	1,244,138	-	1,244,138	134,542		134,542
Redemption of units 5,956,278 (2019: 1,097,282 units)						
Capital value (at net asset value per unit at the beginning of the period)	(597,659)	-	(597,659)	(102,472)		(102,472)
Income already paid on redemption of units	-	(51,033)	(51,033)		(1,131)	(1,131)
Element of loss	(74,525)	-	(74,525)	(1,985)		(1,985)
Total payments on redemption of units	(672,184)	(51,033)	(723,217)	(104,457)	(1,131)	(105,588)
Total comprehensive income for the period	-	155,015	155,015		52,522	52,522
Net assets at end of the period	984,076	114,612	1,098,688	277,279	49,795	327,073
Undistributed income / accumulated (loss) brought forward						
Realised income		24,551			29,469	
Unrealised loss		(13,921)			(31,065)	
		10,630			(1,596)	
Accounting income available for distribution						
Relating to capital gains		103,982			50,233	
Excluding capital gains		-			1,158	
		103,982			51,391	
Total comprehensive income for the period		-			-	
Undistributed income carried forward		114,612			49,795	
Undistributed income carried forward						
Realised income		34,093			13,297	
Unrealised income		80,519			36,498	
		114,612			49,795	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>100.3410</u>			<u>93.3868</u>
Net assets value per unit at end of the period			<u>130.8386</u>			<u>112.4512</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,	
	2020	2019
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	155,015	52,522
Adjustments for:		
Capital gain on sale of investments - net	(83,463)	(13,968)
Dividend income	(11,923)	(7,425)
Mark-up on bank deposits	(1,219)	(1,808)
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss'- net	(80,519)	(36,498)
	<u>(22,109)</u>	<u>(7,177)</u>
Increase in assets		
Investments - net	(500,272)	(38,354)
Receivable against sale of investments - net	(47,727)	-
Advances, deposits and prepayments	(13)	(21)
	<u>(548,012)</u>	<u>(38,375)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	2,754	519
Payable to the Trustee	91	(1)
Payable to Securities and Exchange Commission of Pakistan	16	(249)
Dividend payable	(214)	
Accrued expenses and other liabilities	65,886	1,165
	<u>68,533</u>	<u>1,434</u>
Cash used in operations	(501,588)	(44,118)
Dividend received	8,332	8,119
Mark-up received on bank deposits	1,134	1,828
	<u>9,466</u>	<u>9,947</u>
Net cash used in operating activities	(492,122)	(34,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	1,244,138	134,542
Payment against redemption of units	(699,000)	(105,346)
Net cash generated from financing activities	545,138	29,196
Net increase / (decrease) in cash and cash equivalents	53,016	(4,974)
Cash and cash equivalents at the beginning of the period	26,474	28,239
Cash and cash equivalents at the end of the period	4 <u>79,490</u>	<u>23,264</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

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

The Fund has been categorised as an equity scheme as per the criteria laid down by the SECP for categorisation of the Collective Investment Schemes (CISs). The investment objective of the Fund is to provide investors a diversified equity portfolio with a primary objective of maximizing risk-adjusted returns over longer investment horizon through a combination of capital gains and dividend income. Title to the assets of the Fund is held in the name of the CDC as Trustee of the Fund.

JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2++' (Stable Outlook) 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 provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), the directives issued by the SECP and the requirements of the Trust Deed.

Where 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, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, 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, the directives issued by the SECP and the 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 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 audited financial statements of the Fund for the year ended June 30, 2020.

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, 2020, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and 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, 2019.

2.1.4 This condensed interim financial information is unaudited but 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 December 31, 2020 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 December 31, 2020.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of this 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, 2020, unless otherwise stated.

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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, 2020.

3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. 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.

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, 2020.

	Note	Unaudited December 31, 2020	Audited June 30, 2020
4 BANK BALANCES			
		(Rupees in '000')	
In savings accounts	4.1	78,786	26,210
In current account		704	264
		<u>79,490</u>	<u>26,474</u>

4.1 This represents bank accounts held with various banks. Mark-up rate on these accounts range from 5.6% to 7.6% per annum (June 30, 2020: 7.00% to 14.05% per annum). This includes an amount held by a related party Habib Bank Limited, amounting to Rs. 10.517 million (June 30, 2020: Rs. 13.744 million) on which return is earned at 5.6% (June 30, 2020: 7%) per annum.

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Listed equity securities

5.1 1,070,584 406,330

5.1 Financial assets at 'fair value through profit or loss' - listed equity securities

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

Name of the Investee Company	Notes	As at July 1, 2020	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2020	Carrying Amount as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation/ (diminution) on re measurement of investments	Market value as percentage of total investment	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
----- Number of Shares ----- (Rupees in '000) -----												
AUTOMOBILE PARTS & ACCESSORIES												
Honda Atlas Cars (Pakistan) Limited		42,300	86,100	-	63,200	65,200	18,977	21,393	2,416	2.00%	1.95%	1.50%
Pak Suzuki Motor Company Limited		30,000	124,000	-	83,100	70,900	15,367	17,154	1,788	1.60%	1.56%	2.08%
Sazgar Engineering Works Limited		150,900	40,000	-	190,900	-	-	-	-	0.00%	0.00%	0.00%
Indus Motor Company Limited		-	45,900	-	7,050	38,850	47,920	46,541	(1,379)	4.35%	4.24%	5.92%
		223,200	296,000	-	344,250	174,950	82,264	85,088	2,824	7.95%	7.74%	
CEMENT												
DG Khan Cement Limited	5.1.1	100,000	266,000	-	64,000	302,000	31,229	34,603	3,374	3.23%	3.15%	0.79%
Lucky Cement Limited	5.1.1	55,200	45,000	-	20,400	79,800	44,800	55,548	10,748	5.19%	5.06%	1.72%
Maple Leaf Cement Factory Limited		385,000	374,000	-	133,500	625,500	20,598	28,154	7,556	2.63%	2.56%	0.26%
Cherat Cement Company Limited		100,000	22,000	-	122,000	-	-	-	-	0.00%	0.00%	0.00%
Attock Cement Pakistan Limited		-	80,500	-	7,000	73,500	12,053	11,029	(1,024)	1.03%	1.00%	0.80%
Thatta Cement Company Limited		-	1,689,000	-	312,000	1,377,000	28,936	27,650	(1,286)	2.58%	2.52%	2.77%
		640,200	2,476,500	-	658,900	2,457,800	137,616	156,984	19,367	14.66%	14.29%	
CHEMICAL												
ICI Pakistan Limited		41,800	1,500	-	43,300	-	-	-	-	0.00%	0.00%	0.00%
Sitara Peroxide Limited		576,000	-	-	576,000	-	-	-	-	0.00%	0.00%	0.00%
Ghani Global Holdings Limited		125,000	1,892,000	-	1,017,000	1,000,000	4,772	3,940	(832)	0.37%	0.36%	0.00%
Berger Paints Pakistan Limited		-	56,000	-	56,000	-	-	-	-	0.00%	0.00%	0.00%
Lotte Chemical Pakistan Limited		-	670,000	-	-	670,000	10,316	10,090	(226)	0.94%	0.92%	0.07%
Engro Polymer & Chemicals Limited		-	187,500	-	-	187,500	9,114	8,908	(206)	0.83%	0.81%	0.10%
		742,800	2,807,000	-	1,692,300	1,857,500	24,203	22,938	(1,264)	2.14%	2.09%	
COMMERCIAL BANKS												
The Bank of Punjab		989,000	-	-	989,000	-	-	-	-	0.00%	0.00%	0.00%
National Bank of Pakistan		309,000	-	-	309,000	-	-	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited		243,050	64,000	-	307,000	50	2	2	-	0.00%	0.00%	0.00%
Faysal Bank Limited	5.1.2	1,800	-	-	360	1,440	20	25	5	0.00%	0.00%	0.00%
MCB Bank Limited**		-	86,000	-	86,000	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	5.1.1	-	607,590	-	287,000	320,590	40,155	40,349	195	3.77%	3.67%	0.33%
Habib Bank Limited*		-	303,000	-	303,000	-	-	-	-	0.00%	0.00%	0.00%
Standard Chartered Bank Pakistan Limited		889,500	1,229,500	-	63,000	2,056,000	61,885	71,631	9,746	6.69%	6.52%	0.19%
		2,432,350	2,290,090	-	2,344,360	2,378,080	102,062	112,007	9,946	10.46%	10.19%	
AUTOMOBILE PARTS & ACCESSORIES												
General Tyre & Rubber		-	325,000	-	-	325,000	27,090	26,949	(141)	2.52%	2.45%	2.21%
CABLE & ELECTRICAL GOODS												
Pak Elektron Limited		-	1,054,000	-	775,000	279,000	10,826	11,196	370	1.05%	1.02%	0.22%
Waves Singer Pakistan Limited		-	2,250,000	-	1,465,000	785,000	20,707	22,129	1,422	2.07%	2.01%	1.18%
		-	3,304,000	-	2,240,000	1,064,000	31,533	33,325	1,792	3.11%	3.03%	
LEATHER & TANNERIES												
Service Industries Textiles Limited		-	11,500	-	-	11,500	9,548	9,593	45	0.90%	0.87%	4.08%
FOOD & ALLIED INDUSTRIES												
The Organic Meat Company Limited		-	2,936,300	-	573,000	2,363,300	64,028	70,474	6,446	6.58%	6.41%	6.30%

Name of the Investee Company	Notes	As at July 1, 2020	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2020	Carrying Amount as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation/ (diminution) on re measurement of investments	Market value as percentage of total investment	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
----- Number of Shares -----						----- (Rupees in '000) -----						
FOOD & PERSONAL CARE PRODUCTS												
Treet Corporation Limited		-	757,500	-	757,500	-	-	-	-	0.00%	0.00%	0.00%
Al Shaheer Corporation Limited		-	500,000	-	500,000	-	-	-	-	0.00%	0.00%	0.00%
Clover Pakistan Limited		-	265,000	-	-	265,000	26,005	21,280	(4,726)	1.99%	1.94%	6.83%
		-	1,522,500	-	1,257,500	265,000	26,005	21,280	(4,726)	1.99%	1.94%	
ENGINEERING												
International Steels Limited		-	347,000	-	136,000	211,000	15,942	19,672	3,730	1.84%	1.79%	0.45%
Amreeli Steels Limited		187,500	284,000	-	120,500	351,000	14,823	16,939	2,116	1.58%	1.54%	0.57%
Mughal Iron & Steel Industries Limited		221,500	107,000	-	101,500	227,000	12,052	17,191	5,138	1.61%	1.56%	0.68%
Ittefaq Iron Industries Limited		-	1,442,500	-	768,000	674,500	11,469	11,143	(327)	1.04%	1.01%	0.77%
		409,000	2,180,500	-	1,126,000	1,463,500	54,286	64,944	10,659	6.07%	5.91%	
FERTILIZER												
Engro Corporation Limited	5.1.1	79,630	62,000	-	91,696	49,934	14,929	15,348	419	1.43%	1.40%	0.27%
Fauji Fertilizer Bin Qasim Limited		-	2,569,000	-	1,890,000	679,000	15,548	17,192	1,645	1.61%	1.56%	0.47%
Engro Fertilizers Limited		-	147,993	-	147,993	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited		-	135,628	-	-	135,628	14,949	14,716	(234)	1.37%	1.34%	0.16%
		79,630	2,914,621	-	2,129,689	864,562	45,426	47,256	1,829	4.41%	4.30%	
OIL & GAS EXPLORATION COMPANIES												
Pakistan Oilfields Limited		23,000	10,000	-	33,000	-	-	-	-	0.00%	0.00%	0.00%
Oil & Gas Development Company Limited	5.1.1	109,416	367,000	-	184,500	291,916	31,599	30,292	(1,306)	2.83%	2.76%	0.07%
Pakistan Petroleum Limited	5.1.1	137,500	470,000	-	273,000	334,500	31,144	30,215	(928)	2.82%	2.75%	0.11%
Mari Petroleum Company Limited		9,764	7,000	-	6,500	10,264	13,191	13,752	561	1.28%	1.25%	1.03%
		279,680	854,000	-	497,000	636,680	75,933	74,259	(1,674)	6.94%	6.76%	
OIL & GAS MARKETING COMPANIES												
Pakistan State Oil Company Limited	5.1.1 & 5.1.2	98,131	177,000	-	96,300	178,831	34,802	38,502	3,700	3.60%	3.50%	0.82%
Sui Northern Gas Pipeline Limited		-	300,000	-	300,000	-	-	-	-	0.00%	0.00%	0.00%
Hascol Petroleum Limited		1,192,000	260,000	-	1,452,000	-	-	-	-	0.00%	0.00%	0.00%
		1,290,131	737,000	-	1,848,300	178,831	34,802	38,502	3,699	3.60%	3.50%	
INSURANCE												
TPL Insurance Limited		100,000	-	-	-	100,000	2,200.00	3,029	829	0.28%	0.28%	0.32%
IGI Holdings Limited		129,000	15,000	-	-	144,000	26,437.47	29,295	2,858	2.74%	2.67%	2.05%
IGI Life Insurance Limited		-	190,000	-	-	190,000	9,830	10,895	1,065	1.02%	0.99%	0.64%
		229,000	205,000	-	-	434,000	38,467	43,219	4,752	4.04%	3.93%	
GLASS & CERAMICS												
Tariq Glass Industries Limited		207,000	-	-	207,000	-	-	-	-	0.00%	0.00%	0.00%
PHARMACEUTICALS												
The Searle Company Limited	5.1.2	49,874	-	-	49,600	274	55	68	14	0.01%	0.01%	0.00%
GlaxoSmithKline Pakistan Limited		70,100	-	-	70,100	-	-	-	-	0.00%	0.00%	0.00%
AGP Limited		38,500	78,000	-	116,500	-	-	-	-	0.00%	0.00%	0.00%
Hignoon Laboratories Limited		32,465	2,500	-	34,965	-	-	-	-	0.00%	0.00%	0.00%
		190,939	80,500	-	271,165	274	55	68	13	0.01%	0.01%	
REFINERY												
Attock Refinery Limited		-	67,500	-	67,500	-	-	-	-	0.00%	0.00%	0.00%
National Refinery Limited		-	109,000	-	109,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Refinery Limited		-	2,094,500	-	604,500	1,490,000	31,677	35,447	3,770	3.31%	3.23%	0.56%
Byco Petroleum Pakistan Limited		-	1,200,000	-	-	1,200,000	10,093	10,620	527	0.99%	0.97%	0.02%
		-	3,471,000	-	781,000	2,690,000	41,770	46,067	4,297	4.30%	4.19%	

Name of the Investee Company	Notes	As at July 1, 2020	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2020	Carrying Amount as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation/ (diminution) on re measurement of investments	Market value as percentage of total investment	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
----- Number of Shares -----						----- (Rupees in '000) -----						
INVESTMENT BANKS/COs./SECURITIES												
Jahangir Siddiqui & Co. Limited		-	650,000	-	650,000	-	-	-	-	0.00%	0.00%	0.00%
EFG Hermes Pakistan Limited		-	100,000	-	-	100,000	2,221	2,255	34	0.21%	0.21%	1.13%
		-	750,000	-	650,000	100,000	2,221	2,255	34	0.21%	0.21%	
POWER GENERATION & DISTRIBUTION												
The Hub Power Company Limited		-	384,751	-	384,751	-	-	-	-	0.00%	0.00%	0.00%
K-Electric Limited (par value of Rs. 3.5 each)		-	500,000	-	500,000	-	-	-	-	0.00%	0.00%	0.00%
		-	884,751	-	884,751	-	-	-	-	0.00%	0.00%	
TECHNOLOGY & COMMUNICATION												
Systems Limited	5.1.2	69,238	-	-	66,900	2,338	429	980	551	0.09%	0.09%	0.08%
Avanceon Limited		-	422,000	-	252,000	170,000	12,806	15,785	2,979	1.47%	1.44%	0.75%
TRG Pakistan Limited		-	992,500	-	430,000	562,500	42,375	51,418	9,043	4.80%	4.68%	0.94%
TPL Corp Limited		-	8,097,500	-	2,652,000	5,445,500	40,865	41,331	466	3.86%	3.76%	1.55%
TPL Trakker Limited		-	1,236,000	-	-	1,236,000	13,066	12,545	(520)	1.17%	1.14%	0.67%
		69,238	10,748,000	-	3,400,900	7,416,338	109,541	122,060	12,519	11.40%	11.11%	
VANASPATI & ALLIED INDUSTRIES												
Unity Foods Limited		379,500	6,219,826	-	4,896,326	1,703,000	47,590	54,598	7,008	5.10%	4.97%	0.55%
TEXTILE COMPOSITE												
Nishat Mills Limited		-	70,000	-	70,000	-	-	-	-	0.00%	0.00%	0.00%
Gul Ahmed Textile Mills Limited		591,000	190,000	-	332,000	449,000	13,925	16,501	2,576	1.54%	1.50%	0.39%
Interloop Limited		936	187,500	-	29,000	159,436	10,406	10,853	447	1.01%	0.99%	0.12%
Nishat Chunian Limited		-	270,000	-	-	270,000	11,294	11,364	70	1.06%	1.03%	0.47%
		591,936	717,500	-	431,000	878,436	35,626	38,718	3,092	3.62%	3.52%	
Total - As at December 31, 2020		7,764,604	45,731,588	-	26,233,441	27,262,751	990,066	1,070,584	80,519	100.00%	97.44%	
Total - As at June 30, 2020		3,412,341	25,075,006	41,153	20,763,896	7,764,604	420,251	406,330	(13,921)	100.00%	96.00%	

*Sponsor of the management company

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

5.1.1 As at December 31, 2020 the Fund has pledged shares 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, of following companies:

- D.G. Khan Cement Company Limited (100,000 shares having market value of Rs. 11.458 million)
- Engro Corporation Limited (31,000 shares having market value of Rs. 9.528 million)
- Lucky Cement Limited (20,000 shares having market value of Rs. 13.922 million)
- Oil & Gas Development Company (50,000 shares having market value of Rs. 5.189 million)
- United Bank Limited (200,000 shares having market value of Rs. 25.172 million)
- Pakistan Petroleum Limited (70,000 shares having market value of Rs. 6.323 million)
- Pakistan State Oil Company Limited (50,000 shares having market value of Rs. 25.172 million)

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 High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 1.21 million at December 31, 2020 (June 30, 2020: Rs. 0.53 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 Fund and accordingly has recorded the bonus shares on gross basis at fair value of its investments.

	Note	Unaudited December 31, 2020	Audited June 30, 2020
	(Rupees in '000')		
6 ADVANCES, DEPOSITS AND PREPAYMENTS			
Security deposit with:			
National Clearing Company of Pakistan Limited		2,500	2,500
Central Depository Company of Pakistan Limited		100	100
		2,600	2,600
Prepaid listing fee		13	0
Advance tax	6.1	204	204
		<u>2,817</u>	<u>2,804</u>

6.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Furthermore, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R", dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time, as per ITO 2001.

	Note	Unaudited December 31, 2020	Audited June 30, 2020
7	PAYABLE TO THE MANAGEMENT COMPANY	(Rupees in '000')	
	Remuneration payable of the Management Company	1,465	700
	Sindh Sales Tax payable on the Management Company's remuneration	191	91
	Allocation of expenses related to registrar services, accounting, operation and valuation services	301	144
	Selling and marketing expense payable	2,017	843
	Sales load payable	566	8
		4,540	1,786
8	PAYABLE TO THE TRUSTEE		
	Trustee fee payable	175	84
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	76	60
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	10.1 5,685	5,685
	Provision for Sindh Workers' Welfare Fund	10.2 6,201	3,037
	Withholding tax payable	780	494
	Brokerage payable	1,501	282
	Auditors' remuneration	223	112
	Printing charges	81	729
	Others	61,838	84
		76,309	10,423
10.1	The legal status of applicability of Federal Excise Duty (FED) on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, 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. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2020 would have been higher by Re. 0.677 per unit (June 30, 2020: Rs. 1.349 per unit).		
10.2	The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is the same as disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020 and a constitutional petition filed by certain CISs, through their trustees, in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, is pending adjudication.		
	As at December 31, 2020, the provision in relation to SWWF amounted to Rs. 6.201 million. Had the provision not been made, the net asset value per unit as at December 31, 2020 would have been higher by Rs. 0.738 (June 30, 2020: Rs. 0.720) per unit.		
11	CONTINGENCIES AND COMMITMENTS		
	There were no contingencies and commitments as at December 31, 2020 (June 30, 2020: Nil).		

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, 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 at least 90% of the Fund's accounting income, as reduced by capital gains, whether realised or unrealized, for the year ending June 30, 2021 to its unit holders.

13 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 cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

14 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 and directors and executive of the Management Company 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:

	(Unaudited)	
	Half Year ended	
	December 31,	
	2020	2019
	(Rupees in '000')	
14.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	7,562	2,537
Sindh Sales Tax on remuneration of the Management Company	983	330
Selling and marketing expenses	2,499	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,554	321
Sales load paid	-	-
Issue of 622,083 (2019: 226,472) units	78,000	25,000
Redemption of 221,441 (2019: 625,230) units	25,000	63,103
Habib Bank Limited - Sponsor		
Bank charges	3	2
Mark-up on bank deposits	288	346
Dividend Income	-	252

	(Unaudited) Half Year ended December 31,	
	2020	2019
	(Rupees in '000')	
Data Steel Pipes Industries (Private) Limited* holding 10% or more units		
Issuance of 1,595,241 Units	200,000	-
Directors and Executives of the Management Company		
Issue of 84,739 (2019: 158) units	10,276	15
Redemption of 55,638 (2019: 602) units	6,096	63
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	757	264
Sindh Sales Tax on remuneration of the Trustee	98	34
Central Depository service charges	109	25
14.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration payable of the Management Company	1,465	700
Sindh Sales Tax payable on the Management Company's remuneration	191	91
Selling and marketing expenses	2,017	843
Allocation of expenses related to registrar services, accounting, operation and valuation services	301	144
Sales load payable	566	8
Units held: 978,959 (June 30, 2020: 578,317)	128,086	58,029
Habib Bank Limited - Sponsor		
Bank balance	79,490	14,008
Mark-up Receivable	228	-
MCB Bank Limited - connected person holding 10% or more units		
Bank balances	568	781
Units held: Nil (June 30, 2020: 1,022,050)	-	102,554
Data Steel Pipes Industries (Private) Limited - connected person * holding 10% or more units		
Units held: 1,595,241 units (June 30, 2020: nil units)	208,719	-
Directors and Executives of the Management Company		
Units held: 59,573 units (June 30, 2020: 30,472 units)	7,794	3,058
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	165	79
Central Depository Charges payable	10	5
Security deposit	100	100

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

15 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.

As per the requirements of IFRS 13 (Fair Value Measurement), 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.

