

**HBL**

**ASSET MANAGEMENT LTD.**  
ایسبٹ مینجمنٹ لمیٹڈ

AMC Rating : AM2++ by JCR-VIS



# QUARTERLY REPORT 2021

For the period ended September 30, 2021

MOVING TOWARDS  
**EXCELLENCE**

# TABLE OF CONTENTS

---

---

<i>Corporate Information</i>	04
<i>Report of the Directors of the Management Company</i>	05 - 14
<b>HBL Income Fund</b>	
<i>Fund Information</i>	17
<i>Condensed Interim Statement of Assets and Liabilities</i>	18
<i>Condensed Interim Income Statement</i>	19
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	20
<i>Condensed Interim Cash Flow Statement</i>	21
<i>Notes to the Condensed Interim Financial Information</i>	22 - 33
<b>HBL Government Securities Fund</b>	
<i>Fund Information</i>	35
<i>Condensed Interim Statement of Assets and Liabilities</i>	36
<i>Condensed Interim Income Statement</i>	37
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	38
<i>Condensed Interim Cash Flow Statement</i>	39
<i>Notes to the Condensed Interim Financial Information</i>	40 - 48
<b>HBL Money Market Fund</b>	
<i>Fund Information</i>	50
<i>Condensed Interim Statement of Assets and Liabilities</i>	51
<i>Condensed Interim Income Statement</i>	52
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	53
<i>Condensed Interim Cash Flow Statement</i>	54
<i>Notes to the Condensed Interim Financial Information</i>	55 - 63
<b>HBL Cash Fund</b>	
<i>Fund Information</i>	65
<i>Condensed Interim Statement of Assets and Liabilities</i>	66
<i>Condensed Interim Income Statement</i>	67
<i>Condensed Interim Statement of Comprehensive Income</i>	68
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	69
<i>Condensed Interim Cash Flow Statement</i>	70
<i>Notes to the Condensed Interim Financial Information</i>	71 - 80

# TABLE OF CONTENTS

---

---

## **HBL Stock Fund**

<i>Fund Information</i>	<b>82</b>
<i>Condensed Interim Statement of Assets and Liabilities</i>	<b>83</b>
<i>Condensed Interim Income Statement</i>	<b>84</b>
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	<b>85</b>
<i>Condensed Interim Cash Flow Statement</i>	<b>86</b>
<i>Notes to the Condensed Interim Financial Information</i>	<b>87 - 97</b>

## **HBL Equity Fund**

<i>Fund Information</i>	
<i>Condensed Interim Statement of Assets and Liabilities</i>	<b>99</b>
<i>Condensed Interim Income Statement</i>	<b>100</b>
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	<b>101</b>
<i>Condensed Interim Cash Flow Statement</i>	<b>102</b>
<i>Notes to the Condensed Interim Financial Information</i>	<b>103</b>
	<b>104 - 113</b>

## **HBL Energy Fund**

<i>Fund Information</i>	<b>115</b>
<i>Condensed Interim Statement of Assets and Liabilities</i>	<b>116</b>
<i>Condensed Interim Income Statement</i>	<b>117</b>
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	<b>118</b>
<i>Condensed Interim Cash Flow Statement</i>	<b>119</b>
<i>Notes to the Condensed Interim Financial Information</i>	<b>120 - 128</b>

## **HBL Multi Asset Fund**

<i>Fund Information</i>	<b>130</b>
<i>Condensed Interim Statement of Assets and Liabilities</i>	<b>131</b>
<i>Condensed Interim Income Statement</i>	<b>132</b>
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	<b>133</b>
<i>Condensed Interim Cash Flow Statement</i>	<b>134</b>
<i>Notes to the Condensed Interim Financial Information</i>	<b>135 - 146</b>

## TABLE OF CONTENTS

---

---

### **HBL Financial Planning Fund**

<i>Fund Information</i>	<b>148</b>
<i>Condensed Interim Statement of Assets and Liabilities</i>	<b>149</b>
<i>Condensed Interim Income Statement</i>	<b>150</b>
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	<b>151 - 153</b>
<i>Condensed Interim Cash Flow Statement</i>	<b>154</b>
<i>Notes to the Condensed Interim Financial Information</i>	<b>155 - 163</b>

### **HBL Growth Fund**

<i>Fund Information</i>	<b>165</b>
<i>Condensed Interim Statement of Assets and Liabilities</i>	<b>166</b>
<i>Condensed Interim Income Statement</i>	<b>167</b>
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	<b>168</b>
<i>Condensed Interim Cash Flow Statement</i>	<b>169</b>
<i>Notes to the Condensed Interim Financial Information</i>	<b>170 - 180</b>

### **HBL Investment Fund**

<i>Fund Information</i>	<b>182</b>
<i>Condensed Interim Statement of Assets and Liabilities</i>	<b>183</b>
<i>Condensed Interim Income Statement</i>	<b>184</b>
<i>Condensed Interim Statement of Comprehensive Income</i>	<b>185</b>
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	<b>186</b>
<i>Condensed Interim Cash Flow Statement</i>	<b>187</b>
<i>Notes to the Condensed Interim Financial Information</i>	<b>188 - 199</b>

## CORPORATE INFORMATION

---

---

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of October 28, 2021)

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	
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 Advisor

Bawany & Partners,  
Lane 13, D.H.A Phase 6, Bukhari Commercial Area,  
Defense Housing Authority, Karachi.

