

HBL

ASSET MANAGEMENT LTD.

ايسيت ميجمنٹ لميٹڈ

AMC Rating : AM2++ by JCR-VIS

NINE MONTHS REPORT 2021

For the Nine Months Ended March 31, 2021

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 NINE MONTHS ENDED MARCH 31, 2021

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Islamic Money Market Fund, HBL Islamic Income Fund, HBL Islamic Stock Fund, HBL Islamic Equity Fund, HBL Islamic Asset Allocation Fund, HBL Islamic Financial Planning Fund and HBL Islamic Dedicated Equity Fund (the Funds) for the nine months ended March 31, 2021.

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 9.1% during 9MFY21 taking Real Effective Exchange Rate to 97 (SBP Feb-21 number). The Central bank maintained the interest rates in 9MFY21 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 2.3% compared to increase in import by 8.6%, leading 8MFY21 trade deficit to increase by 22.2% to USD 16.1bn. However Services Deficit decreased by 41.8% to USD 1.3bn in the period. Remittances also showed encouraging trend as it witnessed an uptick of 24.1% in 8MFY21 clocking at USD 18.7bn. These factors led the Current Account Surplus for 8MFY21 to clock at USD 0.9bn (0.5% of GDP) compared to a current account deficit of USD 2.7bn (1.5% 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 7.9% YoY in 7MFY21. The overall Foreign exchange reserves increased to USD 20.8bn compared to USD 18.9bn at the end of FY20.

CPI for 9MFY21 has averaged 8.4% compared to 11.5% in the same period last year due to economic slowdown and hike in utilities price in base period. We expect inflation to remain elevated for the next few months due to Ramadan and low base effect but will taper down from the start of FY22. On the fiscal side FBR tax collection went up by 10.3% YoY to PKR 3,394bn during 9MFY21 against the tax collection target of PKR 3,287bn.

Moving ahead, we believe that the GDP growth is likely to show recovery as most of the businesses have opened but the ongoing third 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 9MFY21 as it rallied by 76.5% from its low in Mar-20. The stellar performance of the index can be attributed to 1) relative 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 strengthening currency and current account surplus.

The benchmark KMI-30 index recorded 18,045 points increase (+32.8%) during 9MFY21 to close at 73,040 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. On the flows side, foreigners were the net sellers during 9MFY21 and sold shares of worth USD 295mn, compared to net selling of USD 130mn 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 6.0x against peer average 15.1x) 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. Technology sector would also remain in limelight due to rerating of the sector due to improved earnings outlook. 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. At the start of the 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.

As per latest data available, Islamic Banking industry assets posted 30.0% growth and stood at PKR 4,269 billion by Dec-20. Similarly, deposits of Islamic banks also witnessed a sharp growth of 27.8% YoY and reached PKR 3,389 billion by Dec-20. The government issued Energy Sukuk-II of PKR 200bn in the last quarter of FY20 to partially retire the circular debt. This was a long term instrument and SLR Eligible which helped the Islamic banks to park their excess liquidity. The government plans to disburse PKR 450bn to the IPPs in CY21 to contain the ballooning circular debt. We expect another Energy Sukuk of PKR 200bn in this year which would provide additional avenue to invest for the Islamic financial institutions.

During 9MFY21, Government largely managed its borrowing requirement through commercial banks. Government borrowed PKR 1,980bn from scheduled banks compared to borrowing of PKR 1,447bn during same period last year. Meanwhile, Government borrowing from SBP declined by PKR 1,203bn during the period against decline in borrowing of PKR 480bn 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 Mar-21, SBP maintained status quo in the interest rates. Going forward, we feel that the monetary easing has taken place and we are at the bottom of the interest rate cycle. Due to the ongoing third 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.

Future Outlook

Pakistan equities are expected to perform well in CY21 due to cheaper valuation and improvement in macroeconomic outlook. GDP growth is expected to bounce back as most of the business activity has resumed. The external account position is also comfortable with current account to remain at manageable level in the year. We believe Pakistan equities offers a good entry opportunity for long term investors.

The valuations of Pakistan Stock market are now attractive with a Price to Earnings multiple of 6.0x compared to the past five years' average of 8+. KSE-100 discount to emerging as well as frontier peers is 56.1% and 40.7% against 5-year averages of 39.6% and 33.7%, respectively, reflecting a good entry point. We feel this discount should narrow as market earnings are expected to increase significantly during 2021. Construction related 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. Technology sector would also remain in limelight due to potential of further re-rating on the back of good growth outlook. Thus we expect the overall market to re-rate and continue its positive momentum.

On the fixed income front, inflation is expected to remain in a range of 7-9% and would depend on food prices and international oil prices trajectory. Going forward, we feel that the monetary easing has taken place and we are at the bottom of the interest rate cycle. Due to the ongoing third 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. The central bank has given its forward looking guidance to maintain mildly positive interest rates when economy return to full capacity. Thus we expect any future increase in the policy rate to be measured and gradual.

FUND'S PERFORMANCE

HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 376.82 million and Rs. 339.17 million respectively during the period ended March 31, 2021. The Net Asset Value (NAV) of the Fund was Rs. 101.1744 per unit as on March 31, 2021 (after incorporating interim monthly & daily dividends of Rs. 4.6896 per unit); thereby giving an annualized return of 6.33%. During the same period, the benchmark return (3 Month bank deposit rates) was 3.53%. The size of Fund was Rs. 7.08 billion as on March 31, 2021 as compared to Rs. 8.42 billion at the start of the year.

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

HBL Islamic Income Fund

The total income and net income of the Fund was Rs. 70.44 million and Rs. 48.89 million respectively during the period ended March 31, 2021. The Net Asset Value (NAV) of the Fund increased from Rs. 101.5300 per unit as on June 30, 2020 to Rs.105.4265 per unit as on March 31, 2021; thereby giving an annualized return of 5.11%. During the same period, the benchmark return (6 Month bank deposit rates) was 3.72%. The size of Fund was Rs. 1.27 billion as on March 31, 2021 as compared to Rs. 1.42 billion at the start of the year.

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

HBL Islamic Stock Fund

The total and net income of the Fund was Rs. 153.52 million and Rs. 125.12 million respectively during the period ended March 31, 2021. The Net Asset Value (NAV) of the Fund increased from Rs. 93.6583 per unit as on June 30, 2020 to Rs. 119.6325 per unit as on March 31, 2021 giving a return of 27.73% during the period against the benchmark return (KMI 30 Index) of 32.81%. The size of Fund was Rs. 0.93 billion as on March 31, 2021 as compared to Rs. 0.56 billion at the start of the year.

HBL Islamic Equity Fund

The total and net income of the Fund was Rs. 83.65 million and Rs. 69.95 million respectively during the period ended March 31, 2021. The Net Asset Value (NAV) of the Fund increased from Rs. 77.5699 per unit as on June 30, 2020 to Rs. 101.0074 per unit as on March 31, 2021 giving a return of 30.21% during the period against the benchmark return (KMI 30 Index) of 32.81%. The size of Fund was Rs. 0.55 billion as on March 31, 2021 as compared to Rs. 0.23 billion at the start of the year.

HBL Islamic Asset Allocation Fund

Under HBL Islamic Asset Allocation Fund (HBL-IAAF), the HBL Islamic Asset Allocation Fund – Plan 1 (HBL IAAF-Plan1) has been constituted on July 13, 2020.

The total and net income of the Fund including HBL IAAF-Plan1 was Rs. 144.14 million and Rs. 125.90 million respectively during the period ended March 31, 2021. The Net Asset Value (NAV) of the HBL-IAAF increased from Rs. 103.6330 per unit as on June 30, 2020 to Rs. 113.3156 per unit as on March 31, 2021; thereby giving a return of 9.34% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of 10.85%. The collective size of Fund was Rs. 2.68 billion as on March 31, 2021 as compared to Rs. 310 million at the start of the year.

HBL Islamic Financial Planning Fund

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

The Islamic Capital Preservation Plan marked its maturity during the period under review.

The Fund as a whole earned total and net income of Rs. 21.85 million and Rs. 19.30 million respectively during the period under review. The fund size of the fund stood at Rs. 0.03 billion. Performance review for plan is given below:

Active Allocation Plan

During the period under review, the Active allocation plan earned total and net income of Rs. 14.44 million and Rs. 13.61 million respectively. The net assets of the Active allocation plan stood at Rs. 33 million representing Net Asset Value (NAV) of Rs. 111.9986 per unit as at March 31, 2021 as compared to Net Asset Value (NAV) of Rs. 95.3020 per unit as at start of the year. The plan earned a return of 17.52% for the period under review compared to its Benchmark return of 20.20%.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 0.24 million and Rs. 0.20 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.90 million representing Net Asset Value (NAV) of Rs. 113.2339 per unit as at March 31, 2021 as compared to Net Asset Value (NAV) of Rs. 109.3637 per unit as at start of the year. The plan earned a return of 3.54% for the period under review compared to its Benchmark return of 8.40%.

Islamic Capital Preservation Plan

During this period under review, the Islamic Capital Preservation plan earned total and net income of Rs. 7.16 million and Rs. 5.49 million respectively. The plan marked its maturity during the review period.

HBL Islamic Dedicated Equity Fund

The total and net income of the Fund was Rs. 5.49 million and Rs. 4.32 million respectively during the period ended March 31, 2021. The net assets of the Fund was nil as on March 31, 2021. The Fund yielded a return of 7.85% during the period against the benchmark return (KMI 30 Index) of 32.81%.

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

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

HBL ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ 31 مارچ 2021 کو ختم ہونے والی نو ماہی کے لیے HBL اسلاک منی مارکیٹ فنڈ، HBL اسلاک فنڈ، HBL اسلاک اسٹاک فنڈ، HBL اسلاک ایکویٹی فنڈ، HBL اسلاک ایسیٹ ایلوکیشن فنڈ، HBL اسلاک فنانشل پلاننگ فنڈ اور HBL اسلاک ڈیڈ ویکیٹیڈ ایکویٹی فنڈ (فنڈز) کے مالیاتی حسابات کے ساتھ اپنی رپورٹ پیش کر رہے ہیں۔

معیشت کا جائزہ

Covid-19 وبا کے بعد حکومت کی جانب سے لیے گئے پالیسی اقدامات کے نتیجے میں معاشی منظر نامے میں بہتری آئی ہے۔ جس کے ساتھ ہی ملک میں ترسیلات زر کی مضبوط شرح اور سروسز خسارے میں کمی کے باعث کرنٹ اکاؤنٹ کی پوزیشن میں نمایاں بہتری دیکھنے میں آئی ہے۔ کرنٹ اکاؤنٹ کے سرپلس کے ساتھ کثیر الجہتی اور دو طرفہ ذرائع سے رقم کے بہاؤ نے ہمارے ذخائر کو کم کر دیا جس کی وجہ سے مقامی کرنسی کو مضبوط ہونے میں مدد ملی ہے۔

مالی سال 21 کے نو ماہی کے دوران حقیقی مؤثر زرمبادلے کی شرح کو 97 (SBP فروری-21 نمبر) تک لے جانے پر روپے کی قدر میں تقریباً 9.1% فیصد تک کا اضافہ ہوا۔ عالمی وبا Covid-19 کے نتیجے میں مالی سال 20 کی دوسری ششماہی میں شرح سود میں مجموعی طور پر 625 bps کی کمی کے بعد سینٹرل بینک نے مالی سال 21 کی نو ماہی میں سود کی شرح کو برقرار رکھا ہے۔ بیرونی محاذ پر برآمدات میں 2.3% فیصد کمی کے مقابلے میں درآمدات میں 8.6% فیصد اضافہ ہوا ہے۔ جس کے نتیجے میں مالی سال 21 کے 8 ماہ کا تجارتی خسارہ 22.2% فیصد اضافے کے ساتھ 16.1 بلین امریکی ڈالر تک جا پہنچا ہے۔ تاہم اسی مدت میں سروسز خسارہ 41.8% فیصد کم ہو کر 1.3 بلین امریکی ڈالر ہو گیا ہے۔ مالی سال 21 کے 8 ماہ میں ترسیلات زر میں بھی 24.1% فیصد اضافے کے ساتھ 18.7 بلین امریکی ڈالر کا حوصلہ افزا رجحان دیکھنے میں آیا ہے۔ ان عوامل کے باعث مالی سال 21 کے 8 ماہ کے لیے کرنٹ اکاؤنٹ سرپلس 0.9 بلین امریکی ڈالر (GDP کا 0.5%) ہو گیا ہے جو کہ پچھلے سال اسی مدت کے دوران کرنٹ اکاؤنٹ خسارہ 2.7 بلین امریکی ڈالر (GDP کا 1.5%) تھا۔ اقتصادی سرگرمیوں میں قابل ذکر تیزی کے ساتھ پاکستانی معیشت نے کورونا سے قبل کی رفتار دوبارہ حاصل کرنا شروع کر دی ہے جو کہ مالی سال 21 کے 7 ماہ میں LSM میں 7.9% YoY فیصد کی نمو سے واضح ہے۔ مجموعی زرمبادلہ کے ذخائر مالی سال 20 کے اختتام پر 18.9 بلین امریکی ڈالر کے مقابلے میں 20.8 بلین امریکی ڈالر تک پہنچ گئے ہیں۔

معاشی سست روی اور یوٹیلٹی قیمتوں میں اضافے کی وجہ سے مالی سال 21 کی نو ماہی کے لیے CPI افراط زر 8.4% فیصد کے ساتھ اوسط رہی ہے جبکہ پچھلے سال اسی مدت کے دوران 11.5% فیصد تھی۔ ہم خیال کر رہے ہیں کہ رمضان اور کم بنیادی اثر کے باعث چند مہینوں تک افراط زر میں اضافہ رہے گا لیکن مالی سال 22 کے آغاز سے ہی اس میں کمی آنا شروع ہو جائے گی۔ مالی سال میں FBR ٹیکس وصولی کا ہدف 3,287 بلین روپے کے مقابلے میں مالی سال 21 کی نو ماہی کے دوران FBR ٹیکس وصولی 10.3% YoY اضافے کے ساتھ 3,394 بلین روپے تک بڑھ گئی ہے۔

مزید آگے بڑھتے ہوئے، ہمارا خیال ہے کہ بیشتر کاروبار کھلنے کے باعث GDP کی نمو میں بحالی کا امکان ہے لیکن حالیہ کوویڈ-19 کی تیسری لہر اس بحالی میں رکاوٹ بن سکتی ہے۔ اسی لیے ہماری توجہ کوویڈ-19 نمبرز اور عالمی وباء سے ہونے والے اثرات کو کنٹرول کرنے کے لیے حکومت کی جانب سے لیے گئے پالیسی اقدامات پر مرکوز رہے گی۔

اسٹاک مارکیٹ کا جائزہ

مالی سال 21 کی نو ماہی میں مارچ-20 کی حالیہ کمی سے 76.5% فیصد تک کے اضافے کے ساتھ مارکیٹ نے اپنی تیزی کو برقرار رکھا ہے۔ 1) مقامی سطح پر کوویڈ-19 انفیکشن اور بحالی کے شرح میں نسبتاً بہتری، 2) سود کی شرح میں 625bps کمی کے بعد ایکویٹیز میں بہاؤ، 3) GoP کی جانب سے کاروباری دوست پالیسیاں اور 4) مستحکم کرنسی اور کرنٹ اکاؤنٹ سرپلس کے ذریعے معاشی پیداواری اشاروں میں بہتری کو انڈیکس کی شاندار کارکردگی کی وجہ قرار دیا جاسکتا ہے۔

مالی سال 21 کی نو ماہی کے دوران بیچ مارک KMI-30 انڈیکس میں 18,045 پوائنٹس (+32.8%) کا اضافہ ریکارڈ کیا گیا جو 73,040 پوائنٹس پر بند ہوا۔ اس عرصے کے دوران کنسٹرکشن سے منسلک صنعتیں (سیمنٹ، اسٹیل اور گلاس) SBP کی جانب سے مالیاتی نرمی اور حکومت کے کنسٹرکشن سیکٹر پر توجہ مرکوز ہونے پر منحصر کئے ہوئے ہے۔ ٹیکنالوجی سیکٹر بھی عالمی وبا Covid-19 کے بعد بڑھتی توجہ کے باعث کامرکز نگاہ بنا رہا۔ بہاؤ کے سلسلے میں، مالی سال 21 کی نو ماہی کے دوران غیر ملکی نیٹ فروخت کنندہ تھے اور گزشتہ سال اسی مدت کے دوران 130 ملین امریکی ڈالر نیٹ فروخت کے مقابلے میں 295 ملین امریکی ڈالر کے شیئر فروخت کئے۔

امید ظاہر کی جاتی ہے کہ پاکستان ایکویٹیز کم قیمتوں (پیئر اور اوسط 15.1x کے مقابلے میں 6.0x کے فارورڈ P/E پریٹریڈنگ) اور معاشی منظر نامے میں بہتری کی وجہ سے مثبت رفتار کو جاری رکھے گی۔ مارکیٹ کے شرکاء کو روٹا وائرس کے کیسز اور یقینی میکرو نمبرز کا بغور جائزہ لیں گے۔ حکومت کی نیا پاکستان ہاؤسنگ اسکیم کے سبب سائیکل سیکٹرز (سیمنٹ، اسٹیل) میں سرگرمیاں جاری رہنے کی توقع ہے۔ ٹیکسٹائل سیکٹر میں بھی برآمدات کی زبردست صلاحیت کے باعث سرمایہ کاروں کی توجہ حاصل ہونے کی توقع ہے۔ آمدنی میں بہتری کے سبب سیکٹر کی بحالی کے باعث ٹیکنالوجی سیکٹر بھی توجہ کا مرکز رہے گا۔ ہم ’’bottom-up‘‘ نقطہ نظر کی طرف اپنی اسٹریٹجک توجہ کو مرکوز رکھے گے اور مضبوط آمدنی کی صلاحیت کے ساتھ اسٹاک کی طرف سرمایہ کاری کو ترجیح دیں گے۔

منی مارکیٹ کا جائزہ

عالمی وبا کوویڈ 19 سے ہونے والے اثرات کے نتیجے میں مالی سال 20 کے دوسرے نصف میں شرح سود میں مجموعی طور پر 625 بیس پوائنٹس کمی کی کے بعد سینٹرل بینک نے اس مدت میں شرح سود کو برقرار رکھا ہے۔ SBP نے واضح کیا ہے کہ وہ ترقی اور روزگار پر مرتب ہونے والے کو روٹا وائرس کے اثرات کو مدنظر رکھتے ہوئے ریٹیل انٹرسٹ ریٹ کو صفر پر برقرار رکھیں گے۔

دستیاب تازہ ترین اعداد و شمار کے مطابق، اسلامی بینکنگ انڈسٹری کے اثاثوں میں سال 20 کے دسمبر تک 30.0% فیصد اضافہ ہوا جو کہ 4,269 بلین روپے ہو گیا ہے۔ اسی طرح، اسلامک بینکنگ کے ڈپازٹس میں بھی YoY 27.8% فیصد اضافہ دیکھنے میں آیا جو کہ سال 20 کے دسمبر تک 3,389 بلین روپے تک جا پہنچا ہے۔ حکومت نے گزشتہ قرضوں کو جزوی طور پر ادا کرنے کے لیے مالی سال 20 کے آخری سہ ماہی 4,269 200 بلین روپے کا انرجی سکوک-II جاری کیا تھا۔ یہ ایک طویل مدتی نظام اور اور SLR اہل ہے جس سے اسلامی بینکنگ کو اضافی لیکویڈیٹی کو جمع کرنے میں مدد ملے گی۔ حکومت نے CY21 میں IPPs کو 450 بلین روپے فراہم کرنے کا ارادہ کیا ہے تاکہ بڑھتے ہوئے گزشتہ قرضوں کو روکا جاسکے۔ ہم مالی سال میں ایک اور 200 بلین روپے کے انرجی سکوک کی توقع کر رہے ہیں جو اسلامی مالیاتی اداروں کے لیے سرمایہ کاری کی نئی رائیں کھولے۔

مالی سال 21 کی نو ماہی کے دوران، حکومت نے بڑے پیمانے پر مقامی ذرائع اور بڑے کمرشل بینکنگ سے اپنے قرضے کی ضروریات کو پورا کیا۔ گزشتہ سال اسی مدت کے دوران 1,447 بلین روپے کے قرضے کے مقابلے میں حکومت نے شیڈول بینکنگ سے 1,980 بلین روپے کا قرض لیا۔ اسی دوران، SBP سے سرکاری قرض میں گزشتہ سال اسی مدت کے دوران 480 بلین روپے کے قرض کے خلاف 1,203 بلین روپے کی کمی آئی ہے۔ افراتر کے دباؤ سے بچنے کے لیے IMF کے سینٹرل بینک سے قرض لینے پر پابندی عائد کرنے سے قرضے میں مزید کمی واقع ہوئی ہے۔ لیکن حکومت کمرشل بینکنگ سے اپنی اضافی قرض کی ضروریات کو پورا کرتی رہے گی۔

سال 21 کے مارچ میں منعقد مالیاتی پالیسی میں، SBP نے شرح سود میں جمود کو برقرار رکھا ہے۔ آگے بڑھتے ہوئے ہم خیال کر رہے ہیں کہ مالیاتی نرمی کی جاچکی ہے اور ہم انٹرسٹ ریٹ سائیکل کے قریب ہیں۔ کوویڈ 19 کی تیسری لہر کے باعث ہم توقع کر رہے ہیں کہ حکومت آئندہ چند ماہ تک SBP پالیسی ریٹ میں استحکام برقرار رکھے گی تاکہ معیشت کی بحالی میں مدد ہو سکے جبکہ ساتھ ساتھ اشیاء خورد و نوش کی قیمتوں پر قابو پاتے ہوئے افراط زر کے اسباب کی طرف نشاندہی بھی کرے گی۔

مستقبل کے خدو خال

توقع کی جارہی ہے پاکستان ایکویٹیز کم قیمت اور معاشی منظر نامے میں بہتری کے باعث CY21 میں بہتر کارکردگی کا مظاہرہ کرے گی۔ جبکہ بیشتر کاروباری سرگرمیوں کے دوبارہ شروع ہونے سے مجموعی ملکی پیداوار (GDP) میں مثبت رجحان کی توقع ہے۔ بیرونی اکاؤنٹ کی پوزیشن کرنٹ اکاؤنٹ کے ساتھ سال میں قابل انتظام سطح پر رہنے کے لیے اطمینان بخش ہے۔ ہمیں یقین ہے کہ پاکستان ایکویٹیز طویل مدتی سرمایہ کاروں کے لیے داخلے کے بہترین مواقع فراہم کرے گی۔

پاکستان اسٹاک مارکیٹ کی مالیت گزشتہ پانچ سالوں کے اوسط +8 کے مقابلے میں 6.0x گنا قیمت سے آمدنی کے تناسب کے ساتھ پرکشش رہی۔ KSE-100 ڈسکاؤنٹ ابھرتے ہوئے اور فرنٹیر پیرز (frontier peers) کے لیے پانچ سال کے اوسط 39.6% اور 33.7% فیصد بالترتیب کے خلاف 56.1% اور 40.7% فیصد ہے، جو کہ ایک اچھے داخلے کے پوائنٹ کی عکاسی کرتا ہے۔ خیال کیا جا رہے ہے کہ یہ ڈسکاؤنٹ کم ہو جائے کیونکہ 2021 کے دوران آمدنی میں نمایاں اضافہ متوقع ہے۔ تعمیرات سے تعلق رکھنے والے سیکٹرز (سینٹ، اسٹیل) میں حکومت کی نیا پاکستان ہاؤسنگ اسکیم کے سبب سرگرمیاں جاری رہنے کی توقع ہے۔ ٹیکسٹائل سیکٹر میں بھی برآمدات کی زبردست صلاحیت کے باعث سرمایہ کاروں کی توجہ حاصل ہونے کی توقع ہے۔ سیکٹری بہتر کارکردگی کے سبب مزید بحالی کے باعث ٹیکنالوجی سیکٹر بھی توجہ کا مرکز رہے گا۔ اس طرح ہم توقع کر رہے ہیں کہ مارکیٹ مجموعی طور پر مثبت رفتار کو بحال اور مستحکم رکھے گی۔