		December 31, 2020 (Un-Audited)						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
Financial assets measured at fair value								
	Investments	1,070,584	-	1,070,584	1,070,584	-	-	1,070,584
		1,070,584	-	1,070,584	1,070,584	-	-	1,070,584
Financial assets not measured at fair value								
15.1	Bank balances	-	79,490	79,490				
	Dividend and mark-up receivable	-	3,842	3,842				
	Receivable against sale of investments - net	-	49,384	49,384				
	Deposits	-	2,600	2,600				
		-	135,316	135,316				
Financial liabilities not measured at fair value								
15.1	Payable to the Management Company	-	4,349	4,349				
	Payable to the Trustee	-	146	146				
	Payable against redemption of units	-	26,329	26,329				
	Accrued expenses and other liabilities	-	63,554	63,554				
		-	94,378	94,378				
		June 30, 2020 (Audited)						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
Financial assets measured at fair value								
	Investments	406,330	-	406,330	406,330	-	-	406,330
		406,330	-	406,330	406,330	-	-	406,330
Financial assets not measured at fair value								
15.1	Bank balances	-	26,474	26,474				
	Dividend and profit receivable	-	166	166				
	Deposits	-	1,657	1,657				
	Receivable against sale of investments - net	-	2,600	2,600				
		-	30,897	30,897				
Financial liabilities not measured at fair value								
15.1	Payable to the Management Company	-	1,695	1,695				
	Payable to the Trustee	-	75	75				
	Payable against redemption of units	-	2,112	2,112				
	Dividend payable	-	214	214				
	Accrued expenses and other liabilities	-	1,138	1,138				
		-	5,234	5,234				

15.1 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.

15.2 Transfers during the period

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

16 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 half year ended December 31, 2020 is 3.09% (2019: 2.74%) which includes 0.65% (2019: 0.6%) representing Government levy and SECP fee.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 10, 2021.

18 GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

18.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure, the effect of which is not material.

18.3 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Energy Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
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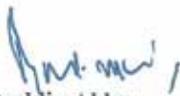
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ENERGY FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Energy Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 18, 2021





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Sarwar Shaheed Road
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Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL ENERGY FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL ENERGY FUND ("the Fund") as at December 31, 2020 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 10 FEB 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL Energy Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2020

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	30,914	39,502
Investments	5	714,950	556,251
Dividend and mark-up receivable		1,783	198
Advances, deposits, prepayments and other receivables	6	38,139	2,969
TOTAL ASSETS		785,786	598,920
LIABILITIES			
Payable to the Management Company	7	4,095	2,773
Payable to the Trustee	8	140	110
Payable to Securities and Exchange Commission of Pakistan	9	78	137
Unclaimed dividend		5,382	5,388
Accrued expenses and other liabilities	10	46,943	19,701
TOTAL LIABILITIES		56,638	28,109
NET ASSETS		729,148	570,811
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		729,148	570,811
CONTINGENCIES AND COMMITMENTS			
	11	----- (Number of units) -----	
Number of units in issue		64,122,676	57,020,563
		----- (Rupees) -----	
Net assets value per unit		11.3711	10.0106

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	Note ----- (Rupees in '000) -----			
Income				
Capital gain on sale of investments - net	56,535	3,595	16,620	13,038
Dividend income	16,523	13,155	14,367	7,266
Mark-up on bank deposits	1,492	3,690	628	1,933
	<u>74,550</u>	<u>20,440</u>	<u>31,615</u>	<u>22,237</u>
Unrealized appreciation / (diminution) on re-measurement of investme classified as financial asset at 'fair value through profit or loss'- net	27,883	112,963	(17,332)	162,407
	<u>102,433</u>	<u>133,403</u>	<u>14,283</u>	<u>184,644</u>
Expenses				
Remuneration of the Management Company	7,793	6,690	3,808	3,737
Sindh Sales Tax on remuneration of the Management Company	1,013	869	495	485
Remuneration of the Trustee	779	698	381	374
Sindh Sales Tax on remuneration of the Trustee	101	91	49	49
Annual fee to Securities and Exchange Commission of Pakistan	78	70	38	38
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,143	880	1,047	301
Selling and marketing expenses	4,091	2,568	1,999	1,402
Auditors' remuneration	218	220	109	220
Fees and subscription	17	11	15	8
Securities transaction cost	2,485	1,347	1,010	832
Settlement and bank charges	276	15	131	11
	<u>18,994</u>	<u>13,459</u>	<u>9,082</u>	<u>7,457</u>
Net income for the period from operating activities	<u>83,439</u>	<u>119,944</u>	<u>5,201</u>	<u>177,187</u>
Provision for Sindh Workers' Welfare Fund	10 (1,669)	(2,399)	(104)	(2,399)
Net income for the period before taxation	<u>81,770</u>	<u>117,545</u>	<u>5,097</u>	<u>174,788</u>
Taxation	12 -	-	-	-
Net income for the period after taxation	<u>81,770</u>	<u>117,545</u>	<u>5,097</u>	<u>174,788</u>
Allocation of net income for the period				
Income already paid on redemption of units	19,409	1,853	3,696	1,853
Accounting income available for distribution:				
Relating to capital gains	62,361	114,771	1,401	172,935
Excluding capital gains	-	921	-	-
	<u>62,361</u>	<u>115,692</u>	<u>1,401</u>	<u>172,935</u>
	<u>81,770</u>	<u>117,545</u>	<u>5,097</u>	<u>174,788</u>
Earnings per unit	13			

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	81,770	117,545	5,097	174,788
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>81,770</u>	<u>117,545</u>	<u>5,097</u>	<u>174,788</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,					
	2020			2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)						
Net assets at beginning of the period	633,476	(62,665)	570,811	720,151	14,191	734,342
Issuance of 61,236,077 (2019: 15,586,966 units)						
Capital value (at net asset value per unit at the beginning of the period)	613,010	-	613,010	173,328	-	173,328
Element of income	71,748	-	71,748	12,905	-	12,905
Total proceeds on issuance of units	684,758	-	684,758	186,233	-	186,233
Redemption 54,133,964 of (2019: 15,392,308 units)						
Capital value (at net asset value per unit at the beginning of the period)	(541,913)	-	(541,913)	(171,164)	-	(171,164)
Income already paid on redemption of units	-	(19,409)	(19,409)	-	(1,853)	(1,853)
Element of loss	(46,869)	-	(46,869)	1,205	-	1,205
Total payable on redemption of units	(588,782)	(19,409)	(608,191)	(169,959)	-	(171,812)
Total comprehensive income for the period	-	81,770	81,770	-	117,545	117,545
Net assets at end of the period	<u>729,452</u>	<u>(304)</u>	<u>729,148</u>	<u>736,425</u>	<u>129,883</u>	<u>866,308</u>
Undistributed (loss) / income brought forward						
Realised (loss) / income		(11,960)			191,887	
Unrealized loss		(50,705)			(177,696)	
		(62,665)			14,191	
Accounting income available for distribution						
Relating to capital gains		62,361			114,771	
Excluding capital gains		-			921	
		62,361			115,692	
Total comprehensive loss for the period		-			-	
Accumulated loss carried forward		<u>(304)</u>			<u>129,883</u>	
Accumulated loss carried forward						
Realised (loss) / income		(28,187)			16,920	
Unrealized income		27,883			112,963	
		<u>(304)</u>			<u>129,883</u>	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			<u>10.0106</u>			<u>11.1201</u>
Net assets value per unit at end of the period			<u>11.3711</u>			<u>13.0799</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended	
	December 31,	
Note	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	81,770	117,545
Adjustments for:		
Capital gain on sale of investments - net	(56,535)	(3,595)
Dividend income	(16,523)	(13,155)
Mark-up on bank deposits	(1,492)	(3,690)
Unrealized appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net	(27,883)	(112,963)
	<u>(20,663)</u>	<u>(15,858)</u>
(Increase) / Decrease in assets		
Investments - net	(74,281)	7,282
Advances, deposits, prepayments and other receivables	(35,170)	(26)
	<u>(109,451)</u>	<u>7,256</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	1,322	757
Payable to the Trustee	30	10
Payable to Securities and Exchange Commission of Pakistan	(59)	(798)
Accrued expenses and other liabilities	27,242	2,626
Unclaimed dividend	(6)	-
	<u>28,529</u>	<u>2,595</u>
Cash used in operations	<u>(101,585)</u>	<u>(6,007)</u>
Dividend received	14,908	13,145
Mark-up received on bank deposits	1,522	3,804
	<u>16,430</u>	<u>16,949</u>
Net cash (used in) / generated from operating activities	<u>(85,155)</u>	<u>10,942</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	684,758	186,233
Amount paid on redemption of units	(608,191)	(171,812)
Net cash generated from financing activities	<u>76,567</u>	<u>14,421</u>
Net (decrease) / increase in cash and cash equivalents	<u>(8,588)</u>	<u>25,363</u>
Cash and cash equivalents at beginning of the period	<u>39,502</u>	<u>61,148</u>
Cash and cash equivalents at end of the period	<u>4</u> <u>30,914</u>	<u>86,511</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

Condensed Interim Statement of Cash Flow (Un- Audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), the directives issued by the SECP and the requirements of the Trust Deed.

Where 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, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, 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, the directives issued by the SECP and the 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 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 audited financial statements of the Fund for the year ended June 30, 2020.
- 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, 2020, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and 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, 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 December 31, 2020 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 December 31, 2020.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.

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 this 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, 2020, unless otherwise stated.
- 3.2** The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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, 2020.
- 3.4** There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, standards effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. 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.
- 3.5** The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2020.

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
4	BANK BALANCES		
	In savings accounts	30,903	39,490
	In current accounts	11	12
		<u>30,914</u>	<u>39,502</u>

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 5% to 6.2% per annum (June 30, 2020: 7% to 14.05% per annum). This includes balance held with Habib Bank Limited and MCB Bank limited (a related party) amounting to Rs. 2.012 million (June 30, 2020: Rs. 2.933 million) and 21.278 million (June 30, 2020: 6.931 million) on which return is earned at 5% (June 30, 2020: 7%) and 5% (June 30, 2020: 7%) respectively.

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

	Listed equity securities	5.1	<u>714,950</u>	<u>556,251</u>
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5.1 Investment in listed equity securities - Financial Assets at 'fair value through profit or loss'

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

Name of the Investee Company	Notes	As at July 1, 2020	Purchases during the period	Bonus Issue	Sales during the period	As at December 31, 2020	Carrying Amount as at December 31, 2020	Market Value as at December 31, 2020	Unrealized appreciation / (diminution) on re-measurement of investments	Market value as percentage of total investments	Market value as percentage of net assets	Par value as a percentage of issued capital of the Investee company
		Number of shares				(Rupees in '000)						
Oil and Gas Exploration Companies												
Pakistan Petroleum Limited	5.1.1	723,332	1,032,000	-	536,000	1,219,332	114,747	110,142	(4,605)	15.41%	15.11%	0.40%
Oil and Gas Development Company Limited	5.1.1	831,263	779,500	-	650,105	960,658	104,399	99,687	(4,711)	13.94%	13.67%	0.23%
Mari Petroleum Company Limited		82,709	21,160	-	28,120	75,749	96,206	101,490	5,284	14.20%	13.92%	7.61%
Pakistan Oilfields Limited		104,729	156,600	-	110,000	151,329	58,685	59,837	1,152	8.37%	8.21%	2.11%
		<u>1,742,033</u>	<u>1,989,260</u>	-	<u>1,324,225</u>	<u>2,407,068</u>	<u>374,037</u>	<u>371,158</u>	<u>(2,879)</u>	<u>51.91%</u>	<u>50.90%</u>	
Oil and Gas Marketing Companies												
Hasco Petroleum Limited		1,230,000	1,443,500	-	1,688,000	985,500	14,936	14,477	(459)	2.02%	1.99%	0.14%
Pakistan State Oil Company Limited	5.1.1 & 5.1.2	467,395	439,429	-	393,500	513,324	91,451	110,519	19,067	15.46%	15.16%	2.35%
Sui Northern Gas Pipeline Limited		1,003,900	360,000	-	1,030,000	333,900	18,276	14,832	(3,444)	2.07%	2.03%	0.23%
Sui Southern Gas Company Limited		404,500	101,500	-	404,500	101,500	1,536	1,474	(63)	0.21%	0.20%	0.02%
Attock Petroleum Limited		82,990	15,900	-	55,500	43,390	13,719	14,520	800	2.03%	1.99%	1.46%
Hi-Tech Lubricants Limited		-	170,000	-	-	170,000	7,547	7,443	(105)	1.04%	1.02%	0.64%
Shell Pakistan Limited		-	128,900	-	128,900	-	-	-	-	-	-	-
		<u>3,188,785</u>	<u>2,659,229</u>	-	<u>3,700,400</u>	<u>2,147,614</u>	<u>147,465</u>	<u>163,264</u>	<u>15,796</u>	<u>22.84%</u>	<u>22.39%</u>	
Power Generation & Distribution												
The Hub Power Company Limited		910,898	945,000	-	772,500	1,083,398	83,173	85,946	2,773	12.02%	11.79%	0.70%
K-Electric Limited (par value Rs. 3.5 per unit)		4,438,000	2,940,000	-	1,860,500	5,517,500	19,259	21,573	2,314	3.02%	2.96%	0.02%
		<u>5,348,898</u>	<u>3,885,000</u>	-	<u>2,633,000</u>	<u>6,600,898</u>	<u>102,432</u>	<u>107,519</u>	<u>5,087</u>	<u>15.04%</u>	<u>14.75%</u>	
Refinery												
Attock Refinery Limited		61,500	237,000	-	235,000	63,500	11,248	11,560	312	1.62%	1.59%	1.08%
Byco Petroleum Limited		-	1,606,000	-	-	1,606,000	13,950	14,213	264	1.99%	1.95%	0.03%
National Refinery Limited		26,000	309,700	-	314,000	21,700	3,851	7,592	3,741	1.06%	1.04%	0.95%
Pakistan Refinery Limited		-	3,490,500	-	1,824,000	1,666,500	34,081	39,646	5,565	5.55%	5%	0.63%
		<u>87,500</u>	<u>5,643,200</u>	-	<u>2,373,000</u>	<u>3,357,700</u>	<u>63,130</u>	<u>73,011</u>	<u>9,882</u>	<u>10.21%</u>	<u>10.01%</u>	
Total - As at December 31, 2020		<u>10,367,216</u>	<u>14,176,689</u>	-	<u>10,030,625</u>	<u>14,513,280</u>	<u>687,065</u>	<u>714,950</u>	<u>27,883</u>	<u>100.00%</u>	<u>98.05%</u>	
Total - As at June 30, 2020		<u>14,667,786</u>	<u>7,678,775</u>	<u>208,852</u>	<u>12,188,197</u>	<u>10,367,216</u>	<u>606,956</u>	<u>556,251</u>	<u>50,705</u>	<u>100.00%</u>	<u>97.00%</u>	

5.1.1 As at December 31, 2020, the Fund has pledged shares 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 of following companies:

- Oil and Gas Development Company (300,000 shares having market value of Rs. 31.131 million)
- Pakistan Petroleum Limited (200,000 shares having market value of Rs. 18.066 million)
- Pakistan State Oil Company Limited (100,000 shares having market value of Rs. 21.530 million)

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 High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.514 million at December 31, 2020 (June 30, 2020: Rs. 0.377 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		December 30,	June 30,
		2020	2020
		(Un-Audited)	(Audited)
		Note	----- (Rupees in '000) -----
6	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Security deposit with:		
	National Clearing Company of Pakistan Limited	2,500	2,500
	Central Depository Company of Pakistan Limited	300	300
		<u>2,800</u>	<u>2,800</u>
	Receivable from NCCPL - Ready Market	35,153	-
	Prepaid listing fee	17	-
	Advance tax	6.1 169	169
		<u>38,139</u>	<u>2,969</u>
6.1	The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Furthermore, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001.		
	The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R", dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time, as per ITO 2001.		
		December 31,	June 30,
		2020	2020
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
7	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration to the Management Company	1,213	951
	Sindh Sales Tax payable on the Management Company's remuneration	158	124
	Allocation of expenses related to registrar services, accounting, operation and valuation services	725	262
	Selling and marketing expense payable	1,999	1,436
		<u>4,095</u>	<u>2,773</u>

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
		----- (Rupees in '000) -----	
8	PAYABLE TO THE TRUSTEE		
	Trustee fee payable	121	95
	Sindh Sales Tax payable on remuneration of Trustee	16	12
	CDS charges payable	3	3
		<u>140</u>	<u>110</u>
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	<u>78</u>	<u>137</u>
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	10.1 13,920	13,920
	Provision for Sindh Workers' Welfare Fund	10.2 6,654	4,985
	Withholding tax payable	170	79
	Brokerage payable	537	118
	Auditors' remuneration	218	292
	Printing charges	-	35
	Zakat payable	207	207
	NCCPL payable	14,539	36
	Payable against redemption of units	10,625	-
	Other	73	29
		<u>46,943</u>	<u>19,701</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.920 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2020 would have been higher by Re. 0.22 per unit (June 30, 2020: Re. 0.24 per unit).

10.2 The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020 and a constitutional petition filed by certain CISs, through their trustees, in the Honourable High Court of Sindh, challenging the applicability of SWWF to the CISs, is pending adjudication.

As at December 31, 2020, the provision in relation to SWWF amounted to Rs. 6.654 million. Had the provision not been made, the net asset value per unit as at December 31, 2020 would have been higher by Re. 0.10 (June 30, 2020: 0.11) per unit.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 (June 30, 2020: Nil).

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, 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 unrealized for the year ending June 30, 2021 to its unit holders.

13 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 cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

14 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 and directors and executives of the Management Company 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:

	Half year ended	
	December 31,	
	2020	2019
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
14.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Issue of units: Nil (2019: 5,791,794) units	-	75,000
Redemption of units: Nil (2019: 4,160,270) units	-	49,215
Remuneration of the Management Company	7,793	6,690
Sindh Sales Tax on remuneration of the Management Company	1,013	869
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,143	880
Selling and marketing expenses	4,091	2,568

	Half year ended	
	December 31,	
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
Habib Bank Limited - Sponsor		
Bank charges	13	3
Mark-up on bank deposits	105	122
Executives of the Management Company		
Issue of 245,706 (2019: 7,628) units	2,619	101
Redemption of 59,138 (2019: 7,628) units	620	100
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	779	698
Sindh Sales Tax on remuneration of the Trustee	101	91
CDS charges	3	3
	December 31,	June 30,
	2020	2020
	(Un-Audited)	(Audited)
	----- Rupees in '000 -----	
14.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	1,213	951
Sindh Sales Tax on Management Company's remuneration	158	124
Allocation of expenses related to registrar services, accounting, operation and valuation services	725	262
Selling and marketing expenses	1,999	1,436
Habib Bank Limited - Sponsor		
Bank balances	2,012	2,933
Units held: 19,690,192 (June 30, 2020: 19,690,192)	223,900	197,111
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	121	84
Sindh Sales Tax on remuneration of the Trustee	16	11
CDS charges payable	3	3
Security deposit	300	300
Directors and Executives of the Management Company		
Units held: 186,568 (June 30, 2020: Nil)	2,121	-
MCB Bank Limited- Connected person due to holding more than 10% units:		
Bank balance	21,288	16,943
Units held: 6,468,400 (June 30, 2020: 6,468,400)	73,553	64,753

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

As per the requirements of IFRS 13 (Fair Value Measurements), 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 liabilities, including their levels in the fair value hierarchy.

		December 31, 2020 (Un-Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
	Financial assets measured at fair value							
	Investments - net	714,950	-	714,950	714,950	-	-	714,950
		714,950	-	714,950	714,950	-	-	714,950
	Financial assets not measured at fair value							
15.1	Bank balances	-	30,914	30,914				
	Dividend and mark-up receivable	-	1,783	1,783				
	Deposits and other receivables	-	38,139	38,139				
		-	70,836	70,836				
	Financial liabilities not measured at fair value							
15.1	Payable to the Management Company	-	3,937	3,937				
	Payable to the Trustee	-	124	124				
	Accrued expenses and other liabilities	-	25,919	25,919				
	Unclaimed dividend	-	5,382	5,382				
		-	35,362	35,362				

		June 30, 2020 (Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets measured at fair value								
	Investments - net	556,251	-	556,251	556,251	-	-	556,251
		556,251	-	556,251	556,251	-	-	556,251
Financial assets not measured at fair value								
15.1	Bank balances	-	39,502	39,502				
	Dividend and mark-up receivable	-	198	198				
	Deposits	-	2,800	2,800				
		-	42,500	42,500				
Financial liabilities not measured at fair value								
15.1	Payable to the Management Company	-	2,649	2,649				
	Payable to the Trustee	-	98	98				
	Accrued expenses and other liabilities	-	481	481				
	Unclaimed dividend	-	5,388	5,388				
		-	8,616	8,616				

15.1 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.

15.2 Transfers during the period

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

16 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 half year ended December 31, 2020 is 2.67% (2019: 2.29%) which includes 0.38% (2019: 0.52%) representing Government levy and SECP fee.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 10, 2021.

18 GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

18.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure, effect of which is not material.