Website

[www.hblasset.com](http://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 PERIOD ENDED SEPTEMBER 30, 2021

---

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund, HBL Financial Planning Fund, HBL Growth Fund and HBL Investment Fund (the Funds) for the period ended September 30, 2021.

## **Economic Review**

The Government has adopted a pro-growth budget for FY22, whereby it expects a GDP growth rate of 4.8% on the back of higher PSDP expenditure and incentives given to agriculture and industrial sectors. In its Monetary Policy meeting held on 20-Sep-21, the Monetary Policy Committee (MPC) noted that the pace of economic recovery has exceeded expectations, and focus should now be shifted from catalyzing economic recovery toward sustaining it. In order to ensure sustainability of growth, the MPC decided to increase the Policy Rate by 25bps to 7.25%.

The Current Account Deficit (CAD) for Aug-21 clocked in at USD 1.48bn, taking 2MFY22 CAD to USD 2.29bn, compared to a surplus of 838mn during the same period last year. This was primarily driven by a higher trade deficit as the growth in goods imported (up ~68%) outstripped the growth in goods exported (up ~35%). In order to curtail the rapid increase in CAD, the Government has taken several measures, such as increasing interest rate, imposing 100% cash margin requirement on import of additional 114 items, mandating banks to seek permission for import payments of USD 500,000 or more, and evaluating re-imposition of duties on non-essential imports.

CPI for Sep-21 clocked in at 8.98%, taking 1QFY22 average CPI to 8.56%, compared to 8.85% during the same period last year. The increase in CPI was largely driven by higher food and fuel prices, which have been on a rising trajectory owing to demand-side pressures as global economies begin to reopen, while supply-side constraints still persist.

Fiscal deficit for FY21 clocked in at 7.1%, while the Government has set a target of 6.3% for FY22. Fiscal deficit in Jul-21 clocked in at 0.4% of GDP compared to 0.5% of GDP during the same period last year. FBR's Tax Revenue for FY22 is projected to grow by 22% to PKR 5,829bn, while Non-Tax Revenue is projected to grow by 38% to PKR 2,080bn. FBR has exceeded its tax collection target for 1QFY22 as it has provisionally collected PKR 1,395bn against the target of PKR 1,211bn.

During Jul-21, LSM witnessed an increase of 2.3% against 8.1% in Jul-20. The growth in LSM was largely driven by Automobiles (44.6%), Wood Products (24.2%), and Chemicals (13.6%). The LSM growth slowed down temporarily due to closure of industrial activities during Eid holidays. However, the recent uptrend in sales of automobiles, petroleum products and cement dispatches is expected to boost LSM in the coming months.

## **Stock Market Review**

During 1QFY22, the KSE-100 index declined by 2,456 pts or 5.2% to close at 44,900 pts. The market remained lackluster during the first two months however declined significantly in Sep-21. The primary reasons for the market being under pressure were 1) Rapid increase in CAD due to rising domestic demand and significant increase in international commodity prices, 2) weakening PKR against the USD – 8.30% depreciation in 1QFY22, 3) Commencement of Monetary Tightening with SBP's MPS increasing the benchmark policy rate by 25bps in the last MPS as they noted that the burden of adjusting the rising CAD had fallen primarily on the exchange rate and it was appropriate for other adjustment tools, including interest rates, to also play their due role, 4) Geo-political issues in the region with heightened uncertainty due to the situation in Afghanistan and a possible reset in US-Pakistan relations, 5) Uncertainty surrounding the IMF program, and 6) Continued foreign selling after Pakistan's reclassification from Emerging to Frontier Market Index.

Average Volumes traded during the month declined by 39.50% QoQ to 141.4mn shares, while the value traded went down by 43.20% QoQ to 7.4bn. On the flows side, foreigners were the net sellers during 1QFY22 and sold shares worth USD 83.4mn.

We expect market direction in the near-term to be dictated by changes in international commodity prices, developments on the IMF front, and possible improvement in macro indicators following corrective measures taken by the authorities. We believe there is ample liquidity available with local investors which, coupled with expected foreign inflows post Pakistan's inclusion in the MSCI FM index, should lead to re-rating of the equity market.