متوقع آمدنی کے محاذ پر، افراط زر 9-7 فیصد کے درمیان رہنے کی توقع ہے اور اس کا انحصار ایشیائے خورد و نوش کی قیمتوں اور تیل کے بین الاقوامی نرخوں پر ہوگا۔ آگے بڑھتے ہوئے ہم خیال کر رہے ہیں کہ مالیاتی نرمی کی جاچکی ہے اور ہم انٹرسٹ ریٹ سائیکل کے قریب ہیں۔ کوویڈ 19 کی تیسری لہر کے باعث ہم توقع کر رہے ہیں کہ حکومت آئندہ چند ماہ تک SBP پالیسی ریٹ میں استحکام برقرار رکھے گی تاکہ معیشت کی بحالی میں مدد ہو سکے۔ سینٹرل بینک نے معیشت کے مکمل بحال ہونے پر معمولی مثبت شرح سود کو برقرار رکھنے کے لیے اپنی رہنمائی پیش کی ہے۔ لہذا ہم مستقبل میں کسی بھی قسم کے پالیسی ریٹ میں تعین کردہ اور بتدریج اضافے کی توقع کر رہے ہیں۔

فنڈز کی کارکردگی

HBL اسلامک منی مارکیٹ فنڈ

31 مارچ 2021 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور نیٹ آمدنی 376.82 بلین روپے اور 339.17 بلین روپے بالترتیب رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) 31 مارچ 2021 تک 101.1744 روپے فی یونٹ رہی (نی یونٹ 4.6896 روپے کا عبوری روزانہ اور ماہانہ منافع منقسمہ کو شامل کرنے کے بعد)؛ اس طرح 6.33% فیصد کا سالانہ منافع ہوا ہے۔ اسی مدت کے دوران، بیچ مارک ریٹرن (3 ماہ کے بینک ڈپازٹ ریٹس) 3.53% فیصد تھا۔ 31 مارچ 2021 کو فنڈ کا حجم 7.08 بلین روپے رہا جو کہ سال کے آغاز میں فنڈ کا حجم 8.42 بلین روپے تھا۔

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ میں AA+(f) فنڈ اسٹیبلٹی ریٹنگ کو اپ گریڈ کیا ہے۔

HBL اسلامک انکم فنڈ

31 مارچ 2021 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور نیٹ آمدنی 70.44 ملین روپے اور 48.89 ملین روپے بالترتیب رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) 30 جون 2020 تک 101.5300 روپے فی یونٹ سے بڑھ کر 31 مارچ 2021 کو 105.4265 روپے فی یونٹ ہو گئی؛ اس طرح %5.11 فیصد کا سالانہ منافع ہوا ہے۔ اسی مدت کے دوران، بیچ مارک ریٹرن (6 ماہ کے بینک ڈپازٹ ریٹس) %3.72 فیصد تھا۔ 31 مارچ 2021 کو فنڈ کا حجم 1.27 بلین روپے رہا جو کہ سال کے آغاز میں 1.42 بلین روپے تھا۔

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی (f) A+ پرفنڈ اسٹیبلٹی ریٹنگ کی تصدیق کی ہے۔

HBL اسلامک اسٹاک فنڈ

31 مارچ 2021 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور نیٹ آمدنی 153.52 ملین روپے اور 125.12 ملین روپے بالترتیب رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) 30 جون 2020 تک 93.6583 روپے فی یونٹ سے بڑھ کر 31 مارچ 2021 کو 119.6325 روپے فی یونٹ رہی، اس طرح اسی مدت کے دوران %32.81 فیصد کے بیچ مارک ریٹرن (30 KMI انڈیکس) کے خلاف %27.73 فیصد کا منافع ہوا۔ جبکہ 31 مارچ 2021 کو فنڈ کا حجم 0.93 بلین روپے رہا جو کہ سال کے آغاز میں 0.56 بلین روپے تھا۔

HBL اسلامک ایکویٹی فنڈ

31 مارچ 2021 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور نیٹ آمدنی 83.65 ملین روپے اور 69.95 ملین روپے بالترتیب رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) 30 جون 2020 تک 77.5699 روپے فی یونٹ سے بڑھ کر 31 مارچ 2021 کو 101.0074 روپے فی یونٹ رہی، اس طرح اسی مدت کے دوران %32.81 فیصد کے بیچ مارک ریٹرن (30 KMI انڈیکس) کے خلاف %30.21 فیصد کا منافع ہوا۔ جبکہ 31 مارچ 2021 کو فنڈ کا حجم 0.55 بلین روپے رہا جو کہ سال کے آغاز میں 0.23 بلین روپے تھا۔

HBL اسلامک ایسیٹ ایلوکیشن فنڈ

HBL اسلامک ایسیٹ ایلوکیشن فنڈ (HBL-IAAF) کے تحت، HBL اسلامک ایسیٹ ایلوکیشن فنڈ - پلان 1 (HBL IAAF-Plan1) 13 جولائی 2020 کو تشکیل دیا گیا۔

31 مارچ 2021 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور نیٹ آمدنی بشمول HBL IAAF-Plan1 144.14 ملین روپے اور 125.90 ملین روپے بالترتیب رہی۔ HBL-IAAF کے نیٹ ایسیٹ ویلیو (NAV) 30 جون 2020 تک 103.6330 روپے فی یونٹ سے بڑھ کر 31 مارچ 2021 کو 113.3156 روپے فی یونٹ ہو گئے؛ اس طرح اسی مدت کے دوران، %10.85 کے بیچ مارک ریٹرن (30 KMI انڈیکس) کے روزانہ اوسط حجم کا منافع اور A درجہ بند کئے جانے والے یا مندرجہ بالا بینکس کے 6 ماہ ڈپازٹ ریٹس) کے خلاف %9.34 فیصد کا منافع ہوا۔ جبکہ 31 مارچ 2021 کو فنڈ کا مجموعی حجم 2.68 بلین روپے رہا جو کہ سال کے آغاز میں 310 ملین روپے تھا۔

HBL اسلامک فنانشل پلاننگ فنڈ

HBL اسلامک فنانشل پلاننگ فنڈ تین ذیلی فنڈ (پلانز) پر مشتمل ہیں، جن میں ایکویٹی ایلوکیشن پلان، کنزرویٹو ایلوکیشن پلان اور اسلامک کیپٹل پریزرویٹیشن پلان شامل ہیں۔

زیر جائزہ مدت کے دوران فنڈ کی مجموعی اور نیٹ آمدنی 21.85 ملین روپے اور 19.30 ملین روپے بالترتیب رہی ہے۔ فنڈ کا حجم 0.03 بلین روپے پر موجود رہا۔ جبکہ پلان کا کارکردگی جائزہ درج ذیل ہے:

ایکٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران، ایکٹو ایلوکیشن پلان نے مجموعی اور نیٹ آمدنی 14.44 ملین روپے اور 13.61 ملین روپے بالترتیب حاصل کئے۔ ایکٹو ایلوکیشن پلان کے نیٹ ایسیٹ 33 ملین روپے پر موجود رہے جو سال کے آغاز میں نیٹ ایسیٹ ویلیو (NAV) 95.3020 روپے فی یونٹ کے مقابلے میں 31 مارچ 2021 کو نیٹ ایسیٹ ویلیو (NAV) 111.9986 روپے فی یونٹ کی نمائندگی کرتا ہے۔ اس پلان نے 20.20% فیصد کے بیچ مارک ریٹرن کے مقابلے میں زیر جائزہ مدت کے لیے 17.52% فیصد کا منافع حاصل کیا۔

کنزرویٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران، کنزرویٹو ایلوکیشن پلان نے مجموعی اور نیٹ آمدنی 0.24 ملین روپے اور 0.20 ملین روپے بالترتیب حاصل کئے۔ کنزرویٹو ایلوکیشن پلان کے نیٹ ایسیٹ 0.90 ملین روپے پر موجود رہے جو سال کے آغاز میں نیٹ ایسیٹ ویلیو (NAV) 109.3637 روپے فی یونٹ کے مقابلے میں 31 مارچ 2021 کو نیٹ ایسیٹ ویلیو (NAV) 113.2339 روپے فی یونٹ کی نمائندگی کرتا ہے۔ اس پلان نے 8.40% فیصد کے بیچ مارک ریٹرن کے مقابلے میں زیر جائزہ مدت کے لیے 3.54% فیصد کا منافع حاصل کیا۔

اسلامک کیپٹل پریزرویشن پلان

زیر جائزہ مدت کے دوران، اسلامک کیپٹل پریزرویشن پلان نے مجموعی اور نیٹ آمدنی 7.16 ملین روپے اور 5.49 ملین روپے بالترتیب حاصل کئے۔ یہ پلان زیر جائزہ مدت کے دوران اپنی پختگی کو پہنچا۔

HBL اسلامک ڈیڈیکیٹڈ ایکویٹی فنڈ

31 مارچ 2021 کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی اور نیٹ آمدنی 5.49 ملین روپے اور 4.32 ملین روپے بالترتیب رہی۔ فنڈ کے نیٹ ایسیٹ 31 مارچ 2021 تک صفر رہے۔ اسی مدت کے دوران فنڈ میں 32.81% فیصد کے بیچ مارک ریٹرن (KMI 30 انڈیکس) کے مقابلے میں 7.85% فیصد کا منافع حاصل ہوا۔

منجمنٹ کمپنی ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے منجمنٹ کمپنی میں 'AM2+' (AM Two Plus) سے 'AM2++' (AM Two Plus Plus) پر منجمنٹ کو ایڑی ریٹنگ کو اپ گریڈ کیا ہے اور تفویض کردہ ریٹنگ پر آؤٹ لک کو مستحکم قرار دیا گیا ہے۔

اظہار تشکر

بورڈ اس موقع پر اپنے قابل قدر یونٹ ہولڈرز کے اعتماد اور حمایت کا تہمد دل سے شکر گزار ہے۔ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور MCB فنانشل سروسز لمیٹڈ بطور سٹریٹ، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ مسلسل تعاون اور رہنمائی کے لیے خراج تحسین پیش کرتے ہیں۔

بورڈ اپنے عملے کو ان کے بے لوث خلوص، لگن اور جہد مسلسل کے لیے بھی خراج تحسین پیش کرتا ہے۔

مخانب بورڈ آف ڈائریکٹرز
HBL ایسٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

HBL

Islamic Money Market Fund

FUND INFORMATION

Name of Fund	HBL Islamic Money Market Fund
Name of Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Bank Al-Habib Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited Askari Bank Limited Allied Bank Limited Faysal Bank Limited Summit Bank Limited Soneri bank limited United bank limited
Fund Rating	'AA+(f)' (JCR-VIS)

HBL Islamic Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at March 31, 2021

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	Note	(Rupees in '000)	
Assets			
Bank balances	4	2,929,246	7,397,036
Accrued profit		96,304	53,814
Investments	5	4,094,882	991,839
Deposits and prepayments		968	876
Total assets		7,121,400	8,443,565
Liabilities			
Payable to the Management Company	6	3,357	3,389
Payable to the Trustee		840	517
Payable to Securities and Exchange Commission of Pakistan		1,097	616
Accrued expenses and other liabilities	7	37,901	17,307
Total liabilities		43,195	21,829
Net assets		7,078,204	8,421,736
Unit holders' fund (as per statement attached)		7,078,204	8,421,736
Contingencies and Commitments	9		
		----- (Number of units) -----	
Number of units in issue		69,960,434	83,239,789
		----- (Rupees) -----	
Net assets value per unit		101.1744	101.1744

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months ended and quarter ended March 31, 2021

	Nine Month ended		Quarter Ended	
	March 31,		March 31,	
	2021	2020	2021	2020
Note	(Rupees in '000)			
Income				
Mark-up on deposit with banks	244,352	145,643	78,763	65,763
Mark-up on Investments	132,330	-	44,755	-
Realised gain on sale of investments	135	14,905	-	7,100
	376,817	160,548	123,518	72,863
Expenses				
Remuneration of the Management Company	18,598	9,823	5,979	3,535
Remuneration of the Trustee	4,029	888	1,295	414
Annual fee to the Securities and Exchange Commission of Pakistan	1,097	242	352	113
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,743	1,257	882	277
Selling and Marketing Expense	2,743	889	882	-
Auditors' remuneration	286	264	87	88
Settlement and bank charges	569	277	196	96
Fee and subscription	653	336	232	125
Printing and stationary	3	4	3	4
Total expenses	30,721	13,980	9,908	4,652
Net income from operating activities	346,096	146,568	113,610	68,211
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	6,922	2,931	2,272
				1,364
Net income for the period before taxation	339,174	143,637	111,337	66,847
Taxation	8	-	-	-
Net income for the period after taxation	339,174	143,637	111,337	66,847
Allocation of net income for the period:				
Income already paid on redemption of units	22,273	16,296	(185,834)	10,407
Accounting income available for distribution:				
- Relating to capital gains	135	-	-	-
- Excluding capital gains	316,766	127,341	297,171	56,440
	316,901	127,341	297,171	56,440
	339,174	143,637	111,337	66,847

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine months ended and quarter ended March 31, 2021

	Nine month ended		Quarter ended,	
	March 31,		March 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	339,174	143,637	111,337	66,847
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	339,174	143,637	111,337	66,847

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the Nine month ended March 31, 2021

	Nine month ended	
	March 31,	
	2021	2020
Note-----	(Rupees in '000') -----	
Cash flows from operating activities		
Net income for the period before taxation	339,174	143,637
Adjustments for non-cash items:		
Mark-up on deposit with banks	(244,352)	(145,643)
Mark-up on commercial paper	(135)	(14,905)
Mark-up on term deposit receipts	(132,330)	-
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
	(37,643)	(16,911)
Increase in assets		
Deposits and prepayments	(92)	(849)
Investments	(2,970,578)	(127,440)
	(2,970,669)	(128,289)
Increase / (Decrease) Increase in liabilities		
Payable to the Management Company	(32)	(424)
Payable to the Trustee	323	28
Payable to the Securities and Exchange Commission of Pakistan	481	(548)
Accrued expenses and other liabilities	20,595	(16,569)
	21,367	(17,513)
	(2,986,945)	(162,713)
Mark-up received on deposit with banks	201,861	130,540
Mark-up received on investment	-	-
	201,861	130,540
Net cash generated from / (used in) operating activities	(2,785,084)	(32,173)
Cash flows from financing activities		
Amount received on issue of units	14,582,615	4,915,482
Payments against redemption of units	(15,948,378)	(3,405,020)
Cash dividend paid	(316,943)	(105,392)
Net cash generated / (used in) from financing activities	(1,682,706)	1,405,070
Net increase in cash and cash equivalents	(4,467,790)	1,372,897
Cash and cash equivalents at beginning of the period	7,397,036	955,111
Cash and cash equivalents at end of the period	2,929,246	2,328,008

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

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

For the Nine month ended March 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Islamic Money Market Fund (the Fund) was established under a Trust Deed, dated November 23, 2010, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on December 10, 2010.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at 'par from May 9, 2011 to May 10, 2011.
- 1.4 The principal activity of the Fund is to seek high liquidity and comparative Shariah Compliant return for investors by investing in low risk securities of shorter duration and maturity.
- 1.5 JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2++' (Positive Outlook) to the Management Company and the fund stability rating of AA+(f) to the Fund.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 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 March 31, 2021.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020.

3.2 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.

3.3 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 these condensed interim financial information.

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

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
Note	----- (Rupees in '000) -----	
4. BANK BALANCES		
Balances with banks in:		
Savings accounts	4.1 2,929,246	7,397,036
Term deposit receipts	-	-
	2,929,246	7,397,036

4.1 This represents bank accounts held with different banks. Mark up rates on these accounts range between 3.52% - 7% (June 2020: 5.97% - 14.5%) per anum.

5 INVESTMENTS	Note	(Un-Audited)	(Audited)
		March 31, 2021 (Rupees in '000)	June 30, 2020
Investments by category			
Financial asset at amortised cost			
Commercial paper	7.1	684,907	316,839
Bai Muajjal	7.2	1,734,975	-
Financial asset at fair value through profit and loss			
Sukuk Certificate	7.3	675,000	675,000
TDR (UBL Certificate)		1,000,000	-
		4,094,882	991,839

5.1 Commercial papers - at amortised cost

	Maturity Date	As at July 1, 2020	Placements made during the period	Income accrued	Matured / Sold during the period	As at March 31, 2021	Market value as a percentage of		
							Total investments of fund	Net Assets of fund	
						(Rupees in '000)		(%)	
K - Electric Limited	14-Aug-20	121,908	-	2,092	124,000	-	-	-	-
K - Electric Limited	26-Aug-20	63,624	-	1,376	65,000	-	-	-	-
K - Electric Limited	10-Sep-20	87,703	-	2,297	90,000	-	-	-	-
K - Electric Limited	6-Oct-20	43,604	-	1,396	45,000	-	-	-	-
K - Electric Limited	6-Oct-20	-	199,489	511	200,000	-	-	-	-
K - Electric Limited	6-Oct-20	-	204,476	524	205,000	-	-	-	-
K - Electric Limited	24-Mar-21	-	461,596	18,404	480,000	-	-	-	-
K - Electric Limited	20-Apr-21	-	529,308	18,495	-	547,803	13%	8%	
K - Electric Limited	10-Aug-21	-	136,870	234	-	137,104	3%	2%	
		316,839	1,531,739	45,329	1,209,000	684,907	16.72%	9.67%	

5.2 Bai Muajjal - at amortised cost

	Maturity Date	As at July 1, 2020	Placements made during the period	Income accrued	Matured / Sold during the period	As at March 31, 2021	Market value as a percentage of		
							Total investments of fund	Net Assets of fund	
						(Rupees in '000)		(%)	
Pak Kuwait Investment Company Limited	17-Dec-20	-	253,567	4,208	257,775	-	-	-	-
	17-Dec-20	-	279,441	4,638	284,078	-	-	-	-
	21-Dec-20	-	533,259	8,953	542,212	-	-	-	-
Pak China Investment Company Limited	20-Jan-21	-	251,968	-	251,968	-	-	-	-
	21-Jan-21	-	252,031	-	252,031	-	-	-	-
	22-Jan-21	-	252,222	-	252,222	-	-	-	-
	25-Jan-21	-	252,285	-	252,285	-	-	-	-
Pak Kuwait Investment Co. Ltd.	28-May-21	-	469,000	-	-	469,000	0.11	7%	
Pak Brunei Investment Co. Ltd.	1-Jun-21	-	1,265,975	-	-	1,265,975	0.31	18%	
		-	3,809,747	17,798	2,092,570	1,734,975	42%	25%	

5.3 Sukuk Certificate - Fair value through profit and loss

	Maturity Date	As at July 1, 2020	Placements made during the period	Matured / Sold during the period	As at March 31, 2021	Market value as a percentage of	
						Total investments of fund	Net Assets of fund
Hub Power Company Ltd.	17-May-21	675,000	21,890	21,890	675,000	16.48%	10%
		675,000	21,890	21,890	675,000	16.48%	10%

5.4 Term Deposit - Fair value through profit and loss

	Maturity Date	As at July 1, 2020	Placements made during the period	Matured / Sold during the period	As at March 31, 2021	Market value as a percentage of	
						Total investments of fund	Net Assets of fund
United Bank Limited (ameen)	22-Feb-21	478,000	-	478,000	-	0%	0%
United Bank Limited (ameen)	9-Apr-21	1,000,000	-	-	1,000,000	24.42%	14%
		1,478,000	-	478,000	1,000,000	24.42%	14%

(Un-Audited) (Audited)
March 31, June 30,
2021 2020
Note----- (Rupees in '000) -----

6. PAYABLE TO THE MANAGEMENT COMPANY

Management Fee	1,878	2,113
Sindh Sales Tax	244	275
Allocation of expenses related to registrar services, accounting, operation and valuation services	313	352
Sale load payable	40	48
Selling and marketing expense payable	882	601
	3,357	3,389

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		264	298
Federal Excise Duty	7.1	2,185	2,185
Provision for Sindh Workers' Welfare Fund	7.2	16,644	9,722
Withholding tax payable		16,224	3,135
Capital gain tax payable		66	683
Dividend payable		436	417
Other payable		2,082	867
		37,901	17,307

7.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2017, is pending for decision.

In view of the above, the Management Company, being prudent, is carrying provision for FED aggregating to Rs. 2.185 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2021 would have been higher by Rs. 0.0312 per unit (June 30, 2020: 0.0262 per unit).

7.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

The Fund, as a matter of being prudent, recognised provision for SWWF amounting to Rs. 16.644 million as at March 31, 2021 in these condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2021 would have been higher by Rs. 0.2379 per unit (June 30, 2020: Rs. 0.1168 per unit).

8. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2020 to its unit holders.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

10. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

		(Un-Audited)	
		Nine month ended	
		March 31,	
		2021	2020
		----- (Rupees in '000) -----	
10.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Management fee including sales tax thereon	18,598	9,823
	Allocation of expenses related to registrar services, accounting, operation and valuation services	2,743	1,257
	Issue of 1,188,710 units (2020: 694,678 units)	120,267	70,407
	Redemption of Nil units (2020: 496,070 units)	-	50,426
	Habib Bank Limited - Sponsor		
	Profit on bank deposits earned	3,445	41,257
	Redemption of 2,239,999 units (2020: Nil units)	227,622	-
	Executives and key management personnel		
	Issue of 121,609 units (2020: 737,785 units)	12,333	74,787
	Redemption of 154,495 units (2020: 551,853 units)	15,658	56,105
	ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND		
	Issue of 217,687 units (2020: Nil units)	22,052	-
	CDC Trustee HBL Cash Fund - Funds under common management		
	Purchase of KEL - Commercial paper	199,489	-
	CDC Trustee HBL Money Market Fund - Funds under common management		
	Purchase of KEL - Commercial paper	341,346	-
	Connected person due to holding 10% or more		
	ARTISTIC MILLINERS PVT LTD		
	Issue of 20,023,390 units (2020: Nil units)	2,025,854	-
	Redemption of 29,855,825 units (2020: Nil units)	3,020,645	-
	Connected person due to holding 10% or more		
	PAKISTAN DEFENCE OFFICERS HOUSING AUTHORITY		
	Issue of 10,189,041 units (2020: Nil units)	1,034,508	-
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee Remuneration	4,029	888

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
10.2 Amounts outstanding as at period end		
HBL Asset Management Limited - Management Company		
Management fee	1,878	2,113
Sindh Sales Tax	244	275
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	313	352
Investment held in the Fund: 1,188,711 units (June 30, 2020: Nil)	120,267	-
Sale load payable	40	48
Selling and marketing cost	882	601
Habib Bank Limited - Sponsor		
Investment held in the Fund: Nil units (June 30, 2020: 2,240,000 units)	-	226,631
Bank balances	35,911	1,947,811
Sale load payable	1,452	568
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	840	517
Directors , Executives and key management personnel		
Investment held in the Fund: 6,790 units (June 30, 2020: 48,155 units)	687	4,871
Archroma Pakistan Limited - Employees Gratuity Fund		
Investment held in the Fund: 217,687 units (June 30, 2020: Nil units)	22,024	-
Connected person due to holding 10% or more		
Artistic Milliners Pvt Limited		
Investment held in the Fund: 19,871,476 units (June 30, 2020 : 29,703,911.41 units)	2,010,767	3,005,275
Pakistan Defence Officers Housing Authority		
Investment held in the Fund: 10,189,040 units (June 30, 2020 : Nil units)	1,031,015	-

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2021					
		Carrying amount			Fair Value		
	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
On-balance sheet financial instruments							
Financial assets not measured at fair value							
Bank balances	-	2,929,246	2,929,246				
Accrued mark-up	-	96,304	96,304				
Investments	-	4,094,882	4,094,882				
	-	7,120,432	7,120,432				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	3,113	3,113				
Payable to the Trustee	-	743	743				
Accrued expenses and other liabilities	-	5,400	5,400				
Payable to Securities and Exchange Commission of Pakistan	-	971	971				
	-	10,227	10,227				
June 30, 2020							
		Carrying amount			Fair Value		
	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
On-balance sheet financial instruments							
Financial assets not measured at fair value							
Bank balances	-	7,397,036	7,397,036				
Accrued mark-up	-	53,814	53,814				
	-	7,450,850	7,450,850				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	3,114	3,114	-	-	-	-
Payable to the Trustee	-	458	458	-	-	-	-
Accrued expenses and other liabilities	-	19,072	19,072	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan	-	545	545	-	-	-	-
	-	23,189	23,189	-	-	-	-

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

11.2 Transfers during the period

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

12. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine month ended March 31, 2021 is 0.52% (2020: 1.05%) which includes 0.15% (2020: 0.27%) representing government levy, Worker's Welfare Fund and SECP fees.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement were authorized for issue by the Board of Directors of the Management Company on April 30, 2021.