18.3 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Multi Asset Fund

FUND INFORMATION

Name of Fund	HBL Multi Asset Fund
Name of Auditor	KPMG Taseer Hadi & Co., Chartered Accountants.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Zarai Taraqati Bank Limited Sindh Bank Limited Soneri Bank Limited Dubai Islamic Bank Limited Habib Metropolitan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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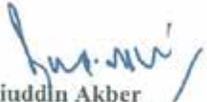
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MULTI ASSET FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Multi Asset Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 18, 2021





KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
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Independent Auditors' Review Report to the unit holders of HBL Multi Asset Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Multi Asset Fund** ("the Fund") as at 31 December 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended 31 December 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

HBL Multi Asset Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at December 31, 2020

		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	6	45,035	69,747
Investments	7	160,634	136,901
Dividend receivable and accrued mark-up		567	550
Advances, deposits and other receivables	8	6,978	3,515
Total assets		213,214	210,713
Liabilities			
Payable to Management Company	9	687	1,150
Payable to Trustee		38	34
Payable to Securities and Exchange Commission of Pakistan of Pakistan		21	39
Payable against redemption of units		-	416
Accrued expenses and other liabilities	10	12,292	15,310
Total liabilities		13,038	16,949
Net assets		200,176	193,764
Unit holders' fund (as per statement attached)		200,176	193,764
Contingencies and Commitments	11		
		-----Number of units-----	
Number of units in issue		1,839,087	2,059,534
		----- (Rupees) -----	
Net assets value per unit		108.8453	94.0814

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For the six and three months period ended December 31, 2020

	Six months period ended December 31,		Three months period ended December 31,	
	2020	2019	2020	2019
	Note ----- (Rupees in '000) -----			
Income				
Net realised gain on sale of investments	9,328	2,683	5,184	3,454
Dividend income	2,569	3,877	2,091	1,858
Return on investments calculated using effective interest method	802	2,018	426	977
Profit on deposits with banks calculated using effective interest method	1,830	4,496	919	2,273
Net unrealised appreciation on remeasurement of investments classified as 'financial asset at fair value through profit or loss	18,841	21,054	3,073	25,565
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds	7.2.1 1,520	-	-	-
Other income	14	33	8	19
	34,904	34,161	11,701	34,146
	34,904	34,161	11,701	34,146
Expenses				
Remuneration of Management Company	2,402	2,121	1,150	1,184
Remuneration of Trustee	240	228	115	118
Annual fee to Securities and Exchange Commission of Pakistan	21	20	10	10
Allocation of expenses related to registrar services, accounting, operation and valuation services	372	217	178	53
Selling and marketing expense	515	333	246	150
Auditors' remuneration	234	200	135	100
Securities transaction costs	259	213	173	105
Settlement and bank charges	177	136	46	88
Fee and subscription	39	14	32	7
	4,259	3,482	2,085	1,815
Net income from operating activities	30,645	30,679	9,616	32,331
Provision for Sindh Workers' Welfare Fund	10.2 (613)	(614)	(192)	(614)
Net income for the period before taxation	30,032	30,065	9,424	31,717
Taxation	12 -	-	-	-
Net income for the period after taxation	30,032	30,065	9,424	31,717
Allocation of net income for the period after taxation				
Net income for the period after taxation	30,032	30,065	9,424	30,065
Income already paid on redemption of units	(3,712)	(2,970)	(6,930)	(2,970)
Accounting income available for distribution	26,320	27,095	2,494	27,095
Accounting income available for distribution:				
- Relating to capital gains	24,708	21,534	8,014	21,534
- Excluding capital gains	1,612	5,561	916	5,561
	26,320	27,095	8,930	27,095

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the six and three months period ended December 31, 2020

	Six months period ended		Three months period ended	
	December 31,		December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	30,032	30,065	9,424	31,717
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	30,032	30,065	9,424	31,717

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Statement of Movement in Unitholders' Fund (Un-Audited)
For the six and three months period ended December 31, 2020

	2020			2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income / (accumulated loss)	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	243,068	(49,304)	193,764	252,548	(49,394)	203,154
Issue of 651,785 units (2019: 59,403 units)						
- Capital value	61,321	-	61,321	5,682	-	5,682
- Element of income	7,317	-	7,317	567	-	567
Total proceeds on issuance of units	68,638	-	68,638	6,249	-	6,249
Redemption of 872,232 units (2019: 339,842 units)						
- Capital value	(82,061)	-	(82,061)	(32,506)	-	(32,506)
- Element of loss	(6,485)	(3,712)	(10,197)	195	(2,970)	(2,775)
Total payments on redemption of units	(88,546)	(3,712)	(92,258)	(32,311)	(2,970)	(35,281)
Total comprehensive income / (loss) for the period	-	30,032	30,032	-	30,065	30,065
Total comprehensive income / (loss) for the period	-	30,032	30,032	-	30,065	30,065
Net assets at end of the period	223,160	(22,984)	200,176	226,486	(22,299)	204,187
Undistributed income brought forward						
- Realised loss		(28,505)			(28,595)	
- Unrealised loss		(20,799)			(20,799)	
		(49,304)			(49,394)	
Accounting income available for distribution						
- Relating to capital gains	24,708			21,534		
- Excluding capital gains	1,612			5,561		
	26,320			27,095		
Adjustment due to adoption of IFRS 9	-			-		
Net loss for the period after taxation	-			-		
Distribution during the period	-			-		
Accumulated loss carried forward		(22,984)			(22,299)	
Accumulated loss carried forward						
-Realised loss	(41,825)			(43,353)		
-Un-realised gain	18,841			21,054		
	(22,984)			(22,299)		
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			94.0814			95.6506
Net assets value per unit at end of the period			108.8453			110.7617

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the six and three months period ended December 31, 2020

	2020	2019
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net Income for the period before taxation	30,032	30,065
Adjustments		
Net realised gain on sale of investments	(9,328)	(2,683)
Profit on deposits with banks calculated using effective yield method	(1,830)	(4,496)
Return on investments calculated using effective yield method	(802)	(2,018)
Dividend income	(2,569)	(3,877)
Net unrealised appreciation on remeasurement of investments classified as 'financial asset at fair value through profit or loss'	(18,841)	(21,054)
	<u>(3,338)</u>	<u>(4,063)</u>
Decrease / (increase) in assets		
Investments	4,436	14,618
Advances, deposits and other receivables	(3,463)	(15)
Receivable against sale of investments	-	2,631
	<u>973</u>	<u>17,234</u>
Increase / (decrease) in liabilities		
Payable to Management Company	(463)	55
Payable to Trustee	4	(23)
Payable to Securities and Exchange Commission of Pakistan	(18)	(214)
Payable against redemption of units	(416)	20,000
Accrued expenses and other liabilities	(3,018)	502
	<u>(3,911)</u>	<u>20,320</u>
Net cash (used in) / generated from operations	<u>(6,276)</u>	<u>33,491</u>
Profits received on bank deposits	1,945	4,405
Markup received on investments	804	2,193
Dividend income received	2,435	3,917
	<u>5,184</u>	<u>10,515</u>
Net cash (used in) / generated from operating activities	<u>(1,092)</u>	<u>44,006</u>
Cash flows from financing activities		
Amount received on issue of units	68,638	6,249
Payment against redemption of units	(92,258)	(35,281)
Net cash used in financing activities	<u>(23,620)</u>	<u>(29,032)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(24,712)</u>	<u>14,974</u>
Cash and cash equivalents at beginning of the period	<u>69,747</u>	<u>60,225</u>
Cash and cash equivalents at end of the period	<u><u>45,035</u></u>	<u><u>75,199</u></u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the six and three months period ended December 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

The Fund has been categorised as a balanced fund as per the criteria laid down by SECP for categorization of open-end Collective Investment Scheme (CISs).

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

VIS Credit Rating Company has assigned a management quality rating of AM2++' (Stable outlook) to the Management Company while the Fund is currently not rated.

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

Impact of Covid-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 The 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;
- 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.

In case where requirements differ, 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 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

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 December 31, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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 financial statements of the Fund for the year, ended June 30, 2020.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2020.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2020.

		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
6. BANK BALANCES	<i>Note</i>	(Rupees in '000)	
Savings accounts	6.1	<u>45,035</u>	<u>69,747</u>
6.1	This represents bank accounts held with different banks. Profit rates on these accounts ranges between 5.00% - 7.4% (June 30, 2020: 6.00% - 14.05%) per annum.		
		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
7. INVESTMENTS	<i>Note</i>	(Rupees in '000)	
Investments by category			
At fair value through profit or loss			
Listed equity securities	7.1	<u>139,564</u>	119,600
Term finance certificates and Sukuk bonds	7.2	<u>21,070</u>	17,301
		<u>160,634</u>	<u>136,901</u>

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

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

Name of Investee Company	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2020	Cost of holdings as at December 31, 2020	Market value as at December 31, 2020	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) -----				----- (Rupees in '000) -----		----- % -----			
Automobiles Parts & Accessories										
Thal Limited (par value: Rs.5 each)	13,000	-	-	9,900	3,100	1,007	1,465	0.91%	0.73%	0.00%
	13,000	-	-	9,900	3,100	1,007	1,465	0.91%	0.73%	0.00%
Auto Mobile Assembler										
Honda Atlas Cars (Pakistan) Limited	-	6,500	-	2,000	4,500	1,481	1,476	0.92%	0.74%	0.00%
Millat Tractors Limited	-	2,500	-	400	2,100	1,914	2,297	1.43%	1.15%	0.00%
	-	9,000	-	2,400	6,600	3,395	3,773	2.35%	1.89%	0.00%
Cable and Electrical Goods										
Waves Singer Pakistan Limited	-	189,000	-	140,000	49,000	1,462	1,381	0.86%	0.69%	0.03%
	-	189,000	-	140,000	49,000	1,462	1,381	0.86%	0.69%	0.03%
Cement										
Kohat Cement Limited	9,500	-	-	3,300	6,200	852	1,359	0.85%	0.68%	0.00%
D.G. Khan Cement Limited	-	34,500	-	10,600	23,900	2,589	2,738	1.70%	1.37%	0.01%
Lucky Cement Limited	17,400	-	-	4,600	12,800	5,908	8,910	5.55%	4.45%	0.00%
Maple Leaf Cement Factory Limited	19,000	78,000	-	34,000	63,000	2,169	2,836	1.77%	1.42%	0.01%
	45,900	112,500	-	52,500	105,900	11,518	15,843	9.87%	7.92%	0.02%
Chemicals										
Engro Polymer & Chemicals Limited	86,000	-	-	29,000	57,000	1,424	2,708	1.69%	1.35%	0.01%
Lotte Chemical Pakistan Limited	-	125,000	-	125,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	10,400	1,800	-	3,500	8,700	2,464	2,697	1.68%	1.35%	0.04%
Sitara Peroxide Limited	90,000	-	-	90,000	-	-	-	-	-	-
	186,400	126,800	-	247,500	65,700	3,888	5,405	3.37%	2.70%	0.05%
Commercial Banks										
Allied Bank Limited	14,500	-	-	14,500	-	-	-	-	-	-
Bank Al-Falah Limited	149,100	4,000	-	55,500	97,600	3,276	3,448	2.15%	1.72%	0.01%
Bank Al-Habib Limited	72,000	1,500	-	24,500	49,000	2,590	3,410	2.12%	1.70%	0.00%
Bank of Punjab	141,000	-	-	24,000	117,000	983	1,085	0.68%	0.54%	0.00%
Faysal Bank Limited	2,250	102,000	-	22,000	82,250	1,457	1,421	0.88%	0.71%	0.01%
Habib Bank Limited	41,971	21,000	-	-	62,971	6,896	8,330	5.19%	4.16%	0.00%
MCB Bank Limited	15,900	10,000	-	2,000	23,900	3,943	4,428	2.76%	2.21%	0.00%
Meezan Bank Limited	-	7,000	-	-	7,000	714	731	0.46%	0.37%	0.00%
Standard Chartered Bank Pakistan Limited	-	71,000	-	-	71,000	2,277	2,474	1.54%	1.24%	0.00%
National Bank of Pakistan Limited	74,500	-	-	74,500	-	-	-	-	-	-
United Bank Limited	46,300	37,400	-	14,000	69,700	7,665	8,772	5.46%	4.38%	0.01%
	557,521	253,900	-	231,000	580,421	29,801	34,099	21.24%	17.03%	0.03%
Engineering										
Amreli Steels Limited	-	15,000	-	-	15,000	716	724	0.45%	0.36%	0.01%
International Steels Limited	-	12,000	-	3,000	9,000	691	839	0.52%	0.42%	0.00%
International Industries Limited	-	10,000	-	1,500	8,500	1,345	1,501	0.93%	0.75%	0.01%
Mughal Iron & Steel Industries Limited	24,500	-	-	4,500	20,000	798	1,514	0.94%	0.76%	0.01%
	24,500	37,000	-	9,000	52,500	3,550	4,578	2.84%	2.29%	0.03%
Fertilizers										
Engro Corporation Limited	24,550	2,500	-	2,100	24,950	7,357	7,669	4.77%	3.83%	0.00%
Engro Fertilizers Limited	40,000	25,000	-	65,000	-	-	-	-	-	-
Fauji Fertilizer Co. Limited	46,200	12,500	-	46,200	12,500	1,387	1,356	0.84%	0.68%	0.00%
	110,750	40,000	-	113,300	37,450	8,744	9,025	5.61%	4.51%	0.00%
Food and Personal Care Products										
Unity Foods Limited	-	207,500	-	157,500	50,000	1,437	1,603	1.00%	0.80%	0.01%
The Organic Meat Company Limited	-	160,725	-	-	160,725	3,413	4,792	2.98%	2.39%	0.14%
	-	368,225	-	157,500	210,725	4,850	6,395	3.98%	3.19%	0.15%
Insurance										
Adamjee Insurance Company Limited	45,000	-	-	10,000	35,000	1,159	1,376	0.86%	0.69%	0.01%
IGI Life Insurance Limited	-	6,000	-	-	6,000	276	344	0.21%	0.17%	0.00%
IGI Holdings Limited	10,000	2,200	-	-	12,200	2,275	2,482	1.55%	1.24%	0.01%
	55,000	8,200	-	10,000	53,200	3,710	4,202	2.62%	2.10%	0.02%
Leather and Tanneries										
Service Industries Limited	-	1,000	-	-	1,000	765	834	0.52%	0.42%	0.00%
	-	1,000	-	-	1,000	765	834	0.52%	0.42%	0.00%
Oil & Gas Exploration										
Attock Refinery Limited	-	11,000	-	11,000	-	-	-	-	-	-
Mari Petroleum Company Limited	6,575	1,500	-	1,960	6,115	7,804	8,193	5.10%	4.09%	0.00%
National Refinery Limited	-	16,000	-	16,000	-	-	-	-	-	-
Oil & Gas Development Company Limited	101,300	5,500	-	41,000	65,800	7,109	6,828	4.25%	3.41%	0.00%
Shell Pakistan Limited	-	2,500	-	2,500	-	-	-	-	-	-
Pakistan Oilfields Limited	-	7,500	-	1,300	6,200	2,579	2,452	1.53%	1.22%	0.00%
Pakistan Petroleum Limited	101,306	1,500	-	29,500	73,306	6,364	6,622	4.12%	3.31%	0.00%
Pakistan Refinery Limited	-	87,000	-	87,000	-	-	-	-	-	-
	209,181	132,500	-	190,260	151,421	23,856	24,095	15.00%	12.03%	0.00%

Name of Investee Company	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2020	Cost of holdings as at December 31, 2020	Market value as at December 31, 2020	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) -----				----- (Rupees in '000) -----		----- % -----			
Oil & Gas Marketing Companies										
Pakistan State Oil Company Limited	23,404	4,500	-	5,000	22,904	3,784	4,931	3.07%	2.46%	0.00%
Sui Northern Gas Pipeline Limited	45,000	-	-	21,500	23,500	1,283	1,044	0.65%	0.52%	0.00%
Hascol Petroleum Limited	-	25,000	-	-	25,000	390	367	0.23%	0.18%	0.00%
	68,404	29,500	-	26,500	71,454	5,457	6,342	3.95%	3.16%	0.00%
Pharmaceuticals										
AGP Limited	17,500	-	-	17,500	-	-	-	-	-	-
Highnoon laboratories Limited	8,000	-	-	4,700	3,300	1,654	1,979	1.23%	0.99%	0.01%
The Searle Company Limited	9,961	-	-	9,099	862	172	215	0.13%	0.11%	0.00%
	35,461	-	-	31,299	4,162	1,826	2,194	1.36%	1.10%	0.01%
Power Generation and Distribution										
Hub Power Company Limited	97,483	21,000	-	42,500	75,983	5,525	6,028	3.75%	3.01%	0.01%
	97,483	21,000	-	42,500	75,983	5,525	6,028	3.75%	3.01%	0.01%
Textile Composite										
Gul Ahmed Textile Mills Limited	70,000	-	-	17,000	53,000	1,517	1,948	1.21%	0.97%	0.01%
Interloop Limited	34,250	-	-	5,000	29,250	1,285	1,991	1.24%	0.99%	0.00%
Kohinoor Textile Mills Limited	-	61,500	-	17,000	44,500	2,575	3,036	1.89%	1.52%	0.01%
Nishat Mills Limited	19,700	-	-	6,000	13,700	1,069	1,394	0.87%	0.70%	0.00%
	123,950	61,500	-	45,000	140,450	6,446	8,369	5.21%	4.18%	0.02%
Transport										
Pakistan National Shipping Corporation	13,000	-	-	-	13,000	982	1,188	0.74%	0.59%	0.01%
	13,000	-	-	-	13,000	982	1,188	0.74%	0.59%	0.01%
Technology and Communication										
Avanceon Limited	-	35,000	-	5,000	30,000	2,193	2,785	1.73%	1.39%	0.01%
TPL Trakker Limited	-	153,500	-	-	153,500	1,842	1,558	0.97%	0.78%	0.08%
	-	188,500	-	5,000	183,500	4,035	4,343	2.70%	2.17%	0.09%
Total as at December 31, 2020	1,540,550	1,578,625	-	1,313,659	1,805,516	120,817	139,564	86.88%	69.71%	0.47%

7.1.1 Investments include shares having market value aggregating to Rs. 33.825 million (June 30, 2020: Rs. 29.678 million) that have been pledged with 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.

7.1.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Previously due to amendments brought by the Finance Act, 2014 in the Income Tax Ordinance, 2001, the bonus shares received by the shareholder were to be treated as income and a tax at the rate of 5 % was 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 was to be collected at source by the investee company which was 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 already withheld the shares (from Tax Year 2014 to Tax Year 2018) equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.5014 million at December 31, 2020 (June 30, 2020: Rs. 0.345 million) and not yet deposited on CDC account of department of Income tax while during the period no tax on bonus shares is being withheld by the investee company(s) due to the amendments brought by the Finance Act, 2018 in the Income Tax Ordinance, 2001 which excluded the the requirement of tax on bonus shares. 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.

7.2 Term Finance Certificates and Sukuk Bonds - At fair value through profit or loss

Name of the Investee Company	As at July 1, 2020	Purchases during the period	Sales / Matured / Settled during the period	December 31, 2020	Amortised Cost as at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of	
	------(Number of certificates)-----				------(Rupees in'000)-----		Total Investments	Net Assets
							------%-----	
Term Finance Certificates								
Commercial Bank								
The Bank of Punjab	135	-	-	135	13,225	13,349	8.31%	6.67%
	135	-	-	135	13,225	13,349	8.31%	6.67%
Leasing Companies								
Saudi Pak Leasing Company Limited - (Note 7.2.1)	6,000	-	6,000	-	-	-	-	-
	6,000	-	6,000	-	-	-	-	-
Sukuk Bonds								
Investment Company								
Dawood Hercules Corporation Limited	50	-	-	50	3,573	3,543	2.21%	1.77%
	50	-	-	50	3,573	3,543	2.21%	1.77%
Power Generation & Distribution								
Hub Power Holding Limited	-	50	-	50	4,123	4,178	2.60%	2.09%
	-	50	-	50	4,123	4,178	2.60%	2.09%
Total	6,185	50	6,000	235	20,921	21,070	13.12%	10.53%

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

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

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

During the period, an amount of Rs. 1.52 million is being received from SPLC as full and final settlement.

7.2.2 Significant terms and conditions of Term finance certificate and sukuk bonds outstanding as at December 31, 2020 are as follows:

Name of security	Remaining Principal (per TFC / Sukuk)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates				
Bank of Punjab	99,840	6 months Kibor + 1%	23-Dec-16	23-Dec-26
Saudi Pak Leasing Company Limited	2,533	6 months Kibor + 1.5%	13-Mar-08	13-Mar-13
Sukuk Bonds				
Dawood Hercules Corporation Limited	70,000	3 months Kibor + 1%	1-Mar-18	1-Mar-23
The Hub Power Company Limited	100,000	6 months Kibor + 2.5%	12-Nov-20	12-Nov-22

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES		(Rupees in '000)	
	<i>Note</i>		
Security deposit with National Clearing Company of Pakistan Limited (NCCPL)		2,500	3,051
Security deposit with Central Depository Company of Pakistan Limited (CDC)		100	100
Advance against TFCs	8.1	25,000	25,000
Prepaid listing fee		14	-
Advance Tax		364	364
Advance against TPL Trakker Sukuk	8.2	4,000	-
		<u>31,978</u>	<u>28,515</u>
Provision in respect of advance against TFC	8.1	<u>(25,000)</u>	<u>(25,000)</u>
		<u><u>6,978</u></u>	<u><u>3,515</u></u>
8.1	The Fund had subscribed towards the term finance certificates of an issuer as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till at December 31, 2020. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at Decemeber 31, 2020, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.		
8.2	This represents the payment made against purchase of sukuk of TPL Trakker Limited.		
		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
9. PAYABLE TO THE MANAGEMENT COMPANY	<i>Note</i>	(Rupees in '000)	
Management fee		336	303
Sindh Sales Tax		44	40
Sales load payable		1	541
Allocation of expenses related to registrar services, accounting, operation and valuation services		59	53
Selling and marketing payable		247	213
		<u>687</u>	<u>1,150</u>
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		210	318
Federal Excise Duty	10.1	6,610	6,610
Payable to brokers		70	67
Dividend Payable		3	3,001
Withholding Tax Payable		5	522
Provision for Workers' Welfare Fund	10.2	5,344	4,731
Other payables		50	61
		<u>12,292</u>	<u>15,310</u>

10.1 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, 2020.

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to December 31, 2020 aggregating to Rs. 6.610 million. Had the provision not been retained, the Net Assets Value per unit of the Fund as on December 31, 2020 would have been higher by Rs. 3.5942 per unit (June 30, 2020: 3.1122 per unit).

10.2 Provision for Workers' Welfare Fund

The legal status of applicability of Worker's Welfare Fund (WWF) and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 11.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund has recognised provision for SWWF amounting to Rs. 5.344 million in these financial statements. Had the provision not being made, the net asset value per unit as at December 31, 2020 would have been higher by Rs. 2.83 (June 30, 2020: Rs. 2.16) per unit.

11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020 except those disclosed already.

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 the 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, 2021 to its unit holders.

13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

Connected persons / related parties comprise of 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, collective investment schemes managed by the Management Company, directors and officers of the Management Company.

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

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

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

		(Un-Audited)	
		Half year ended	
		December 31,	December 31,
		2020	2019
		(Rupees in '000)	
13.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	2,402	2,121
	Allocation of expenses related to registrar services, accounting, operation and valuation services	372	217
	Selling and marketing cost payable	515	333
	Habib Bank Limited - Sponsor		
	Redemption of Nil units (2019: 179,998 units)	-	20,000
	Bank charges paid during the period	1	7
	Mark-up earned during the period	155	238
	Dividend income earned during the period	-	151
	Purchase of 21,000 shares	2,830	3,150
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	-	228
	Central Depository service charges	11	9
		December 31,	June 30,
		2020	2020
		(Un-Audited)	(Audited)
		(Rupees in '000)	
13.2	Amounts outstanding as at period / year end		
	HBL Asset Management Limited - Management Company		
	Management fee payable	336	303
	Sales tax payable	44	40
	Sales load Payable	1	541
	Allocation of expenses related to registrar services, accounting, operation and valuation services	59	53
	Selling and Marketing Cost	247	213
	Habib Bank Limited - Sponsor		
	Investment held in the Fund: 822,847 units (June 30, 2020: 822,847 units)	89,563	77,415
	Bank balances	2,547	4,277
	Mark-up receivable on deposits with bank	12	18
	Shares held by the Fund : 62,971 shares (June 30, 2020: 41,971 shares)	8,330	-
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	34	30
	Sindh Sales Tax	4	4
	Connected Person Due to holding of 10% or more		
	Investment held in the Fund: 308,237 units (June 30, 2020: 561,804 units)	33,550	-

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 amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		December 31, 2020 (Un-Audited)							
		Carrying amount			Fair Value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>Note</i>		----- (Rupees in '000) -----							
On-balance sheet financial instruments									
Financial assets measured at fair value									
Listed equity securities		139,564	-	-	139,564	139,564	-	-	139,564
Term Finance Certificates and Sukuk Certificate		21,070	-	-	21,070	-	21,070	-	21,070
		160,634	-	-	160,634				
Financial assets not measured at fair value 14.1									
Bank balances		-	-	45,035	45,035				
Dividend receivable and accrued mark-up		-	-	567	567				
Advances, deposits and other receivables		-	-	6,600	6,600				
		-	-	52,202	52,202				
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	687	687				
Payable to the Trustee		-	-	38	38				
Accrued expenses and other liabilities		-	-	338	338				
		-	-	1,063	1,063				

	June 30, 2020 (Audited)							
	Carrying amount				Fair Value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Listed equity securities	119,600	-	-	119,600	119,600	-	-	119,600
Term finance certificates and Sukuk bonds	17,301	-	-	17,301	-	17,301	-	17,301
	<u>136,901</u>	<u>-</u>	<u>-</u>	<u>136,901</u>				
Financial assets not measured at fair value								
Bank balances	-	-	69,747	69,747				
Dividend receivable and accrued mark-up	-	-	550	550				
Advances, deposits and other receivables	-	-	3,151	3,151				
	<u>-</u>	<u>-</u>	<u>73,448</u>	<u>73,448</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	1,110	1,110				
Payable to the Trustee	-	-	30	30				
Accrued expenses and other liabilities	-	-	3,447	3,447				
	<u>-</u>	<u>-</u>	<u>4,587</u>	<u>4,587</u>				

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 reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

14.2 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

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

The SECP vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the said circular. The Management Company classified the Fund as 'Balanced Scheme' in accordance with the said circular. As at December 31, 2020, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any debt security in the portfolio shall not be lower than A- (A Minus).