Our longer-term equity outlook remains positive on account of increase in pace of COVID-19 vaccinations, easing geo-political concerns, and reversal of commodity cycle.

## **Money Market Review**

---

---

The Central bank continued with the stance of supporting economic recovery even post COVID and kept the policy rate static till September 19, 2021. However, during the recent Monetary Policy the committee noted that pace of the economic recovery has exceeded expectations. Robust recovery in domestic demand, coupled with higher international commodity prices and rising demand pressures lead to a strong uptick in imports and a rise in the current account deficit. Rising demand pressures together with higher imported inflation could result in higher CPI readings later in the fiscal year which led the State Bank of Pakistan to proactively increase the interest rate by 0.25%. Continued progress in vaccination, the economic recovery now appears less vulnerable.

Yields across all the tenors changed between +22bps to +92 bps during 3MFY22 expectations that we may witness further hike in interest rate during FY22. Secondary market yields of 3, 5 and 10-year PIBs increased by 73, 46 and 51 bps respectively while yields of 3, 6 and 12 month T-Bills increased in tandem by 31, 46 and 92 bps respectively during the period. The cut-off yields in the last T-Bill Auction were 7.64% and 7.98% for 3M and 6M tenor whereas the 12M tenor was rejected. The cut offs in the last PIB Auction pre-MPS were 8.88%, 9.18% and 9.83% for the 3Y, 5Y, and 10Y tenor.

On September 27, 2021 government announced the issuance for the new GoP Ijarah Sukuk for which the auction was scheduled on September 30, 2021. The tenor of the Sukuk was 5years and the target for Fixed Rental Rate Sukuk (FRR) and the Variable Rental Rate Sukuk (VRR) were kept at PKR 75bn and PKR 25bn. Participation of PKR 193.1bn was received in the VRR, whereas, PKR 53.83bn was received in FRR. The total acceptance on the FRR was made at 9.70% against which PKR 12.73bn was accepted. The total acceptance in the VRR was made at -10bps over the weighted average 6M T-bills rate and cumulatively PKR 190.5bn was accepted.

#### **Future Outlook**

Moving ahead, we believe that GDP growth is likely to remain encouraging on account of sharp pick-up in economic activities. Recent measures to curtail the rapid increase in CAD should also ease pressure on the local currency. We expect CAD to clock in at USD 10.3bn (3.2% of GDP) in FY22, owing to increase in trade deficit due to strong rebound in domestic demand, higher international commodity prices, and resumption of international travel. Given nominal GDP growth of ~13%, and currency depreciation of ~6%, we believe that CAD of USD 10-11bn is manageable. Focus would remain on how the Government strikes a balance between achieving the desired economic growth rate, while keeping the external and fiscal accounts in check.

Pakistan equities are expected to perform well in FY22 due to cheap valuations and improvement in macroeconomic outlook following corrective measures taken by the authorities in a timely manner. The market is trading at an eye catching P/E multiple of 5.0x compared to regional average of 15.7x, and offers an attractive dividend yield of 7.7%, compared to regional average of 2.5%. Moreover, as a result of the recent decline, the spread between KSE-100 index earnings yield and 10Y PKRV has increased to 9.5%, compared to 5-year historical average spread of 4.9%, which implies an upside of ~30%. We believe Pakistan equities offer a good opportunity for long-term investors.

On the fixed income front, we believe that inflation will taper down to average 8.4% during FY22 due to high-base effect and expectation of easing in international commodity prices. However, upside risks to our estimate remain in the form of elevated international food and commodity prices for an extended time. On the Islamic front we expect government to issue Ijara Sukuk and Energy Sukuk in FY22 to bridge the fiscal gap. Going forward, strong uptick in imports and a potential rise in the current account deficit will need to be monitored closely.

#### **FUND'S PERFORMANCE AND PAYOUTS**

##### **HBL Income Fund**

The total income and net income of the Fund was Rs. 74.05 million and Rs. 87.65 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 110.5617 per unit as on June 30, 2021 which increased to Rs. 114.0585 per unit as on September 30, 2021, thereby giving an annualized return of 12.55%. During the same period, the benchmark (6 Month KIBOR) return was 7.66%. The size of Fund was Rs. 4.05 billion as on September 30, 2021 as compared to Rs. 2.27 billion at the start of the year.

---

---

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

#### **HBL Government Securities Fund**

The total income and net income of the Fund was Rs. 23.38 million and Rs. 36.92 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 112.5377 per unit as on June 30, 2021 which increased to Rs. 11.4987 per unit as on September 30, 2021, thereby giving an annualized return of 13.96%. During the same period the benchmark (6 Month PKRV Rates) return was 7.52%.The size of Fund was Rs. 1.13 billion as on September 30, 2021 as compared to Rs. 1.07 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has upgraded the Fund stability rating from A+(f) to AA(f).