14. GENERAL

14.1 Update on CoVID-19 Impact :

In continuation of note 1.8 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.

14.2 Figures have been rounded off to the nearest thousand Rupees.

14.3 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and statement of comprehensive income for the quarter ended March 31, 2021 have not been reviewed.

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Asset Allocation Fund

FUND INFORMATION

Name of Fund	HBL Islamic Asset Allocation Fund
Name of Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited Bank Al-Habib Limited Dubai Islamic Bank Limited Askari Bank Limited Soneri Bank Limited Allied Bank Limited Bank Islamic Pakistan Limited Summit Bank Limited Al Baraka Bank Pakistan Limited MCB Islamic Bank Limited The Bank Of Khayber

HBL Islamic Asset Allocation Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2021

		(Un-Audited) March 31, 2021			(Audited) June 30, 2020
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	
Note	----- (Rupees in '000) -----				
Assets					
Bank balances	5	178,864	363,307	542,171	139,710
Investments	6	205,179	1,907,577	2,112,756	172,555
Dividend receivable and accrued mark-up		3,504	29,034	32,538	2,481
Preliminary expenses and floatation costs	7	-	183	183	105
Advances, deposits and other receivables	8	2,800	100	2,900	8,133
Receivable against sale of investments		1,585	-	1,585	-
Total assets		391,932	2,300,201	2,692,133	322,984
Liabilities					
Payable to the Management Company	9	1,412	699	2,111	1,430
Payable to the Trustee		73	164	237	70
Payable to the Securities and Exchange Commission of Pakistan		53	273	326	143
Payable against Redemption Units		-	-	-	-
Accrued expenses and other liabilities	10	8,684	2,508	11,192	10,942
Total liabilities		10,222	3,644	13,866	12,585
Net assets		381,710	2,296,557	2,678,267	310,399
Unit holders' fund (as per statement attached)		381,710	2,296,557	201,938	310,399
Contingencies and Commitments					
	11	(Number of units)			
Number of units in issue		3,368,559	21,864,887		2,995,175
		(Rupees)			
Net assets value per unit		113.3156	105.0340		103.6330

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For The Nine Months Ended March 31, 2021

Note	Nine Months ended March 31, 2021			For The Period From July 13, 2020 to March 31, 2021			Total		Nine Months ended March 31, 2020		Three Month Period Ended March 31, 2021			2020
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1					Islamic Asset Allocation Fund	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund			
(Rupees in '000)														
Income														
Return on investments	5,730	88,973	94,703	36,979	2,222	36,060	38,282	4,458						
Profit on deposits with banks	7,444	14,698	22,142	23,609	2,440	4,953	7,393	5,337						
Dividend income	3,026	-	3,026	10,194	740	-	740	1,162						
Capital loss on sale of investments - net	9,892	375	10,267	33,155	3,717	(375)	3,342	863						
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial asset at fair value through profit or loss - net	15,254	(1,254)	14,000	(17,656)	248	1,917	2,165	(38,866)						
	41,346	102,792	144,138	86,281	9,366	42,554	51,921	(27,046)						
	41,346	102,792	144,138	86,281	9,366	42,554	51,921	(27,046)						
Expenses														
Remuneration of the Management Company	4,532	2,302	6,834	10,481	1,608	912	2,520	1,794						
Remuneration of the Trustee	604	1,222	1,826	1,374	214	456	670	225						
Annual fee to Securities and Exchange Commission of Pakistan	53	273	326	124	18	109	127	22						
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,005	383	2,388	3,133	711	-	711	659						
Selling and marketing expenses	1,738	-	1,738	2,879	617	-	617	582						
Auditors' remuneration	67	245	312	278	14	83	97	92						
Amortization of preliminary expenses and floatation costs	105	32	137	157	-	11	11	52						
Settlement and bank charges	350	180	530	407	125	99	224	146						
Printing charges	2	21	23	-	2	21	23	-						
Fee and subscription	14	17	31	20	-	(16)	(16)	6						
Income from shariah non-compliant transaction	153	-	153	666	153	-	153	666						
Securities transaction cost	282	929	1,211	1,011	107	198	305	86						
Shariah advisory fee	37	116	153	156	7	44	51	54						
	9,942	5,720	15,662	20,686	3,577	1,918	5,494	4,384						
Net Income from operating activities	31,404	97,072	128,476	65,595	5,790	40,637	46,428	(31,430)						
Provision for Sindh Workers' Welfare Fund	(628)	(1,941)	(2,569)	(1,312)	(116)	(812)	(928)	628						
Net Income for the period before taxation	30,776	95,131	125,907	64,283	5,674	39,825	45,500	(30,802)						
Taxation	-	-	-	-	-	-	-	-						
Net Income for the period after taxation	30,776	95,131	125,907	64,283	5,674	39,825	45,500	(30,802)						
Allocation of income for the period														
Income already paid on redemption of units	(1,677)	-	(1,677)	-										
Accounting income available for distribution:														
- Relating to capital (losses) / gains	23,656	-	23,656	15,499										
- Excluding capital (losses) / gains	5,443	95,131	100,574	48,784										
	29,099	95,131	124,230	64,283										
	30,776	95,131	125,907	64,283										

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Condensed Interim Statement of Comprehensive Income (Unaudited)
For The Nine Months Ended March 31, 2021

	Nine Months ended March 31, 2021	For The Period From July 13, 2020 to March 31, 2021	Total	Nine Months ended March 31, 2020	Three Month Period Ended March 31,			
					2021		2020	
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation
	(Rupees in '000)							
Net loss for the period after taxation	30,776	95,131	125,907	64,283	5,674	39,825	45,500	(30,802)
Other comprehensive (loss) / income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	30,776	95,131	125,907	64,283	5,674	39,825	45,500	(30,802)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Statement of Movement in Unit Holders' Fund (Un-Audited)
For The Nine Months Ended March 31, 2021

	For the period from July 13, 2020 to March 31, 2021		
	2020		
	Islamic Asset Allocation Fund Plan 1		
	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----		
Issuance of 21,864,887 units			
- Capital value (at net asset value per unit at the beginning of the period)	2,186,489	-	2,186,489
- Element of Income	14,937	-	14,937
	2,201,426		2,201,426
Redemption of Nil units			
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-
- Element of loss	-	-	-
	-	-	-
Total comprehensive/ income for the period	-	95,131	95,131
Net assets at the end of the period	2,201,426	95,131	2,296,557
Accounting (loss) / income available for distribution		95,131	
Undistributed income carried forward		95,131	
Undistributed income carried forward			
- Realised		96,385	
- Unrealised		(1,254)	
		95,131	
			(Rupees)
Net assets value per unit at end of the period			105.0340

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
For The Nine Months Ended March 31, 2021

	Nine Months ended 'March 31,2021	For The Period From July 13, 2020 to March 31, 2021		Nine Months ended 'March 31,2020
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund
	----- (Rupees in '000) -----			
Cash flows from operating activities				
Net loss for the period before taxation	30,776	95,131	125,907	64,283
Adjustments for non-cash items:				
Capital loss on sale of investments - net	(9,892)	(375)	(10,267)	(33,155)
Return / markup on bank profits	(7,444)	(14,698)	(22,142)	(23,609)
Return / markup on investments	(5,730)	(88,973)	(94,703)	(36,979)
Dividend income	(3,026)	-	(3,026)	(10,194)
Amortization of preliminary expenses and floatation costs	105	32	137	157
Net unrealised appreciation / (diminution) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	(15,254)	1,254	(14,000)	17,656
	(10,465)	(7,629)	(18,094)	(21,841)
(Increase) / decrease in assets				
Investments	(7,478)	(1,908,456)	(1,915,934)	901,601
Advances, deposits and other receivables	3,748	(315)	3,433	51,334
	(3,730)	(1,908,771)	(1,912,501)	952,935
Increase / (decrease) in liabilities				
Payable to the Management Company	(18)	699	681	(2,087)
Payable to the Trustee	3	164	167	(145)
Payable to the Securities and Exchange Commission of Pakistan	(90)	273	183	(1,867)
Payable against Redemption Units	-	-	-	(235,617)
Accrued expenses and other liabilities	(2,258)	2,508	250	308
	(2,363)	3,644	1,281	(239,408)
Net cash used in operations	(16,558)	(1,912,756)	(1,929,314)	691,686
Profit received on bank deposits	6,282	12,863	19,145	23,682
Dividend income received	2,702	-	2,702	12,981
Markup received on investments	6,193	61,774	67,967	48,359
Net cash used in from operating activities	(1,381)	(1,838,119)	(1,839,500)	776,708
Cash flows from financing activities				
Amount received on issue of units	105,906	2,201,426	2,307,332	37,391
Payment against redemption of units	(65,371)	-	(65,371)	(863,307)
Net cash (used in) / generated from financing activities	40,535	2,201,426	2,241,961	(825,916)
Net decrease in cash and cash equivalents	39,154	363,307	402,461	(49,208)
Cash and cash equivalents at beginning of the period	139,710	-	139,710	273,417
Cash and cash equivalents at end of the period	178,864	363,307	542,171	224,209

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For The Nine Months Ended March 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed, dated September 07, 2015, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on October 28, 2015.

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

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The initial public offer period was from January 07, 2016 to January 08, 2016 (both days inclusive). The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The primary objective of the Fund is to provide superior returns through investments in Shari'ah Compliant Equity Securities and Shari'ah Compliant Income/ Money Market Instruments.

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.

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, 2019. 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 March 31, 2021.

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, 2019.

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, 2019.

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, 2019.

5. BANK BALANCES

	Note	(Un-Audited) March 31, 2021			(Audited) June 30, 2020
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	
(Rupees in '000)					
Certificate of Musharaka		-	-	-	25,592
Savings accounts	5.1	178,864	363,307	542,171	114,118
		178,864	363,307	542,171	139,710

5.1 This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 3.75% - 6.65% per annum (June 30, 2020: 3.75% - 13.5%) per annum.

6. INVESTMENTS

Financial assets at fair value through profit or loss

- Listed equity securities	6.1	99,761	-	99,761	96,867
- Sukuk's	6.2	71,953	1,513,577	1,585,530	66,473
- GoP ijarah sukuks	6.3	9,156	394,000	403,156	9,215
		180,870	1,907,577	2,088,447	172,555

Financial assets at amortized cost

- Commercial paper	6.4	24,309	-	24,309	-
		205,179	1,907,577	2,112,756	172,555

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

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

Name of the Investee Company	Number of shares					Market value as at March 31, 2021 (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 / Rights issue	Sales during the period	As at March 31, 2021		Total Investments	Net Assets	
TEXTILE COMPOSITE									
Interloop Limited	47,250	7,000	-	6,500	47,750	3,157	1.54%	0.83%	0.01%
Kohinoor Textile Mills Ltd	-	10,500	-	3,000	7,500	460	0.22%	0.12%	0.01%
Nishat Mills Ltd	36,700	5,000	-	19,500	22,200	2,054	1.00%	0.54%	0.01%
	<u>83,950</u>	<u>22,500</u>	<u>-</u>	<u>29,000</u>	<u>77,450</u>	<u>5,671</u>			
CEMENT									
Attock Cement Pakistan Ltd	-	6,000	-	-	6,000	1,018	0.50%	0.27%	0.01%
Cherat Cement Company Ltd	-	9,000	-	500	8,500	1,365	0.67%	0.36%	0.00%
D G Khan Cement Co.Ltd.	-	35,500	-	3,000	32,500	3,917	1.91%	1.03%	0.01%
Fauji Cement Company Limited	-	55,000	-	55,000	-	-	-	-	0.00%
Kohat Cement Limited	16,570	-	-	11,600	4,970	1,030	0.50%	0.27%	0.01%
Lucky Cement Limited	15,250	-	-	2,100	13,150	10,751	5.24%	2.82%	0.00%
Maple Leaf Cement Factory Limited	38,000	37,000	-	8,000	67,000	3,002	1.46%	0.79%	0.01%
	<u>69,820</u>	<u>142,500</u>	<u>-</u>	<u>80,200</u>	<u>132,120</u>	<u>21,083</u>			
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	118,387	-	-	54,700	63,687	5,168	2.52%	1.35%	0.00%
K- Electric Limited	-	300,000	-	300,000	-	-	-	-	0.00%
	<u>118,387</u>	<u>300,000</u>	<u>-</u>	<u>354,700</u>	<u>63,687</u>	<u>5,168</u>			
ENGINEERING									
Agha Steel Ind.Ltd	-	40,000	-	-	40,000	1,235	0.60%	0.32%	0.00%
Aisha Steel Mills Ltd	-	50,000	-	-	50,000	1,188	0.58%	0.31%	0.01%
International Industries Ltd	-	3,500	-	800	2,700	549	0.27%	0.14%	0.00%
International Steels Limited	-	7,000	-	500	6,500	556	0.27%	0.15%	0.00%
Mughal Iron & Steel Inds Ltd	-	26,000	-	5,000	21,000	1,955	0.95%	0.51%	0.01%
Mughal Iron & Steel Inds Ltd -LOR	-	3,360	-	-	3,360	76	0.04%	0.02%	0.00%
	<u>-</u>	<u>129,860</u>	<u>-</u>	<u>6,300</u>	<u>123,560</u>	<u>5,559</u>			
AUTOMOBILE ASSEMBLER									
Honda Atlas Cars (Pakistan) Ltd	-	6,000	-	2,500	3,500	955	0.47%	0.25%	0.00%
Millat Tractors Ltd	-	3,700	137	3,700	137	151	0.07%	0.04%	0.00%
Pak Suzuki Motor Company Limited	-	5,500	-	-	5,500	1,732	0.84%	0.45%	0.01%
	<u>-</u>	<u>15,200</u>	<u>137</u>	<u>6,200</u>	<u>9,137</u>	<u>2,838</u>			
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	-	28,000	-	-	28,000	925	0.45%	0.24%	0.01%
Waves Singer Pakistan Limited	-	20,000	-	20,000	-	-	-	-	-
	<u>-</u>	<u>48,000</u>	<u>-</u>	<u>20,000</u>	<u>28,000</u>	<u>925</u>	<u>0.01%</u>	<u>-</u>	<u>0.01%</u>
GLASS & CERAMICS									
Tariq Glass Industries Ltd	-	12,500	2,625	2,000	13,125	1,098	0.54%	0.29%	0.02%
	<u>-</u>	<u>12,500</u>	<u>2,625</u>	<u>2,000</u>	<u>13,125</u>	<u>1,098</u>			
Pharmaceuticals									
AGP Limited	22,000	10,500	-	22,000	10,500	1,198	0.58%	0.31%	0.00%
Ferozsons Laboratories Ltd	-	6,000	600	6,600	-	-	-	-	-
Highnoon Laboratories Limited	5,500	-	-	5,500	-	-	-	-	0.00%
The Searle Company Limited	14,117	-	-	13,296	821	203	0.10%	0.05%	0.00%
	<u>41,617</u>	<u>16,500</u>	<u>600</u>	<u>47,396</u>	<u>11,321</u>	<u>1,401</u>			
Vanaspati & Allied Industries									
Unity Foods Limited	-	198,500	-	122,000	76,500	2,275	1.11%	0.60%	0.01%
	<u>-</u>	<u>198,500</u>	<u>-</u>	<u>122,000</u>	<u>76,500</u>	<u>2,275</u>			
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	-	230,329	-	18,000	212,329	6,489	3.16%	1.70%	0.02%
	<u>-</u>	<u>230,329</u>	<u>-</u>	<u>18,000</u>	<u>212,329</u>	<u>6,489</u>			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	6,995	-	-	3,400	3,595	5,505	2.68%	1.44%	0.00%
Oil & Gas Development Co Limited	84,600	3,500	-	21,100	67,000	6,808	3.32%	1.78%	0.00%
Pakistan Oilfields Limited	-	4,500	-	-	4,500	1,710	0.83%	0.45%	0.00%
Pakistan Petroleum Limited	103,592	-	-	9,500	94,092	8,216	4.00%	2.15%	0.00%
	<u>195,187</u>	<u>8,000</u>	<u>-</u>	<u>34,000</u>	<u>169,187</u>	<u>22,239</u>			

Name of the Investee Company	-----Number of shares-----					Market value as at March 31, 2021 (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 / Rights issue	Sales during the period	As at March 31, 2021		Total Investments	Net Assets	
OIL & GAS MARKETING COMPANIES									
Hascol Petroleum Ltd	-	18,000	-	18,000	-	-	-	-	-
Pakistan State Oil Company Limited	28,959	15,800	-	15,200	29,559	6,817	3.32%	1.79%	0.01%
Shell Pakistan Ltd	-	4,300	-	4,300	-	-	-	-	-
Sui Northern Gas Pipeline Limited	34,800	5,500	-	40,300	-	-	-	-	-
	<u>63,759</u>	<u>43,600</u>	<u>-</u>	<u>77,800</u>	<u>29,559</u>	<u>6,817</u>			
REFINERY									
Attock Refinery Ltd	-	16,500	-	7,500	9,000	2,298	1.12%	0.60%	0.01%
National Refinery Ltd	-	10,700	-	6,200	4,500	2,651	1.29%	0.69%	0.00%
Pakistan Refinery Limited	-	80,000	-	80,000	-	-	-	-	-
	<u>-</u>	<u>107,200</u>	<u>-</u>	<u>93,700</u>	<u>13,500</u>	<u>4,949</u>			
COMMERCIAL BANKS									
BankIslami Pakistan Limited	-	100,000	-	-	100,000	1,176	0.57%	0.31%	0.02%
Meezan Bank Limited	67,020	24,500	1,902	52,000	41,422	4,688	2.28%	1.23%	0.00%
	<u>67,020</u>	<u>124,500</u>	<u>1,902</u>	<u>52,000</u>	<u>141,422</u>	<u>5,864</u>			
FERTILIZER									
Engro Corporation Limited	36,340	4,000	-	40,340	-	-	0.00%	0.00%	0.00%
Engro Fertilizers Limited	55,000	-	-	55,000	-	-	0.00%	0.00%	0.00%
Fauji Fertilizers Company Limited	44,000	10,000	-	54,000	-	-	0.00%	0.00%	0.00%
	<u>135,340</u>	<u>14,000</u>	<u>-</u>	<u>149,340</u>	<u>-</u>	<u>-</u>			
Chemicals									
Engro Polymer & Chemicals Limited	23,431	20,000	-	3,000	40,431	2,223	1.08%	0.58%	0.00%
Nimir Resins Limited	-	100,000	-	-	100,000	1,159	0.56%	0.30%	0.00%
Sitara Chemical Industries Limited	6,100	5,400	-	11,500	-	-	-	-	-
Sitara Peroxide Limited	25,000	20,000	-	45,000	-	-	0.00%	0.00%	0.00%
	<u>54,531</u>	<u>145,400</u>	<u>-</u>	<u>59,500</u>	<u>140,431</u>	<u>3,382</u>			
AUTOMOBILES PARTS & ACCESSORIES									
PANTHER TYRES LIMITED	-	16,031	-	-	16,031	1,033	0.50%	0.27%	0.00%
Thal Limited	14,650	-	-	14,200	450	166	0.08%	0.04%	0.00%
	<u>14,650</u>	<u>16,031</u>	<u>-</u>	<u>14,200</u>	<u>16,481</u>	<u>1,199</u>			
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	27,500	-	-	27,500	2,430	1.18%	0.64%	0.01%
	<u>-</u>	<u>27,500</u>	<u>-</u>	<u>-</u>	<u>27,500</u>	<u>2,430</u>			
TRANSPORT									
Pakistan National Shipping Corporation Limited	10,000	-	-	5,000	5,000	374	0.18%	0.10%	0.00%
	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>374</u>			
Total as at March 31, 2019	<u>854,261</u>	<u>1,602,120</u>	<u>5,264</u>	<u>1,171,336</u>	<u>1,290,309</u>	<u>99,761</u>			
Carrying value as at March 31, 2021						<u>83,956</u>			

6.1.1 The above investments include shares with market value aggregating to Rs. 32.418 million (June 2020: Rs. 35.014 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

6.1.2 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. 318,819 at March 31, 2020 (June 30, 2020: Rs. 243,200) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor of the asset management company and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

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

Islamic Asset Allocation Fund

Name of the Investee Company

	As at July 01, 2020	Purchases during the period	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021 (Rs in '000)	Market value as percentage of	
						Total Investments	Net Assets
	------(Number of certificates)-----						
International Brands Limited	100	-	-	100	5,271	2.57%	1.38%
Agha Steel Industries Limited	33	-	-	33	32,445	15.81%	8.50%
Dawood Hercules Corporation Limited	343	-	343	-	-	-	-
Hub Power Company Limited	-	40	-	40	34,237	16.69%	8.97%
	476	40	343	133	71,953	18.38%	9.88%

Cost of investment

71,191

Islamic Asset Allocation Fund Plan 1

Name of the Investee Company

	As at July 01, 2020	Purchases during the period	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021 (Rs in '000)	Market value as percentage of	
						Total Investments	Net Assets
	------(Number of certificates)-----						
Meezan Bank	-	307	-	307	310,493	16.28%	13.52%
Dubai Islamic	-	4,175	-	4,175	199,894	10.48%	8.70%
Hub Power Company Limited	-	1,750	-	1,750	178,850	9.38%	7.79%
K-Electric limited	-	20,000	-	20,000	101,100	5.30%	4.40%
Pakistan Energy	-	193,500	50,000	143,500	723,240	37.91%	31.49%
	-	219,732	50,000	169,732	1,513,577	79.35%	65.91%

Cost of investment

1,514,825

Significant terms and conditions of Sukuk bonds outstanding as at March 31, 2021 are as follows

Name of Security	Remaining Principal (per Sukuk)	Mark-up rate (per annum)	Date of Issue	Maturity Date
International Brands Limited	75,678	12 months KIBOR + 0.50%	15-Nov-17	15-Nov-21
Agha Steel Industries Limited	1,000,000	3 months KIBOR +0.8%	9-Oct-18	09-Oct-24

6.3 Financial assets at fair value through profit or loss - GoP Ijara Sukuk Certificates

Islamic Asset Allocation Fund

Name of Company	As at July 01, 2020	Purchased made during the period	Matured during the period	As at March 31, 2021	Maturity Date	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----							
GOP Ijara 30-Apr-2020	-	150,000	140,500	9,156	30-Apr-25	4.46%	2.40%
Total - As at March 31, 2021	-	150,000	140,500	9,156		4.46%	2.40%

Islamic Asset Allocation Fund Plan 1

Name of Company	As at July 01, 2020	Purchased made during the period	Matured during the period	As at March 31, 2021	Maturity Date	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----							
GOP Ijara 29-Jul-2020	-	775,000	375,000	394,000	29-Jul-25	20.65%	17.16%
Total - As at March 31, 2021	-	775,000	375,000	394,000		20.65%	17.16%

6.4 Commercial Paper

Name of Company	As at July 01, 2020	Purchased made during the period	Matured during the period	As at March 31, 2021	Maturity Date	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----							
K-Electric Limited	-	25,000	-	24,309	10-Aug-21	11.85%	6.37%
Total - As at March 31, 2021	-	25,000	-	24,309		11.85%	6.37%

7. PRELIMINARY EXPENSES AND FLOATATION COSTS

	Note	(Un-Audited) March 31, 2021			(Audited) June 30, 2020
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	
----- (Rupees in '000) -----					
Opening balance		105	-	105	315
Cost Incurred During the Period		-	215		
Less: amortized during the period	7.1	(105)	(32)	(137)	(210)
Closing balance		-	183	(32)	105

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

8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	(Un-Audited)			(Audited)
	March 31, 2021			June 30, 2020
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	
Note	(Rupees in '000)			
Security deposit with National Clearing Company of Pakistan Limited	2,500	-	2,500	7,850
Security deposit with Central Depository Company of Pakistan Limited	100	100	200	100
Prepaid listing fee	14	-	14	-
Advances	186	-	186	183
	2,800	100	2,900	8,133

9. PAYABLE TO THE MANAGEMENT COMPANY

	(Un-Audited)			(Audited)
	March 31, 2021			June 30, 2020
Note	(Rupees in '000)			
Management fee	488	290	778	464
Sindh Sales Tax	63	38	101	60
Sales load payable	1	-	1	58
Selling and marketing expenses payable	616	-	616	616
Allocation of expenses related to registrar services, accounting, operation and valuation services	244	126	370	232
Formation Cost Payable	-	245	245	-
	1,412	699	2,111	1,430

10. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable		46	245	291	298
Charity payable	10.1	153	-	153	744
Federal Excise Duty	10.2	1,063	-	1,063	1,063
Withholding tax payable		16	-	16	2,092
Payable to brokers		117	199	316	42
Provision for Sindh Workers' Welfare Fund	10.3	6,969	1,941	8,910	6,341
Dividend payable (including unclaimed dividend)		25	-	25	25
Sales load - payable to related parties		-	-	-	-
Payable to NCCPL		30	78	108	26
Payable to Shariah advisor		2	15	17	17
Other payable		263	30	293	294
		8,684	2,508	11,192	10,942

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

10.2 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.