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

Name of Non-Compliant Investment	Type of investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	% of net assets	% of gross assets
----- (Rupees in '000) -----						
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

16. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio of the Fund for the half year ended December 31, 2020 is 2.31% (December 31, 2019: 2.04%) which includes 0.44% (December 31, 2019: 0.45%) representing government levy, Worker's Welfare Fund and SECP fee. As per S.R.O 639 (I)/2019, the limit towards expense ratio has been amended to 4.50% from 4.00% for Equity, Balanced, Asset Allocation and Capital protected (dynamic asset allocation-direct exposure).

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on February 10, 2021.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Financial Planning Fund

FUND INFORMATION

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



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

HBL FINANCIAL PLANNING FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

HBL Financial Planning Fund, an open-end Scheme established under a Trust Deed dated March 22, 2017 executed between HBL Asset Management Company Limited, as the Management Company and Digital Custodian Company Limited Formerly MCB Financial Services Limited, as the Trustee. The Fund commenced its operations from October 11, 2017.

1. HBL Asset Management Company Limited, the Management Company of HBL Financial Planning Fund has, in all material respects, managed HBL Financial Planning Fund during the period ended 31st December, 2020 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

Khawaja Anwar Hussain
Chief Executive Officer
Digital Custodian Company Limited
Formerly MCB Financial Services Limited

Karachi: February 23, 2021



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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL FINANCIAL PLANNING FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL FINANCIAL PLANNING FUND ("the Fund") as at December 31, 2020 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 10 FEB 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities
AS AT DECEMBER 31, 2020

Note	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)					
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	
Rupees in '000										
ASSETS										
Bank balances	4	712	240	527	1,479	3,468	4,116	185	954	8,723
Investments	5	61,955	55,413	119,082	236,450	54,195	53,447	-	143,634	251,276
Preliminary expenses and flotation costs		508	487	-	995	644	603	-	-	1,247
Advances and prepayments	6	82	48	9	139	90	55	-	-	145
TOTAL ASSETS		63,257	56,188	119,618	239,063	58,397	58,221	185	144,588	261,391
LIABILITIES										
Payable to the Management Company	7	12	16	20	48	10	2,325	-	24	2,359
Payable to the Trustee	8	5	5	10	20	5	5	-	10	20
Payable to Securities and Exchange Commission of Pakistan	9	6	7	14	27	15	12	9	23	59
Accrued expenses and other liabilities	10	482	324	501	1,307	920	3,330	176	3,037	7,463
TOTAL LIABILITIES		505	352	545	1,402	950	5,672	185	3,094	9,901
NET ASSETS		62,752	55,836	119,073	237,661	57,447	52,549	-	141,494	251,490
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		62,752	55,836	119,073	237,661	57,447	52,549	-	141,494	251,490
CONTINGENCIES AND COMMITMENTS	11									
Number of units										
Number of units in issue		588,879	489,137	1,116,531		598,746	485,204	-	1,350,169	2,434,119
Rupees										
Net assets value per unit		106.5609	114.1509	106.6451		95.9459	108.3030	-	104.7978	

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND PERIOD ENDED DECEMBER 31, 2020

	For the half year ended December 31, 2020				For the half year ended December 31, 2019				For the period from July 1, 2019 to October 10, 2019	For the period from September 16, 2019 to December 31, 2019
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	
Rupees in '000										
Income										
Capital gain / (loss) on sale of investments - net	67	1,837	1,411	3,315	(910)	119	2,123	-	1,332	
Dividend income	571	-	927	1,498	1,747	-	548	107	2,402	
Mark-up on bank deposits	44	285	33	362	66	6	3	507	582	
Back-end load	-	-	26	26	-	-	-	30	30	
	682	2,122	2,397	5,201	903	125	2,674	644	4,346	
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	5.1	6,061	1,394	542	7,997	8,507	4,314	-	4,666	17,487
	6,743	3,516	2,939	13,198	9,410	4,439	2,674	5,310	21,833	
Expenses										
Remuneration of the Management Company	9	51	2	62	6	3	-	40	49	
Sindh Sales Tax on remuneration of the Management Company	1	7	-	8	1	1	-	5	7	
Remuneration of the Trustee	28	31	61	120	38	26	43	41	148	
Sindh Sales Tax on remuneration of the Trustee	4	4	8	16	5	3	5	5	18	
Annual fee to the Securities and Exchange Commission of Pakistan	6	7	14	27	8	6	9	9	32	
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	62	69	136	267	82	(19)	(169)	90	(16)	
Amortisation of preliminary expenses and flotation costs	135	118	-	253	135	117	188	-	440	
Auditors' remuneration	34	31	84	149	52	45	29	30	156	
Fees and subscription	14	12	8	34	16	12	58	-	86	
Bank charges	5	11	4	20	11	9	3	10	33	
Printing charges	8	4	8	20	-	-	-	-	-	
	306	345	325	976	354	203	166	230	953	
Net income from operating activities	6,437	3,171	2,614	12,222	9,056	4,236	2,508	5,080	20,880	
Provision for Sindh Workers' Welfare Fund	10.1	(129)	(63)	(252)	(181)	(85)	(50)	(102)	(418)	
Net income for the period before taxation	6,308	3,108	2,562	11,978	8,875	4,151	2,458	4,978	20,462	
Taxation	12	-	-	-	-	-	-	-	-	
Net income for the period after taxation	6,308	3,108	2,562	11,978	8,875	4,151	2,458	4,978	20,462	
Allocation of net income for the period										
Income already paid on redemption of units	100	367	230		437	32	378	67		
Accounting income available for distribution										
Relating to capital gains	6,031	2,741	1,953		7,287	4,119	2,080	4,603		
Excluding capital gains	177	-	379		1,151	-	-	308		
	6,208	2,741	2,332		8,438	4,119	2,080	4,911		
	6,308	3,108	2,562		8,875	4,151	2,458	4,978		
Earnings per unit	13									

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2020 (CONTINUED)

	For the quarter ended December 31, 2020				Quarter ended December 31, 2019		For the period from	For the quarter	Total	
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	October 1, 2019 to October 10, 2019	ended December 31, 2019		
Note	(Rupees in '000)									
Income										
Capital gain / (loss) on sale of investments - net	67	19	1,397	1,483	298	231	4,672	(18)	5,183	
Dividend income	344	-	927	1,271	879	-	173	107	1,159	
Mark-up on bank deposits	15	140	30	185	31	4	1	404	440	
Back-end load	-	-	-	-	-	-	-	30	30	
	426	159	2,354	2,939	1,208	235	4,846	523	6,812	
Unrealized appreciation / (diminution) on re-measurement of investments classified as 'fair value through profit or loss' - net	5.1	1,806	1,318	(507)	2,617	8,901	3,554	(5,100)	3,817	11,172
		2,232	1,477	1,847	5,556	10,109	3,789	(254)	4,340	17,984
Expenses										
Remuneration of the Management Company	3	1	1	5	2	1	-	33	36	
Sindh Sales Tax on remuneration of the Management Company	-	-	-	-	-	1	-	4	5	
Remuneration of the Trustee	14	12	29	55	18	12	5	35	70	
Sindh Sales Tax on remuneration of the Trustee	2	2	4	8	2	1	-	4	7	
Annual fee to the Securities and Exchange Commission of Pakistan	3	3	7	13	4	3	-	8	15	
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	31	27	66	124	39	(49)	(251)	76	(185)	
Amortisation of preliminary expenses and flotation costs	68	60	-	128	68	59	19	-	146	
Auditors' remuneration	17	15	42	74	26	23	3	26	78	
Fees and subscription	7	6	4	17	8	6	41	-	55	
Bank charges	3	8	4	15	8	5	-	6	19	
Printing charges	8	4	8	20	-	-	-	-	246	
	156	138	165	460	175	62	(183)	192	246	
Net income / (loss) from operating activities	2,076	1,339	1,682	5,096	9,934	3,727	(71)	4,148	17,738	
Provision for Sindh Workers' Welfare Fund	(42)	(27)	(34)	(103)	(181)	(75)	1	(84)	(339)	
Net income / (loss) for the period before taxation	2,034	1,312	1,648	4,993	9,753	3,652	(70)	4,064	17,399	
Taxation	-	-	-	-	-	-	-	-	-	
Net income / (loss) for the period after taxation	2,034	1,312	1,648	4,993	9,753	3,652	(70)	4,064	17,399	
Allocation of net income for the period										
Income already paid on redemption of units	44	366	222		437	2		67		
Accounting income available for distribution										
Relating to capital gains	1,832	946	1,047		8,889	3,650		3,736		
Excluding capital gains	158	-	379		427	-		261		
	1,990	946	1,426		9,316	3,650		3,997		
	2,034	1,312	1,648		9,753	3,652		4,064		
Earnings per unit										
	13									

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND PERIOD ENDED DECEMBER 31, 2020

	For the half year ended December 31, 2020				For the half year ended December 31, 2019				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
	Rupees in '000								
Net income for the period after taxation	6,308	3,108	2,562	11,978	8,875	4,151	2,458	4,978	20,462
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>6,308</u>	<u>3,108</u>	<u>2,562</u>	<u>11,978</u>	<u>8,875</u>	<u>4,151</u>	<u>2,458</u>	<u>4,978</u>	<u>20,462</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2020 (CONTINUED)

	For the quarter ended December 31, 2020				Quarter ended December 31, 2019			For the period from October 1, 2019 to October 10, 2019	For the quarter ended December 31, 2019	Total
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan		
	(Rupees in '000)									
Net income / (loss) for the period after taxation	2,034	1,312	1,648	4,993	9,753	3,652	(70)	4,064	17,399	
Other comprehensive income	-	-	-	-	-	-	-	-	-	
Total comprehensive income / (loss) for the period	2,034	1,312	1,648	4,993	9,753	3,652	(70)	4,064	17,399	

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

	Conservative Allocation Plan					
	For the half year ended December 31, 2020			For the half year ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000					
Net assets at beginning of the period	46,342	6,207	52,549	62,239	4,812	67,051
Issuance of 2,614,725 units (2019: Nil units)						
Capital value (at net asset value per unit at the beginning of the period)	283,183	-	283,183	-	-	-
Element of income	6,922	-	6,922	-	-	-
Total proceeds on issuance of units	290,105	-	290,105	-	-	-
Redemption of 2,610,792 units (2019: 161,079 units)						
Capital value (at net asset value per unit at the beginning of the period)	(282,756)	-	(282,756)	(16,724)	-	(16,724)
Income already paid on redemption of units	-	(367)	(367)	-	(32)	(32)
Element of (loss) / income	(6,803)	-	(6,803)	157	-	157
Total payments on redemption of units	(289,559)	(367)	(289,926)	(16,567)	(32)	(16,599)
Total comprehensive income for the period	-	3,108	3,108	-	4,151	4,151
Net assets at end of the period	46,888	8,948	55,836	45,672	8,931	54,603
Undistributed income brought forward						
Realised income	6,074			7,045		
Unrealised income / (loss)	133			(2,233)		
	6,207			4,812		
Accounting income available for distribution						
Relating to capital gains	2,741			4,119		
Excluding capital gains	-			-		
	2,741			4,119		
	8,948			8,931		
Undistributed income carried forward						
Realised income	7,554			4,617		
Unrealised income	1,394			4,314		
	8,948			8,931		
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>108.3030</u>			<u>103.8264</u>
Net assets value per unit at end of the period			<u>114.1509</u>			<u>112.6474</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

	Special Income Plan					
	For the half year ended December 31, 2020			Period from September 16, 2019 to December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000			Rupees in '000		
Net assets at beginning of the period	135,761	5,733	141,494	-	-	-
Issuance of 4,353 units (2019: 1,524,670 units)						
Capital value (at net asset value per unit at the beginning of the period)	458	-	458	152,467	-	152,467
Element of income	-	-	-	27	-	27
Total proceeds on issuance of units	458	-	458	152,494	-	152,494
Redemption of 237,991 units (2019: 29,400 units)						
Capital value (at net asset value per unit at the beginning of the period)	(24,941)	-	(24,941)	(2,940)	-	(2,940)
Income already paid on redemption of units	-	(230)	(230)	-	(67)	(67)
Element of loss	(5)	-	(5)	-	-	-
Total payments on redemption of units	(24,946)	(230)	(25,176)	(2,940)	(67)	(3,007)
Total comprehensive income for the period	-	2,562	2,562	-	4,978	4,978
Interim distribution						
Rs 0.2000 per unit declared on October 02, 2020 as cash dividend	-	(265)	(265)	-	-	-
Distribution for the period	-	(265)	(265)	-	-	-
Net assets at end of the period	111,273	7,800	119,073	149,554	4,911	154,465
Undistributed income brought forward						
Realised loss		(1,029)			-	
Unrealised income		6,762			-	
		5,733			-	
Accounting income available for distribution						
Relating to capital gains		1,953			4,603	
Excluding capital gains		379			308	
		2,332			4,911	
Interim distribution of Rs 0.2000 per unit declared on October 02, 2020 as cash dividend		(265)			-	
Undistributed income carried forward		7,800			4,911	
Undistributed income carried forward						
Realised income		7,258			245	
Unrealised income		542			4,666	
		7,800			4,911	
						(Rupees)
Net assets value per unit at beginning of the period			104.7978			-
Net assets value per unit at end of the period			106.6451			103.3029

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

Condensed Interim Cash Flow Statement (unaudited)

FOR THE HALF YEAR AND PERIOD ENDED DECEMBER 31, 2020

	For the half year ended December 31, 2020				For the half year ended December 31, 2019			For the period from October 1, 2019 to October 10, 2019		For the quarter ended December 31, 2019	
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total		
CASH FLOWS FROM OPERATING ACTIVITIES											
Net income for the period before taxation	6,308	3,108	2,562	11,978	8,875	4,151	2,458	4,978	20,462		
Adjustments for:											
Capital (gain) / loss on sale of investment - net	(67)	(1,837)	(1,411)	(3,315)	910	(119)	(2,123)	-	(1,332)		
Dividend income	(571)	-	(927)	(1,498)	(1,747)	-	(548)	(107)	(2,402)		
Mark-up on bank deposits	(44)	(285)	(33)	(362)	(66)	(6)	(3)	(507)	(582)		
Back-end load	-	-	(26)	(26)	-	-	-	(30)	(30)		
Amortisation of preliminary expenses and flotation costs	135	118	-	253	135	117	188	-	440		
Unrealised appreciation on re-measurement of investments classified as 'fair value through profit or loss' - net	(6,061)	(1,394)	(542)	(7,997)	(8,507)	(4,314)	-	(4,666)	(17,487)		
	(300)	(290)	(377)	(967)	(400)	(171)	(28)	(332)	(931)		
(Increase) / decrease in assets											
Investments - net	(1,632)	1,265	26,505	26,138	30,209	18,235	171,581	(137,707)	82,318		
Preliminary expenses and flotation cost	1	(2)	-	(1)	-	-	-	-	-		
Advances and prepayments	8	7	(9)	6	7	7	44	-	58		
	(1,623)	1,270	26,496	26,143	30,216	18,242	171,625	(137,707)	82,376		
(Decrease) / increase in liabilities											
Payable to the Management Company	2	(2,309)	(4)	(2,311)	2	4	(14)	38	30		
Payable to the Trustee	-	-	-	-	(2)	(1)	(15)	12	(6)		
Payable to Securities and Exchange Commission of Pakistan	(9)	(5)	(9)	(23)	(160)	(85)	(175)	9	(411)		
Accrued expenses and other liabilities	(438)	(3,006)	(2,536)	(5,980)	181	(1,261)	8	134	(938)		
	(445)	(5,320)	(2,549)	(8,314)	21	(1,343)	(196)	193	(1,325)		
Cash (used in) / generated from operations	(2,368)	(4,340)	23,570	16,862	29,837	16,728	171,401	(137,846)	80,120		
Dividend received	571	-	927	1,498	1,747	-	548	107	2,402		
Mark-up received on bank deposits	44	285	33	362	66	6	3	433	508		
Back-end load	-	-	26	26	-	-	-	30	30		
Net cash (used in) / generated from operating activities	(1,753)	(4,055)	24,556	18,748	31,650	16,734	171,952	(137,276)	83,060		
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts from issue of units	1,269	290,105	458	291,832	15	-	1,538	152,494	154,047		
Payment against redemption of units	(2,272)	(289,926)	(25,176)	(317,374)	(32,816)	(16,600)	(172,475)	(3,007)	(224,898)		
Dividend paid	-	-	(265)	(265)	-	-	(823)	-	(823)		
Net cash (used in) / generated from financing activities	(1,003)	179	(24,983)	(25,807)	(32,801)	(16,600)	(171,760)	149,487	(71,674)		
Net (decrease) / increase in cash and cash equivalents during the period	(2,756)	(3,876)	(427)	(7,059)	(1,151)	134	192	12,211	11,386		
Cash and cash equivalents at the beginning of the period	3,468	4,116	954	8,538	1,293	31	41	-	1,365		
Cash and cash equivalents at the end of the period	712	240	527	1,479	142	165	233	12,211	12,751		

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Fund is an open ended fund of fund scheme and the Fund is listed on Pakistan Stock Exchange Limited. The Fund currently has three different plans; namely, Active Allocation Plan, Conservative Allocation Plan and Special Income Plan (collectively referred as 'Plans'). The units of Conservative Allocation Plan and Active Allocation Plan were initially offered to public (IPO) from September 11, 2017 to October 10, 2017 and the units of Special Income Plan were offered from June 11, 2019 to September 13, 2019. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund is perpetual, however, the Allocation Plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans may be offered for a limited subscription period.

The Fund aims to generate returns on investment as per the respective Allocation Plan by investing in Mutual Funds in line with the risk tolerance of the investor. Following is the description of the plans currently in operation:

- The "Active Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active asset allocation between equity scheme(s), income scheme(s) and money market scheme(s) based on the Fund Manager's outlook on the asset classes.
- The "Conservative Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of investments in equity scheme(s), income scheme(s) and money market scheme(s). This Allocation Plan is suitable for investors who have moderate risk tolerance and have a short to medium term investment horizon.
- The "Strategic Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between equity scheme(s), income scheme(s) and money market scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. The plan commenced on October 11, 2017 for the duration of 24 months (two years) and matured on October 10, 2019.
- The "Special Income Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between income scheme(s) and money market scheme(s) based on fundamental analysis of economic indicators, interest rate environment, market liquidity conditions and a strategy of minimizing risk and volatility. The duration of this plan is 24 months (two years). However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause no.10.4 of the offering document of the Fund. HBL Financial Planning Fund - Special Income Plan is due to mature on September 16, 2021, unless the Management Company decides otherwise.

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

Title to the assets of the Fund are held in the name of MCBFSL as the Trustee of the Fund.

1.6 Impact of Covid-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), the directives issued by the SECP and the requirements of the Trust Deed.

Where 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, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, 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, the directives issued by the SECP and the 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 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 audited financial statements of the Fund for the year ended June 30, 2020.

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, 2020, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and 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, 2019.

2.1.4 This condensed interim financial information is unaudited but 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 December 31, 2020 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 December 31, 2020.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless otherwise stated.

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of this 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, 2020.

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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, 2020.

3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. 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.

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, 2020.

	Note	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)					
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	
Rupees in '000											
4	BANK BALANCES										
	In saving accounts	4.1	712	240	527	1,479	3,468	4,116	185	954	8,723

4.1 These accounts carry mark-up at the rates ranging between 5.4% to 5.6% (June 30, 2020: 6% to 7.8%) per annum. This includes an amount held by a related party (Habib Bank Limited) amounting to Rs. 0.709 million (June 30, 2020: Rs. 3.456 million), Rs. 0.158 million (June 30, 2020: Rs. 2.488 million), Rs. Nil (June 30, 2020: Rs. 0.199 million) and Rs. 0.428 million (June 30, 2020: Rs. 0.328 million) by Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan, respectively.

	Note	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)					
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	
Rupees in '000											
5	INVESTMENTS										
	Financial assets classified at fair value through profit or loss										
	Units of mutual funds	5.1	61,955	55,413	119,082	236,450	54,195	53,447	-	143,634	251,276

5.1 Units of Mutual Funds

Name of Investee Funds	Total units as at July 1, 2020	Purchases made during the period	Sales made during the period	Total units as at December 31, 2020	Total carrying value as at December 31, 2020	Total market value as at December 31, 2020	Unrealised appreciation / (diminution) on re-measurement of investment as at December 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total value of investment
Number of units									
Rupees in '000									
Active Allocation Plan									
HBL Cash Fund	185,093	20,976	156,391	49,678	5,024	5,048	24	8.04%	8.15%
HBL Stock Fund	325,953	522	2,988	323,487	27,936	33,646	5,710	53.62%	54.31%
HBL Income Fund	67,728	-	-	67,728	7,334	7,607	273	12.12%	12.28%
HBL Islamic Dedicated Equity Fund	-	159,617	-	159,617	15,600	15,654	54	24.95%	25.27%
As at December 31, 2020 (Un-Audited)	578,773	181,115	159,379	600,509	55,894	61,955	6,061	99%	100%
As at June 30, 2020 (Audited)	1,047,801	291,023	760,050	578,774	54,614	54,195	(419)	82%	100%
Conservative									
Allocation Plan									
HBL Money Market Fund	129,177	285,263	306,901	107,539	10,763	11,185	422	20.03%	20.18%
HBL Cash Fund	413,094	1,164,960	1,160,045	418,009	43,244	44,216	972	79.19%	79.79%
As at December 31, 2020 (Un-Audited)	116	3	-	119	12	12	-	0.02%	0.02%
As at June 30, 2020 (Audited)	542,387	1,450,226	1,466,946	525,667	54,019	55,413	1,394	99%	100%
As at June 30, 2020 (Audited)	681,190	552,037	690,839	542,387	53,314	53,447	133	102%	100%
Special Income Plan									
HBL Cash Fund	-	1,362,104	190,299	1,171,805	118,540	119,082	542	100%	-
HBL Government Securities Fund	1,279,310	-	1,279,310	-	-	-	-	-	-
As at December 31, 2020 (Un-Audited)	1,279,310	1,362,104	1,469,609	1,171,805	118,540	119,082	542	100%	-
As at June 30, 2020 (Audited)	-	1,377,660	98,351	1,279,309	136,872	143,634	6,762	102%	100%
Strategic Allocation Plan									
As at December 31, 2020 (Un-Audited)	-	-	-	-	-	-	-	-	-
As at June 30, 2020 (Audited)	1,674,711	351,429	2,026,140	-	-	-	-	-	-
Total as at December 31, 2020 (Un-Audited)	2,400,470	2,993,445	3,095,934	2,297,981	228,453	236,450	7,997		
Total as at June 30, 2020	3,403,702	2,572,149	3,575,380	2,400,470	244,800	251,276	6,476		

6 ADVANCES AND PREPAYMENTS

	Note	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)			
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
Rupees in '000									
6.1	Advance tax	37	9	-	46	37	9	-	46
	Prepaid listing fee	45	39	9	93	53	46	-	99
		82	48	9	139	90	55	-	145

6.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Furthermore, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R", dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time, as per ITO, 2001.