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2018 aggregating to Rs. 1.063 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2021 would have been higher by Rs. 0.3156 per unit (June 30, 2020: 0.3548 per unit).

10.3 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.3 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

As there is Gain for the period ended March 31, 2021, provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2021 would have been higher by Rs. 2.07 per unit (June 30, 2020: 2.1169 per unit).

11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

12. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2020 to its unit holders.

13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

13.1 Transactions during the period

	(Un-Audited) Nine Months ended March 31, 2021		(Un-Audited) Nine Months ended March 31, 2020
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund
	(Rupees in '000)		
HBL Asset Management Limited - Management Company			
Management fee	4,011	2,037	9,275
Sindh Sales Tax	521	265	1,206
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,005	383	3,133
Selling and marketing expense	1,738	-	2,879
Habib Bank Limited - Sponsor			
Redemption of Nil Units (March 2020: 2,432,285)	-	-	275,000
Bank charges	18	-	17
Mark-up earned during the period	2,731	-	300
Central Depository Company of Pakistan Limited - Trustee			
Remuneration	604	1,222	1,374
CDC Charges	82	65	53
Pak Qatar Investment Account			
Investment 10,470,577 Units	-	1,050,000	-
Purchase of Dubai Islamic Bank Pakistan Sukuk	-	200,120	-
Purchase of Meezan Bank Pakistan Sukuk	-	216,036	-
Purchase of Hub Power Co. Ltd Sukuk	-	189,739	-
Purchase of GOP Ijara	-	254,918	-
PAK-QATAR INDIVIDUAL FAMILY PARTICIPANT INVESTMENT FUND			
Investment 9,418,487 Units	-	950,000	-
System Limited			
Issue of 460,820 units	50,000	-	-
Director, Executives and Key Management Personal			
Issue of 18,463 units (Mar-20 Nil units)	1,988	-	-
Redemption of 25,223 units (Mar-20 Nil units)	(2,730)	-	-

13.2 Amounts outstanding as at period end

	(Un-Audited)		(Audited)
	March 31, 2021		June 30, 2020
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund
	(Rupees in '000)		
HBL Asset Management Limited - Management Company			
Management Fee	488	290	464
Sindh Sales Tax	63	38	60
Allocation of expenses related to registrar services, accounting, operation and valuation services	244	126	232
Charging of selling and marketing expenses	616	-	616
Sale Load Payable	1	-	58
Formation Cost Payable	-	245	-
Habib Bank Limited - Sponsor			
Investment held in the Fund : 1,404,025 units (June 30, 2020: 1,404,025 units)	159,098	-	145,503
Bank balances	5,262	-	101,034
Mark-up receivable on deposits with banks	856	-	1,096
HBL Asset Management Limited - Employees Gratuity Fund - Associate			
Investment held in the Fund : 4,795 units (June 30, 2020: 4,795 units)	497	-	497
HBL Asset Management Limited - Employees Provident Fund - Associate			
Investment held in the Fund : 13,480 units (June 30, 2020 : 13,840 units)	1,568	-	1,434
Pak Qatar Investment Account			
Investment held in the Fund : 10,470,577 Units	-	1,099,767	-
PAK-QATAR INDIVIDUAL FAMILY PARTICIPANT INVESTMENT FUND			
Investment held in the Fund : 9,418,487 Units	-	989,261	-
System Limited Due to More than 10%			
Investment held in the Fund : 460,820 units	52,218	-	-
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable	65	145	62
Sindh Sales Tax	8	19	8
Security deposit	100	100	100

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2021'					Fair Value	
		Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total
Note								
On-balance sheet financial instruments								
Financial assets measured at fair value								
	Investments							
	- Listed equity securities	99,761	-	99,761	99,761	-	-	99,761
	- Listed Sukuk bonds	71,953	-	71,953	-	71,953	-	71,953
	- GOP Ijara Sukuk	9,156	-	9,156	-	9,156	-	9,156
		180,870	-	180,870				
	Financial assets not measured at fair value							
14.1	Bank balances	-	178,864	178,864				
	Commercial paper	-	24,309	24,309				
	Term deposit certificate	-	-	-				
	Dividend receivable and accrued markup	-	3,504	3,504				
	Advances, deposits and other receivables	-	2,786	2,786				
		-	209,463	209,463				
	Financial liabilities not measured at fair value							
14.1	Payable to the Management Company	-	1,349	1,349				
	Payable to the SECP	-	53	53				
	Payable to the Central Depository Company of Pakistan Limited - Trustee	-	65	65				
	Payable against purchase of investments	-	-	-				
	Accrued expenses and other liabilities	-	636	636				
		-	2,103	2,103				

		June 30, 2020'							
		Fair value through profit or loss	At Amortized cost	Total	Fair Value			Total	
Note					Level 1	Level 2	Level 3		
On-balance sheet financial instruments									
Financial assets measured at fair value									
		Investments							
		- Listed equity securities	96,867	-	96,867	96,867	-	-	96,867
		- Sukuks - Listed	66,473	-	66,473	-	66,473	-	66,473
		- GOP Ijara	9,215	-	9,215	-	9,215	-	9,215
			<u>172,555</u>	<u>-</u>	<u>172,555</u>				
Financial assets not measured at fair value									
		Commercial Paper	-	-	-				
		Bank balances	-	139,710	139,710				
		Dividend receivable and accrued mark-up	-	2,481	2,481				
		Advances, deposits and other receivables	-	105	105				
		Receivable against sale of investments	-	8,133	8,133				
			<u>-</u>	<u>150,429</u>	<u>150,429</u>				
Financial liabilities not measured at fair value									
	14.1								
		Payable to the Management Company	-	1,349	1,349				
		Payable to the SECP	-	70	70				
		Payable to Central Depository Company of Pakistan Limited - Trustee	-	65	65				
		Accrued expenses and other liabilities	-	636	636				
			<u>-</u>	<u>2,120</u>	<u>2,120</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.

15. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the Period ended March 31, 2021 is 2.92% and 0.4% in IAAF and IAAF Plan 1 respectively which includes 0.35% and 0.14% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the Management Company on April 30, 2021.

17. GENERAL

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

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

17.3 These condensed interim financial information are unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the period ended March 31, 2020 have not been reviewed.

17.4 Update on CoVID-19 Impact

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

Islamic Stock Fund

FUND INFORMATION

Name of Fund	HBL Islamic Stock Fund
Name of Auditor	Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisors	Al - Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited Dubai Islamic Bank Limited Bank Islamic Pakistan Limited Bank Al Baraka Limited

HBL Islamic Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2021

	(Un-Audited) March 31 2021	(Audited) June 30, 2020
Note	----- (Rupees in '000) -----	
Assets		
Bank balances	4	28,555
Investments	5	909,479
Dividend and profit receivable		3,822
Receivable against sale of investment		8,450
Advances, deposits, prepayments and other receivables		3,528
Total assets		953,833
Liabilities		
Payable to the Management Company	6	4,257
Payable to the Trustee		181
Payable to Securities and Exchange Commission of Pakistan		95
Payable against Purchase of Equity Securities		4,726
Dividend Payable		-
Accrued expenses and other liabilities	7	18,107
Total liabilities		27,366
Net assets		926,467
Unit holders' fund (as per statement attached)		926,467
		----- (Number of units) -----
Number of units in issue		7,744,274
		----- (Rupees) -----
Net assets value per unit		119.6325

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Income Statement and Other Comprehensive Income (Un-Audited)
For the nine months and quarter ended March 31, 2021

	Note	For the Period Ended		Quarter ended	
		March 31,		March 31,	
		2021	2020	2021	2020
----- (Rupees in '000) -----					
Income					
Dividend income		18,650	19,624	4,765	3,047
Profit on bank deposits		1,867	4,666	724	1,886
Capital (loss) / gain on sale of investments - net		99,317	3,025	46,196	(7,859)
		119,835	27,315	51,685	(2,926)
Net unrealised (diminution) / appreciation on re-measurement of investments classified at fair value through profit or loss - held-for-trading		33,684	(82,094)	(38,780)	(177,043)
Total (Loss) / Income		153,518	(54,779)	12,905	(179,969)
Expenses					
Remuneration of the Management Company		10,769	10,044	4,224	3,586
Remuneration of the Trustee		1,077	1,033	422	358
Annual fee to Securities and Exchange Commission of Pakistan		95	91	37	31
Selling and marketing expenses		5,003	3,534	1,962	1,338
Allocation of expenses related to registrar services, accounting, operation and valuation services		2,621	1,203	1,028	441
Securities transaction costs		4,397	2,037	1,894	763
Auditors' remuneration		277	280	91	92
Settlement and bank charges		515	376	188	97
Shariah advisory fee		136	151	51	49
Fees and subscription		21	20	7	9
Haram Income Expense		933	1,268	238	92
		25,843	20,037	10,143	6,855
Net (loss) / Income from operating activities		127,675	(74,816)	2,762	(186,824)
Provision for Sindh Workers' Welfare Fund	7.2	(2,554)	-	(55.2)	2,265
Net (loss) / income for the period before taxation		125,122	(74,816)	2,707	(184,560)
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		125,122	(74,816)	2,707	(184,560)
Income already paid on redemption of units		61,732	-	36,825	-
Accounting income available for distribution:					
- Relating to capital gains		63,390	-	(34,118)	-
- Excluding capital gains		-	-	-	-
		63,390	-	(34,118)	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		125,122	(74,816)	2,707	(184,560)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the nine months ended March 31, 2021

Note	Nine months ended							
	2021				2020			
	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
	(Rupees in '000)							
Net assets at beginning of the period	867,824	(312,808)	-	555,016	951,824	(316,663)	-	635,161
Issue of units 15,570,077 (2020: 3,026,429 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,458,267	-	-	1,458,267	534,189	-	-	534,189
- Element of loss	321,715	-	-	321,715	56,733	-	-	56,733
Total proceeds on issuance of units	1,779,983	-	-	1,779,983	590,922	-	-	590,922
Redemption of 13,751,769 units (2020: 3,608,051 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(1,287,967)	-	-	(1,287,967)	(709,753)	-	-	(709,753)
- Amount paid out of element of income relating to net income for the year after taxation	(245,687)	-	-	(245,687)	(46,341)	-	-	(46,341)
Total payments on redemption of units	(1,533,654)	-	-	(1,533,654)	(756,094)	-	-	(756,094)
Total comprehensive income for the period	-	125,122	-	125,122	-	(74,816)	-	(74,816)
Net assets at end of the period	1,114,152	(187,686)	-	926,467	786,652	(391,479)	-	395,173
Undistributed income brought forward								
- Realised		(317,819)				(208,097)		
- Unrealised		5,011				(108,566)		
		(312,808)				(316,663)		
Accounting income available for distribution								
- Relating to capital gains	-				-			
- Excluding capital gains	-				-			
Net (loss) / income for the period after taxation								
Accounting (loss) / Income available for distribution		125,122				(74,816)		
Distribution during the period								
(Accumulated loss) / undistributed income carried forward		(187,686)				(391,479)		
(Accumulated loss) / undistributed income carried forward								
- Realised		(221,370)				(309,385)		
- Unrealised		33,684				(82,094)		
		(187,686)				(391,479)		
					Rupees			Rupees
Net assets value per unit at beginning of the period				93.6583				91.2924
Net assets value per unit at end of the period				119.6325				78.4956

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the nine months ended March 31, 2021

	Nine Months ended	
	March 31,	
	2021	2020
Note	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net (loss) / income for the period before taxation	125,122	(74,816)
Adjustments		
Capital loss / (gain) during the period	(99,317)	(3,025)
Dividend Income	(18,650)	(19,624)
Profit on bank deposits	(1,867)	(4,666)
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss - held-for-trading	(33,684)	82,094
	(28,396)	(20,037)
(Increase) / decrease in assets		
Investments - net	(244,907)	153,472
Dividend receivable and accrued mark-up	17,153	24,613
Advances, deposits, prepayments and other receivables	(7)	(8)
	(227,761)	178,078
Increase / (decrease) in liabilities		
Payable to the Management Company	1,648	383
Payable to the Trustee	79	98
Payable to Securities and Exchange Commission of Pakistan	(20)	(1,826)
Dividend Payable	(815)	-
Accrued expenses and other liabilities	2,510	(2,414)
	3,401	(3,759)
Net cash (used in) / generated from operating activities	(252,757)	154,282
Cash flows from financing activities		
Amount received on issue of units	1,779,983	590,922
Payment against redemption of units	(1,533,654)	(756,094)
Net cash generated from financing activities	246,328	(165,172)
Net increase in cash and cash equivalents	(6,428)	(10,890)
Cash and cash equivalents at beginning of the period	34,983	55,650
Cash and cash equivalents at end of the period	28,555	44,760

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the nine months ended March 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Stock Fund (the Fund) was established under a Trust Deed, dated November 23, 2010, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on December 10, 2010.

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

The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from May 09, 2011 to May 10, 2011.

The principal activity of the Fund is to provide long-term capital growth by investing mainly in Shariah Compliant equity securities and short-term government securities.

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of 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 March 31, 2021.

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

3.1 The accounting policies adopted in the preparation of these condensed interim financial statements 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 these condensed interim financial statements in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the 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, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

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.

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
savings accounts	4.1	28,555	34,983
current account		-	-
		28,555	34,972
		28,555	34,972

4.1 The balance in savings accounts carry expected profit which ranges from 3.5% to 5% (June 30, 2020: 6% to 13.25%) per annum.

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
- Listed equity securities	5.1	909,479	538,096
		909,479	538,096
		909,479	538,096

5.1 Listed equity securities at fair Value through Profit or Loss - Held for trading

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

Name of the Investee Company	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2021	Market value as at March 30, 2021 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
	----- Number of shares -----						----- % -----		
INVESTMENT BANKS/COs./SECURITIES									
Dawood Hercules Corporation Ltd	65,000	-	-	65,000	-	-	-	-	0.01
	65,000	-	-	65,000	-	-	-	-	
TEXTILE COMPOSITE									
Interloop Limited	128,750	344,500	-	136,000	337,250	22,299	2.45	2.41	3.88
Kohinoor Textile Mills Ltd	-	291,500	-	43,500	248,000	15,212	1.67	1.64	0.23
Nishat Mills Ltd	188,100	166,500	-	305,500	49,100	4,543	0.50	0.49	0.01
	316,850	802,500	-	485,000	634,350	42,054	4.62	4.54	
CEMENT									
Attock Cement Pakistan Ltd	-	155,800	-	16,500	139,300	23,638	2.60	2.55	0.12
Cherat Cement Company Ltd.	130,000	50,000	-	123,000	57,000	9,154	1.01	0.99	0.03
D G Khan Cement Co.Ltd.	33,000	378,000	-	183,400	227,600	27,428	3.02	2.96	0.05
Fauji Cement Company Limited	-	893,000	-	893,000	-	-	-	-	-
Kohat Cement Ltd	58,190	55,000	-	44,700	68,490	14,192	1.56	1.53	0.05
Lucky Cement Ltd	96,750	91,200	-	91,400	96,550	78,938	8.68	8.52	0.03
Maple Leaf Cement Factory Ltd	542,500	461,000	-	452,000	551,500	24,707	2.72	2.67	0.10
Pioneer Cement Limited	-	101,000	-	101,000	-	-	-	-	-
Thatta Cement Co. Ltd	-	675,000	-	-	675,000	12,103	-	-	0.68
	860,440	2,860,000	-	1,905,000	1,815,440	190,161	20	19	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	421,841	616,500	-	550,500	487,841	39,583	4.35	4.27	0.04
K-Electric Limited	1,237,000	1,161,000	-	2,398,000	-	-	-	-	-
	1,658,841	1,777,500	-	2,948,500	487,841	39,583	4.35	4.28	
ENGINEERING									
Agha Steel Ind.Ltd	-	549,000	-	4,500	544,500	16,814	1.85	1.81	0.00
Aisha Steel Mills Ltd	-	780,000	-	14,500	765,500	18,181	2.00	1.96	0.09
International Industries Ltd	-	132,500	-	39,800	92,700	18,834	2.07	2.03	0.08
International Steels Limited	-	163,000	-	57,000	106,000	9,071	1.00	0.98	0.02
Mughal Iron & Steel Inds Ltd	137,000	256,000	-	127,000	266,000	24,759	2.72	2.67	0.11
Mughal Iron & Steel Inds Ltd - LoR	-	42,560	-	-	42,560	963	0.11	0.10	0.03
	137,000	1,923,060	-	242,800	1,817,260	88,622	10	10	
AUTOMOBILE ASSEMBLER									
Gandhara Nissan Ltd.	-	30,000	-	-	30,000	3,031	0.33	0.33	0.05
Honda Atlas Cars (Pakistan) Ltd	-	45,100	-	45,100	-	-	-	-	-
Indus Motor Company Limited	-	6,300	-	6,300	-	-	-	-	-
Millat Tractors Ltd	-	16,100	-	16,100	-	-	-	-	-
Pak Suzuki Motor Company Limited	-	110,600	-	35,000	75,600	23,805	2.62	2.57	0.09
	-	208,100	-	102,500	105,600	26,836	3	3	
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	-	416,000	-	175,500	240,500	7,946	0.87	0.86	0.05
Waves Singer Pakistan Limited	-	828,500	-	828,500	-	-	-	-	-
	-	1,244,500	-	1,004,000	240,500	7,946	0.87	0.87	
TRANSPORT									
Pakistan International Bulk Terminal Ltd	-	846,500	-	-	846,500	8,846	0.97	0.95	0.07
Pakistan National Shipping Corp Ltd	42,500	13,500	-	56,000	-	-	-	-	-
	42,500	860,000	-	56,000	846,500	8,846	0.97	0.96	

Name of the Investee Company	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2021	Market value as at March 30, 2021 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
	----- Number of shares -----						----- % -----		
PHARMACEUTICALS									
AGP Limited	101,250	87,500	-	113,000	75,750	8,645	0.95	0.93	0.00
Ferozsons Laboratories Ltd	-	23,500	-	23,500	-	-	-	-	-
GlaxoSmithKline Pakistan Ltd	63,400	-	-	63,400	-	-	-	-	-
Highnoon Laboratories Limited	31,855	6,500	-	38,350	5	3	-	0.00	0.00
The Searl Co Ltd LOR	-	2,353	-	2,353	-	-	-	-	-
The Searle Company Ltd	53,224	10,800	-	52,197	11,827	2,922	-	-	0.01
	249,729	130,653	-	292,800	87,582	11,570	1	1	
Vanaspati & Allied Industries									
Unity Foods Limited	-	4,173,500	-	3,673,500	500,000	14,870	1.64	1.61	0.09
	-	4,173,500	-	3,673,500	500,000	14,870	1.64	1.61	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	-	1,896,850	-	665,000	1,231,850	37,645	4.14	4.06	0.11
	-	1,896,850	-	665,000	1,231,850	37,645	4.14	4.06	
GLASS & CERAMICS									
Tariq Glass Industries Ltd	-	139,000	32,250	10,000	161,250	13,490	1.48	1.46	0.22
	-	139,000	32,250	10,000	161,250	13,490	1.48	1.46	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	39,259	23,700	-	39,280	23,679	36,260	3.99	3.91	0.02
Oil & Gas Development Co Ltd	467,400	685,500	-	526,500	626,400	63,649	7.00	6.87	0.01
Pakistan Oilfields Ltd	30,800	21,000	-	25,500	26,300	9,991	1.10	1.08	0.01
Pakistan Petroleum Ltd	326,886	872,500	-	499,500	699,886	61,121	6.72	6.60	0.04
	864,345	1,602,700	-	1,090,780	1,376,265	171,020	18.81	18.46	
OIL & GAS MARKETING COMPANIES									
Hascol Petroleum Ltd	-	1,221,000	-	1,221,000	-	-	-	-	-
Pakistan State Oil Company Ltd	132,496	203,000	-	125,200	210,296	48,501	5.33	5.24	0.06
Shell Pakistan Ltd	-	27,000	-	27,000	-	-	-	-	-
Sui Northern Gas Pipeline Ltd	247,300	61,500	-	308,800	-	-	-	-	-
	379,796	1,512,500	-	1,682,000	210,296	48,501	5	5	
REFINERY									
Attock Refinery Ltd	-	163,500	-	76,500	87,000	22,218	2.44	2.40	0.10
Byco Petroleum Pakistan Ltd	-	570,000	-	570,000	-	-	-	-	-
National Refinery Ltd	-	168,300	-	95,800	72,500	42,713	4.70	4.61	0.09
Pakistan Refinery Limited	-	1,112,000	-	1,112,000	-	-	-	-	-
	-	2,013,800	-	1,854,300	159,500	64,931	7	7	
COMMERCIAL BANKS									
BankIslami Pakistan Limited	1,069,500	977,000	-	1,240,000	806,500	9,484	569,818.86	1.02	0.15
Meezan Bank Ltd	200,240	441,100	12,324	292,000	361,664	40,933	6,855,817.79	4.42	0.03
	1,269,740	1,418,100	12,324	1,532,000	1,168,164	50,418	7,425,636.66	5.44	
FERTILIZER									
Engro Corporation Ltd	150,093	126,000	-	276,093	-	-	-	-	-
Engro Fertilizers Limited	94,000	80,000	-	174,000	-	-	-	-	-
Fauji Fertilizer Co Ltd	103,900	156,500	-	260,400	-	-	-	-	-
	347,993	362,500	-	710,493	-	-	-	-	-

Name of the Investee Company	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2021	Market value as at March 30, 2021 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
CHEMICAL									
	----- Number of shares -----						----- % -----		
Engro Polymer & Chemicals Ltd	284,566	517,000	-	426,000	375,566	20,652	2.27	2.23	0.04
ICI Pakistan Ltd	33,800	3,500	-	37,300	-	-	-	-	-
Lotte Chemical Pakistan Ltd	-	550,000	-	143,000	407,000	6,492	0.71	0.70	0.03
Nimir Resins Limited	-	840,000	-	-	840,000	9,736	1.07	1.05	0.01
Sitara Chemical Industries Limited	31,400	14,800	-	46,200	-	-	-	-	-
Sitara Peroxide Limited	251,000	63,000	-	314,000	-	-	-	-	-
	600,766	1,988,300	-	966,500	1,622,566	36,880	4	4	
AUTOMOBILE PARTS & ACCESSORIES									
PANTHER TYRES LIMITED	-	418,160	-	-	418,160	26,950	2.96	2.91	0.10
Thal Limited	42,450	600	-	43,004	46	17	-	-	0.00
	42,450	418,760	-	43,004	418,206	26,967	3	3	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	292,000	-	80,000	212,000	18,734	2.06	2.02	0.11
Systems Limited	123,000	15,000	2,010	117,900	22,110	10,403	1.14	1.12	0.02
	123,000	307,000	2,010	197,900	234,110	29,138	3.20	3.15	
FOOD & PERSONAL CARE PRODUCTS									
National Foods Ltd	-	24,000	-	24,000	-	-	-	-	0.05
	-	24,000	-	24,000	-	-	-	-	
Grand total	6,958,450	25,663,323	46,584	19,551,077	13,117,280	909,479	7,425,729	97	

Cost of investments at March 31, 2021

875,795

- 5.1.1 Investments include shares having market value aggregating to Rs. 114.9620 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.
- 5.1.2 These includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.6474 million at March 31, 2021 (June 30, 2020: Rs. 0.498 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 and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
6. PAYABLE TO THE MANAGEMENT COMPANY			
Management fee		1,605	909
Sindh Sales Tax on Management Company's remuneration		209	118
Sales load payable		39	116
Selling and marketing payable		1,962	1,217
Allocation of expenses related to registrar services, accounting, operation and valuation services		441	250
		<u>4,257</u>	<u>2,609</u>
		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Federal Excise Duty	7.1	6,785	6,785
Provision for Sindh Workers' Welfare Fund	7.2	8,985	6,431
Charity payable	7.3	933	1,524
Withholding tax payable		-	173
Auditors' remuneration		287	276
Payable to brokers		823	235
Other payables		294.97	173
		<u>18,107</u>	<u>15,597</u>
7.1	The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.		
	In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.785 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2021 would have been higher by Rs. 0.8761 per unit (June 30, 2020: 1.145 per unit).		
7.2	The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.3 to the annual audited financial statements of the Fund for the year ended June 30, 2020.		
	As there is loss for the half year ended December 31, 2018, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2021 would have been higher by Rs. 1.1602 per unit (June 30, 2020: 1.0853 per unit).		
7.3	This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.		
8.	TAXATION		
	The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2020 to its unit holders.		