7 PAYABLE TO THE MANAGEMENT COMPANY

	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Remuneration payable to the Management Company	1	-	-	1	1	1	-	2
Sindh Sales Tax payable on Management Company's remuneration	0	-	-	0	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	11	9	20	40	9	9	24	42
Sales load payable	-	7	-	7	-	2,315	-	2,315
	12	16	20	48	10	2,325	24	2,359

8 PAYABLE TO THE TRUSTEE

	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Trustee fee payable	4	4	9	17	4	4	9	17
Sindh Sales Tax payable on remuneration of the Trustee	1	1	1	3	1	1	1	3
	5	5	10	20	5	5	10	20

9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000				
Annual fee payable	6	7	14	27	15	12	9	23	59

10 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)				
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
		Rupees in '000				Rupees in '000				
Provision for Sindh Workers' Welfare Fund	10.1	300	288	398	986	171	224	155	346	896
Withholding tax payable		-	-	-	-	510	558	-	1,845	2,913
Auditors' remuneration		51	34	100	185	61	43	-	124	228
Printing charges payable		-	-	-	-	-	4	18	-	22
Others		131	2	3	136	178	2,501	3	722	3,404
		482	324	501	1,307	920	3,330	176	3,037	7,463

10.1 Workers' Welfare Fund and Sindh Workers' Welfare Fund

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, 2020 and a constitutional petition filed by certain CISs, through their trustees, in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, is pending adjudication.

As at December 31, 2020, the provision in relation to SWWF amounted to Rs 0.300 million, Rs. 0.288 million and Rs. 0.398 million (June 30 2020: Rs. 0.171 million Rs. Rs. 0.224 million and Rs. 0.346 million) in Active Allocation Plan, Conservative Allocation Plan and Special Income Plan respectively. Had the provision not been made, the net asset value per unit as at December 31, 2020 would have been higher by Re. 0.509, Re. 0.589 and 0.356 (June 30 2020: Re. 0.285, Re.0.462 and Re. 0.256) per unit of the Active Allocation Plan, Conservative Allocation Plan and Special Income Plan respectively.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 (June 30, 2020: nil).

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains, whether realised or unrealized, 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 at least 90% of the Fund's accounting income, as reduced by the capital gains, whether realised or unrealized, for the year ending June 30, 2021, to its unit holders.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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 10% holding or more units and directors and executives of the Management Company 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 financial statements are as follows:

	For the half year ended December 31, 2020				For the half year ended December 31, 2019		For the period from July 1, 2019 to October 10, 2019		For the period from September 16, 2019 to December 31, 2019	
	Active	Conservative	Special Income	Total	Active	Conservative	Strategic	Special Income	Total	
	Allocation Plan	Allocation Plan	Plan		Allocation Plan	Allocation Plan	Allocation Plan	Plan		
	Rupees in '000				Rupees in '000					
14.1 Transactions during the year / period										
HBL Asset Management Limited - Management Company										
Remuneration of the Management Company	9	51	2	62	6	3	-	40	49	
Sindh Sales Tax on remuneration of the Management Company	1	7	-	8	1	1	-	5	7	
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	62	69	136	267	82	(19)	(169)	90	(16)	
Issue of Nil (2019: 4,120) units	-	-	-	-	-	-	412	-	412	
Redemption of Nil (2019: 1,003,322) units	-	-	-	-	-	-	100,332	-	100,332	
Dividend income	-	-	-	-	-	-	485	-	485	
MCB Financial Services Limited - Trustee										
Remuneration of the Trustee	28	31	61	120	38	26	43	41	148	
Sindh Sales Tax on remuneration of the Trustee	4	4	8	16	5	3	5	5	18	
Habib Bank Limited - Sponsor										
Bank charges	5	9	2	16	11	9	3	10	33	
Mark-up on bank deposits	43	244	16	303	65	6	2	-	73	
HBL Cash Fund - CIS managed by the Management Company										
Purchase of 20,976 (2019: 74,807) units	2,122	-	-	2,122	7,547	-	-	-	7,547	
Purchase of 3 (2019: 1,729) units	-	-	-	-	-	176	-	-	176	
Purchase of Nil (2019: 5,435) units	-	-	-	-	-	-	548	-	548	
Purchase of 1,362,104 (2019: 46,656) units	-	-	137,790	137,790	-	-	-	4,707	4,707	
Redemption of 156,391 (2019: 332,243) units	15,851	-	-	15,851	33,723	-	-	-	33,723	
Redemption of Nil (2019: 182,478) units	-	-	-	-	-	-	18,456	-	18,456	
Redemption of 190,299 (2019: Nil) units	-	-	19,302	19,302	-	-	-	-	-	
Dividend Income	571	-	927	1,498	1,747	-	548	107	2,402	
HBL Stock Fund - CIS managed by the Management Company										
Purchase of 522 (2019: 191,205) units	51	-	-	51	16,000	-	-	-	16,000	
Purchase of 285,263 (2019: 24,534) units	-	29,575	-	29,575	-	2,012	-	-	2,012	
Redemption of 2,988 (2019: 240,156) units	291	-	-	291	20,033	-	-	-	20,033	
Redemption of 306,901 (2019: 64,860) units	-	31,238	-	31,238	-	5,564	-	-	5,564	
Redemption of Nil (2019: 440,552) units	-	-	-	-	-	-	36,967	-	36,967	
HBL Income Fund - CIS managed by the Management Company										
Redemption of Nil (2019: 745,068) units	-	-	-	-	-	-	81,178	-	81,178	
HBL Money Market Fund - CIS managed by the Management Company										
Purchase of 1,164,960 (2019: 16,246) units	-	120,677	-	120,677	-	1,740	-	-	1,740	
Redemption of 1,160,045 (2019: 159,508) units	-	120,279	-	120,279	-	16,598	-	-	16,598	
HBL Government Securities Fund - CIS managed by the Management Company										
Purchase of Nil (2019: 345,994) units	-	-	-	-	-	-	36,967	-	36,967	
Purchase of Nil (2019: 1,220,437) units	-	-	-	-	-	-	-	133,000	133,000	
Redemption of Nil (2019: 658,073) units	-	-	-	-	-	-	72,496	-	72,496	
Redemption of 1,279,310 (2019: Nil) units	-	-	144,994	144,994	-	-	-	-	-	
HBL Islamic Dedicated Equity Fund - CIS managed by the Management Company										
Purchase of 159,617 (2019: Nil) units	15,600	-	-	15,600	-	-	-	-	-	
Asif Nadeem Minhas - Connected person due to 10% holding										
Redemption of 10,550 (2019: 5,403) units	1,071	-	-	1,071	547	-	-	-	547	
Shazia Afshan Minhas - Connected person due to 10% holding										
Issue of 263 (2019: 188,343) units	-	-	28	28	-	-	-	19,073	19,073	
Dividend Income	-	-	40	40	-	-	-	-	-	

14.2 Balances outstanding as at period / year end

	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000				
HBL Asset Management Limited - Management Company									
Remuneration payable to the Management Company	1	-	-	1	1	1	-	-	2
Sindh Sales Tax payable on remuneration of the Management Company	0	-	-	0	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	11	9	20	40	9	9	-	24	42
Sales load payable	-	7	-	7	-	2,315	-	-	2,315
Habib Bank Limited - Sponsor									
Bank balances	709	158	428	1,295	3,457	2,489	200	328	6,474
MCB Financial Services Limited - Trustee									
Trustee fee payable	4	4	9	17	4	4	-	9	17
Sindh Sales Tax payable on remuneration of the Trustee	1	1	1	3	1	1	-	1	3
HBL Cash Fund - CIS managed by the Management Company									
Units held: 49,678 (June 30, 2020: 185,093)	5,048	-	-	5,048	18,718	-	-	-	18,718
Units held: 119 (June 30, 2020: 116)	-	12	-	12	-	12	-	-	12
Units held: 1,171,805 (June 30, 2020: Nil)	-	-	119,082	119,082	-	-	-	-	-
HBL Stock Fund- CIS managed by the Management Company									
Units held: 323,487 (June 30, 2020: 325,953)	33,646	-	-	33,646	29,143	-	-	-	29,143
Units held: 107,539 (June 30, 2020: 129,177)	-	11,185	-	11,185	-	11,153	-	-	11,153
HBL Income Fund - CIS managed by the Management Company									
Units held: 67,728 (June 30, 2020: 67,728)	7,607	-	-	7,607	7,334	-	-	-	7,334
HBL Money Market Fund - CIS managed by the Management Company									
Units held: 418,009 (June 30, 2020: 413,094)	-	44,216	-	44,216	-	42,282	-	-	42,282
HBL Government Securities Fund - CIS managed by the Management Company									
Units held: Nil (June 30, 2020: 1,279,310)	-	-	-	-	-	-	-	143,634	143,634
HBL Islamic Dedicated Equity Fund - CIS managed by the Management Company									
Units held: 159,617 (June 30, 2020: Nil)	15,654	-	-	15,654	-	-	-	-	-

	December 31, 2020 (Un-Audited)				June 30, 2020 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000				
Patient Welfare Association - Connected Person due to 10% holding									
Units held: 400,000 (June 30, 2020: 400,000)	-	45,660	-	45,660	-	43,321	-	-	43,321
Asif Nadeem Minhas - Connected Person due to 10% holding									
Units held: 81,344 (June 30, 2020: 91,894)	8,668	-	-	8,668	8,817	-	-	-	8,817
Shazia Afshan Minhas - Connected Person due to 10% holding									
Units held: 198,043 (June 30, 2020: 197,780)	-	-	21,120	21,120	-	-	-	20,727	20,727
Shahida Saleem - Connected Person due to 10% holding									
Units held: 48,606 (June 30, 2020: 48,606)	-	5,548	-	5,548	-	5,264	-	-	5,264

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

As per the requirements of IFRS 13 (Fair Value Measurement), 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.

December 31, 2020 (Un-Audited)								
Active Allocation Plan								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
Financial assets measured at fair value	15.1							
Investments		61,955	-	61,955	61,955	-	-	61,955
		<u>61,955</u>	<u>-</u>	<u>61,955</u>	<u>61,955</u>	<u>-</u>	<u>-</u>	<u>61,955</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	712	712				
		<u>-</u>	<u>712</u>	<u>712</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	12	12				
Payable to the Trustee		-	4	4				
Accrued expenses and other liabilities		-	53	53				
		<u>-</u>	<u>69</u>	<u>69</u>				
June 30, 2020 (Audited)								
Active Allocation Plan								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
Financial assets measured at fair value	15.1							
Investments		54,195	-	54,195	54,195	-	-	54,195
		<u>54,195</u>	<u>-</u>	<u>54,195</u>	<u>54,195</u>	<u>-</u>	<u>-</u>	<u>54,195</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	3,468	3,468				
		<u>-</u>	<u>3,468</u>	<u>3,468</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	10	10				
Payable to the Trustee		-	4	4				
Accrued expenses and other liabilities		-	63	63				
		<u>-</u>	<u>77</u>	<u>77</u>				

December 31, 2020 (Un-Audited)

Conservative Allocation Plan

Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
Financial assets measured at fair value	15.1							
Investments		55,413	-	55,413	55,413	-	-	55,413
		<u>55,413</u>	<u>-</u>	<u>55,413</u>	<u>55,413</u>	<u>-</u>	<u>-</u>	<u>55,413</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	240	240				
		<u>-</u>	<u>240</u>	<u>240</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	16	16				
Payable to the Trustee		-	4	4				
Accrued expenses and other liabilities		-	36	36				
		<u>-</u>	<u>56</u>	<u>56</u>				

June 30, 2020 (Audited)

Conservative Allocation Plan

Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
Financial assets measured at fair value	15.1							
Investments		53,447	-	53,447	53,447	-	-	53,447
		<u>53,447</u>	<u>-</u>	<u>53,447</u>	<u>53,447</u>	<u>-</u>	<u>-</u>	<u>53,447</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	4,116	4,116				
		<u>-</u>	<u>4,116</u>	<u>4,116</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	2,325	2,325				
Payable to the Trustee		-	4	4				
Accrued expenses and other liabilities		-	2,548	2,548				
		<u>-</u>	<u>4,877</u>	<u>4,877</u>				

December 31, 2020 (Un-Audited)

Strategic Allocation Plan

Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
Financial assets measured at fair value	15.1							
Investments		-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	-	-				
		<u>-</u>	<u>-</u>	<u>-</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	-	-				
Payable to the Trustee		-	-	-				
Accrued expenses and other liabilities		-	-	-				
		<u>-</u>	<u>-</u>	<u>-</u>				

June 30, 2020 (Audited)

Strategic Allocation Plan

Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
Financial assets measured at fair value	15.1							
Investments		-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	185	185				
		<u>-</u>	<u>185</u>	<u>185</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	-	-				
Payable to the Trustee		-	-	-				
Accrued expenses and other liabilities		-	21	21				
		<u>-</u>	<u>21</u>	<u>21</u>				

December 31, 2020 (Un-Audited)								
Special Income Plan								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
-----Rupees in '000-----								
Financial assets measured at fair value	15.1							
Investments		119,082	-	119,082	119,082	-	-	119,082
		<u>119,082</u>	<u>-</u>	<u>119,082</u>	<u>119,082</u>	<u>-</u>	<u>-</u>	<u>119,082</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	527	527				
		<u>-</u>	<u>527</u>	<u>527</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	20	20				
Payable to the Trustee		-	9	9				
Accrued expenses and other liabilities		-	103	103				
		<u>-</u>	<u>132</u>	<u>132</u>				

June 30, 2020 (Audited)								
Special Income Plan								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
-----Rupees in '000-----								
Financial assets measured at fair value	15.1							
Investments		143,634	-	143,634	143,634	-	-	143,634
		<u>143,634</u>	<u>-</u>	<u>143,634</u>	<u>143,634</u>	<u>-</u>	<u>-</u>	<u>143,634</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	954	954				
		<u>-</u>	<u>954</u>	<u>954</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	24	24				
Payable to the Trustee		-	9	9				
Accrued expenses and other liabilities		-	823	823				
		<u>-</u>	<u>856</u>	<u>856</u>				

15.1 Valuation techniques

For level 1 investments at fair value through profit or loss in units of mutual funds, Fund uses daily NAVs which are taken from MUFAP at reporting date.

15.2 The Fund has not disclosed the fair values of 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.

15.3 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

16 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 December 31, 2020 is 0.71%, 0.59% and 0.28% which includes 0.23%, 0.11% and 0.06% representing Government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan and Special Income Plan respectively.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorized for issue on February 10, 2021 by the Board of Directors of the Management Company.

18 GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

18.2 Corresponding figures have been arranged and reclassified, wherever necessary, for better presentation and disclosure, the effect of which is not material. a

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Growth Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
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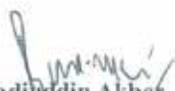
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL GROWTH FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Growth Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 23, 2021



Independent Auditors' Report to the Unit Holders on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Growth Fund** (the "Fund") as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2020 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

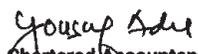
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.


Chartered Accountants

Engagement Partner
Naresh Kumar

Date: February 22, 2021
Place: Karachi

HBL Growth Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at December 31, 2020

	December 31, 2020 (Un-Audited)			June 30, 2020 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
Note	----- (Rupees in '000) -----						
Assets							
Bank balances	4	204,880	308,460	513,340	278,910	314,221	593,131
Investments	5	6,331,922	1,744,528	8,076,450	4,869,187	1,502,570	6,371,757
Dividend receivable and accrued mark-up		5,483	5,526	11,009	6,022	1,777	7,799
Deposits and other receivables		1,345	3,620	4,965	184	3,546	3,730
Receivable against sale of investment		-	40,395	40,395	-	9,144	9,144
Total assets		6,543,630	2,102,529	8,646,159	5,154,303	1,831,258	6,985,561
Liabilities							
Payable to the Management Company	6	36,531	8,626	45,157	23,844	7,330	31,174
Payable to the Trustee		703	294	997	556	265	821
Payable to the Securities and Exchange Commission of Pakistan	7	615	171	786	1,038	494	1,532
Payable against purchase of investment		-	27,292	27,292	-	-	-
Accrued expenses and other liabilities	8	2,324	174,847	177,171	2,415	175,494	177,909
Unclaimed dividend		-	133,152	133,152	-	142,808	142,808
Total liabilities		40,173	344,382	384,555	27,853	326,391	354,244
Net assets		6,503,457	1,758,146	8,261,603	5,126,450	1,504,867	6,631,317
Capital and reserves							
Unit holders' fund (as per statement attached)		6,503,457	1,758,146	8,261,603	5,126,450	1,504,867	6,631,317
Contingencies and commitments							
	9	-----Number of units-----					
Number of units in issue		283,500,000	96,302,757		283,500,000	98,929,141	
		----- (Rupees) -----					
Net assets value per unit		22.9399	18.2564		18.0827	15.2116	

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 Growth Fund

Condensed Interim Income Statement (Un-Audited)

For the half year ended December 31, 2020

	Half year ended December 31, 2020			Half year ended December 31, 2019			Quarter ended December 31, 2020			Quarter ended December 31, 2019		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
Note (Rupees in '000)												
Income												
Capital gain/(loss) on sale of investments - net	-	103,020	103,020	50	82,195	82,245	-	41,521	41,521	50	202,029	202,079
Dividend income	19,822	29,895	49,717	114,020	81,670	195,690	-	25,413	25,413	114,020	43,923	157,943
Mark-up on deposits with banks	7,582	8,895	16,477	14,897	30,681	45,578	3,831	4,535	8,366	6,590	12,175	18,765
Mark-up on investments	-	-	-	4,030	2,503	6,533	-	-	-	4,030	2,503	6,533
	27,404	141,810	169,214	132,997	197,049	330,045	3,831	71,469	75,300	124,690	260,630	385,319
Unrealized gain/(loss) on re-measurement of investments classified as financial asset at fair value through profit or loss - net	-	201,298	201,298	(78)	256,677	256,599	-	40,203	40,203	(78)	449,709	449,631
	27,404	343,108	370,512	132,918	453,726	586,644	3,831	111,672	115,503	124,611	710,339	834,950
Investments at fair value through profit or loss - net Expenses												
Remuneration of the Management Company	69,494	19,289	88,783	54,104	34,391	88,495	35,583	9,632	45,215	32,352	16,420	48,772
Remuneration of the Trustee	3,920	1,257	5,177	3,141	2,058	5,199	2,005	545	2,550	1,799	927	2,726
Annual fee to the Securities and Exchange Commission of Pakistan	615	171	786	497	321	818	315	86	401	286	145	431
Allocation of expenses related to registrar services, accounting, operation and valuation services	16,912	4,694	21,606	6,056	4,461	10,517	8,659	2,344	11,003	2,305	1,170	3,475
Selling and marketing expense	21,434	8,962	30,396	18,327	11,754	30,081	5,679	4,475	10,154	10,736	5,449	16,185
Settlement and bank charges	3	4	7	10	879	889	3	1	4	5	455	460
Auditors' remuneration	244	68	312	170	155	325	122	32	154	108	155	263
Fees and subscription	496	266	762	587	64	651	482	83	565	496	60	556
Printing and postage	14	-	14	-	-	-	14	-	14	-	-	-
Securities transaction charges	-	3,320	3,320	-	9,808	9,808	-	1,591	1,591	-	5,183	5,183
	113,132	38,031	151,163	82,892	63,891	146,783	52,862	18,789	71,651	48,087	29,964	78,051
Net (loss)/income operating activities	(85,728)	305,077	219,349	50,026	389,835	439,861	(49,031)	92,883	43,852	76,524	680,375	756,899
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare fund	8.1	(6,102)	(6,102)	(1,001)	(7,797)	(8,797)	\$ -	\$ (1,858)	(1,858)	(1,001)	(7,797)	(8,797)
Net (loss)/income for the period before taxation	(85,728)	298,975	213,247	49,026	382,038	431,064	(49,031)	91,025	41,994	75,524	672,578	748,102
Taxation	10	-	-	-	-	-	-	-	-	-	-	-
Net (loss)/income for the period after taxation	(85,728)	298,975	213,247	49,026	382,038	431,064	(49,031)	91,025	41,994	75,524	672,578	748,102
Allocation of net income for the period:												
Income already paid on redemption of units	-	6,188	6,188	-	171,755	171,755	-	2,473	2,473	-	171,755	171,755
Accounting income available for distribution:												
- Relating to capital gains	-	292,787	292,787	-	210,282	210,282	-	88,552	39,521	-	500,823	500,823
- Excluding capital gains	-	-	-	49,026	-	49,026	-	-	-	75,524	-	75,524
	(85,728)	292,787	207,059	49,026	210,283	259,309	-	88,552	39,521	75,524	500,823	576,347
	(85,728)	298,975	213,247	49,026	382,038	431,064	(49,031)	91,025	41,994	75,524	672,578	748,102

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 Growth Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the half year ended December 31, 2020

	Half Year Ended December 31,						Quarter Ended December 31,					
	2020			2019			2020			2019		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----											
Net (loss)/income for the period after taxation	(85,728)	298,975	213,247	49,026	382,038	431,064	(49,032)	91,026	41,994	75,524	672,578	748,102
Items that will not be reclassified to income statement												
Unrealized gain on re-measurement of investments classified as fair value through other comprehensive income	1,462,735	-	1,462,735	1,442,160	-	1,442,160	240,854	-	240,854	1,797,201	-	1,797,201
Total comprehensive income for the period	1,377,007	298,975	1,675,982	1,491,186	382,038	1,873,224	191,822	91,026	282,848	1,872,725	672,578	2,545,303

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 Growth Fund
Statement of Movement in Unit Holders' Fund
For the half year ended December 31, 2020

	2020					2019			2019							
	Class A		Class B			Class A		Class B			Class A		Class B			
	Capital value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on issue of certificates	Total	Capital value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on issue of certificates	Total	Capital value	Undistributed Income	Total
	----- (Rupees in '000) -----															
Net assets at beginning of the period	2,835,000	(3,165,172)	3,448,810	2,007,812	5,126,450	(238,252)	1,743,119	1,504,867	2,835,000	(3,131,131)	3,136,614	2,007,812	4,848,295	2,720,611	1,742,871	4,463,482
Issue of 354,492 units (2019 :1,488,105 units)	-	-	-	-	-	5,393	-	5,393	-	-	-	-	-	23,941	-	23,941
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	685	-	685	-	-	-	-	-	(274)	-	(274)
- Element of income / (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	6,078	-	6,078	-	-	-	-	-	23,667	-	23,667
Redemption of 2,980,876 units (2019 167,344,178 units)	-	-	-	-	-	(45,344)	-	(45,344)	-	-	-	-	-	(2,692,300)	-	(2,692,300)
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	(242)	-	(242)	-	-	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-	(6,188)	(6,188)	-	-	-	-	-	-	-	-
- Income already paid on redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	123,573	(171,755)	(48,182)
Total payment on redemption of units	-	-	-	-	-	(45,586)	(6,188)	(51,774)	-	-	-	-	-	(2,568,727)	(171,755)	(2,740,482)
Income available for distribution	-	(85,728)	1,462,735	-	1,377,007	-	298,975	298,975	-	49,026	1,442,160	-	1,491,186	-	382,038	382,038
Net income for the period	-	(85,728)	1,462,735	-	1,377,007	-	298,975	298,975	-	49,026	1,442,160	-	1,491,186	-	382,038	382,038
Net assets at end of the period	2,835,000	(3,250,900)	4,911,545	2,007,812	6,503,457	(277,760)	2,035,906	1,758,146	2,835,000	(3,082,105)	4,578,774	2,007,812	6,339,481	175,551	1,953,154	2,128,705
Undistributed (loss)/income brought forward		(3,165,172)					1,843,245			(3,131,131)					1,742,871	
- Realized		-					(100,126)			-					-	
- Unrealized		(3,165,172)					1,743,119			(3,131,131)					1,742,871	
Accounting income available for distribution:																
- Relating to capital gains		-					292,787			-					210,283	
- Excluding capital gains		-					-			-					-	
Net (loss)/income available for distribution		(85,728)					292,787			49,026					210,283	
		(3,250,900)					2,035,906			(3,082,105)					1,953,154	
(Accumulated loss) / Undistributed income carried forward																
- Realized		(3,250,900)					1,834,608			(3,082,105)					1,696,477	
- Unrealized		-					201,298			-					256,677	
		(3,250,900)					2,035,906			(3,082,105)					1,953,154	
	----- (Rupees) -----															
Net assets value per unit at beginning of the period	18.0827						15.2116			17.1016					16.0884	
Net assets value per unit at end of the period	22.9399						18.2564			22.3615					19.0781	

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 Growth Fund
Condensed Interim Cash Flow Statement (Un-audited)
For the half year ended December 31, 2020

	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					
Cash flows from operating activities						
Net (loss)/income for the period before taxation	(85,728)	298,975	213,247	49,026	382,038	431,064
Adjustments of non-cash items						
Capital gain on sale of investments - net	-	(103,020)	(103,020)	(50)	(82,195)	(82,245)
Unrealized (gain)/loss on remeasurement of investments classified as financial asset at fair value through profit or loss - net	-	(201,298)	(201,298)	78	(256,677)	(256,599)
Dividend income	(19,822)	(29,895)	(49,717)	(114,020)	(81,670)	(195,690)
Discount income on treasury bills	-	-	-	(4,030)	(2,503)	(6,533)
Mark-up on deposits with banks	(7,582)	(8,895)	(16,477)	(14,897)	(30,681)	(45,578)
	(113,132)	(44,133)	(157,265)	(83,893)	(71,688)	(155,580)
(Increase) / decrease in assets						
Investments - net	-	62,360	62,360	(218,628)	2,319,225	2,100,597
Deposits and other receivables	-	(74)	(74)	-	(315,863)	(315,863)
Receivable against sale of investments	(1,161)	(31,251)	(32,412)	(972)	(256)	(1,228)
	(1,161)	31,035	29,874	(219,600)	2,003,106	1,783,506
Increase / (decrease) in liabilities						
Payable to Management Company	12,687	1,296	13,983	8,902	(2,164)	6,738
Payable to Central Depository Company of Pakistan Limited - Trustee	147	29	176	145	(205)	(60)
Payable to the Securities and Exchange Commission of Pakistan	(423)	(323)	(746)	(5,520)	(4,555)	(10,075)
Payable against purchase of investment	-	27,292	27,292	-	(2,079)	(2,079)
Accrued expenses and other liabilities	(91)	(647)	(738)	917	(103,175)	(102,258)
Unclaimed dividend	-	(9,656)	(9,656)	-	(430)	(430)
	12,320	17,991	30,311	4,444	723,648	728,091
Cash (used in) / generated from operations	(101,973)	4,894	(97,079)	(299,049)	2,655,066	2,356,017
Dividend received	19,822	25,728	45,550	296,015	84,566	380,581
Mark-up/return received on bank deposit and T-bills	8,121	9,314	17,435	14,228	33,237	47,465
	27,943	35,042	62,985	310,243	117,803	428,046
Net cash (used in) / generated from operating activities	(74,030)	39,935	(34,095)	11,194	2,772,869	2,784,063
Cash flows from financing activities						
Amount received on issue of units	-	6,078	6,078	-	23,667	23,667
Amount paid on redemption of units	-	(51,774)	(51,774)	-	(2,740,482)	(2,740,482)
Dividend paid	-	-	-	-	-	-
Net cash used in financing activities	-	(45,696)	(45,696)	-	(2,716,815)	(2,716,815)
Net (decrease) / increase in cash and cash equivalents	(74,030)	(5,761)	(79,791)	11,194	56,054	67,248
Cash and cash equivalents at beginning of the period	278,910	314,221	593,131	127,708	786,197	913,905
Cash and cash equivalents at end of the period	4 204,880	308,460	513,340	138,902	842,251	981,153

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 Growth Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended December 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Growth Fund was established under a Trust Deed, HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to the following for each certificate held:

- One Class-A Unit of the Fund was issued to every Certificate Holder of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** This condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Accounting Standard (IAS) 34 Interim Financial Reporting, 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; 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.

Wherever provisions of and directive issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirement of IAS 34 Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules , the NBFC Regulations and requirement of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have 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, 2020.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that the condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting and reporting standards as applicable in Pakistan 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 recognized 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, 2020.

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, 2020 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 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2020.

	(Unaudited) December 31, 2020			June 30, 2020		
	Class A	Class B	Total	Class A	Class B	Total
4. BANK BALANCES	----- (Rupees in '000) -----					
Balances with banks in:						
Savings account	204,880	308,460	513,340	278,910	314,221	593,131

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 5.0% to 7.4% p.a (June 30, 2020: 7% to 14.05% p.a).

	Note	(Unaudited) December 31, 2020			(Audited) June 30, 2020		
		Class A	Class B	Total	Class A	Class B	Total
5. INVESTMENTS		----- (Rupees in '000) -----					
At fair value through profit or loss							
- Listed equity securities	5.1	-	1,744,528	1,744,528	-	1,502,570	1,502,570
At fair value through other comprehensive income							
- Listed equity securities	5.2	6,331,922	-	6,331,922	4,869,187	-	4,869,187
		6,331,922	1,744,528	8,076,450	4,869,187	1,502,570	6,371,757

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

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

Name of the Investee Company	Number of shares				Balance as at December 31, 2020	Percentage in relation to			
	As at July 1, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2020	Market value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paid-up Capital
CLASS B									
INSURANCE									
Adamjee Insurance Co Ltd	685,000	-	-	548,000	137,000	5,387	0.31%	0.31%	0.04%
IGI Holdings Limited	325,500	27,000	-	17,300	335,200	68,193	3.88%	3.91%	0.27%
IGI LIFE INSURANCE LIMITED	-	242,500	-	-	242,500	13,905	0.79%	0.80%	0.01%
TPL Insurance Limited	751,695	-	-	-	751,695	22,769	1.30%	1.31%	1.00%
	1,762,195	269,500	-	565,300	1,466,395	110,254			
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Ltd	765,000	15,000	-	23,000	757,000	27,820	1.58%	1.59%	0.21%
Interloop Limited	363,415	40,000	-	32,500	370,915	25,248	1.44%	1.45%	4.27%
Nishat Mills Ltd	382,000	20,000	-	127,500	274,500	27,936	1.59%	1.60%	0.08%
	1,510,415	75,000	-	183,000	1,402,415	81,004			
CEMENT									
Cherat Cement Company Ltd.	239,000	4,000	-	119,500	123,500	18,054	1.03%	1.03%	0.07%
D G Khan Cement Co.Ltd.	-	290,500	-	46,000	244,500	28,015	1.59%	1.61%	0.06%
Fauji Cement Company Limited	-	200,000	-	200,000	-	-	-	-	-
Kohat Cement Ltd	160,000	-	-	80,700	79,300	17,386	0.99%	1.00%	0.06%
Lucky Cement Ltd	223,400	2,000	-	52,062	173,338	120,659	6.86%	6.92%	0.05%
Maple Leaf Cement Factory Ltd	898,000	75,000	-	301,500	671,500	30,224	1.72%	1.73%	0.13%
Pioneer Cement Limited	-	44,000	-	-	44,000	4,545	0.26%	0.26%	0.02%
	1,520,400	615,500	-	799,762	1,336,138	218,883			
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	970,356	-	-	109,000	861,356	68,331	3.89%	3.92%	0.07%
K-Electric Limited	3,325,500	-	-	3,325,500	-	-	-	-	-
	4,295,856	-	-	3,434,500	861,356	68,331			

Name of the Investee Company	Number of shares				Balance as at December 31, 2020	Percentage in relation to			
	As at July 1, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2020	Market value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paid-up Capital
ENGINEERING									
Aisha Steel Mills Ltd. - Conv.									
Cum. Pref. Shares	1,628,663	-	-	-	1,628,663	68,404	3.89%	3.92%	55.94%
Amreli Steels Limited	-	185,000	-	-	185,000	8,928	0.51%	0.51%	0.06%
International Industries Ltd	84,000	-	-	84,000	-	-	-	-	-
International Steels Limited	334,000	119,000	-	355,000	98,000	9,137	0.52%	0.52%	0.02%
Mughal Iron & Steel Inds Ltd	-	128,000	-	-	128,000	9,693	0.55%	0.56%	0.05%
	<u>2,046,663</u>	<u>432,000</u>	<u>-</u>	<u>439,000</u>	<u>2,039,663</u>	<u>96,162</u>			
TRANSPORT									
Pakistan National Shipping Corporation Limited	106,500	-	-	17,500	89,000	8,135	0.46%	0.47%	0.07%
	<u>106,500</u>	<u>-</u>	<u>-</u>	<u>17,500</u>	<u>89,000</u>	<u>8,135</u>			
PHARMACEUTICALS									
AGP Limited	194,000	13,500	-	207,500	-	-	-	-	-
GlaxoSmithKline Pakistan Ltd	111,800	-	-	111,800	-	-	-	-	-
Hignnoon Laboratories Limited	66,550	-	-	24,300	42,250	25,342	1.44%	1.45%	-
The Searl Co Ltd LOR	-	3,878	-	3,878	-	-	-	-	-
The Searle Company Ltd	84,853	-	-	52,000	32,853	8,188	0.47%	0.47%	0.02%
	<u>457,203</u>	<u>17,378</u>	<u>-</u>	<u>399,478</u>	<u>75,103</u>	<u>33,530</u>			
VANASPATI & ALLIED INDUSTRIES									
Unity Foods Limited	-	4,609,000	-	3,513,000	1,096,000	35,138	2.00%	2.01%	0.20%
	<u>-</u>	<u>4,609,000</u>	<u>-</u>	<u>3,513,000</u>	<u>1,096,000</u>	<u>35,138</u>			
LEATHER & TANNERIES									
Service Industries Ltd	-	9,800	-	-	9,800	8,175	0.46%	0.47%	0.08%
	<u>-</u>	<u>9,800</u>	<u>-</u>	<u>-</u>	<u>9,800</u>	<u>8,175</u>			
FOOD & PERSONAL CARE PRODUCT									
The Organic Meat Company Limited	-	3,942,894	-	375,000	3,567,894	106,395	6.05%	6.10%	0.32%
Clover Pakistan Limited	-	130,000	-	-	130,000	10,439	0.59%	0.60%	0.04%
	<u>-</u>	<u>4,072,894</u>	<u>-</u>	<u>375,000</u>	<u>3,697,894</u>	<u>116,834</u>			
GLASS & CERAMICS									
Tariq Glass Industries Limited	107,500	-	-	107,500	-	-	-	-	-
	<u>107,500</u>	<u>-</u>	<u>-</u>	<u>107,500</u>	<u>-</u>	<u>-</u>			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	83,473	-	-	12,020	71,453	95,734	5.45%	5.49%	0.06%
Oil & Gas Development Co Ltd	1,031,100	-	-	325,500	705,600	73,220	4.16%	4.20%	0.02%
Pakistan Oilfields Ltd	21,600	22,000	-	8,000	35,600	14,077	0.80%	0.81%	0.02%
Pakistan Petroleum Ltd	736,036	208,500	-	159,000	785,536	70,956	4.04%	4.07%	0.04%
	<u>1,872,209</u>	<u>230,500</u>	<u>-</u>	<u>504,520</u>	<u>1,598,189</u>	<u>253,987</u>			
OIL & GAS MARKETING COMPANIES									
Hascol Petroleum Ltd	-	280,000	-	-	280,000	4,113	0.23%	0.24%	0.05%
Pakistan State Oil Company Ltd	304,956	40,000	-	52,500	292,456	62,966	3.58%	3.61%	0.09%
Sui Northern Gas Pipeline Ltd	710,200	-	-	513,008	197,192	8,759	0.50%	0.50%	0.03%
	<u>1,015,156</u>	<u>320,000</u>	<u>-</u>	<u>565,508</u>	<u>769,648</u>	<u>75,838</u>			
REFINERY									
Attock Refinery Ltd	-	102,000	-	102,000	-	-	-	-	-
National Refinery Ltd	-	86,800	-	86,800	-	-	-	-	-
Pakistan Refinery Limited	-	737,500	-	737,500	-	-	-	-	-
	<u>-</u>	<u>926,300</u>	<u>-</u>	<u>926,300</u>	<u>-</u>	<u>-</u>			
COMMERCIAL BANKS									
Bank Al-Falah Ltd	2,142,050	-	-	1,346,000	796,050	28,124	1.60%	1.61%	0.05%
Bank Al-Habib Limited*	288,380	-	-	288,147	233	16	-	-	0.00%
Bank of Punjab Ltd	5,314,500	-	-	3,439,500	1,875,000	17,381	0.99%	1.00%	0.35%
BankIslami Pakistan Limited	760,000	-	-	760,000	-	-	-	-	-
Faysal Bank Limited	25,250	-	-	8,000	17,250	298	0.02%	0.02%	0.00%
Habib Bank Ltd	345,500	204,000	-	219,000	330,500	43,719	2.49%	2.51%	0.02%
MCB Bank Ltd	239,200	62,500	-	66,696	235,004	43,542	2.48%	2.50%	0.02%
National Bank of Pakistan Ltd	665,500	100,000	-	665,500	100,000	4,296	0.24%	0.25%	0.00%
Standard Chartered Bank (Pakistan) Ltd	175,000	1,925,000	-	-	2,100,000	73,164	4.16%	4.19%	0.05%
United Bank Limited	470,500	611,705	-	123,500	958,705	120,663	6.86%	6.92%	0.08%
	<u>10,425,880</u>	<u>2,903,205</u>	<u>-</u>	<u>6,916,343</u>	<u>6,412,742</u>	<u>331,203</u>			

Name of the Investee Company	Number of shares				Balance as at December 31, 2020	Percentage in relation to			
	As at July 1, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2020	Market value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paid-up Capital
FERTILIZER									
Engro Corporation Ltd	278,370	18,000	-	69,500	226,870	69,731	3.97%	4.00%	0.04%
Engro Fertilizers Limited	375,500	10,000	-	385,500	-	-	-	-	0.00%
Fauji Fertilizer Bin Qasim Ltd	-	742,000	-	-	742,000	18,787	1.07%	1.08%	0.08%
Fauji Fertilizer Co Ltd	421,100	161,500	-	421,100	161,500	17,523	1.00%	1.00%	0.01%
	<u>1,074,970</u>	<u>931,500</u>	<u>-</u>	<u>876,100</u>	<u>1,130,370</u>	<u>106,041</u>			
CHEMICAL									
Engro Polymer & Chemicals Ltd	855,699	75,000	-	565,500	365,199	17,351	0.99%	0.99%	0.04%
Ghani Global Holdings Limited	-	623,000	-	623,000	-	-	-	-	-
ICI Pakistan Ltd	-	10,450	-	10,450	-	-	-	-	-
Lotte Chemical Pakistan Ltd	-	400,000	-	-	400,000	6,024	0.34%	0.35%	0.35%
Sitara Chemical Industries Limited	84,600	500	-	22,100	63,000	19,530	1.11%	1.12%	1.12%
Sitara Peroxide Limited	-	375,000	-	375,000	-	-	-	-	-
	<u>940,299</u>	<u>1,483,950</u>	<u>-</u>	<u>1,596,050</u>	<u>828,199</u>	<u>42,905</u>			
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	-	487,000	-	250,000	237,000	9,510	0.54%	0.55%	0.05%
Waves Singer Pakistan Limited	-	1,066,500	-	316,500	750,000	21,143	1.20%	1.21%	0.04%
	<u>-</u>	<u>1,553,500</u>	<u>-</u>	<u>566,500</u>	<u>987,000</u>	<u>30,653</u>			
AUTOMOBILE ASSEMBLER									
Honda Atlas Cars (Pakistan) Ltd	-	53,900	-	-	53,900	17,685	1.01%	1.01%	0.04%
Indus Motor Company Limited	-	7,000	-	-	7,000	8,386	0.48%	0.48%	0.01%
Pak Suzuki Motor Company Limited	-	65,500	-	25,000	40,500	9,799	0.56%	0.56%	0.05%
Sazgar Engineering Works Limited	-	25,000	-	25,000	-	-	-	-	-
	<u>-</u>	<u>151,400</u>	<u>-</u>	<u>50,000</u>	<u>101,400</u>	<u>35,870</u>			
AUTOMOBILE PARTS & ACCESSOR									
Thal Limited	107,600	-	-	51,800	55,800	26,376	1.50%	1.51%	0.07%
	<u>107,600</u>	<u>-</u>	<u>-</u>	<u>51,800</u>	<u>55,800</u>	<u>26,376</u>			
MISCELLANEOUS									
Tri-Pack Films Ltd	-	23,000	-	23,000	-	-	-	-	-
	<u>-</u>	<u>23,000</u>	<u>-</u>	<u>23,000</u>	<u>-</u>	<u>-</u>			
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	227,500	-	41,000	186,500	17,316	0.98%	0.99%	0.99%
TPL Corp Limited	-	4,522,000	-	-	4,522,000	34,322	1.95%	1.97%	1.97%
TPL Trakker Limited	-	1,337,000	-	-	1,337,000	13,571	0.77%	0.78%	0.78%
	<u>-</u>	<u>6,086,500</u>	<u>-</u>	<u>41,000</u>	<u>6,045,500</u>	<u>65,209</u>			
Total as at December 31, 2020 (Unaudited)	27,242,846	24,710,927	-	21,951,161	30,002,612	1,744,528			
Total as at June 30, 2020 (Audited)	64,550,462	34,544,240	342,271	72,194,127	27,242,846	1,502,570			
Carrying value at December 31, 2020						1,543,230			

*Sponsor of the Management Company

5.1.1 These investments includes shares having market value of 218.641 million (June 30 2020: 203.352 million) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Pakistan Stock Exchange.

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 1.087 million at December 31, 2020 (June 30, 2020: Rs. 0.869 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 Listed equity securities - At fair value through other comprehensive income

Name of the Investee Company	Number of shares				Balance as at 31 December 2020	Percentage in Relation to			
	As at July 1, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2020	Market Value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paid up Capital
CLASS A									
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	27,364,904	-	-	-	27,364,904	5,891,664	90.59%	93.05%	8.39%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	440,258	6.77%	6.95%	1.56%
Total December 31, 2020 (Unaudited)	37,276,150	-	-	-	37,276,150	6,331,922			
Total June 30, 2020 (Audited)	32,715,333	-	4,560,817	-	37,276,150	4,869,187			
Cost as at December 31, 2020						1,420,375			

5.2.1 Net unrealized gain / (loss) on re-measurement of investments through other comprehensive income

	December 31, 2020	June 30, 2020
	----- Rupees in '000 -----	
Market value of investments	6,331,922	4,869,187
Less: cost of investments	(1,420,375)	(1,420,375)
	4,911,547	3,448,812

5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 49.098 million at December 31, 2020 (June 30, 2020: Rs. 36.067 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.

6. PAYABLE TO MANAGEMENT COMPANY	Note	(Unaudited) December 31, 2020			(Audited) June 30, 2020		
		Class A	Class B	Total	Class A	Class B	Total
							----- (Rupees in '000) -----
Management fee	6.1	10,745	2,954	13,699	8,190	2,516	10,706
Sindh sales tax	6.2	1,397	385	1,782	1,065	327	1,392
Allocation of expenses relating to registrar services, accounting, operation and valuation services	6.3	2,955	812	3,767	2,252	692	2,944
Selling and marketing expenses	6.4	21,434	4,475	25,909	12,337	3,795	16,132
		36,531	8,626	45,157	23,844	7,330	31,174

- 6.1** Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. The management fee expense charged by the asset Management Company 2% (June 30, 2020: 1.7% to 2%) during the period.
- 6.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The expense charged by the asset Management Company 0.55% (June 30, 2020: 0.1% to 0.55%) during the period.
- 6.4** SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed cap of 0.4 percent (of average net assets, calculated on daily basis), on charging of selling and marketing expenses which are charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds). Resultantly, Management Company has charged selling and marketing expenses to the Fund at the rate of 1.05% during the period, from July 01, 2020 to October 31, 2020 (June 30, 2020: 0.4% to 1.05%). Subsequently, as per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, Management Company ceased to charge selling and marketing expenses to the unitholders of Class A with effect from November 01, 2020.

7.	PAYABLE TO SECURITIES AND EXCHANGE	Note	(Unaudited) December 31, 2020			(Audited) June 30, 2020		
			Class A	Class B	Total	Class A	Class B	Total
			----- (Rupees in '000) -----					
	Annual fee	7.1	615	171	786	1,038	494	1,532

- 7.1** SECP vide SRO 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee at 0.02% of the net assets of the fund and accordingly such fee has been charged at the rate of 0.02% percent during the period.

8.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Unaudited) December 31, 2020			(Audited) June 30, 2020		
			Class - A	Class - B	Total	Class - A	Class B	Total
			----- (Rupees in '000) -----					
	Provision for Sindh Workers' Welfare Fund	8.1	2,065	47,785	49,850	2,065	41,683	43,748
	Provision for Federal Excise Duty	8.2	-	125,303	125,303	-	125,303	125,303
	Brokerage		-	661	661	-	126	126
	Auditors' remuneration		244	67	311	331	141	472
	National Clearing Company Pakistan Limited Charges		-	31	31	-	30	30
	Withholding tax		15	15	30	13	7,269	7,282
	Others		-	985	985	6	942	948
			2,324	174,847	177,171	2,415	175,494	177,909

8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, as a matter of abundant caution, has recognized provision for SWWF amounting to Rs. 2.065 million for class A and Rs 47.784 million for Class B respectively (June 30, 2020: Rs 2.065 million for Class A and Rs. 41.683 million for Class B) in this condensed interim financial information. Had the provision not been made, net asset value per unit at December 31, 2020 would have been higher by Re. 0.0073 and Re 0.496 for Class A and Class B (June 30, 2020 Re. 0.007 and 0.421 for Class A and B respectively) per unit.

8.2 FEDERAL EXERCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities against the order passed by Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

The Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 125.303 million (June 30, 2020: Rs. 125.303 million). Had the provision not been made, the Net Asset Value per unit of Class-B as at December 31, 2020 would have been higher by Re. 1.301 (June 30, 2020: Re. 1.267) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at December 31, 2020 and as at June 30, 2020.

10. TAXATION

No provision for taxation has been made for Class A as the Fund has incurred net loss in Class A. The Fund's income is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realized or unrealized, is distributed among its unit holders. The fund is also exempt from the provision of Section 113 (minimum tax) under the Clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realized or unrealized) for the year ending June 30, 2021 to its unit holders.

11. TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio for the half year ended December 31, 2020 is 1.85% and 2.61% which includes 0.14% and 0.54% representing government levy, and SECP fee of the Class A and Class B respectively. (2019 : 1.70% and 2.25% which includes 0.16% and 0.43% representing government levy, and SECP fee of the Class A and Class B respectively)

12. TRANSACTION AND BALANCES WITH CONNECTED PERSONS

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

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

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

	Un-audited December 31, 2020			Un-audited December 31, 2019		
	Class A	Class B	Total	Class A	Class B	Total
12.1 Transactions during the period	----- (Rupees in '000) -----					
HBL Asset Management Limited - Management Company						
Remuneration of the Management Company	61,499	17,070	78,569	47,880	30,435	78,314
Sales tax on remuneration of the Management Company	7,995	2,219	10,214	6,224	3,956	10,181
Allocation of expenses related to registrar services, accounting, operation and valuation services	16,912	4,694	21,606	6,056	4,461	10,517
Selling and marketing expense	21,434	8,962	30,396	18,327	11,754	30,081

	Un-audited December 31, 2020			Un-audited December 31, 2019		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
Habib Bank Limited - Sponsor						
Dividend income	-	-	-	-	2,990	2,990
Mark-up on deposits with banks	-	43	43	-	77	77
MCB Bank Limited- Connected person - due to holding more than 10% Units						
Mark-up on deposits with banks	5	-	5	9	-	9
Bank charges	1	-	1	1	-	1
Central Depository Company of Pakistan Limited-Trustee						
Trustee fee	3,920	1,257	5,177	3,141	2,058	5,199
Annual listing fee	269	19	288	329	64	393
CDS charges	-	132	132	-	353	353
	December 31, 2020			June 30, 2020		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
12.2 Balances at period end						
HBL Asset Management Company Limited - Management Company						
Payable to Management Company	10,745	2,954	13,699	8,190	2,516	10,706
Sindh sales tax on remuneration of Management Company	1,397	385	1,782	1,065	327	1,392
Allocation of expenses relating to registrar services, accounting, operation and valuation services	2,955	812	3,767	2,252	692	2,944
Selling and marketing expense payable	21,434	4,475	25,909	12,337	3,795	16,132
Habib Bank Limited - Sponsor						
Banks Balances- savings accounts	-	1,541	1,541	-	1,366	1,366
MCB Bank Limited- Connected person - due to holding more than 10% certificate						
Banks Balance - savings account	184	-	184	193	-	193
Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% certificate						
Units held: 30,406,721 Units (June 2020: 30,406,721 Units)	304,067	-	304,067	304,067	-	304,067
Units held: 15,000,000 Units (June 2020: 15,000,000 Units)	-	273,846	273,846	-	228,174	228,174

	December 31, 2020 (Un-Audited)			June 30, 2020 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
Central Depository Company of Pakistan Limited - Trustee						
Trustee remuneration payable	703	294	997	556	235	791
Security deposit with trustee	100	175	275	100	175	275
CDS charges payable	-	66	66	-	30	30
STATE LIFE INSURANCE CORP. OF PAKISTAN - CP more than 10% units						
Units held 12,024,904 Units (June 2020: 12,024,904 Units) at par value	120,249	-	120,249	120,249	-	120,249
Units held: 12,384,663 Units (June 2020: 12,384,663 Units)	-	226,099	226,099	-	188,391	188,391
Jubilee General Insurance Company Limited - associate						
Units held: 142,500 Units (June 2020: 142,500 Units)	1,425	-	1,425	1,425	-	1,425
Units held: 146,124 Units (June 2020: 146,124 Units)	-	2,668	2,668	-	2,223	2,223
Directors and Executives of the Management Company						
Units held: 18,000 Units (June 2020: 18,000 Units)	180	-	180	180	-	180
Units held: 18,000 Units (June 2020: 18,000 Units)	-	329	329	-	274	274

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 period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

13.1

		Class A						
		December 31, 2020 (Un-audited)						
		Carrying amount			Fair Value			
Note	Fair value through profit or loss	Fair value through other comprehensive income	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								
		6,331,922	-	6,331,922	6,331,922	-	-	6,331,922
		<u>6,331,922</u>	<u>-</u>	<u>6,331,922</u>	<u>6,331,922</u>	<u>-</u>	<u>-</u>	<u>6,331,922</u>
Financial assets not measured at fair value								
13.3								
	Bank balances	-	204,880	204,880				
	Dividend and profit receivable	-	5,483	5,483				
	Deposits and other receivables	-	1,261	1,261				
		<u>-</u>	<u>211,624</u>	<u>211,624</u>				
Financial liabilities not measured at fair value								
13.3								
	Payable to Management Company	-	36,531	36,531				
	Payable to trustee	-	703	703				
	Payable to Securities and Exchange Commission of Pakistan	-	615	615				
	Accrued expenses and other liabilities	-	244	244				
	Net assets attributable to unitholders		6,503,457	6,503,457				
		<u>-</u>	<u>6,541,550</u>	<u>6,541,550</u>				

13.2

		Class B						
		December 31, 2020 (Un-audited)						
		Carrying amount			Fair Value			
Note	Fair value through profit or loss	Fair value through other comprehensive income	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								
	Investment in listed equity securities	1,744,528	-	1,744,528	1,744,528	-	-	1,744,528
		<u>1,744,528</u>	<u>-</u>	<u>1,744,528</u>	<u>1,744,528</u>	<u>-</u>	<u>-</u>	<u>1,744,528</u>
Financial assets not measured at fair value								
13.3								
	Bank balances	-	308,460	308,460				
	Dividend and profit receivable	-	5,526	5,526				
	Deposits and other receivables	-	2,749	2,749				
		<u>-</u>	<u>316,734</u>	<u>316,734</u>				
Financial liabilities not measured at fair value								
13.3								
	Payable to Management Company	-	8,626	8,626				
	Payable to trustee	-	294	294				
	Payable to Securities and Exchange Commission Of Pakistan	-	171	171				
	Accrued expenses and other liabilities	-	1,744	1,744				
	Unclaimed dividend	-	133,152	133,152				
	Net assets attributable to unitholders		1,758,146	1,758,146				
		<u>-</u>	<u>1,902,133</u>	<u>1,902,133</u>				

June 30, 2020 (Audited)

		Class A						
		Carrying amount			Fair Value			
Note	Fair value through profit and loss	Fair value through other comprehensive income	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								
	Investment in listed equity securities	-	4,869,187	4,869,187	4,869,187	-	-	4,869,187
		<u>-</u>	<u>4,869,187</u>	<u>4,869,187</u>	<u>4,869,187</u>	<u>-</u>	<u>-</u>	<u>4,869,187</u>
Financial assets not measured at fair value								
13.3								
	Bank balances	-	278,910	278,910				
	Dividend and profit receivable	-	6,022	6,022				
	Security Deposit	-	184	184				
		<u>-</u>	<u>285,116</u>	<u>285,116</u>				
Financial liabilities not measured at fair value								
13.3								
	Payable to Management Company	-	23,844	23,844				
	Payable to trustee	-	556	556				
	Accrued expenses and other liabilities	-	337	337				
	Net assets attributable to unitholders		5,126,450	5,126,450				
		<u>-</u>	<u>5,151,187</u>	<u>5,151,187</u>				

		June 30, 2020(Audited)							
		Carrying amount			Fair Value				
		Class B			Total				
Note	Fair value through profit and loss	Fair value through other comprehensive income	At amortized cost	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments									
Financial assets measured at fair value									
	Investment in listed equity securities	1,502,570	-	-	1,502,570	1,502,570	-	-	1,502,570
		1,502,570	-	-	1,502,570	1,502,570	-	-	1,502,570
	Financial assets not measured at fair value	13.3							
	Bank balances	-	-	314,221	314,221				
	Dividend and profit receivable	-	-	1,777	1,777				
	Security Deposit	-	-	3,546	3,546				
		-	-	319,544	319,544				
	Financial liabilities not measured at fair value	13.3							
	Payable to Management Company	-	-	7,330	7,330				
	Payable to trustee	-	-	265	265				
	Unclaimed dividend	-	-	1,239	1,239				
	Accrued expenses and other liabilities	-	-	142,808	142,808				
	Net assets attributable to unitholders	-	-	1,504,867	1,504,867				
		-	-	1,656,509	1,656,509				

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

14. Date of Authorization For Issue

These condensed interim financial information were authorized for issue by the Board of Directors of the Management Company on February 10, 2021.

15. General

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

15.2 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of these condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed.

15.3 In continuation of note 1.7 to annual audited financial statements for the year ended June 30, 2020, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The management of the Fund is closely monitoring the situation and so far there is no impact on this interim financial information of the Fund.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Investment Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



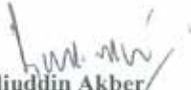
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL INVESTMENT FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Investment Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 23, 2021





Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
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Pakistan

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Independent Auditors' Report to the Unit Holders on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Investment Fund** (the "Fund") as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2020 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

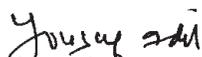
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.


Chartered Accountants

Engagement Partner
Naresh Kumar

Date: February 22, 2021
Place: Karachi

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

HBL Investment Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at December 31, 2020

	December 31, 2020 (Un-Audited)			June 30, 2020 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
Note ----- (Rupees in '000) -----							
Assets							
Bank balances	4	68,493	172,705	241,198	98,673	183,558	282,231
Investments	5	2,313,784	1,348,963	3,662,747	1,754,372	1,142,187	2,896,559
Dividend receivable and accrued mark-up		1,999	3,886	5,885	2,211	852	3,063
Receivable against sale of equity		-	31,783	31,783	-	18,141	18,141
Advances, deposits and prepayments		778	3,532	4,310	100	3,480	3,580
Total assets		2,385,054	1,560,869	3,945,923	1,855,356	1,348,218	3,203,574
Liabilities							
Payable to the Management Company	6	13,229	6,690	19,919	8,573	5,650	14,223
Payable to the Trustee		317	263	580	259	239	498
Payable to the Securities and Exchange Commission of Pakistan	7	222	132	354	371	329	700
Payable against purchase of investment		-	21,135	21,135	-	1,090	1,090
Accrued expenses and other liabilities	8	1,139	85,080	86,219	1,229	84,190	85,419
Unclaimed dividend		-	85,437	85,437	-	101,015	101,015
Total liabilities		14,907	198,737	213,644	10,432	192,513	202,945
Net assets		2,370,147	1,362,132	3,732,279	1,844,924	1,155,705	3,000,629
Unit holders' fund (as per statement attached)		2,370,147	1,362,132	3,732,279	1,844,924	1,155,705	3,000,629
Contingencies and commitments							
9 ----- Number of units -----							
Number of units in issue		284,125,000	144,359,146		284,125,000	146,528,631	
----- (Rupees) -----							
Net assets value per unit		8.3419	9.4357		6.4934	7.8872	

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 Investment Fund
Condensed Interim Income Statement (Un-Audited)
For the half year ended December 31, 2020

Note	Half year ended December 31,						Quarter ended December, 31						
	2020			2019			2020			2019			
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	
	------(Rupees in '000)-----												
Income													
Capital gain on sale of investments - net	-	77,179	77,179	8	111,692	111,699	-	31,471	31,471	8	138,156	138,163	
Dividend income	4,976	23,104	28,080	42,639	53,908	96,548	-	19,621	19,621	42,639	29,675	72,315	
Mark-up on deposits with banks	2,553	5,170	7,723	5,586	16,784	22,371	1,305	2,678	3,983	2,510	7,339	9,850	
Mark-up on Government securities	-	-	-	1,254	860	2,114	-	-	-	1,254	860	2,114	
	7,529	105,453	112,982	49,487	183,245	232,732	1,305	53,770	55,075	46,411	176,031	222,442	
Unrealised gain/(loss) on re-measurement of investments classified as financial asset at fair value through profit or loss - net	-	154,836	154,836	(24)	182,629	182,604	-	31,417	31,417	(24)	304,161	304,136	
	7,529	260,289	267,818	49,463	365,873	415,336	1,305	85,187	86,492	46,387	480,191	526,578	
Expenses													
Remuneration of Management Company	25,134	14,913	40,047	19,279	21,595	40,874	12,913	7,469	20,382	11,561	11,335	22,896	
Remuneration of Trustee	1,613	963	2,576	1,260	1,447	2,708	828	480	1,308	715	717	1,433	
Annual fee to the Securities and Exchange Commission of Pakistan	222	132	354	177	200	377	114	66	180	102	100	202	
Selling & marketing expense	7,731	6,929	14,660	6,530	7,354	13,884	2,053	3,470	5,523	3,837	3,761	7,598	
Allocation of expenses related to registrar services, accounting, operation and valuation services	6,117	3,629	9,746	2,154	2,620	4,774	3,143	1,817	4,960	823	807	1,630	
Securities transaction costs	-	2,837	2,837	-	5,752	5,752	-	1,330	1,330	-	3,583	3,583	
Auditors' remuneration	193	123	316	124	198	322	96	62	158	51	119	170	
Printing charges	20	-	20	-	-	-	15	-	15	-	-	-	
Fee and subscription charges	688	14	702	702	28	730	371	7	378	295	1	296	
Settlement & bank charges	-	4	4	9	242	251	-	2	2	6	231	237	
	41,718	29,544	71,262	30,236	39,437	69,673	19,533	14,703	34,236	17,391	20,655	38,046	
Net (loss)/income from operating activities	(34,189)	230,745	196,556	19,226	326,436	345,663	(18,228)	70,484	52,256	28,995	459,536	488,532	
Provision for Sindh Workers' Welfare Fund	8.1	-	(4,615)	(4,615)	(385)	(6,529)	(6,913)	-	(1,410)	(1,410)	(385)	(6,529)	(6,913)
Net (loss)/income for the period before taxation	(34,189)	226,130	191,941	18,842	319,908	338,749	(18,228)	69,074	50,846	28,611	453,008	481,618	
Taxation	10	-	-	-	-	-	-	-	-	-	-	-	
Net (loss)/income for the period after tax	(34,189)	226,130	191,941	18,842	319,908	338,749	(18,228)	69,074	50,846	28,611	453,008	481,618	
Allocation of net (loss)/income for the period:													
Income already paid on redemption of units	-	2,744	2,744	-	109,147	109,147	-	1,713	1,713	-	109,147	109,147	
Accounting income available for distribution:													
- Relating to capital gains	-	223,386	223,386	-	188,309	188,309	-	62,888	49,133	-	336,306	336,306	
- Excluding capital gains	-	-	-	18,842	22,451	41,293	-	4,473	4,473	28,611	7,554	36,165	
	(34,189)	226,130	189,197	18,842	210,760	229,602	-	67,361	49,133	28,611	343,860	372,471	
	(34,189)	226,130	191,941	18,842	319,908	338,749	(18,228)	69,074	50,846	28,611	453,008	481,618	

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 Investment Fund
Condensed Interim Statement Of Comprehensive Income (Un-Audited)
For the half year ended December 31, 2020

	Half year ended December 31,						Quarter ended December 31,					
	2020			2019			2020			2019		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)											
Net (loss)/income for the period after taxation	(34,189)	226,130	191,941	18,842	319,908	338,749	(18,228)	69,074	50,846	28,611	453,008	481,618
Items that will not be reclassified to income statement												
Unrealized gain on re-measurement of investments classified as fair value through other comprehensive income	559,412	-	559,412	531,176	-	531,176	111,258	-	111,258	654,333	-	654,333
Total comprehensive income for the period	525,223	226,130	751,353	550,018	319,908	869,925	93,030	69,074	162,104	682,944	453,008	1,135,951

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 Investment Fund

Condensed Interim Statement Of Movemet In Unit Holder's Fund

For the half year ended December 31, 2020

	Half year ended December 31,													
	2020				2019				2019					
	Class A		Class B		Class A		Class B		Class A		Class B			
Capital value	Undistributed Income	Unrealised income on investment	Total	Capital value	Accumulated loss	Total	Capital value	(Accumulated loss)	Unrealised income on investment	Total	Capital value	Accumulated loss	Total	
(Rupees in '000)														
Net assets at beginning of the period	2,841,250	(2,233,206)	1,236,880	1,844,924	1,580,790	(425,085)	1,155,705	2,841,250	(2,221,541)	1,101,989	1,721,698	2,784,354	(444,345)	2,340,009
Issue of 277,852 units (2019:2,585,247 units)														
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	2,191	-	2,191	-	-	-	-	6,814	-	6,814
- Element of loss	-	-	-	-	387	-	387	-	-	-	-	(569)	-	(569)
Total proceeds on issuance of units	-	-	-	-	2,578	-	2,578	-	-	-	-	6,245	-	6,245
Redemption of 2,447,338 units (2019: 129,511,416 units)														
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	(19,302)	-	(19,302)	-	-	-	-	(1,088,823)	-	(1,088,823)
- Amount paid out of element of income	-	-	-	-	(235)	-	(235)	-	-	-	-	-	-	-
- Income already paid on redemption	-	-	-	-	-	(2,744)	(2,744)	-	-	-	-	21,827	(109,147)	(87,320)
Total payment on redemption of units	-	-	-	-	(19,537)	(2,744)	(22,281)	-	-	-	-	(1,066,996)	(109,147)	(1,176,143)
Total comprehensive loss for the period	-	(34,189)	559,412	525,223	-	226,130	226,130	-	18,842	531,176	550,018	-	319,908	319,908
Net (loss)/income for the period	-	(34,189)	559,412	525,223	-	226,130	226,130	-	18,842	531,176	550,018	-	319,908	319,908
Net assets at end of the period	2,841,250	(2,267,395)	1,796,292	2,370,147	1,563,831	(201,699)	1,362,132	2,841,250	(2,202,699)	1,633,165	2,271,716	1,723,603	(233,585)	1,490,018
Undistributed loss brought forward														
- Realised		(2,233,206)				(349,006)			(2,221,541)				(69,471)	
- Unrealised		-				(76,079)			-				(374,874)	
		(2,233,206)				(425,085)			(2,221,541)				(444,345)	
Accounting income available for distribution:														
- Relating to capital gains		-				223,386			-				188,309	
- Excluding capital gains		-				-			18,842				22,451	
Net (loss)/income available for distribution		(34,189)				223,386			18,842				210,760	
Accumulated loss carried forward		(2,267,395)				(201,699)			(2,202,699)				(233,585)	
Accumulated loss carried forward														
- Realised		(2,267,395)				(356,535)			(2,202,675)				(416,213)	
- Unrealised		-				154,836			(24)				182,629	
		(2,267,395)				(201,699)			(2,202,699)				(233,585)	
(Rupees)														
Net assets value per unit at beginning of the period	6.4934				7.8872			6.0597				8.4072		
Net assets value per unit at end of the period	8.3419				9.4357			7.9955				9.9577		

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 Investment Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
For the half year ended December 31, 2020

	Half Year ended December 31 2020			Half Year ended December 31 2019		
	Class A	Class B	Total	Class A	Class B	Total
	Note -----(Rupees in '000)-----					
Cash flows from operating activities						
Net (loss)/income for the period before taxation	(34,189)	226,130	191,941	18,842	319,908	338,749
Adjustments of non-cash items						
Capital gain on sale of investment	-	(77,179)	(77,179)	(8)	(111,692)	(111,699)
Unrealised (gain)/loss on remeasurement of investments classified as financial asset at fair value through profit or loss - net	-	(154,836)	(154,836)	24	(182,629)	(182,604)
Dividend income	(4,976)	(23,104)	(28,080)	(42,639)	(53,908)	(96,548)
Mark-up on deposits with banks	(2,553)	(5,170)	(7,723)	(5,586)	(16,784)	(22,371)
	(41,718)	(34,159)	(75,877)	(29,367)	(45,105)	(74,472)
(Increase) / decrease in assets						
Investments	-	25,239	25,239	(69,279)	962,854	893,575
Receivable against sale of investments	-	(13,642)	(13,642)	-	(255,846)	(255,846)
Advances, deposits and prepayments	(678)	(52)	(730)	(671)	(39)	(709)
	(678)	11,545	10,867	(69,950)	706,970	637,020
Increase / (decrease) in liabilities						
Payable to Management Company	4,656	1,040	5,696	3,214	949	4,163
Payable to Central Depository Company of Pakistan Limited - Trustee	58	24	82	56	(56)	(0)
Payable to the Securities and Exchange Commission of Pakistan	(149)	(197)	(346)	(1,979)	(2,348)	(4,327)
Payable against purchase of investment	-	20,045	20,045	-	(16,064)	(16,064)
Unclaimed dividend	-	(15,578)	(15,578)	-	(469)	(469)
Redemption payable	-	-	-	-	663,480	663,480
Accrued expenses and other liabilities	(90)	890	800	34	(35,287)	(35,253)
	4,475	6,224	10,699	1,325	610,204	611,529
Cash (used in) / generated from operations	(37,921)	(16,390)	(54,311)	(97,992)	1,272,069	1,174,076
Dividend received	4,975	19,868	24,843	102,109	54,534	156,644
Mark-up received on bank deposit	2,766	5,372	8,138	5,279	17,666	22,946
	7,741	25,240	32,981	107,389	72,200	179,589
Net cash (used in) / generated from operating activities	(30,180)	8,850	(21,330)	9,396	1,344,269	1,353,666
Cash flows from financing activities						
Amount received on issue of units	-	2,578	2,578	-	6,245	6,245
Amount paid on redemption of units	-	(22,281)	(22,281)	-	(1,176,143)	(1,176,143)
Net cash used in financing activities	-	(19,703)	(19,703)	-	(1,169,898)	(1,169,898)
Net (decrease) / increase in cash and cash equivalents	(30,180)	(10,853)	(41,033)	9,396	174,371	183,767
Cash and cash equivalents at beginning of the period	98,673	183,558	282,231	49,550	390,621	440,171
Cash and cash equivalents at end of the period	4 68,493	172,705	241,198	58,946	564,992	623,938

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 Investment Fund

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

For The Half Year Ended December 31, 2020

1. STATUS AND NATURE OF BUSINESS

- 1.1** HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to following for each certificate held:

- One Class-A Unit of the Fund was issued to every Certificate Holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange Limited. Whereas Class-B Units can be redeemed at the redemption price.

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

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

2. BASIS OF PREPERATION

2.1 Statement of compliance

- 2.1.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34 Interim Financial Reporting, 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; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

Wherever provisions of and directive issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34 Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirement of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have 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, 2020.

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, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting and reporting standards as applicable in Pakistan 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, 2020.

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, 2020 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 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2020.

	Note	December 31, 2020 (Un-Audited)			June 30, 2020 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)							
4. BANK BALANCES							
Balances with banks in:							
Savings accounts	4.1	68,493	172,705	241,198	98,673	183,558	282,231

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 5% to 7.4% p.a (June 30, 2020: 7.00% - 14.50% p.a).