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	For the nine months ended	
	March 31,	
	2021	2020
	----- (Rupees in '000) -----	
9.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management fee including sales tax thereon	10,769	10,044
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,621	1,203
Selling and marketing expenses	5,003	3,534
Habib Bank Limited - Sponsor		
Bank charges paid	62	32
Bank profit	462	646
Executives and their relatives		
Issue of 80,062 units (2020: 142,06 units)	8,699	1,486
Redemption 68,013 units (2020: 15,197 units)	7,536	1,416
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	1,077	1,033
Central Depository services charges	159	48
HBL Islamic Financial Planning Fund Active Allocation Plan - Associate		
Redemption 188,995 units (2020: 226,956 units)	21,786	21,503
IGI LIFE INSURANCE-TAF - Connected Party due to more than 10%		
Issue of 745,104 units (2019: 6,980 units)	83,261	-

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
9.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management fee	1,605	909
Sindh Sales Tax on Management Company's remuneration	209	118
Sales load payable	39	116
Selling and marketing payable	1,962	1,217
Allocation of expenses related to registrar services, accounting, operation and valuation services	441	250
Habib Bank Limited - Sponsor		
Investment held in the Fund 2,539,414 units (June 30, 2020: 2,539,414 units)	303,796	237,838
Bank balances	10,325	14,029
Profit receivable	87	76
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	181	103
Security deposit	100	100
Executives and their relatives		
Investment held in the Fund: 23,805 units (June 30, 2020: 5,941 units)	2,848	556
IGI LIFE INSURANCE-TAF - Connected Party due to more than 10%		
Investment held in the Fund: 745,104 units (June 30, 2020: Nil units)	89,139	-

10. 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.

		September 30, 2020								
		Carrying amount				Fair Value				
		Available- for-sale	Held-for- trading	Loans and receivables	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments										
- Listed equity securities	5	909,479	-	-	-	909,479	909,479	-	-	909,479
Financial assets not measured at fair value										
	10.1									
Bank balances		-	-	28,555	-	28,555	-	-	-	-
Dividend and profit receivable		-	-	3,822	-	3,822	-	-	-	-
Receivable against sale of investment		-	-	8,450	-	8,450	-	-	-	-
Other receivables		-	-	3,528	-	3,528	-	-	-	-
		-	-	44,354	-	44,354	-	-	-	-
Financial liabilities not measured at fair value										
	10.1									
Payable to the Management Company		-	-	-	4,257	4,257	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	95	95	-	-	-	-
Payable to the Trustee		-	-	-	181	181	-	-	-	-
Accrued expenses and other liabilities		-	-	-	2,337	2,337	-	-	-	-
		-	-	-	6,871	6,871	-	-	-	-

		June 30, 2020								
		Carrying amount				Fair Value				
		Available- for-sale	Held-for- trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value	10.1									
Investments										
- Listed equity securities		538,096	-	-	-	538,096	1,389,046	-	-	1,389,046
		<u>538,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,096</u>	<u>1,389,046</u>	<u>-</u>	<u>-</u>	<u>1,389,046</u>
Financial assets not measured at fair value	10.1									
Bank balances		-	-	34,983	-	34,983				
Dividend and profit receivable		-	-	457	-	457				
Receivable against sale of investment		-	-	-	-	-				
Other receivables		-	-	3,521	-	3,521				
		<u>-</u>	<u>-</u>	<u>38,961</u>	<u>-</u>	<u>38,961</u>				
Financial liabilities not measured at fair value										
Payable to the Management Company		-	-	-	2,609	2,609				
Payable to Securities and Exchange Commission of Pakistan		-	-	-	116	116				
Payable to the Trustee		-	-	-	103	103				
Accrued expenses and other liabilities		-	-	-	15,597	15,597				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>18,424</u>	<u>18,424</u>				

10.1 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.

10.2 Transfers during the period

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

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2021 is 4.33% (March 31, 2020: 3.09%), which includes 0.64% (March 31, 2021: 0.22%) representing government levy, Workers' Welfare Fund and SECP fee.

12. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 30, 2021.

13. GENERAL

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

-
-
- 13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.
- 13.3 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures presented in condensed interim income statement and statement of comprehensive income for the quarter ended March 31, 2021 have not been reviewed.

13.4 UPDATE ON COVID-19 IMPACT:

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

Islamic Income Fund

FUND INFORMATION

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

HBL Islamic Income Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
As at March 31, 2021

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	794,559	827,655
Investments	5	512,647	588,517
Profit receivable		16,861	29,616
Deposits and prepayments		158	7,828
Total assets		1,324,224	1,453,616
Liabilities			
Payable to the Management Company	6	2,643	2,863
Payable to the Trustee		91	104
Payable to Securities and Exchange Commission of Pakistan		200	328
Dividend payable		37	257
Payable against redemption of units		35,695	1,495
Accrued expenses and other liabilities	7	18,799	30,947
Total liabilities		57,466	35,994
Net assets		1,266,758	1,417,621
Unit holders' fund (as per statement attached)		1,266,758	1,417,621
		----- (Number of units) -----	
Number of units in issue		12,015,557	13,962,587
		----- (Rupees) -----	
Net assets value per unit		105.4265	101.5299

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
As at March 31, 2021

	Nine months ended		Quarter ended		
	March 31,		March 31,		
	2021	2020	2021	2020	
Income					
Capital Loss/gain on sale of investments - net	(773)	306	(510)	(296)	
Income from sukuks	28,350	63,410	7,478	15,130	
Income from TDR	4,458	11,323	3,256	3,781	
Profit on bank deposits	39,348	96,131	11,351	37,559	
	71,383	171,170	21,575	56,174	
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(948)	(5,061)	2,867	2,029	
	70,435	166,109	24,442	58,203	
Expenses					
Remuneration of the Management Company	6.1 & 6.2	15,688	17,360	4,743	6,655
Remuneration to the Trustee		850	1,056	257	360
Annual fee to the Securities and Exchange Commission of Pakistan		201	249	61	85
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	1,002	1,659	303	425
Amortisation of preliminary expenses and floatation costs		-	-	-	-
Security transaction, settlement and bank charges		189	365	(91)	49
Auditors' remuneration		177	178	58	59
Fees and subscription		434	436	301	196
Printing charges		-	-	-	-
Selling and marketing expense		2,005	4,146	606	851
		20,545	25,449	6,238	8,680
Net income from operating activities		49,890	140,660	18,204	49,523
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	(998)	(2,813)	(364)	(990)
Net income for the period before taxation		48,892	137,847	17,840	48,533
Taxation	8	-	-	-	-
Net income for the period after taxation		48,892	137,847	17,840	48,533
Allocation of net income for the period	3.6				
Net income for the period after taxation		48,892	137,847	17,841	48,533
Income already paid on units redeemed		(12,405)	(49,139)	(4,263)	(14,124)
		36,487	88,708	13,578	34,409
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		36,487	88,708	13,578	34,409
		36,487	88,708	13,578	34,409

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
As at March 31, 2021

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	48,892	137,847	17,840	48,533
Other comprehensive income for the period				
Items that may be reclassified subsequently to income statement	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	48,892	137,847	17,840	48,533

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
As at March 31, 2021

For the nine months ended March 31,

Note	2021			2020		
	Capital value	Undistributed income	Total	Capital value	2,020	Total
	(Rupees in '000)					
Net assets at beginning of the period	1,363,270	54,350	1,417,620	3,049,443	54,041	3,103,484
Issuance of 18,144,902 units (2020: 27,988,408 units)						
Capital value (at net asset value per unit at the beginning of the period)	1,842,250	-	1,842,250	2,841,660	-	2,841,660
Element of income / (loss)	28,641	-	28,641	125,501	-	125,501
Total proceeds on issuance of Units	1,870,891	-	1,870,891	2,967,161	-	2,967,161
Redemption of 20,091,932 units (2020: 43,027,285 units)						
Capital value (at net asset value per unit at the beginning of the period)	(2,039,932)	-	(2,039,932)	(4,368,556)	-	(4,368,556)
Element of income	(30,713)	-	(30,713)	(125,688)	-	(125,688)
Total payments on redemption of units	(2,070,645)	-	(2,070,645)	(4,494,244)	-	(4,494,244)
Total comprehensive loss for the period	-	48,892	48,892	-	137,847	137,847
Refund of Capital						
Distribution for the period		-	-		-	-
Net assets at end of the period	1,163,516	103,242	1,266,758	1,522,360	191,888	1,714,249
Undistributed income brought forward						
- Realised		60,263			66,198	
- Unrealised		(5,913)			(12,157)	
		54,350			54,041	
Accounting income available for distribution		48,892			137,847	
Net income for the period - for prior period	3.6					
- Relating to capital (loss) / gains		-			-	
- Excluding capital gains		-			-	
Net (loss) / income for the period after taxation		-			-	
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement	3.6	-			-	
Undistributed income carried forward		103,242			191,888	
Undistributed income carried forward						
- Realised		104,190			196,949	
- Unrealised		(948)			(5,061)	
		103,242			191,888	
				Rupees		Rupees
Net assets value per unit at beginning of the period			101.5299			101.5299
Net assets value per unit at end of the period			105.4265			110.3061

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Cash Flow Statement (Unaudited)
As at March 31, 2021

	Nine months ended	
	March 31,	
	2021	2020
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net income for the period before taxation	48,892	137,847
Adjustments for:		
Capital gain on sale of investments - net	773	(306)
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	948	5,061
Amortisation of preliminary expenses and floatation costs	-	-
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
Mark up / return on;		
- Bank profits	(39,348)	(96,131)
- Investments	(32,808)	(74,733)
Provision for Sindh Workers' Welfare Fund	998	2,813
	(20,545)	(25,449)
Increase / (decrease) in assets		
Investments - net	74,149	174,759
Advance against initial public offering	-	-
Deposits and prepayments	7,670	172
	81,819	174,931
(decrease) / Increase in liabilities		
Payable to the Management Company	(220)	1,157
Payable to the Trustee	(13)	30
Payable to Securities and Exchange Commission of Pakistan	(128)	(79)
Dividend payable	(220)	(224)
Payable against redemption of units	34,200	3,412
Accrued expenses and other liabilities	(13,146)	(15,353)
	20,473	(11,057)
Income received from sukuk	34,920	80,018
Income received from TDR	7,523	11,323
Profit received on bank deposits	42,468	115,087
	84,911	206,428
Net cash used in operations	166,658	344,853
Cash flow from financing activities		
Amount received on issue of units	1,870,891	2,967,161
Dividend paid	-	-
Payment against redemption of units	(2,070,645)	(4,494,244)
Net cash (used in) / generated from financing activities	(199,754)	(1,527,083)
Net (decrease) / increase in cash and cash equivalents	(33,096)	(1,182,230)
Cash and cash equivalents at beginning of the year	827,655	827,655
Cash and cash equivalents at end of the year	794,559	(354,573)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund

Notes To The Condensed Interim Financial Statements (Unaudited)

As at March 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

The Fund has been categorised as a Shariah Compliant Income Scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 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, 2018, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended March 31, 2021.

2.1.4 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended March 31, 2021 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 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, 2019. 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 financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

	Note	March 31, 2021 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
4. BANK BALANCES			
In savings accounts	4.1	794,559	800,624
In current account		-	27,031
		<u>794,559</u>	<u>827,655</u>

4.1 Mark-up rates on these accounts range between 6.90% - 6.20% per annum (June 30, 2020: 7.50% - 13.50% per annum).

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss' - held-for-trading			
- Privately placed sukuk certificates	5.1	429,983	463,517
At Amortized cost		82,664	125,000
		<u>512,647</u>	<u>588,517</u>

5.1 Privately placed sukuk certificates

Name of the Investee Company	Number of units				Market value as at March 31, 2021 (Rupees in '000)	Market value as a percentage of	
	As at July 1, 2020	Purchases during the period	Sales during the period	As at March 31, 2021		Total Investments	Net Assets

Corporate Sukuks

International Brands Limited	1,100	-	-	1,100	57,947	11.30	4.57
Dawood Hercules	350	-	-	350	-	-	-
Dawood Hercules (1-03-18)	357	-	357	-	-	-	-
AGP Limited	992	-	-	992	24,997	4.88	1.97
Dubai Islamic Bank Limited	54	-	-	54	55,510	10.83	4.38
Ghani Gasses Limited	1,530	-	-	1,530	65,723	12.82	5.19
Agha Steel	95	-	-	95	93,401	18.22	7.37
Hub Power 19-03-20	350	-	-	350	35,770	6.98	2.82
Hub Power 16-11-20	400	-	-	400	22,000	4.29	1.737
Hub Power 19-05-20	650	-	-	650	55,635	10.85	4.392
TPL Trakker Limited	-	190	-	190	19,000	3.71	1.500
	<u>5,878</u>	<u>190</u>	<u>357</u>	<u>5,711</u>	<u>429,983</u>	<u>83.88</u>	<u>34</u>

Cost of investments at March 31, 2021 1,194,292

5.1.1 These Sukuk carry semi annual mark-up at the rate ranging from 7.84% - 10.29% per annum. (June 30, 2020: semi annual mark-up at the rate of 5.97% & 10.46% per annum) respectively.

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
6 PAYABLE TO THE MANAGEMENT COMPANY			
Management fee	6.1	1,494	1,409
Sindh sales tax	6.2	194	505
Sales load payable		241	38
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	108	122
Selling and marketing payable	6.4	606	789
		<u>2,643</u>	<u>2,863</u>

- 6.1 As per the offering document of the Fund, the Management Company shall charge a fee at the rate of 10% of gross earnings of the Scheme, calculated on daily basis not exceeding 1.50% of the average daily net assets of the Scheme and subject to a minimum fee of 0.50% of the average daily net assets of the Scheme subject to the guidelines as may be issued by the Commission from time to time. The fee is payable monthly in arrears.
- 6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3 As per Regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.
- 6.4 SECP vide its circular No. SCD/Circular/394/2018 dated June 04, 2018 prescribed some amendments in circular No. SCD/PRDD/Circular/361/2016 dated December 30, 2016 and prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. According to said circular, the selling and marketing expenses have been allowed initially for a period of three years (from January 01, 2017 till December 31, 2019) being chargeable to all categories of open-end mutual funds (except fund of funds and money market funds). Maximum cap on the expenses has been set at 0.4% per annum of net assets of fund or actual expenses, whichever being lower. The Fund has started accruing expense on this account at 0.4% per annum of net assets of the Fund effective from March 21, 2017 being the lower.

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		108	13,542
Federal excise duty	7.1	1,344	1,344
Provision for Sindh Workers' Welfare Fund	7.2	16,307	15,309
Auditors' remuneration		345	168
Payable to brokers		18	49
Printing charges		217	217
Other payables		460	318
		18,799	30,947

7.1 Provision for Federal Excise Duty

The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 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. 1.344 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2021 would have been higher by Rs. 0.11 per unit (June 30, 2020: Rs. 0.04 per unit).

7.2 Provision for Sindh Workers' Welfare Fund

The legal status of applicability of Sindh workers' welfare fund (SWWF) is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 3.34 million for the nine months year ended March 31, 2021 in this Condensed Interim Financial Information. Had the provision not been made, net assets value per unit at March 31, 2021 would have been higher by Rs. 1.35 per unit (June 30, 2020: Rs. 0.39 per unit).

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021, and June 30, 2020.

9. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2020 to its unit holders.

10. EARNINGS PER UNIT

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

11.1	Transactions during the period	Nine months ended	
		March 31,	
		2021	2020
		----- (Rupees in '000) -----	
	HBL Asset Management Limited - Management Company		
	Remuneration of Management Company	13,883	15,363
	Sindh Sales Tax on remuneration of Management Company	1,805	1,997
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,002	1,659
	Habib Bank Limited - Sponsor		
	Bank charges paid	138	180
	Profit on bank deposits earned	8,638	12,699

		Nine months ended	
		March 31,	
		2021	2020
		----- (Rupees in '000) -----	
Executives of the Management Company			
Issuance of units 2021: 66,749 (2020: 29,231 units)		6,032	3,064
Redemption of units 2021: 50,954 (2020: 60,259 units)		5,302	6,384
Central Depository Company of Pakistan Limited - Trustee			
Trustee remuneration		850	1,056
Central Depository Service charges		8	23
MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan*			
Issuance of units 2021: Nil (2020: Nil units)		-	12,477
Redemption of units 2021: 404,211 (2020: 535,144 units)		42,056	55,856
MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan*			
Issuance of units 2021: 72,979 (2020: 80,596 units)		7,478	8,724
Redemption of units 2021: 118,365 (2020: 175,098 units)		12,123	18,769
Dewan Petroleum (Pvt) Limited			
Issuance of units 2021: Nil (2020: 2,820,979) units		-	290,000
		March 31,	June 30,
		2021	2020
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
11.2	Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company			
	Remuneration of the Management Company	1,494	1,409
	Sindh Sales Tax on remuneration of the Management Company	194	505
	Sales load payable	241	38
	Allocation of expenses related to registrar services, accounting, operation and valuation services	108	122
	Selling and Marketing expense payable	-	789
Habib Bank Limited - Sponsor			
	Bank balances	1,202	30,805

	March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	----- (Rupees in '000) -----	
HBL Asset Management Ltd Employess Gratuity Fund		
Units held: 5,137 (June 30, 2020: 5,137) units	522	522
HBL Asset Management Ltd Employess Provident Fund		
Units held: 27,619 (June 30, 2020: 27,619) units	1,912	2,804
Executives of the Management Company		
Units held: 20,690 units (June 30,2020: 5,989 units)	2,181	608
MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan		
Units held: 62,998 (June 30, 2020: 467,209) units	6,642	47,436
MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan		
Units held: 6,793 (June 30, 2020: 52,179) units	716	5,298
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	91	104
Security deposit	100	100
Dewan Petroleum (Pvt) Limited		
Units held: 3,073,206 (June 30, 2020: 3,073,206) units	323,997	312,022
Archroma Pakistan Limited Employees Gratuity Fund		
Units held: Nil (June 30, 2020: 695,019) units	-	70,565

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

12. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2021							
		Carrying amount			Fair Value				
Note	7828	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
	- Corporate sukuk certificates	512,647	-	-	512,647	-	512,647	-	512,647
	- GOP Ijarah Sukuks	-	-	-	-	-	-	-	-
		512,647	-	-	512,647	-	512,647	-	512,647
Financial assets not measured at fair value									
	Bank balances	13,962,587	794,559	-	14,757,146				
	Investments	-	-	-	-				
	Profit receivable	-	16,861	-	16,861				
		13,962,587	811,420	-	14,774,007				
		102							
Financial liabilities not measured at fair value									
	Payable to the Management Company	-	-	2,643	2,643				
	Payable to the Trustee	-	-	91	91				
	Accrued expenses and other liabilities	-	-	591	591				
	Payable against redemption of units			35,695	35,695				
	Unit holders' fund			1,266,758	1,266,758				
		-	-	1,305,778	1,305,778				
		June 30, 2020							
		Carrying amount			Fair Value				
	Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Note									
		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
	- Corporate sukuk certificates	-	-	-	-	759,168	-	759,168	
	- Commercail paper	-	129,424	-	-	-	-	129,424	
		-	129,424	-	-	759,168	-	888,592	
Financial assets not measured at fair value									
10.1	Bank balances	-	2,164,187	-	2,164,187	-	-	21	2,164,208
	Profit receivable	-	-	-	-	-	-	76,919	76,919
	Deposit	-	-	-	-	-	-	7,599	7,599
		-	2,164,187	-	2,164,187	-	-	84,539	2,248,726
Financial liabilities not measured at fair value									
10.1	Payable to the Management Company	-	-	6,496	6,496	-	-	-	-
	Payable to the Trustee	-	-	360	360	-	-	-	-
	Payable against redemption of units	-	-	199	199	-	-	-	-
	Accrued expenses and other liabilities	-	-	678	678	-	-	-	-
	Dividend payable			3,864	3,864				
		-	-	11,597	11,597	-	-	-	-

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

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

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

12.3 Transfers during the period

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the nine months ended March 31, 2020 is 1.71% (2019: 1.80%) which includes 0.25% (2019: 0.37%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 30, 2021.