Note	December 31, 2020 (Un-Audited)			June 30, 2020 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total

5. INVESTMENTS

----- (Rupees in '000) -----

At fair value through profit or loss

- Listed equity securities 5.1 - 1,348,963 1,348,963 - 1,142,187 1,142,187

At fair value through other comprehensive income

- Listed equity securities 5.2 2,313,784 - 2,313,784 1,754,372 - 1,754,372

2,313,784 1,348,963 3,662,747 1,754,372 1,142,187 2,896,559

5.1 Financial assets 'at fair value through profit or loss

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

Name of investee company	Number of Shares					Market value as at December 31, 2020 (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, 2020	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2020		Total Investments	Net Assets	
CLASS B									
Transport									
Pakistan National Shipping Corp Ltd	74,500	-	-	5,500	69,000	6,306	0.5%	0.5%	0.05%
	74,500	-	-	5,500	69,000	6,306			
Automobile Parts and Accessories									
Thal Limited (Par value Rs. 5 per share)	82,800	-	-	38,700	44,100	20,845	1.5%	1.5%	0.05%
	82,800	-	-	38,700	44,100	20,845			
Vanaspati & Allied Industries									
Unity Foods Limited	-	3,531,000	-	2,683,000	848,000	27,186	2.0%	2.0%	0.16%
	-	3,531,000	-	2,683,000	848,000	27,186			
Foods & Personal Care Product									
Clover Pakistan Limited	-	110,000	-	-	110,000	8,833	0.7%	0.6%	0.04%
The Organic Meat Company Limited	-	3,110,572	-	307,000	2,803,572	83,603	6.2%	6.1%	0.25%
	-	3,220,572	-	307,000	2,913,572	92,436			
Leather & Tanneries									
Service Industries Ltd	-	7,450	-	-	7,450	6,214	0.5%	0.5%	0.06%
	-	7,450	-	-	7,450	6,214			
Miscellaneous									
Tri-Pack Films Ltd	-	19,500	-	19,500	-	-	0.0%	-	-
	-	19,500	-	19,500	-	-			
Cable & Electrical Goods									
Pak Elektron Ltd	-	393,500	-	215,000	178,500	7,163	0.5%	0.5%	0.04%
Waves Singer Pakistan Limited	-	814,500	-	232,000	582,500	16,421	1.2%	1.2%	0.03%
	-	1,208,000	-	447,000	761,000	23,584			

Name of investee company	Number of Shares					Market value as at December 31, 2020 (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, 2020	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2020		Total Investments	Net Assets	
Automobile Assembler									
Honda Atlas Cars (Pakistan) Ltd	-	42,700	-	-	42,700	14,010	1.0%	1.0%	0.03%
Indus Motor Company Limited	-	5,500	-	-	5,500	6,589	0.5%	0.5%	0.01%
Pak Suzuki Motor Company Limited	-	56,000	-	25,000	31,000	7,500	0.6%	0.6%	0.04%
Sazgar Engineering Works Limited	-	25,000	-	25,000	-	-	-	-	-
	-	129,200	-	50,000	79,200	28,099			
Chemicals									
Engro Polymer & Chemicals Ltd	567,462	35,000	-	337,000	265,462	12,612	0.9%	0.9%	0.03%
Ghani Global Holdings Limited	-	482,000	-	482,000	-	-	0.0%	-	-
ICI Pakistan Ltd	-	8,200	-	8,200	-	-	0.0%	-	-
Lotte Chemical Pakistan Ltd	-	400,000	-	-	400,000	6,024	0.4%	0.4%	0.03%
Sitara Chemical Industries Limited	64,200	2,000	-	17,000	49,200	15,252	1.1%	1.1%	0.23%
Sitara Peroxide Limited	-	291,000	-	291,000	-	-	0.0%	-	-
	631,662	1,218,200	-	1,135,200	714,662	33,888			
Cement									
Cherat Cement Company Ltd.	181,000	4,000	-	89,500	95,500	13,961	1.0%	1.0%	0.05%
D G Khan Cement Co.Ltd.	-	229,500	-	40,000	189,500	21,713	1.6%	1.6%	0.04%
Fauji Cement Company Limited	-	200,000	-	200,000	-	-	0.0%	-	-
Kohat Cement Ltd	123,500	-	-	61,700	61,800	13,549	1.0%	1.0%	0.05%
Lucky Cement Ltd	174,200	2,000	-	41,500	134,700	93,763	7.0%	6.9%	0.04%
Maple Leaf Cement Factory Ltd	688,000	60,000	-	228,500	519,500	23,383	1.7%	1.7%	0.10%
Pioneer Cement Limited	-	35,000	-	-	35,000	3,616	0.3%	0.3%	0.02%
	1,166,700	530,500	-	661,200	1,036,000	169,985			
Commercial Banks									
Bank Al-Falah Ltd	1,623,650	-	-	999,500	624,150	22,051	1.6%	1.6%	0.04%
Bank Al-Habib Limited	185,967	-	-	185,000	967	67	0.0%	0%	0%
Bank of Punjab Ltd	4,084,500	-	-	2,632,500	1,452,000	13,460	1.0%	1.0%	0.27%
BankIslami Pakistan Limited	584,500	-	-	584,500	-	-	0.0%	-	-
Faysal Bank Limited	18,000	-	-	9,000	9,000	156	0.0%	0.01%	0%
Habib Bank Ltd**	265,600	159,000	-	168,000	256,600	33,943	2.5%	2.5%	0.02%
MCB Bank Ltd	182,800	51,554	-	52,101	182,253	33,767	2.5%	2.5%	0.02%
National Bank of Pakistan Ltd	480,000	100,000	-	480,000	100,000	4,296	0.3%	0.3%	0.00%
Standard Chartered Bank (Pakistan) Ltd	127,000	1,507,500	-	-	1,634,500	56,946	4.2%	4.2%	0.04%
United Bank Limited	362,200	480,500	-	101,000	741,700	93,350	6.9%	6.9%	0.06%
	7,914,217	2,298,554	-	5,211,601	5,001,170	258,036			
Engineering									
Aisha Steel Mills Ltd. - Conv. Cum. Pref.	1,065,000	-	-	-	1,065,000	44,730	3.3%	3.3%	36.58%
Amreli Steels Limited	-	143,500	-	-	143,500	6,925	0.5%	0.5%	0.05%
International Industries Ltd	61,800	-	-	61,800	-	-	0.0%	-	-
International Steels Limited	257,000	92,500	-	273,500	76,000	7,085	0.5%	0.5%	0.02%
Mughal Iron & Steel Inds Ltd	-	103,000	-	-	103,000	7,800	0.6%	0.6%	0.04%
	1,383,800	339,000	-	335,300	1,387,500	66,540			
Refinery									
Attock Refinery Ltd	-	79,000	-	79,000	-	-	0.0%	-	-
National Refinery Ltd	-	67,600	-	67,600	-	-	0.0%	-	-
Pakistan Refinery Limited	-	583,500	-	583,500	-	-	0.0%	-	-
	-	730,100	-	730,100	-	-			
Fertilizer									
Engro Corporation Ltd	214,300	13,500	-	52,100	175,700	54,003	4.0%	4.0%	3.00%
Engro Fertilizers Limited	291,500	8,000	-	299,500	-	-	0.0%	-	-
Fauji Fertilizer Bin Qasim Ltd	-	577,000	-	-	577,000	14,610	1.1%	1.1%	0.06%
Fauji Fertilizer Co Ltd	323,500	125,100	-	323,500	125,100	13,573	1.0%	1.0%	0.01%
	829,300	723,600	-	675,100	877,800	82,186			
Insurance									
Adamjee Insurance Co Ltd	527,000	-	-	414,500	112,500	4,424	0.3%	0.3%	0.03%
IGI Holdings Limited	269,900	10,000	-	15,000	264,900	53,891	4.0%	4.0%	0.22%
IGI LIFE INSURANCE LIMITED	-	174,500	-	-	174,500	10,010	0.7%	0.7%	0.01%
TPL Insurance Limited	536,189	-	-	-	536,189	16,241	1.2%	1.2%	0.71%
	1,333,089	184,500	-	429,500	1,088,089	84,566			
Oil and Gas Exploration Companies									
Mari Petroleum Company Ltd	64,806	-	-	9,640	55,166	73,913	5.5%	5.4%	0.05%
Oil & Gas Development Co Ltd	781,200	-	-	239,605	541,595	56,201	4.2%	4.1%	0.01%
Pakistan Oilfields Ltd	16,500	17,000	-	5,500	28,000	11,071	0.8%	0.8%	0.01%
Pakistan Petroleum Ltd	567,246	149,500	-	107,200	609,546	55,060	4.1%	4.0%	0.03%
	1,429,752	166,500	-	361,945	1,234,307	196,245			

Name of investee company	Number of Shares					Market value as at December 31, 2020 (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, 2020	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2020		Total Investments	Net Assets	
Oil & Gas Marketing Companies									
Hascol Petroleum Ltd	-	200,000	-	-	200,000	2,938	0.2%	0.2%	0.03%
Pakistan State Oil Company Ltd	234,692	31,000	-	39,000	226,692	48,807	3.6%	3.6%	0.07%
Sui Northern Gas Pipeline Ltd	545,000	-	-	392,000	153,000	6,796	0.5%	0.5%	0.02%
	779,692	231,000	-	431,000	579,692	58,541			
Pharmaceuticals									
AGP Limited	150,500	9,000	-	159,500	-	-	0.0%	-	-
GlaxoSmithKline Pakistan Ltd	85,900	-	-	85,900	-	-	0.0%	-	-
Highnoon Laboratories Limited	49,500	1,200	-	17,800	32,900	19,734	1.5%	1.4%	0.00%
The Searl Co Ltd LOR	-	3,319	-	3,319	-	-	0.0%	-	-
The Searle Company Ltd	68,996	-	-	42,000	26,996	6,728	0.5%	0.5%	0.01%
	354,896	13,519	-	308,519	59,896	26,462			
Power Generation and Distribution									
Hub Power Company Ltd	746,909	-	-	78,000	668,909	53,065	3.9%	3.9%	0.05%
K-Electric Limited	2,640,500	-	-	2,640,500	-	-	0.0%	-	-
	3,387,409	-	-	2,718,500	668,909	53,065			
Textile									
Sunshine Cloth*	50,000	-	-	-	50,000	-	0.0%	-	-
Mohib Textile*	40,820	-	-	-	40,820	-	0.0%	-	-
Gul Ahmed Textile Mills Ltd	588,500	15,000	-	18,000	585,500	21,517	1.6%	1.6%	0.16%
Interloop Limited	279,642	26,500	-	25,000	281,142	19,137	1.4%	1.4%	3.23%
Nishat Mills Ltd	273,500	15,000	-	76,500	212,000	21,575	1.6%	1.6%	0.06%
	1,232,462	56,500	-	119,500	1,169,462	62,229			
Glass & Ceramics									
Tariq Glass Industries Ltd	83,000	-	-	83,000	-	-	0.0%	-	-
	83,000	-	-	83,000	-	-			
Technology & Communication									
Avanceon Limited	-	200,000	-	55,500	144,500	13,417	1.0%	1.0%	0.08%
TPL Corp Limited	-	3,751,000	-	-	3,751,000	28,470	2.1%	2.1%	1.73%
TPL Trakker Limited	-	1,050,500	-	-	1,050,500	10,663	0.8%	0.8%	0.06%
	-	5,001,500	-	55,500	4,946,000	52,550			
Total - As at December 31, 2020 (Un-audited)	20,683,279	19,609,195	-	16,806,665	23,485,809	1,348,963			
Total - As at June 30, 2020 (Audited)	34,068,341	23,828,460	229,391	37,442,913	20,683,279	1,142,187			
Carrying value as at December 31, 2020						1,194,127			

*Suspended/Delisted Companies

**Sponsors of Management Company

5.1.2 Investments include shares having market value aggregating to Rs: 199.280 million (June 30, 2020 : Rs 163.138 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Funds' trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP.

5.1.3 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 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. 0.533 million at December 31, 2020 (June 30, 2020: Rs.0.426 million) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

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

Name of investee company	Number of Shares					Market value as at Dec 31, 2020 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2020	Purchases during the period	Bonus issue	Sales during the period	As at Dec 31, 2020		Total Investments	Net Assets	
Class A									
Oil and Gas Marketing Companies									
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	110,518	4.8%	4.7%	0.39%
Pakistan State Oil Company Limited	10,233,471	-	-	-	10,233,471	2,203,266	95.2%	93.0%	3.14%
Total - As at December 31, 2020 (Unaudited)	12,721,495	-	-	-	12,721,495	2,313,784			
Total - As at June 30, 2020 (Audited)	11,015,917	-	1,705,578	-	12,721,495	1,754,372			
Carrying at December 31, 2020						517,491			

December 31, 2020 **June 30, 2020**

----- Rupees in '000 -----

5.3.1 Net unrealized gain / (loss) on re-measurement of investments at fair value through other comprehensive income

	2,313,784	1,754,372
Market value of investments	(517,491)	(517,491)
Less: cost of investments	1,796,293	1,236,881

5.3.2 The above mentioned shares of Sui Northern Gas Pipelines Limited and Pakistan State Oil Company Limited are frozen/blocked by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.3.3 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 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. 18.361 million at December 31, 2020 (June 30, 2020: Rs. 13.488 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.

		December 31, 2020			June 30, 2020		
		(Un-Audited)			(Audited)		
		Class A	Class B	Total	Class A	Class B	Total
6. PAYABLE TO MANAGEMENT COMPANY		----- (Rupees in '000) -----					
Management fee	6.1	3,913	2,292	6,205	2,943	1,941	4,884
Sindh Sales Tax	6.2	509	298	807	383	252	635
Allocation of expenses relating to registrar services, accounting, operation and valuation services	6.3	1,076	630	1,706	809	534	1,343
Selling & marketing payable	6.4	7,731	3,470	11,201	4,438	2,923	7,361
		13,229	6,690	19,919	8,573	5,650	14,223

6.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. The management fee expense was charged by Management Company at the rate of 2% (June 30, 2020: 1.7% to 2%) during the period.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 In accordance with Regulation 60 of the NBFC Regulations, Management Company has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at 0.55% (June 30, 2020: 0.1% to 0.55%) during the period.

6.4 SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed cap of 0.4 percent (of average net assets, calculated on daily basis), on charging of selling and marketing expenses which are charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds). Resultantly, Management Company has charged selling and marketing expenses to the Fund at the rate of 1.05% during the period, from July 01, 2020 to October 31, 2020 (June 30, 2020: 0.4% to 1.05%). Subsequently, as per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, Management Company ceased to charge selling and marketing expenses to the unitholders of Class A units with effect from November 01, 2020.

		December 31, 2020			June 30, 2020		
		(Un-Audited)			(Audited)		
		Class A	Class B	Total	Class A	Class B	Total
7. PAYABLE TO SECURITIES AND EXCHANGE		----- (Rupees in '000) -----					
Annual fee	7.1	222	132	354	371	329	700

7.1 SECP vide SRO 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee at 0.02% of the net assets of the fund and accordingly such fee has been charged at the rate of 0.02% percent during the period.

		December 31, 2020			June 30, 2020		
		(Un-Audited)			(Audited)		
		Class A	Class B	Total	Class A	Class B	Total
8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees in '000) -----					
Provision for Sindh Workers' Welfare Fund	8.1	634	26,893	27,527	634	22,278	22,912
Provision for Federal Excise Duty	8.2	-	55,961	55,961	-	55,961	55,961
Auditors remuneration		476	334	810	283	211	494
Security transaction charges		-	552	552	-	391	391
Withholding tax payable		29	194	223	312	4,182	4,494
Other payable		-	1,146	1,146	-	1,167	1,167
		1,139	85,080	86,219	1,229	84,190	85,419

8.1 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, as a matter of abundant caution, has recognised provision for SWWF amounting to Rs. 0.634 million and Rs 26.893 million of Class A and Class B respectively for SWWF in this condensed interim financial information. Had the provision not been retained, NAV per certificate of the Fund as at December 31, 2020 would have been higher by Rs. 0.0022 for Class A and Rs 0.1863 for Class B per unit (June 30, 2020: 0.002 for Class A and 0.0152 for Class B per unit) respectively.

8.2 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, 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.

The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per certificate of the Fund as at December 31, 2020 would have been higher by Rs. 0.388 per certificate (June 30, 2020: 0.382 per certificate) of Class B.

9. CONTINGENCIES & COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 and June 30, 2020.

10. TAXATION

No provision for taxation has been made in Class A as the Fund has incurred a loss in Class A. The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in respect of income relating to the current period in Class B as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders.

11. TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the period ended December 31, 2020 is 1.89% and 2.61% of Class A and Class B, which includes 0.15% and 0.52% representing government levy and SECP fee of the Class A and Class B respectively (2019: 1.74% and 2.31% which includes 0.16% and 0.50% representing government levy and SECP fee of the Class A and Class B respectively.)

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 contracted rates and terms determined in accordance with market rates.

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

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

	(Unaudited) Half year Ended December 31,					
	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
Transactions during the period						
HBL Asset Management Limited						
Remuneration of Management Company	22,242	13,197	35,439	17,061	19,110	36,172
Sindh Sales Tax on remuneration of Management Company	2,892	1,716	4,608	2,218	2,484	4,702
Reimbursement of fund operations, accounting and related costs	6,117	3,629	9,746	2,154	2,620	4,774
Selling and marketing	7,731	6,929	14,660	6,530	7,354	13,884
Habib Bank Limited - Sponsor						
Dividend income	-	-	-	-	1,917	1,917
Mark-up on deposits with banks	-	13	13	-	18	18
MCB Bank Limited						
Dividend Income	-	-	-	-	2,703	2,703
Mark-up on deposits with banks	4	4,256	4,260	7	-	7
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee	1,613	963	2,576	1,260	1,447	2,708
CDC connection charges	439	140	579	387	222	609
	December 31, 2020 (Un-Audited)			June 30, 2020 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
Balances outstanding at the year end						
HBL Asset Management Limited						
Payable to the Management Company	3,913	2,292	6,205	2,943	1,941	4,884
Sindh Sales tax payable on remuneration to management company	509	298	807	383	252	635
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,076	630	1,706	809	534	1,343
Selling and marketing expense	7,731	3,470	11,201	4,438	2,923	7,361
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable	317	225	542	259	203	462
Security deposit held	100	200	300	100	200	300
CDC charges payable	-	37	37	-	36	36

	December 31, 2020 (Un-Audited)			June 30, 2020 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
MCB Bank Limited						
Connected Person (Due to holding more than 10% certificates)						
Bank balance	139	139,866	140,005	122	175,935	176,057
Mark-up on bank deposit receivable	-	-	-	-	669	669
Certificates held :66,090,021 (2020: 66,090,021 certificates)	660,900	-	660,900	660,900	-	660,900
Related to units of the Fund						
Habib Bank Limited - Sponsor						
Certificates held :48,662,161 (2020: 48,662,161 certificates)	486,621	-	486,621	486,622	-	486,622
Outstanding units :48,662,173 (2020: 48,662,173) units	-	459,161	459,161	-	383,808	383,808
Bank Balance	-	468	468	-	457	457
Jubilee General Insurance Company Limited						
Certificates held:100,379 (2020: 100,379 certificates)	1,004	-	1,004	1,004	-	1,004
Outstanding units:103,333 (2020: 103,333) units	-	975	975	-	815	815
Jubilee General Insurance Company Limited Staff Provident Fund Trust						
Certificates held:118,454 (2020: 118,454 certificates)	1,184	-	1,184	1,184	-	1,184
Outstanding units:121,940 (2020: 121,940) units	-	1,151	1,151	-	962	962
Jubilee General Insurance Company Limited Gratuity Fund Trust						
Certificates held: 224,000 (2020: 224,000 certificates)	2,240	-	2,240	2,240	-	2,240
Outstanding units: 230,592 (2020: 230,592) units	-	2,176	2,176	-	1,819	1,819
Aga Khan University Employees Provident Fund Trust						
Certificates held: 588,000 (2020: 588,000 certificates)	5,880	-	5,880	5,880	-	5,880
Aga Khan University Employees Gratuity Fund Trust						
Certificates held:138,000 (2020: 138,000 certificates)	1,380	-	1,380	1,380	-	1,380
Directors and Executives of the Management Company						
Certificates held:26,195 (2020: 26,195 certificates)	262	-	262	262	-	262
Outstanding units: 26,815 (2020: 26,813) units	-	253	253	-	211	211

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 are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

		Class A December 31, 2020 (Un-audited)					Fair Value			
		Carrying amount								
		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
	Note	----- (Rupees in '000) -----								
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investments - Listed equity securities		-	2,313,784	-	-	2,313,784	2,313,784	-	-	2,313,784
		-	2,313,784	-	-	2,313,784	2,313,784	-	-	2,313,784
Financial assets not measured at fair value										
	13.1									
Bank balances		-	-	-	68,493	68,493				
Dividend and profit receivable		-	-	-	1,999	1,999				
Security deposit		-	-	-	778	778				
		-	-	-	71,270	71,270				
Financial liabilities not measured at fair value										
	13.1									
Payable to Management Company			-	-	13,229	13,229				
Payable to Trustee			-	-	317	317				
Payable to Securities and Exchange Commission Of Pakistan			-	-	222	222				
Payable against purchase of investment			-	-	-	-				
Accrued expenses and other liabilities			-	-	476	476				
Unclaimed dividend			-	-	-	-				
Net assets attributable to certificate holders			-	-	2,370,147	2,370,147				
			-	-	2,384,391	2,384,391				

		Class B December 31, 2020 (Un-audited)					Fair Value			
		Carrying amount								
	Note	Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----										
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investments - Listed equity securities		1,348,963	-	-	-	1,348,963	1,348,963	-	-	1,348,963
		<u>1,348,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,348,963</u>	<u>1,348,963</u>	<u>-</u>	<u>-</u>	<u>1,348,963</u>
Financial assets not measured at fair value										
	13.1									
Bank balances		-	-	-	172,705	172,705				
Dividend and profit receivable		-	-	-	3,886	3,886				
Receivable against sale of equity		-	-	-	31,783	31,783				
Security deposit		-	-	-	2,752	2,752				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>211,126</u>	<u>211,126</u>				
Financial liabilities not measured at fair value										
	13.1									
Payable to Management Company		-	-	-	6,690	6,690				
Payable to Trustee		-	-	-	263	263				
Payable to Securities and Exchange Commission of Pakistan		-	-	-	132	132				
Payable against purchase of investment		-	-	-	21,135	21,135				
Accrued expenses and other liabilities		-	-	-	2,032	2,032				
Unclaimed dividend		-	-	-	85,437	85,437				
Net assets attributable to unitholders		-	-	-	1,362,132	1,362,132				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,477,821</u>	<u>1,477,821</u>				

		Class A June 30, 2020(Audited)					Fair Value			
		Carrying amount								
	Note	Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----										
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investments - Listed equity securities		-	1,754,372	-	-	1,754,372	1,754,372	-	-	1,754,372
		<u>-</u>	<u>1,754,372</u>	<u>-</u>	<u>-</u>	<u>1,754,372</u>	<u>1,754,372</u>	<u>-</u>	<u>-</u>	<u>1,754,372</u>
Financial assets not measured at fair value										
	13.1									
Bank balances		-	-	-	98,673	98,673				
Dividend and profit receivable		-	-	-	2,211	2,211				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>100,884</u>	<u>100,884</u>				
Financial liabilities not measured at fair value										
	13.1									
Payable to Management Company		-	-	-	8,573	8,573				
Payable to Trustee		-	-	-	259	259				
Accrued expenses and other liabilities		-	-	-	283	283				
Net assets attributable to certificate holders		-	-	-	1,844,924	1,844,924				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,854,039</u>	<u>1,854,039</u>				

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.

		June 30, 2020(Audited)								
		Carrying amount				Fair Value				
	Note	Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----								
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investments - Listed equity securities		1,142,187	-	-	-	1,142,187	1,142,187	-	-	1,142,187
		1,142,187	-	-	-	1,142,187	1,142,187	-	-	1,142,187
Financial assets not measured at fair value										
	13.1									
Bank balances		-	-	-	183,558	183,558				
Dividend and profit receivable		-	-	-	852	852				
		-	-	-	184,410	184,410				
Financial liabilities not measured at fair value										
	13.1									
Payable to Management Company			-	-	5,650	5,650				
Payable to Trustee			-	-	239	239				
Payable against purchase of investment			-	-	1,090	1,090				
Accrued expenses and other liabilities			-	-	1,769	1,769				
Unclaimed dividend			-	-	101,015	101,015				
Net assets attributable to unit holders			-	-	1,155,705	1,155,705				
			-	-	1,265,468	1,265,468				

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

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management company on February 10, 2021.

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

15.2 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of these condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed.

15.3 In continuation of note 1.7 to annual audited financial statements for the year ended June 30, 2020, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The management of the Fund is closely monitoring the situation and so far there is no impact on this interim financial information of the Fund.

For HBL Asset Management Limited (Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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