15. GENERAL

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

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

15.3 In continuation of note _____ 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

Islamic Equity Fund

FUND INFORMATION

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

HBL Islamic Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2021

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	35,842	10,190
Investments	5	538,771	227,483
Dividends and profit receivable		2,866	698
Deposits, prepayments and other receivables		6,150	3,001
Receivable against sale of investments		21,495	5
Total assets		605,125	241,377
Liabilities			
Payable to the Management Company	6	2,040	955
Payable to the Trustee		102	43
Payable to Securities and Exchange Commission of Pakistan		53	72
Payable against redemption of units		43,011	2,804
Accrued expenses and other liabilities	7	11,544	8,917
Total liabilities		56,751	12,791
Net assets		548,374	228,586
Unit holders' fund (as per statement attached)		548,374	228,586
		----- (Number of units) -----	
Number of units in issue		5,429,052	2,946,835
		----- (Rupees) -----	
Net assets value per unit		101.0074	77.5699

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
As at March 31, 2021

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
Income					
Capital gain / (loss) on sale of investments - net		51,463	56,756	20,198	13,867
Dividend income		9,060	13,228	2,714	1,106
Profit on bank deposits		1,049	3,051	485	720
		61,572	73,035	23,397	15,693
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		22,081	(76,799)	(12,169)	(126,687)
		83,653	(3,764)	11,228	(110,994)
Expenses					
Remuneration of the Management Company	6.1 & 6.2	6,016	6,533	2,543	2,257
Remuneration of the Trustee		602	666	254	226
Annual fee to Securities and Exchange Commission of Pakistan		53	59	22	20
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	429	595	182	161
Selling and marketing expense	6.4	1,997	2,191	845	749
Securities transaction costs		2,543	3,613	1,354	406
Amortization of preliminary and floatation costs		-	-	-	-
Auditors' remuneration		174	176	58	59
Settlement and bank charges		283	369	31	348
Fees and subscription		177	179	58	59
Printing charges		-	-	-	-
		12,274	14,380	5,347	4,285
Net (loss) / income from operating activities		71,378	(18,144)	5,881	(115,279)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	(1,428)	-	(1,428)	-
Net (loss) / income for the period before taxation		69,950	(18,144)	4,453	(115,279)
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		69,950	(18,144)	4,453	(115,279)
Allocation of net income for the period					
Net income for the period after taxation	3.6	69,950	-	5,762	-
Income already paid on units redeemed		(24,922)	-	(14,275)	-
		45,028	-	(8,513)	-
Accounting income available for distribution					
- Relating to capital gains		45,028	-	45,028	-
- Excluding capital gains		-	-	(53,541)	-
		45,028	-	(8,513)	-
Earnings per unit	10				

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

As at March 31, 2021

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	69,950	(18,144)	4,453	(115,279)
Other comprehensive income for the period				
Item that may be reclassified subsequently to Income Statement	-	-	-	-
Total comprehensive income for the period	69,950	(18,144)	4,453	(115,279)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Statement of Movement in Unitholders' Fund
As at March 31, 2021

Nine months ended March 31,

Note	2021			2020		
	(Rupees in '000)					
	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Total
Net assets at beginning of the period	421,843	(193,257)	228,586	481,681	(216,217)	265,464
Issuance of 10,074,085 units (2020: 11,483,201 units)						
Capital value (at net asset value per unit at the beginning of the period)	781,446	-	781,446	881,743	-	881,743
Element of income / (loss)	207,875	-	207,875	58,908	-	58,908
Total proceeds on issuance of units	989,321	-	989,321	940,651	-	940,651
Redemption of 7,591,869 units (2020: 10,653,037 units)						
Capital value (at net asset value per unit at the beginning of the period)	(588,901)	-	(588,901)	817,998	-	817,998
Element of income	(150,582)	-	(150,582)	(1,727,283)	-	(1,727,283)
Total payments on redemption of units	(739,483)	-	(739,483)	(909,285)	-	(909,285)
Total comprehensive loss for the period	-	69,950	69,950	-	(18,144)	(18,144)
Net assets at end of the period	671,681	(123,307)	548,374	513,047	(234,361)	278,686
Accumulated (loss) / Undistributed income brought forward						
- Realised		(189,059)			(104,423)	
- Unrealised		(4,198)			(76,799)	
		(193,257)			(181,222)	
Accounting income available for distribution		69,950			(18,144)	
Net Income for the period - for prior period						
Element of income and capital gains included in prices of units issued					-	
less those in units redeemed - transferred to distribution statement	3.6	-			-	
(Accumulated loss) / undistributed income carried forward		(123,307)			(199,366)	
(Accumulated loss) / undistributed income carried forward						
- Realised		(145,388)			(122,567)	
- Unrealised		22,081			(76,799)	
		(123,307)			(199,366)	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period				77.5699		77.5699
Net assets value per unit at end of the period				101.0074		65.0017

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
As at March 31, 2021

Note	Nine Months ended	
	2021 ----- (Rupees in '000) -----	2020
Cash flows from operating activities		
Net loss for the period before taxation	69,950	(18,144)
Adjustments		
		3,001
Dividend income	(9,060)	(13,228)
Profit from bank deposits	(1,049)	(3,051)
Capital gain on sale of investments - net	(51,463)	(56,756)
Amortisation of preliminary and flotation costs	-	-
Unrealised appreciation on remeasurement of investments at fair value through profit or loss - held-for-trading - net	(22,081)	76,799
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-
Provision for Sindh Workers' Welfare Fund	1,428	-
	(12,275)	(14,380)
(Increase) / decrease in assets		
Investments - net	(237,743)	(45,436)
Deposits, prepayments and other receivables	(3,149)	(6)
Receivable against sale of investments	(21,490)	5
	(262,382)	(45,437)
Increase / (Decrease) in liabilities		
Payable to the Management Company	1,085	480
Payable to the Trustee	59	18
Payable to Securities and Exchange Commission of Pakistan	(19)	(13)
Payable against redemption of units	40,207	1,438
Accrued expenses and other liabilities	1,199	(998)
	42,531	925
	(232,126)	(58,892)
Dividend received	7,398	12,711
Profit received on bank deposit	542	3,216
Net cash used in operating activities	(224,186)	(42,965)
Cash flows from financing activities		
Amount received on issue of units	989,321	940,651
Payment against redemption of units	(739,483)	(909,285)
Dividend paid	-	-
Net cash generated from / (used in) financing activities	249,838	31,366
Net decrease in cash and cash equivalents	25,652	(11,599)
Cash and cash equivalents at beginning of the period	10,190	10,190
Cash and cash equivalents at end of the period	35,842	(1,409)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

As at March 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Equity Fund ('the Fund') was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/PISF/965/2014 dated April 23, 2014 as a notified entity and the Trust Deed was executed on February 20, 2014.

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 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, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended March 31, 2021.

2.1.4 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended March 31, 2021 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

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

CHANGES THEREIN

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

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

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Current accounts		1	1,444
Savings accounts	4.1	35,841	8,746
		<u>35,842</u>	<u>10,190</u>

4.1 Mark-up rates on these accounts range between 6.9% to 5.95% p.a (June 30, 2020: 6.50% - 13.50% p.a).

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
Financial assets 'at fair value through profit or loss' held for trading			
- Listed equity securities	5.1	538,771	227,483
		<u>538,771</u>	<u>227,483</u>

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

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

Name of the Investee Company	Number of shares				Market value			Par value as a percentage of issued capital of the investee company	
	As at July 1, 2020	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2021	As at March 31, 2021 (Rupees in '000)	As a percentage of total Investments		As a percentage of net Assets
Automobiles Parts & Accessories									
Ghandhara Ind. Ltd	-	17,000	-	6,000	11,000	2,775	0.01	0.01	0.07
Ghandhara Nissan Ltd	-	43,500	-	43,500	-	-	-	-	-
Honda Atlas Cars (Pakistan) Ltd	-	24,500	-	24,500	-	-	-	-	-
Indus Motor Company Limited	-	2,500	-	2,500	-	-	-	-	-
Millat Tractors Ltd	-	7,300	506	7,250	556	611	0.00	0.00	0.10
Pak Suzuki Motor Company Limited	-	72,000	-	15,000	57,000	17,948	0.03	0.03	0.10
Sazgar Engineering Works Limited	75,000	21,000	-	96,000	-	-	-	-	0.20
	75,000	187,800	506	194,750	68,556	21,334	0.04	0.04	
Cable Electrical Goods									
Pak Elektron Ltd	-	642,000	-	425,000	217,000	7,170	0.01	0.01	-
Waves Singer Pakistan Limited	-	757,000	-	757,000	-	-	-	-	-
	-	1,399,000	-	1,182,000	217,000	7,170	0.01	0.01	

Name of the Investee Company	Number of shares				Market value			Par value as a percentage of issued capital of the investee company	
	As at July 1, 2020	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2021	As at March 31, 2021 (Rupees in '000)	As a percentage of total Investments		As a percentage of net Assets
Cement									
Attock Cement Pakistan Ltd	-	141,900	-	4,300	137,600	23,349	0.04	0.04	-
Cherat Cement Company Limited	51,000	37,500	-	37,900	50,600	8,126	0.02	0.01	0.00
D G Khan Cement Co.Ltd.	13,500	327,500	-	116,600	224,400	27,042	0.05	0.05	-
Fauji Cement Company Limited	13,500	435,500	-	435,500	-	-	-	-	-
Kohat Cement Limited	31,710	41,200	-	27,300	45,610	9,451	0.02	0.02	0.07
Lucky Cement Limited	38,100	31,400	-	36,711	32,789	26,808	0.05	0.05	0.01
Maple Leaf Cement Factory Ltd	333,000	213,500	-	274,500	272,000	12,185	0.02	0.02	0.04
Pioneer Cement Limited	-	204,000	-	204,000	-	-	-	-	-
Thatta Cement Co. Ltd	-	825,500	-	-	825,500	14,801	0.03	0.03	0.04
	467,310	2,258,000	-	1,136,811	1,588,499	121,762	0.23	0.22	
Chemicals									
Engro Polymer & Chemicals Limited	89,952	239,000	-	86,000	242,952	13,360	0.02	0.02	-
ICI Pakistam Limited	13,750	6,800	-	20,550	-	-	-	-	-
Lotte Chemical Pakistan Ltd	-	389,000	-	40,500	348,500	5,559	0.01	0.01	-
Nimir Resins Limited	-	680,000	-	180,000	500,000	5,795	0.01	0.01	-
Sitara Chemical Industries Limited	8,600	6,600	-	15,200	-	-	-	-	-
Sitara Peroxide Limited	104,000	49,000	-	153,000	-	-	-	-	-
	216,302	1,370,000	-	495,250	1,091,452	24,714	0.05	0.05	
Automobile & Parts & Accessories									
General Tyre & Rubber Co of Pakistan	-	52,000	-	52,000	-	-	-	-	-
PANTHER TYRES LIMITED	-	408,005	-	-	408,005	26,296	0.05	0.05	-
Thal Limited	12,950	5,600	-	18,550	-	-	-	-	-
	12,950	465,605	-	70,550	408,005	26,296	0	0	
Commercial Bank									
Bankislami pakistan Limited	437,000	653,000	-	359,500	730,500	8,591	0.02	0.02	0.01
Meezan Bank Limited	85,175	225,000	6,317	75,000	241,492	27,332	0.05	0.05	0.02
	522,175	878,000	6,317	75,000	971,992	35,923	0.07	0.05	
Engineering									
Agha Steel Ind.Ltd	-	364,000	-	52,000	312,000	9,635	0.02	0.02	0.07
Aisha Steel Mills Ltd	-	501,000	-	49,000	452,000	10,735	0.02	0.02	0.07
International Industries Limited	12,400	51,600	-	23,300	40,700	8,269	0.02	0.02	0.07
International Steels Limited	22,000	133,000	-	61,100	93,900	8,036	0.01	0.01	0.04
Mughal Iron & Steel Inds Ltd	57,500	214,000	-	90,500	181,000	16,847	0.03	0.03	0.04
Mughal Iron & Steel Inds Ltd - LoR	-	23,120	-	-	23,120	523	0.00	0.00	0.04
	91,900	1,286,720	-	275,900	1,102,720	54,045	0.03	0.03	
Fertilizer									
Engro Corporation Ltd	62,130	19,500	-	81,630	-	-	-	-	-
Engro Fertilizer Ltd	20,000	60,000	-	80,000	-	-	-	-	-
Fauji Fertilizer Ltd	40,100	119,500	-	159,600	-	-	-	-	-
	122,230	199,000	-	321,230	-	-	-	-	
Oil and Gas Exploration Companies									
Mari Petroleum Company Limited (5.1	17,472	3,000	-	13,680	6,792	10,401	0.02	0.02	0.01
Oil & Gas Development Company Limi	197,100	370,000	-	196,900	370,200	37,616	0.07	0.07	0.01
Pakistan Oilfields Limited	12,900	23,500	-	22,200	14,200	5,394	0.01	0.01	0.01
Pakistan Petroleum Limited	-	613,300	-	201,700	411,600	35,945	0.07	0.07	0.02
	227,472	1,009,800	-	434,480	802,792	89,356	0.17	0.16	
Oil and Gas Marketing Companies									
Hascol Petroleum Ltd	-	237,000	-	237,000	-	-	-	-	-
Pakistan State Oil Company Limited (5	60,928	134,300	-	72,400	122,828	28,328	0.05	0.05	0.04
Shell Pakistan Ltd	-	13,000	-	13,000	-	-	-	-	-
Sui Northern Gas Pipeline Limited	124,300	40,000	-	164,300	-	-	-	-	-
	185,228	424,300	-	486,700	122,828	28,328	0.05	0.05	

Name of the Investee Company	Number of shares				Market value			Par value as a percentage of issued capital of the investee company	
	As at July 1, 2020	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2021	As at March 31, 2021 (Rupees in '000)	As a percentage of total Investments		As a percentage of net Assets
Refinery									
Attock Refinery Ltd	-	123,200	-	71,500	51,700	13,203	0.02	0.02	-
Byco Petroleum Pakistan Ltd	-	350,000	-	350,000	-	-	-	-	-
National Refinery Ltd	-	82,000	-	36,000	46,000	27,101	0.05	0.05	-
Pakistan Refinery Limited	-	1,083,000	-	1,083,000	-	-	-	-	-
	-	1,638,200	-	1,540,500	97,700	40,304	0.07	0.07	
Power Generation & Distribution									
Hub Power Company Limited	171,987	159,500	-	213,800	117,687	9,549	0.02	0.02	0.04
K-Electric Limited	-	400,000	-	400,000	-	-	-	-	-
	171,987	559,500	-	613,800	117,687	9,549	0.02	0.02	
Pharmaceuticals									
AGP Limited	-	43,000	-	43,000	-	-	-	-	-
Ferozsons Laboratories Ltd	-	10,400	-	10,400	-	-	-	-	-
GlaxosmithKline Pakistan Ltd	55,700	-	-	55,700	-	-	-	-	-
Highnoon Laboratories Limited	19,950	-	-	19,950	-	-	-	-	-
The Searl Co Ltd LOR	-	3	-	3	-	-	-	-	-
The Searle Company Limited (5.1.2)	1,243	6,000	-	6,000	1,243	307	0.00	0.00	0.01
	76,893	59,403	-	135,053	1,243	307	0.00	0.00	
Vanaspati & Allied Industries									
Unity Foods Limited	470,000	2,151,500	-	2,143,500	478,000	14,216	0.03	0.03	-
UNITY FOODS LIMITED-LOR	-	223,325	-	223,325	-	-	-	-	-
	470,000	2,374,825	-	2,366,825	478,000	14,216	-	-	
Food & Allied Industries									
The Organic Meat Company Limited	-	876,675	-	121,000	755,675	23,094	0.04	0.04	-
	-	876,675	-	121,000	755,675	23,094	-	-	
Transport									
Pakistan International Bulk Terminal Ltd	-	142,000	-	142,000	-	-	-	-	-
Pakistan National Shipping Corp Ltd	-	16,500	-	16,500	-	-	-	-	-
	-	158,500	-	158,500	-	-	-	-	
Textile Composite									
Interloop Limited	77,750	231,000	-	105,500	203,250	13,439	0.02	0.02	0.14
Kohinoor Textile Mills Ltd	-	122,000	-	32,000	90,000	5,521	0.01	0.01	-
Nishat Mills Limited	57,500	130,500	-	159,000	29,000	2,683	0.00	0.00	0.01
	135,250	483,500	-	296,500	322,250	21,643	0.04	0.04	
Technology & Communication									
Avanceon Limited	-	189,000	-	33,500	155,500	13,742	0.03	0.03	-
Systems Limited	77,800	-	560	74,665	3,695	1,739	0.00	0.00	-
	77,800	189,000	560	108,165	159,195	15,481	0.00	0.00	
Food & personal care products									
National Foods Ltd	-	24,000	-	24,000	-	-	-	-	-
	-	24,000	-	24,000	-	-	-	-	
Glass & Ceramics									
Ghani Value Glass Limited	-	83,000	-	83,000	-	-	-	-	-
Tariq Glass Industries Limited	-	62,000	13,250	12,500	62,750	5,250	0.01	0.01	-
	-	145,000	13,250	95,500	62,750	5,250	0	0	
March 31, 2021 Total:	2,852,497	15,987,228	20,633	10,132,514	8,368,344	538,771	0.71	0.68	
Carrying value as at March 31, 2020						537,975			

5.1.1 These investments include shares with market value aggregating to Rs. 79.14 million (June 30, 2018: Rs. 92.766 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP. Details are as follows:

Engro Polymer & Chemicals Limited (180,000 shares)
 Hub Power Company Limited (300,000 shares)
 Oil & Gas Development Company Limited (300,000 shares)

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.89 million at March 31, 2021 (June 30, 2020: Rs. 0.472 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

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

6. PAYABLE TO THE MANAGEMENT COMPANY	Note	March 31,	June 30,
		2021	2020
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
Remuneration to the Management Company	6.1	903	381
Sindh Sales Tax on Management Company's remuneration	6.2	117	50
Sales load payable to Management Company		102	21
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	73	472
Selling and marketing payable	6.4	845	31
		2,040	955

6.1 As per the offering document of the Fund, the Management Company is entitled to a remuneration at the rate of 2% of the average annual net assets on daily basis of the scheme subject to the guidelines as may be issued by the SECP from time to time. Therefore, the management fee is charged at 2%. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.

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

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

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

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty on Management fee	7.1	3,268	3,268
Provision for Sindh Workers' Welfare Fund	7.2	5,299	3,871
Donation payable	7.3	332	1,069
Payable to brokers		555	144
Withholding tax payable		1,548	108
Auditors' remuneration		340	166
Printing charges		153	153
Zakat payable		12	-
Others		37	45
		<u>11,544</u>	<u>8,824</u>

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

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 3.268 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2021 would have been higher by Rs. 0.60 per unit (June 30, 2020: Rs. 0.94 per unit).

7.2 The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is the same as disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

As there is loss for the nine months ended March 31, 2020, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2021 would have been higher by Rs. 0.98 per unit (June 30, 2020: Rs. 0.32 per unit).

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

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

9. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ended June 30, 2020 to its unit holders.

10. EARNINGS PER UNIT

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

11.1 Transactions during the period	Nine months ended	
	March 31,	
	2021	2020
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	5,324	5,781
Sindh Sales Tax on remuneration of the Management Company	692	752
Sales load paid	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	429	595
Selling and marketing expense	1,997	2,191
Investment of 603,840 units (2020: 5,951,992 units)	55,000	490,332
Redemption of 291,687 units (2020: 6,435,641 units)	25,000	554,802
Executives of the Management Company		
Issue of 54,915 units (2020: 12,160 units)	5,213	1,034
Redemption 58,618 units (2020: 15,416) units	5,689	1,217
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	602	666
Central Depository Service charges	50	90
Connected person due to holding of more than 10%		
MCBFSL Trustee HBL Islamic Financial Planning Fund *		
Conservative Allocation Plan		
Issuance of units 18,855 units (2020: 15,400 units)	1,671	1,229
Redemption of 34,465 units (2020: 36,170 units)	3,018	3,152
MCBFSL Trustee HBL Islamic Financial Planning Fund *		
Active Allocation Plan		
Issuance of units 119,447 units (2020: 129,551 units)	11,875	10,000
Redemption of 229,519 units (2020: 59,486 units)	22,382	5,433

	March 31, 2021	June 30, 2020
	----- (Rupees in '000) -----	
11.2 Balances outstanding as at period / year end	(Un-Audited)	(Audited)
HBL Asset Management Company Limited		
Units held: 312,153 (June 30, 2020: Nil) units	31,530	-
Management fee payable	903	381
Sales load payable	102	21
Sindh Sales Tax	117	50
Allocation of expenses related to registrar services, Selling and marketing expense	73	31
	845	472
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable	102	143
Executives of the Management Company		
Units held: 1,548 (June 30, 2020: 1,300) units	156	101
MCBFSL - Trustee HBL Islamic Financial Planning Fund Active Allocation Plan		
Units held: 263,371 (June 30, 2020: 373,142) units	26,602	28,945
MCBFSL - Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan		
Units held: 1,690 (June 30, 2020: 17,300) units	171	1,342
MCB Bank Limited		
Units held: 916,259 (June 30, 2020: 916,259) units	92,549	71,074
Munira Amir Wasi		
Units held: 531,947 (June 30, 2020: 531,947) units	53,731	41,263
IGI Life Insurance		
Units held: 1,026,973 (June 30, 2020: Nil) units	103,732	-
Service Provident Fund Trust - Connected person due to holding more than 10% units:		
Units held: Nil (June 30, 2020: 337,166) units	-	26,154

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2021							
		Carrying amount			Fair Value				
	Note	March 31, 2021	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments	12.1	2,946,835							
- Listed equity securities		538,771	-	-	538,771	538,771	-	-	538,771
		538,771	-	-	538,771	538,771	-	-	538,771
Financial assets not measured at fair value									
Bank balances	12.1	-	35,842	-	35,842				
Dividends and profit receivable		-	2,866	-	2,866				
Receivable against sale of investments		-	21,495	-	21,495				
		-	60,203	-	60,203				
Financial liabilities not measured at fair value									
Payable to the Management Company	12.1	-	-	2,040	2,040				
Payable to the Trustee		-	-	102	102				
Payable against redemption in units		-	-	43,011	43,011				
Accrued expenses and other liabilities		-	-	426	426				
Unit holders' fund		-	-	548,374	548,374				
		-	-	593,953	593,953				

		June 30, 2020							
		Carrying amount			Fair Value				
		Fair value through profit or loss - held-for-	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value									
12.1	Investments								
	- Listed equity securities	227,483	-	-	227,483	227,483	-	-	227,483
		<u>227,483</u>	<u>-</u>	<u>-</u>	<u>227,483</u>	<u>227,483</u>	<u>-</u>	<u>-</u>	<u>227,483</u>
Financial assets not measured at fair value									
12.1	Bank balances	-	10,190	-	10,190				
	Dividends and profit receivable	-	698	-	698				
	Dividend		2,600		2,600				
	Receivable against sale of investments		2,152		2,152				
		<u>-</u>	<u>15,640</u>	<u>-</u>	<u>15,640</u>				
Financial liabilities not measured at fair value									
12.1	Payable to the Management Company	-	-	5,022	5,022				
	Payable to the Trustee	-	-	442	442				
	Payable against redemption in units			2,804	2,804				
	Accrued expenses and other liabilities	-	-	666	666				
		<u>-</u>	<u>-</u>	<u>8,934</u>	<u>8,934</u>				

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

12.2 Transfers during the period

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the fund for the nine months ended March 31, 2021 is 3.68% (June 2020: 3.27%) which includes 0.56% (June 2019: 0.43%) representing government levy and SECP fee.

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 30, 2021.

15. GENERAL

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

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

15.3 In continuation of note _____ 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

Islamic Financial Planning Fund

FUND INFORMATION

Name of Fund	HBL Islamic Financial Planning Fund
Name of Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Name of Trustee	MCB Financial Services Limited (MCBFSL)
Name of Shariah Advisors	AI - Hilal Shariah Advisors (Pvt.) Limited

Bankers	Bank Islami Pakistan Limited Habib Bank Limited Dubai Islamic Bank Limited Bank Al Habib Limited Allied Bank Limited
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HBL Islamic Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at Mar 31, 2021

Note	Mar 31, 2021 (Un-Audited)				June 30, 2020 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
(Rupees in '000)									
ASSETS									
4	1,426	590	6,102	8,117	454	230	2,513	326,728	329,925
5	33,244	887	-	34,131	94,081	6,640	-	27,437	128,158
	32	2	1,616	1,650	3	1	1	1,740	1,745
		-	-					-	-
	21	9	-	30	34	9	-	160	203
	92	18	-	110	92	18	-	41	151
TOTAL ASSETS	34,814	1,505	7,718	44,037	94,664	6,898	2,514	356,106	460,182
LIABILITIES									
6	21	358	2,261	2,640	22	133	6	2,223	2,384
	5	0	1	6	8	1	1	29	39
									-
	14	0	18	33	22	2	22	84	130
7	1,320	66	5,362	6,748	979	70	2,484	3,352	6,885
	-	-	76	76	66	-	-	650	716
		185							
TOTAL LIABILITIES	1,360	609	7,718	9,502	1,097	206	2,514	6,337	10,154
NET ASSETS	33,454	896	(0)	34,350	93,567	6,692	-	349,769	450,028
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)									
	33,454	896	0	34,350	93,567	6,692	-	349,769	450,028
(Units)									
NUMBER OF UNITS IN ISSUE	298,697	7,912	-	-	981,790	61,190	-	3,327,376	-
(Rupees)									
NET ASSETS VALUE PER UNIT	111.9986	113.2339	-		95.3020	109.3637	-	105.1185	

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

Condensed Interim Income Statement (Un-Audited)

For the nine months ended March 31, 2021

Note	For the nine months ended March 31, 2021				For the nine months ended March 31, 2020					
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	
(Rupees in '000)										
Income										
Mark-up on deposits with bank	43	28	4,297	4,369	62	26	259	27,029	27,376	
Capital gain / (loss) on sale of investment - net	9,374	210	2,853	12,437	3,771	1,064	14,554	24,464	43,853	
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	5,025	9	0	5,033	(3,205)	(81)	314	(11,755)	(14,727)	
Back end load	-	-	14	14	-	-	-	891	891	
	14,442	247	7,163	21,853	628	1,009	15,127	40,629	57,393	
Expenses										
Remuneration of the Management Company	6.1	2	7	863	873	7	2	60	2,092	2,161
Sindh Sales Tax on remuneration of the Management Company	6.2	0	1	112	113	1	0	8	272	281
Remuneration of the Trustee		72	2	92	166	88	10	98	337	533
Annual fee to the Securities and Exchange Commission of Pakistan		14	0	18	33	17	2	20	66	105
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	141	4	180	326	171	19	171	654	1,015
Amortisation of preliminary expenses and flotation costs		13	0	160	173	14	4	-	763	781
Auditors' remuneration		181	14	57	252	28	3	12	137	180
Printing charges		0	5	5	10	9	3	2	11	25
Bank charges		6	10	1	17	22	17	20	25	84
Fees and subscription		6	0	21	28	4	1	1	13	19
Shariah advisory fee		121	4	47	171	28	4	10	100	142
		558	47	1,557	2,162	389	65	402	4,470	5,326
Net income / (loss) from operating activities		13,884	200	5,606	19,691	239	944	14,725	36,159	52,067
Provision for Sindh Workers' Welfare Fund	7.1	(278)	(4)	(112)	(394)	(5)	(19)	(295)	(723)	(1,018)
Net income / (loss) for the period before taxation		13,607	196	5,494	19,297	234	925	14,430	35,436	51,049
Taxation	8	-	-	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation		13,607	196	5,494	19,297	234	925	14,430	35,436	51,049
Distribution for the period				2,641	2,641					
Income already paid on redemption of units		8,659	176	2,853	11,688	-	685	-	12,500	13,185
Accounting income available for distribution										
- Relating to capital gains		4,948	20	-	4,967	-	240	-	4,308	4,548
- Excluding capital gains		-	-	-	-	-	-	-	18,629	18,629
		4,948	20	-	4,967	-	240	-	22,937	23,177
Net income / (loss) for the period after taxation		13,607	196	-	19,297	234	925	14,431	35,438	51,050
Other comprehensive income for the period										
Item that may be reclassified subsequently to income statement		-	-	-	-	-	-	-	-	-
Item that will not be reclassified subsequently to income statement		-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period		13,607	196	-	19,297	234	925	14,431	35,438	51,050

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Income Statement (Un-Audited)
For The Quarter Ended March 31, 2021 (CONTINUED)

Note	Quarter ended March 31, 2021 (note 1.1)				Quarter ended March 31, 2020 (note 1.1)					
	Active	Conservative	Capital	Total	Active	Conservative	Strategic	Capital	Total	
	Allocation Plan	Allocation Plan	Preservation Plan		Allocation Plan	Allocation Plan	Allocation Plan	Preservation Plan		
(Rupees in '000)										
Income										
Mark-up on deposits with bank	36	11	-	47	18	15	20	8,612	8,665	
Capital gain / (loss) on sale of investment - net	8,309	44	-	8,353	572	356	4,226	17,768	22,922	
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(6,905)	(27)	-	(6,932)	(15,526)	(605)	(7,588)	(51,085)	(74,804)	
Back end load	-	-	-	-	-	-	-	539	539	
	1,441	28	-	1,468	(14,936)	(234)	(3,342)	(24,166)	(42,678)	
Expenses										
Remuneration of the Management Company	6.1	2	0	-	3	1	-	2	691	694
Sindh Sales Tax on remuneration of the Management Company	6.2	0	0	-	-	0	-	0	90	90
Remuneration of the Trustee		22	0	-	22	25	2	9	109	145
Annual fee to the Securities and Exchange Commission of Pakistan		4	0	-	4	5	-	2	21	28
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	43	1	-	44	51	5	18	214	288
Amortisation of preliminary expenses and flotation costs		4	-	-	4	5	2	-	237	244
Auditors' remuneration		67	5	-	72	2	-	-	2	4
Printing charges		-	-	-	-	1	3	2	3	9
Bank charges		2	4	-	6	8	7	2	5	22
Fees and subscription		-	-	-	-	2	-	-	5	7
Shariah advisory fee		50	1	-	51	9	1	-	32	42
		196	11	-	206	109	20	35	1,408	1,573
Net (loss) / income from operating activities		1,244	15	-	1,262	(15,045)	(256)	(3,377)	(25,574)	(44,251)
Reversal of selling and marketing expense	6.4	-	-	-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.1	(25)	(1)	-	(26)	(5)	(19)	(295)	(723)	(319)
Net (loss) / income for the period before taxation		1,220	14	-	1,236	(15,050)	(275)	(3,672)	(26,297)	(44,570)
Taxation	8	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation		1,220	14	-	1,236	(15,050)	(275)	(3,672)	(26,297)	(44,570)
Distribution for the period		-	-	-	-	-	-	-	-	-
Income already paid on redemption of units		8,085	35	-	8,120	-	1,104	-	13,468	14,572
Accounting income available for distribution		(6,864)	(20)	-	(6,885)	-	(515)	-	(41,347)	(41,862)
- Relating to capital gains		-	-	-	-	-	-	-	4,753	4,753
- Excluding capital gains		(6,864)	(20)	-	(6,885)	-	(515)	-	(36,594)	(37,109)
Net (loss) / income for the period after taxation		1,220	14	-	1,236	(15,050)	(275)	(3,672)	(26,297)	(44,570)
Other comprehensive income for the period		-	-	-	-	-	-	-	-	-
Item that may be reclassified subsequently to income statement		-	-	-	-	-	-	-	-	-
Item that will not be reclassified subsequently to income statement		-	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period		1,220	14	-	1,236	(15,050)	(275)	(3,672)	(26,297)	(44,570)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Movement in Unit holders' Fund (Un-Audited)
For the nine months ended March 31, 2021

	For the six months ended					
	----- March -----					
	----- 2021 -----			----- 2020 -----		
	Active Allocation Plan			Active Allocation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at beginning of the period	100,158	(6,591)	93,567	155,916	(11,279)	144,637
Issuance of 8,870 units (2020: 6,576 units)						
- Capital value (at net asset value per unit at the beginning of the period)	845	-	845	613	-	613
- Element of loss	108	-	108	87	-	87
Total proceeds on issuance of units	953	-	953	700	-	700
Redemption of 691,963 units (2020: 605,740 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(65,945)	-	(65,945)	(56,532)	-	(56,532)
- Element of income	(8,727)	-	(8,727)	(2,885)	-	(2,885)
Total payments on redemption of uni	(74,673)	-	(74,673)	(59,417)	-	(59,417)
Total comprehensive income / loss for the period	-	13,607	13,607	-	234	234
	-	13,607	13,607	-	234	234
Net assets at end of the period	26,438	7,016	33,454	97,199	(11,045)	86,154
Undistributed income brought forward						
- Realised		(7,473)			443	
- Unrealised		882			(11,722)	
		(6,591)			(11,279)	
Accounting Income / Loss available for distribution		13,607			234	
Accumulated loss carried forward		7,016			(11,045)	
Accumulated loss carried forward						
- Realised		1,991			(7,840)	
- Unrealised		5,025			(3,205)	
		7,016			(11,045)	
Net assets value per unit at beginning of the period			(Rupees) 95.3020			(Rupees) 93.3275
Net assets value per unit at end of the period			111.9986			90.6311

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Movement in Unit holders' Fund (Un-Audited)
For the nine months ended March 31, 2021

	For the nine months ended					
	----- 2021 -----			----- 2020 -----		
	----- March -----					
	Conservative Allocation Plan			Conservative Allocation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	5,669	1,023	6,692	16,975	593	17,568
Issuance of 209,796 units (2019: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	24,663	-	24,663	5,671	-	5,671
- Element of loss	197	-	197	159	-	159
Total proceeds on issuance of units	24,860	-	24,860	5,830	-	5,830
Redemption of 259,901 units (2019: 18,512 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(30,490)	-	(30,490)	(11,467)	-	(11,467)
- Income already paid on Redemption of Units	(362)	-	(362)	(661)	(685)	(685)
- Element of income						
Total payments on redemption of ur	(30,852)	-	(30,852)	(12,128)	(685)	(12,814)
Total comprehensive income for the period	-	196	196	-	925	925
	-	196	196	-	925	925
Net assets at end of the period	(323)	1,219	896	10,677	833	11,510
Undistributed income brought forw						
- Realised		873			1,205	
- Unrealised		150			(612)	
		1,023			593	
Accounting income / (loss)						
- Relating to capital losses	20			240		
- Excluding capital losses	-			-		
Accounting income / (loss) available for distribution		196			240	
Net Income for the period		196			-	
Distribution during the period		-			-	
Accumulated gain carried forward		1,219			833	
Accumulated gain carried forward						
- Realised		1,210			914	
- Unrealised		9			(81)	
		1,219			833	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			109.3637			101.4641
Net assets value per unit at end of the period			113.2339			105.1069

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Movement in Unit holders' Fund (Un-Audited)
For the nine months ended March 31, 2021

	For the three months ended					
	March					
	2021			2020		
	Capital Preservation Plan			Capital Preservation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	334,662	15,107	349,769	455,908	(2,509)	453,399
Issuance of 46,728 units (2019: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	4,912	-	4,912	-	-	-
- Element of loss	(2,602)	-	(2,602)	-	-	-
Total proceeds on issuance of units	2,310	-	2,310	-	-	-
Redemption of 3,374,104 units (2019: 297,180 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(354,681)	-	(354,681)	(136,223)	-	(136,223)
- Element of loss	(251)	-	(251)	(12,226)	-	(12,226)
Total payments on redemption of units	(354,932)	-	(354,932)	(148,449)	-	(148,449)
Total comprehensive income for the period	-	5,494	5,494	-	35,438	35,438
Net assets at end of the period	(17,960)	17,960	0	307,459	32,929	340,388
Undistributed loss brought forward						
- Realised		14,322			21,387	
- Unrealised		785			(23,896)	
		15,107			(2,509)	
Income already paid on redemption of units		2,853			12,500	
Accounting income / (loss)						
- Relating to capital losses		-			4,308	
- Excluding capital losses		-			18,629	
Accounting income / (loss) available for distribution		5,494			22,937	
Distribution during the period		(2,641)				
Accumulated gain carried forward		17,960			32,928	
Accumulated gain carried forward						
- Realised		20,813			32,614	
- Unrealised		0			314	
		17,960			32,928	
Net assets value per unit at beginning of the period			(Rupees) 105.1185			(Rupees) 99.4840
Net assets value per unit at end of the period			-			106.7644

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months ended March 31, 2021

Note	Nine months ended March 31, 2021				Nine months ended March 31, 2020				
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
	(Rupees in '000)				(Rupees in '000)				
Cash flows from operating activities									
Net loss for the period before taxation	13,607	196	-	19,297	234	925	14,431	35,438	51,028
Adjustments for non-cash items									
Mark-up on deposits with bank	(43)	(28)	(4,297)	(4,369)	(62)	(26)	(259)	(27,029)	(27,376)
Capital (gain) / loss on sale of investment - net	(9,374)	(210)	(2,853)	(12,437)	(3,771)	(1,064)	(14,554)	(24,464)	(43,853)
Unrealised diminution on re-measurement of investments investments at 'fair value through profit or loss - held-for-trading' - net	(5,025)	(9)	-	(5,033)	3,205	81	(314)	11,755	14,727
Amortisation of preliminary expenses and flotation costs					-	-	-	-	-
	(836)	(51)	(7,150)	(2,542)	(394)	(84)	(696)	(4,300)	(5,474)
(Increase) / decrease in assets									
Investments	75,236	5,972	30,291	111,499	59,004	12,241	2,137,946	52,512	2,261,703
Preliminary expenses and flotation costs	13	0	160	173	14	3	-	763	780
Other receivables	0	-	41	41	(67)	-	(10)	(47)	(124)
	75,249	5,972	30,492	111,713	58,951	12,244	2,137,936	53,228	2,262,359
Increase / (decrease) in liabilities									
Payable to the Management Company	(1)	225	38	262	10	131	(408)	(29)	(296)
Payable to the Trustee	(3)	(0)	(28)	(32)	3	(1)	(206)	30	(174)
Payable to Securities and Exchange Commission of Pakistan	(8)	(2)	(66)	(75)	(174)	(21)	(3,889)	(268)	(4,352)
Accrued expenses and other liabilities	341	(5)	2,010	2,347	26	32	(868)	942	132
Dividend Payable	(66)	-	(574)	(640)	-	-	-	-	-
Payable Against Investment in Mutual Fund	-	185	-	185	-	-	-	-	-
	263	403	1,380	2,047	(135)	141	(5,371)	675	(4,689)
	74,677	6,324	24,722	111,218	58,422	12,301	2,131,869	49,603	2,252,196
Profit received on bank deposits	15	28	4,421	4,464	59	20	265	27,783	28,127
Net cash (used in) / generated from operating activities	74,691	6,352	29,143	115,682	58,481	12,321	2,132,134	77,386	2,280,323
Cash flows from financing activities									
Amount received / receivable on issue of units	953	24,860	2,310	28,123	700	5,830	-	-	6,530
Amount paid / payable on redemption of units	(74,673)	(30,852)	(354,932)	(460,457)	(59,416)	(12,128)	(2,134,030)	(148,449)	(2,354,023)
Dividend paid	-	-	(2,641)	(2,641)	-	-	-	-	-
Net cash generated from / (used in) financing activities	(73,720)	(5,992)	(355,263)	(434,975)	(58,716)	(6,298)	(2,134,030)	(148,449)	(2,347,493)
Net (decrease) / increase in cash and cash equivalents	971	360	(326,120)	(319,293)	(235)	6,023	(1,896)	(71,063)	(67,170)
Cash and cash equivalents at the beginning of the period	454	230	326,728	327,413	737	53	2,440	334,719	337,949
Cash and cash equivalents at the end of the period	4	1,426	590	608	8,118	502	6,076	544	263,656
									270,779

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the nine months ended March 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Financial Planning Fund (the "Fund"), was established under the Trust Deed executed between HBL Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed on March 22, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 4, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton. The Fund commenced its operations from June 17, 2017.

The Fund is an open ended shariah compliant fund of fund scheme and is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Conservative Allocation Plan, Active Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Strategic Allocation Plan were offered from June 15, 2016 to June 16, 2016. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may have a set time frame. Each Allocation Plan announce separate NAVs which rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

The objective of the Fund is to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the investor. The investment policy for each of the Plan including the newly launched Fund "Islamic Capital Preservation Plan" (launched on 2nd October, 2018) are as follows;

- The "Conservative Allocation Plan" is an Allocation Plan under the Fund and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of shariah compliant investments in equity, income and money market funds. This Allocation Plan is suitable for investors who have moderate risk tolerance and have a short to medium term investment horizon.
- The "Active Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active asset allocation between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on the Fund Manager's outlook on the asset classes.
- The "Strategic Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active allocation of funds between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. Fund Manager take a medium term strategic view of the portfolio assets to deliver competitive returns to investors. The duration of this plan is 24 months (Two Years).
- The "Islamic Capital Preservation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities and Shariah Compliant Money Market based Collective Investment Schemes, Shariah compliant saving accounts and term deposits while aiming providing capital preservation on the initial amount excluding front end load upon maturity of the allocation plan. The duration of this plan is 24 months (Two Years).

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

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

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. true and fair view of the state of the Fund's affairs as at December 31, 2017.

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 March 31, 2021.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3.1 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.

3.2 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 judgments 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.

3.3 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.

4. BANK BALANCES

	Note	March 31, 2021 (Un-Audited)				June 30, 2020 (Audited)				
		Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
		----- (Rupees in '000) -----				----- (Rupees in '000) -----				
Savings accounts	4.1	1,426	590	6,064	10,593	454	230	2,513	326,728	329,925

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 4% to 6% (June 2020 : 6% to 13.25%) per annum.

5. INVESTMENTS

	Note	March 31, 2021 (Un-Audited)				June 30, 2020 (Audited)				
		Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
		----- (Rupees in '000) -----				----- (Rupees in '000) -----				

Investments by category

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

Units of mutual funds	5.1	33,244	887	-	34,131	94,081	6,640	-	27,437	128,158
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5.1 Units of mutual funds

Name of Investee Funds	As at July 1, 2020	Purchases during the period	Redemptions during the period	As at March 31, 2021	Total carrying value as at March 31, 2021	Total market value as at March 31, 2021	Appreciation/ (diminution) as at March 31, 2021	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
	----- Number of units -----				----- % -----				
Active Allocation Plan									
HBL Islamic Dedicated Equity Fund	-	251,913	251,913	-	0	0	(0)	0	0
HBL Islamic Equity Fund	373,142	119,747	229,519	263,370	21,823	26,602	4,779	80	80
HBL Islamic Income Fund	467,207	-	404,211	62,996	6,396	6,641	245	20	20
HBL Islamic Stock Fund	188,995	-	188,995	-	0	0	0	0	0
	1,029,344	371,660	1,074,637	326,367	28,219	33,244	5,025	99	100
Conservative Allocation Plan									
HBL Islamic Dedicated Equity Fund	-	3,425	3,425	-	-	-	-	-	-
HBL Islamic Equity Fund	17,300	18,855	34,465	1,690	172	171	(1)	19	19
HBL Islamic Income Fund	52,179	72,979	118,365	6,793	704	716	12	80	81
	69,479	95,259	156,255	8,484	876	887	11	99	100
Capital Preservation Plan									
HBL Islamic Dedicated Equity Fund	313,411	-	313,411	-	-	-	-	-	-
	313,411	-	313,411	-	-	-	-	-	-
Total as at March 31, 2021	1,412,235	466,919	1,544,303	334,850	29,095	34,131	5,036		

6. Payable to the Management Company

	March 31, 2021 (Un-Audited)				June 30, 2020 (Audited)					
	Active	Conservative	Capital	Total	Active	Conservative	Strategic	Capital	Total	
	Allocation	Allocation	Preservation		Allocation	Allocation	Allocation	Preservation		
Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan		
Note ----- (Rupees in '000) -----										
Formation cost	-	-	1,860	1,860	-	-	-	1,860	1,860	
Management fee	6.1	2	0	296	302	-	-	4	264	268
Sindh Sales Tax on Management Company's remuneration	6.2	-	0	38	39	-	-	-	34	34
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	10	0	60	72	15	1	2	58	76
Sales load payable		9	358	7	373	7	132	-	7	146
		21	358	2,261	2,646	22	133	6	2,223	2,384

6.1 As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the plans. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.

6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.

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

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2021 (Un-Audited)				June 30, 2020 (Audited)					
	Active	Conservative	Capital	Total	Active	Conservative	Strategic	Capital	Total	
	Allocation	Allocation	Preservation		Allocation	Allocation	Allocation	Preservation		
Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan		
Note ----- (Rupees in '000) -----										
Withholding tax		4	1	255	260	643	21	-	2,108	2,772
Provision for Sindh Workers' Welfare Fund	7.1	528	49	1,170	3,696	250	45	1,949	1,058	3,302
Shariah advisory fee		67	1	-		3	-	2	11	16
Printing		4	4	19	33	10	-	6	25	41
Auditors' remuneration		153	11	202	389	37	4	23	144	208
Other payables		563	0	3,716	4,785	36	-	505	5	546
		1,320	66	5,363	9,163	979	70	2,484	3,352	6,885

7.1 Sindh Workers' Welfare Fund

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.3 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 0.53 million, Rs. 0.05 million and Rs. 1.17 million (June 30, 2020 Rs. 0.250 million, Rs. 0.045 million and Rs. 1.058 million) for Active Allocation Plan, Conservative Allocation Plan and Islamic Capital Preservation Plan respectively in this condensed interim financial information. Had the provision not been made, net asset value per unit at March 31, 2021 would have been higher by Re. 1.7677 and Re. 6.1372 (June 30, 2020 Re.0.2546 and Re.0.7363) per unit for Active Allocation Plan and Conservative Allocation Plan respectively.

8. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2020 to its unit holders.

9. TRANSACTIONS WITH CONNECTED PERSONS

The Fund is an open ended shariah compliant fund of fund scheme and is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Conservative Allocation Plan, Active Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Capital Preservation Plan were offered from July 19, 2018 to October 01, 2018. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may have a set time frame. Each Allocation Plan announce separate NAVs which rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

9.1 Transactions during the period

	For the nine month ended - March 2021				For the nine months ended - March 2020				
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
	(Rupees in '000)				(Rupees in '000)				
HBL Asset Management Limited - Management Company									
Remuneration of the Management Company	2	7	863	873	7	2	60	2,092	2,161
Sindh Sales Tax on remuneration of the Management Company	0	1	112	113	1	0	8	272	281
Allocation of expenses related to registrar services, accounting, operation and valuation services	141	4	180	326	171	19	171	654	1,015
Habib Bank Limited - Sponsor									
Mark-up on deposits with bank	37	27	4,773	4,837	38	13	146	3,714	3,911
Bank Charges	6	10	1	17	22	17	20	25	84
MCB Financial Services Limited - Trustee									
Remuneration of the Trustee	72	2	92	166	88	10	98	337	533
Collective investment scheme managed by Management Company									
HBL Islamic Income Fund									
Purchase of 72,979 units (2020: 120,314 units)	-	7,478	-	7,478	12,477	-	-	-	12,477
Redemption of 404,211 units (2020: 535,144 units)	42,056	-	-	42,056	55,856	-	-	-	55,856
Redemption of 118,365 units (2020: 175,098 units)	-	12,123	-	12,123	-	18,769	-	-	18,769
HBL Islamic Equity Fund									
Purchase of 119,747 units (2020: 129,551 units)	11,875	-	-	11,875	10,000	-	-	-	10,000
Purchase of 18,855 units (2020: 15,400 units)	-	1,671	-	1,671	-	1,229	-	-	1,229
Redemption of 229,519 units (2020: 59,486 units)	22,382	-	-	22,382	5,433	-	-	-	5,433
Redemption of 34,465 units (2020: 36,170 units)	-	3,018	-	3,018	-	3,152	-	-	3,152
HBL Islamic Dedicated Equity Fund									
Purchase of 251,913 units (2020: 161,125 units)	24,600	-	-	24,600	12,000	-	-	-	12,000
Purchase of 3,425 units (2020: Nil units)	-	362	-	362	-	-	-	-	-
Redemption of 251,913 units (2020: 161,125 units)	25,487	-	-	25,487	12,623	-	-	-	12,623
Redemption of 3,425 units (2020: Nil units)	-	341	-	22,488	-	-	-	-	-
Redemption of 313,411 units (2020: 3,175,858 units)	-	-	30,290	30,290	-	-	-	283,358	283,358
HBL Islamic Stock Fund									
Redemption of 188,995 units (2020: 226,956 units)	21,786	-	-	21,786	21,503	-	-	-	21,503

**NEW JUBILEE INSURANCE CO. LIMITED STAFF PROVIDENT FUND
-ASSOCIATE**

Investment of 402 units (2019: Nil units)	-	-	43	43	-	-	-	-	-
Redemption of 53,649 units (2019: Nil units)	-	-	5,685		-	-	-	-	-
Dividend Paid	-	-	43	43	-	-	-	-	-

**AMJAD MAQSOOD - Connected Person
due to 10% holding**

Investment of 1,655 units (2019: Nil units)	-	191	-	191	-	-	-	-	-
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9.2 Balances outstanding as at period / year end

	March 31, 2021				June 30, 2020				
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
(Rupees in '000)									
HBL Asset Management Limited - Management Company									
Management fee	2	0	296	302	-	-	4	264	268
Sindh Sales Tax on Management Company's remuneration	-	0	38	39	-	-	-	34	34
Allocation of expenses related to registrar services, accounting, operation and valuation services	10	0	60	72	15	1	2	58	76
Sales load payable	9	358	7	373	7	132	-	7	146
Formation cost	-	-	1,860	1,860	-	-	-	1,860	1,860
Habib Bank Limited - Sponsor									
Mark-up receivable on deposits with bank	32	2	1,607	1,642	2	1	1	1,721	1,725
Balance in savings account	1,246	576	4,547	8,836	281	208	2,467	323,811	326,767
MCB Financial Services Limited - Trustee									
Remuneration payable to the Trustee	5	0	1	6	8	1	1	29	39
HBL ASSET MANAGEMENT LTD EMPLOYEES PROVIDENT FUND - ASSOCIATE									
Units held 12,039 units (June 30, 2020: 130,914 units)	1,348	-	-	1,348	-	-	-	-	-
KHALID ALI - Connected Person due to 10% holding									
Units held 37,092 units (June 30, 2020: 130,914 units)	4,154	-	-	4,154	-	-	-	-	-
MALIK HABIB UR REHMAN AWAN - Connected Person due to 10% holding									
Units held 71,712 units (June 30, 2020: 95,944 units)	8,032	-	-	8,032	-	-	-	-	-
MUNEZA KASSIM - Connected Person due to 10% holding									
Units held 31,066 units (June 30, 2020: 107,380 units)	3,479	-	-	3,479	-	-	-	-	-
TRUSTEES PREMIER SYSTEMS (PVT) LTD. EMP PROVIDENT FUND. - Connected Person due to 10% holding									
Units held 30,317 units (June 30, 2020: 130,543 units)	3,395	-	-	3,395	-	-	-	-	-
Mr AMJAD MAQSOOD - Connected Person due to 10% holding									
Units held 1,655 units (June 30, 2020: 15,176 units)	-	187	-	187	-	-	-	-	-
Mr MUHAMMAD ASHRAF - Connected Person due to 10% holding									
Units held 5,243 units (June 30, 2020: Nil units)	-	594	-	594	-	-	-	-	-

	March 31, 2021				June 30, 2020				
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
(Rupees in '000)									
HBL Islamic Income Fund (Formerly PICIC Islamic Income)									
Fund - CIS managed by Management Company									
Units held 62,996 units (June 30, 2020: 467,207 units)	6,641	-	-	6,641	47,436	-	-	-	47,436
Units held 6,793 units (June 30, 2020: 52,179 units)	-	716	-	716	-	5,298	-	-	5,298
HBL Islamic Equity Fund - CIS managed by Management Company									
Units held 263,370 units (June 30, 2020: 373,142 units)	26,602	-	-	26,602	28,945	-	-	-	28,945
Units held 1,690 units (June 30, 2020: 17,300 units)	-	171	-	171	-	1,342	-	-	1,342

Units as at March 31, 2021 are calculated on the basis of latest announced NAV i.e March 31, 2021.

10. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

March 31, 2021 (Un-Audited)

Active Allocation Plan

Carrying amount				Fair Value			
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	33,244	-	-	33,244	33,244	-	-	33,244
	33,244	-	-	33,244	33,244	-	-	33,244

Financial assets not measured at fair value 10.1

Bank balances	-	1,426	-	1,426
Accrued mark-up	-	32	-	32
Other receivables	-	92	-	92
	-	1,550	-	1,550

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	21	21
Payable to the Trustee	-	-	5	5
Accrued expenses and other liabilities	-	-	788	788
Unit Holders' Fund	-	-	33,454	33,454
	-	-	34,268	34,268

June 30, 2020 (Audited)

Active Allocation Plan

Carrying amount				Fair Value			
Fair value through profit and loss - held-	Loans and receivables	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

Units of mutual funds	5	94,081	-	-	94,081	94,081	-	-	94,081
		94,081	-	-	94,081	94,081	-	-	94,081

Financial assets not measured at fair value 10.1

Bank balances	-	454	-	454
Accrued mark-up	-	3	-	3
Receivable against sale of units	-	-	-	-
	-	457	-	457

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	22	22
Payable to the Trustee	-	-	8	8
Accrued expenses and other liabilities	-	-	86	86
Dividend payable	-	-	66	66
Payable against redemption	-	-	-	-
Unit Holders' Fund	-	-	93,567	93,567
	-	-	93,749	93,749

March 31, 2021 (Un-Audited)
Conservative Allocation Plan

Carrying amount				Fair Value			
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	887	-	-	887	887	-	-	887
	887	-	-	887	887	-	-	887

Financial assets not measured at fair value 10.1

Bank balances	-	590	-	590
Accrued mark-up	-	2	-	2
Receivable against sale of units	-	-	-	-
Other receivables	-	18	-	18
	-	609	-	609

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	358	358
Payable to the Trustee	-	-	0	0
Accrued expenses and other liabilities	-	-	16	16
Unit Holders' Fund	-	-	896	896
	-	-	1,271	1,271

June 30, 2020 (Audited)
Conservative Allocation Plan

Carrying amount				Fair Value			
Fair value through profit and loss - held-	Loans and receivables	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

Units of mutual funds	5	6,640	-	-	6,640	6,640	-	-	6,640
		6,640	-	-	6,640	6,640	-	-	6,640

Financial assets not measured at fair value 10.1

Bank balances	-	230	-	230
Accrued mark-up	-	1	-	1
Receivable against sale of units	-	-	-	-
	-	231	-	231

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	133	133
Payable to the Trustee	-	-	1	1
Accrued expenses and other liabilities	-	-	4	4
Payable against redemption	-	-	-	-
Unit Holders' Fund	-	-	6,692	6,692
	-	-	6,829	6,829

June 30, 2020 (Audited)
Strategic Allocation Plan

	Carrying amount				Fair Value			
	Fair value through profit and loss - held-	Loans and receivables	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

Units of mutual funds	5	-	-	-	-	-	-	-
		-	-	-	-	-	-	-

Financial assets not measured at fair value 10.1

Bank balances	-	2,513	-	2,513
Accrued mark-up	-	1	-	1
Receivable against sale of investment	-	-	-	-
Receivable against sale of units	-	-	-	-
	-	2,514	-	2,514

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	6	6
Payable to the Trustee	-	-	1	1
Accrued expenses and other liabilities	-	-	536	536
Unit Holders' Fund	-	-	-	-
	-	-	544	544

March 31, 2021 (Un-Audited)

Capital Preservation Plan

	Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Financial assets not measured at fair value 10.1

Bank balances	-	6,102	-	6,102
Accrued mark-up	-	1,616	-	1,616
Other receivables	-	-	-	-
	-	7,718	-	7,718

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	2,261	2,261
Payable to the Trustee	-	-	1	1
Accrued expenses and other liabilities	-	-	3,937	3,937
Dividend payable	-	-	76	76
Unit Holders' Fund	-	-	0	0
	-	-	6,275	6,275

		June 30, 2020 (Audited)							
		Capital Preservation Plan							
		Carrying amount				Fair Value			
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value									
Units of mutual funds	5	27,437	-	-	27,437	27,437	-	-	27,437
		<u>27,437</u>	<u>-</u>	<u>-</u>	<u>27,437</u>	<u>27,437</u>	<u>-</u>	<u>-</u>	<u>27,437</u>
Financial assets not measured at fair value 10.1									
Bank balances		-	326,728	-	326,728				
Accrued mark-up		-	1,740	-	1,740				
Receivable against sale of investment		-	-	-	-				
Receivable against sale of units		-	-	-	-				
		<u>-</u>	<u>328,468</u>	<u>-</u>	<u>328,468</u>				
Financial liabilities not measured at fair value 10.1									
Payable to the Management Company		-	-	2,223	2,223				
Payable to the Trustee		-	-	29	29				
Accrued expenses and other liabilities		-	-	536	536				
Dividend payable		-	-	650	650				
Unit Holders' Fund		-	-	349,769	349,769				
		<u>-</u>	<u>-</u>	<u>353,206</u>	<u>353,206</u>				

10.1 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.

10.2 Transfers during the period

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

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the nine months ended March 31, 2021 is 0.89% and 1.71% (YTD) (March 31, 2020: 0.34% and 0.63%) which includes 0.32% and 0.19% (March 31, 2020: 0.03% and 0.17%) representing government levy and SECP fee of the Active Allocation Plan and Conservative Allocation Plan respectively.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 30, 2021 by the Board of Directors of the Management Company.

13. GENERAL

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

13.2 Corresponding figures have been arranged and reclassified, wherever necessary, for the purpose of comparison and more appropriate presentation, the effect of which is not material.

13.3 UPDATE ON COVID-19 IMPACT:

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

HBL Islamic Dedicated Equity Fund

FUND INFORMATION

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

HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2021

	Note	(Un-Audited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
Assets			
Bank balances	4	1,454	543
Investments	5	-	22,248
Dividend and profit receivable		19	700
Preliminary expenses and floatation costs		611	715
Advances and deposits	6.	5,422	5,291
Receivable against sale of investment		-	1,607
Total Assets		7,505	31,104
Liabilities			
Payable to the Management Company	7	6,195	174
Payable to the Trustee		77	24
Payable to Securities and Exchange Commission of Pakistan		3	29
Payable against Formation cost		-	-
Accrued expenses and other liabilities	8	1,229	3,440
Total liabilities		7,505	3,667
Net assets		-	27,437
Unit holders' fund (as per statement attached)		-	27,437
Contingencies and commitments	9		
		----- (Number of units) -----	
Number of units in issue		-	313,411
		----- (Rupees) -----	
Net assets value per unit		-	87.5443

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Income Statement (Un-Audited)
As at March 31, 2021

	Note	Nine Month ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
----- Rupees in '000 -----					
Income					
Dividend income		82	6,547	64	778
Profit on bank deposits		141	1,168	71	351
Capital gain / (loss) on sale of investments - net		5,262	29,928	2,142	16,966
		5,485	37,642	2,277	18,094
Net unrealised gain/(loss) on re-measurement of investments classified at fair value through profit or loss - held-for-trading		-	(14,103)	(329)	(51,860)
		5,485	23,539	1,948	(33,766)
Expenses					
Remuneration of the Management Company		298	2,920	180	928
Remuneration of the Trustee		124	200	50	59
Annual fee to Securities and Exchange Commission of Pakistan		3	26	2	8
Selling and marketing expenses		(116)	983	60	308
Allocation of expenses related to registrar services, accounting, operation and valuation services		21	279	13	67
Auditors' remuneration		133	202	57	63
Settlement and bank charges		156	377	75	117
Shariah advisory fee		144	153	43	51
Other expenses		315	1,878	133	910
		1,079	7,018	613	2,511
		4,409	16,521	1,335	(36,277)
Provision for Sindh Workers' Welfare Fund	8.2	(88)	(330.4)	(27)	-
Net income / (loss) for the period before taxation		4,321	16,191	1,308	(36,277)
Taxation	10	-	-	-	-
Net income / (loss) for the period after taxation		4,321	16,191	1,308	(36,277)
Allocation of net income for the period					
Income already paid on redemption of units		4,321	-	1,308	-
Accounting income available for distribution:					
- Relating to capital gains		-	15,824	-	-
- Excluding capital gains		-	366	-	-
		-	16,191	-	(36,277)
		4,321	16,191	1,308	(36,277)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
As at March 31, 2021

	Nine Month ended March 31,		Quarter ended, March 31,	
	2021	2020	2021	2020
	----- Rupees in '000 -----			
Net income / (loss) for the period after taxation	4,321	16,191	1,308	(36,277)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	4,321	16,191	1,308	(36,277)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Movement In Unitholders' Fund (Un-Audited)
As at March 31, 2021

	Nine Month ended March 31,						
	2021			2020			
Note	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
	(Rupees in '000)						
Net assets at beginning of the period	119,577	(92,140)	27,437	208,720	(92,140)	-	116,580
Issue of units 414,955 (2020: 3,230,770 units)							
- Capital value (at net asset value per unit at the beginning of the period)	36,327	-	36,326	282,836	-	-	282,835
- Element of loss	4,234	-	4,234	(21,836)	-	-	(21,836)
Total proceeds on issuance of units	40,561	-	40,560	261,000	-	-	260,999
Redemption of 728,366 units (2020: 3,484,559 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(67,997)	-	(67,997)	(305,053)	-	-	(305,053)
- Amount paid out of element of income relating to net income for the year after taxation	-	(4,321)	(4,321)	(4,858)	-	-	(4,858)
Total payments on redemption of units	(67,997)	(4,321)	(72,318)	(309,911)	-	-	(309,910)
transferred to distribution statement	-	-	-	-	-	-	(384)
Total comprehensive income for the period	-	4,321	4,321	-	16,191	-	16,191
Net assets at end of the period	92,141	(92,140)	-	159,809	(75,949)	-	83,860
Accumulated loss brought forward							
- Realised		(92,924)			(92,140)		
- Unrealised		784			-		
		(92,140)			(92,140)		
Accounting income available for distribution							
- Relating to capital gains		-			15,824		
- Excluding capital gains		-			366		
		-			16,191		
Distribution during the period		-			-		
		(92,140)			(75,949)		
Undistributed income carried forward							
- Realised		(92,140)			(61,846)		
- Unrealised		-			(14,103)		
		(92,140)			(75,949)		
			Rupees				Rupees
Net assets value per unit at beginning of the period			87.5443				87.5443
Net assets value per unit at end of the period			-				75.4538

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
As at March 31, 2021

	Note	Nine Month ended March 31,	
		2021	2020
		(Rupees in '000)	
Cash flows from operating activities			
Net income/(loss) for the period before taxation		4,321	16,191
Adjustments			
Capital (gain) / Loss during the period		(5,262)	(29,928)
Dividend Income		(82)	(6,547)
Profit on bank deposits		(141)	(1,168)
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss		-	14,103
		(1,165)	(7,348)
(Increase) / decrease in assets			
Investments - net		27,510	44,045
Dividend receivable and accrued mark-up		904	7,944
Advances and deposits		(131)	(1,066)
Receivable against sale of investment		1,607	3,116
Preliminary expenses and floatation costs		104	165
		29,995	54,205
Increase in liabilities			
Payable to the Management Company		6,021	40
Payable to the Trustee		53	26
Payable to Securities and Exchange Commission of Pakistan		(26)	(256)
Payable against Formation cost		-	(1,100)
Accrued expenses and other liabilities		(2,210)	912
		3,839	(379)
		32,669	46,478
Net cash generated from / (used) in operating activities		32,669	46,478
Cash flows from financing activities			
Amount received on issue of units		40,560	260,999
Payment against redemption of units		(72,318)	(309,910)
Net cash (used) in / generated from financing activities		(31,758)	(48,911)
Net (decrease) / increase in cash and cash equivalents		911	(2,433)
Cash and cash equivalents at beginning of the period		543	6,975
Cash and cash equivalents at end of the period	4.	1,454	4,542

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

As at March 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Dedicated Equity Fund (the Fund) was established under a Trust Deed, dated June 22, 2017, executed between HBL Asset Management Limited as the Management Company and MCB Financial Services limited (MCBFSL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on July 04, 2018.

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

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 principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.

VIS Credit Rating Company has assigned a management quality rating of AM2++ (Positive Outlook) to the Management Company.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 DIRECTOR'S NOTE

The directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the Fund

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 is 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 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.

3.3 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 these condensed interim financial information.

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

	Note	(Un-Audited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
4. BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	1,454	543
		<u>1,454</u>	<u>543</u>

4.1 The balance in savings accounts carry expected profit which ranges from 5.75% to 6.75% (2020 :7.50% to 13.5% per annum.)

	Note	(Un-Audited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
5. INVESTMENTS			
Financial assets at fair value through profit and loss account			
- Listed equity securities	5.1	-	22,248
		<u>-</u>	<u>22,248</u>

5.1 Listed equity securities at fair value through Profit or Loss

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

Name of the Investee Company	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
	Number of shares					%			
Auto mobile assembler									
Honda Atlas Cars (Pakistan) Ltd	-	2,400		2,400	-	-	-	-	-
Millat Tractors Ltd	-	1,000		1,000	-	-	-	-	-
Sazgar Engineering Works Limited	1,100	1,200		2,300	-	-	-	-	-
	1,100	4,600	-	5,700	-	-	-	-	-
TEXTILE COMPOSITE									
Interloop Limited	-	15,000	-	15,000	-	-	-	-	-
Kohinoor Textile Mills Ltd 0.00	-	10,000		10,000	-	-	-	-	-
Nishat Mills Limited	9,100	10,000	-	19,100	-	-	-	-	-
CEMENT									
D.G. KHAN CEMENT COMPANY LIMITED	3,500	14,800		18,300	-	-	-	-	-
Kohat Cement Limited	2,650	1,900	-	4,550	-	-	-	-	-
Fauji cement company limited	-	19,500		19,500	-	-	-	-	-
Pioneer Cement Limited	-	5,000		5,000	-	-	-	-	-
Cherat cement companylimited	8,500	-		8,500	-	-	-	-	-
	41,950	66,500	-	83,150	25,300	-	-	-	-
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	19,667	15,500	-	35,167	-	-	-	-	-
International Industries Ltd	-	3,500		3,500	-	-	-	-	-
Mughal Iron & Steel Inds Lt	14,000	8,500		22,500	-	-	-	-	-
	14,000	21,500	-	35,500	-	-	-	-	-
PHARMACEUTICALS									
AGP Limited	4,000	1,000	-	5,000	-	-	-	-	-
Ferozsons Laboratories LTD	-	2,800		2,800	-	-	-	-	-
Highnoon Laboratories Limited	2,210	-	-	2,210	-	-	-	-	-
The Searle Company Limited	5,100	-	-	5,100	-	-	-	-	-
	13,610	3,800	-	15,110	-	-	-	-	-
Mari Petroleum Company Limited	583	2,400		2,983	-	-	-	-	-
Pakistan Oilfields Limited	800	3,400	-	4,200	-	-	-	-	-
Pakistan Petroleum Limited	15,720	29,300		45,020	-	-	-	-	-
	39,503	58,000	-	75,103	-	-	-	-	-
Pakistan State Oil Company Limited	5,520	7,300		12,820	-	-	-	-	-
Shell Pakistan LLTD	-	1,500		1,500	-	-	-	-	-
Sui Northern Gas Pipeline Limited	13,000	-	-	13,000	-	-	-	-	-
	18,520	8,800	-	27,320	-	-	-	-	-
COMMERCIAL BANKS									
BankIslami Pakistan Limited	-	69,500		69,500	-	-	-	-	-
Meezan Bank Limited	-	15,000	-	15,000	-	-	-	-	-
	-	84,500	-	84,500	-	-	-	-	-

Name of the Investee Company	As at July 01, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
----- Number of shares -----									
Engro Corporation Limited	6,970	7,700	-	14,670	-	-	-	-	-
Engro Fertilizers Limited	5,000	7,500	-	12,500	-	-	-	-	-
Fauji Fertilizer Company Limited	8,000	5,700	-	13,700	-	-	-	-	-
	19,970	20,900	-	40,870	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	16,000	-	16,000	-	-	-	-	-
ICI Pakistan Ltd.	1,800	-	-	1,800	-	-	-	-	-
Sitara peroxide limited	13,000	7,500	-	20,500	-	-	-	-	-
	14,800	23,500	-	38,300	-	-	-	-	-
Technology and Communication									
Avanceon Limited	-	6,500	-	6,500	-	-	-	-	-
Systems Limited	6,100	-	-	6,100	-	-	-	-	-
	6,100	6,500	-	12,600	-	-	-	-	-
CABLE & ELECTRICAL GOODS									
Pak Electron LTD	-	10,500	-	10,500	-	-	-	-	-
Waves singer pakistan limited	-	28,500	-	28,500	-	-	-	-	-
	-	39,000	-	39,000	-	-	-	-	-
Vanaspati & Allied Industries									
Unity foods limited	-	29,500	-	29,500	-	-	-	-	-
	-	29,500	-	29,500	-	-	-	-	-
FOOD & ALLIED INDUSTRIES									
The organic meat company limited	-	50,000	-	50,000	-	-	-	-	-
	-	50,000	-	50,000	-	-	-	-	-
REFINERY									
Attock refinery limited	-	1,500	-	1,500	-	-	-	-	-
Pakistan Refinery Limited	-	19,500	-	19,500	-	-	-	-	-
	-	21,000	-	21,000	-	-	-	-	-
Total as at March 31, 2021	198,320	488,600	-	636,920	-	-	-	-	-
Total as at June 30, 2020	1,230,496	4,981,753	-	6,013,929	198,320	22,248	-	-	-
Carrying value as at March 31, 2021									
Cost of investments at March 31, 2021									

5.2 These investments include shares having market value aggregating to Rs. 5.529 million that have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in Pakistan Stock Exchange.

6. ADVANCES AND DEPOSITS

	Note	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
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		2,822	2,691
		5,422	5,291

7. PAYABLE TO THE MANAGEMENT COMPANY

	Note	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
Management fee		169	58
Sindh Sales Tax on Management Company's remuneration		22	8
Selling and marketing payable		-	103
Allocation of expenses related to registrar services, accounting, operation and valuation services		16	5
Payable to management company		5,988	-
		6,195	174

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Charity payable	8.1	55	490
Auditors' remuneration		412	278
Payable to brokers		18	409
Provision for SWWF	8.2	702	614
Payable to shariah advisor		43	17
Other payable		-	1,632
		1,229	3,440

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

8.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

As there is income for the Nine month ended March 31, 2021, a provision of 0.702 million for SWWF has been recognised in this condensed interim financial information.

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2021.

10. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2020 to its unit holders.

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine month ended March 31, 2021 is 4.93%, which includes 0.50% representing government levy, Workers' Welfare Fund and SECP fee (March 2020: 3.93% which includes 0.41% representing government levy, Worker's welfare fund and SECP Fee.

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	(Un-Audited) March 31, 2021	(Un-Audited) March 31, 2020
	(Rupees in '000)	
12.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	298	2,920
Allocation of expenses related to registrar services, accounting, operation and valuation services	21	279
Selling and Marketing expenses	(116)	983
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	124	200
MCBFSL Trustee HBL IFPF Islamic Capital Preservation Plan		
Issue of Nil units (2020: 2,827,957 units)	-	231,000
Redemption of 313,411 units (2020: 3,175,858 units)	30,290	283,358
MCBFSL Trustee HBL IFPF Active Allocation Plan		
Issue of 251,913 units (2020: 161,125 units)	24,600	12,000
Redemption of 251,913 units (2020: 161,125 units)	25,487	12,623
MCBFSL Trustee HBL FPF Active Allocation Plan		
Issue of 159,617 units (2020: Nil units)	15,600	-
Redemption of 159,617 units (2020: Nil units)	16,203	-

12.2	Amounts outstanding as at period / year end	(Un-Audited) March 31, 2021	(Un-Audited) June 30, 2020
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee payable	169	39
	Sales tax payable	22	5
	Allocation of expenses related to registrar services, accounting, operation and valuation services	16	5
	Loan payable to Management Company	6,000	4,928
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	77	27
	MCBFSL Trustee HBL IFPF Islamic Capital Preservation Plan		
	Investment held in the Fund: Nil units (June 30, 2020: 313,411)	-	27,437
	MCBFSL Trustee HBL IFPF Active Allocation Plan		
	Investment held in the Fund: Nil units (June 30, 2020: nil units)	-	-
	MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan		
	Investment held in the Fund: Nil units (June 30, 2020: nil units)	-	-
	MCBFSL Trustee HBL IFPF Conservative Allocation Plan		
	Investment held in the Fund: Nil units (June 30, 2020: nil units)	-	-

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

March 31, 2021 (Un-Audited)							
Carrying amount			Fair Value				
Note	Fair Value Through Profit and Loss	At Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Investments							
- Listed equity securities	5	-	-	-	-	-	-
Financial assets not measured at fair value							
13.1							
Bank balances	-	1,454	1,454	-	-	-	-
Dividend and profit receivable	-	19	19	-	-	-	-
Deposits	-	2,600	2,600	-	-	-	-
		4,073	4,073	-	-	-	-
Financial liabilities not measured at fair value							
13.1							
Payable to management company	-	6,195	6,195	-	-	-	-
Payable to trustee		77	77				
		3	3				
Payable to Securities and Exchange Commission of Pakistan							
Accrued expenses and other liabilities		527	527				
		6,802	6,802	-	-	-	-
June 30, 2020 (Audited)							
Carrying amount			Fair Value				
Note	Fair Value Through Profit and Loss	At Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Investments							
- Listed equity securities		22,248	-	22,248	-	-	22,248
Financial assets not measured at fair value							
Bank Balances	-	6,975	6,975	-	-	-	-
Dividend and Profit receivable	-	1,590	1,590	-	-	-	-
Preliminary expenses and floatation cost	-	935	935	-	-	-	-
Receivable against sale of investment	-	3,116	3,116	-	-	-	-
Advances and deposits	-	4,202	4,202	-	-	-	-
		16,818	16,818	-	-	-	-
Financial liabilities not measured at fair value							
Payable to management company	-	475	475	-	-	-	-
Payable to trustee	-	10	10	-	-	-	-
Accrued expenses and other liabilities	-	763	763	-	-	-	-
Payable against formation cost	-	1,100	1,100	-	-	-	-
Unit Holder's fund	-	116,580	116,580	-	-	-	-
		118,928	118,928	-	-	-	-

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

13.2 Transfers during the period

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

14 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement was authorised for issue by the Board of Directors of the Management Company on _____ .

15. GENERAL

15.1 Update on CoVID-19 Impact :

In continuation of note _____ 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.

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

15.3 These condensed interim financial statements is unaudited and has been reviewed by the auditors.

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

Chief Financial Officer

Chief Executive Officer








Director










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HBL

ASSET MANAGEMENT LTD.

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