#### **HBL Money Market Fund**

The total income and net income of the Fund was Rs. 232.47 million and Rs. 271.72 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.6193 per unit as on June 30, 2021 which increased to Rs. 104.9118 per unit as on September 30, 2021, thereby giving an annualized return of 8.86%. During the same period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 6.75%.The size of Fund was Rs. 12.39 billion as on September 30, 2021 as compared to Rs. 12.84 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has upgraded the Fund stability rating from A+(f) to AA(f).

#### **HBL Cash Fund**

The total income and net income of the Fund was Rs. 563.47 million and Rs. 630.66 million respectively during the period ended September 30, 2021. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 101.2227 per unit as on June 30, 2021. The NAV of the Fund was Rs 101.7726 per unit as on September 30, 2021 (after incorporating dividends of Rs. 1.7593 per unit); thereby giving an annualized return of 9.12%. During the same period, the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 6.75%.The size of Fund was Rs 37.05 billion as on September 30, 2021 as compared to Rs.26.54 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has upgraded the Fund stability rating from A+(f) to AA(f).

#### **HBL Stock Fund**

The total and net loss of the Fund was Rs. 125.88 million and Rs. 92.78 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs 112.1020 per unit as on June 30, 2021. The NAV of the Fund was Rs. 101.3324 per unit as on September 30, 2021, thereby giving a negative return of 9.61%. During the same period, the benchmark KSE 30 index yielded a negative return of 5.20%.The size of Fund was Rs 0.91 billion as on September 30, 2021 as compared to Rs. 0.95 billion at the start of the year.

#### **HBL Equity Fund**

The total and net loss of the Fund was Rs. 305.35 million and Rs. 321.92 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 139.9454 per unit as on June 30, 2021. The NAV of the Fund was Rs. 118.8499 per unit as on September 30, 2021; thereby giving a negative return of 15.07%. During the same period, the benchmark KSE 100 index yielded a negative return of 5.19%. The size of Fund was Rs. 1.70 billion as on September 30, 2021 as compared to Rs. 2.27 billion at the start of the year.

#### **HBL Energy Fund**

The total and net loss of the Fund was Rs. 92.25 million and Rs. 93.14 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 11.9855 per unit as on June 30, 2021. The NAV of the Fund was Rs. 10.5564 per unit as on September 30, 2021, thereby giving a negative return of 11.92%. During the same period, the benchmark KSE 30 index yielded a negative return of 5.20%. The size of Fund was Rs. 0.66 billion as on September 30, 2021 as compared to Rs. 0.77 billion at the start of the year.



---

---

## **HBL Multi Asset Fund**

The total and net loss of the Fund was Rs. 11.18 million and Rs. 7.61 million respectively during the period ended September 30, 2021. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 112.7464 per unit as on June 30, 2021. The NAV of the Fund was Rs 108.4058 per unit as on September 30, 2021, thereby giving a negative return of 3.85%. During the same period, the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a negative return of 2.90%. The size of Fund was Rs 0.19 billion as on September 30, 2021 as compared to Rs. 0.20 billion at the start of the year.

## **HBL Financial Planning Fund**

The Fund comprises of three sub funds (plans) namely Active allocation plan, Conservative allocation plan and Special income plan. The Special income plan marked its maturity on September 13, 2021.

The Fund as a whole incurred a total and net loss of Rs. 4.55 million and Rs. 3.87 million respectively during the period under review. The fund size of the fund stood at Rs. 94 million as on September 30, 2021 as compared to Rs. 197 million at the start of the year.

Performance review for plans is given below:

### **Active Allocation Plan**

During the period under review, the Active allocation plan incurred a total and net loss of Rs. 5.42 million and Rs 5.18 million respectively. The net assets of the Active allocation plan stood at Rs. 42 million representing Net Asset Value (NAV) of Rs. 103.2079 per unit as at September 30, 2021 as compared to net assets of Rs. 58 million representing Net Asset Value (NAV) of Rs. 115.7579 at the start of the year. The plan posted a negative return of 10.84% for the period under review.

### **Conservative Allocation Plan**

During the period under review, the Conservative allocation plan incurred a total and net loss of Rs. 0.68 million and Rs 0.50 million respectively. The net assets of the Conservative allocation plan stood at Rs. 52 million representing Net Asset Value (NAV) of Rs. 114.1176 per unit as at September 30, 2021 as compared to net assets of Rs. 51 million representing Net Asset Value (NAV) of Rs. 115.2069 at the start of the year. The plan earned a negative return of 0.95% for the period under review.

### **Special Income Plan**

During the period under review, the Special income plan earned total and net income of Rs. 1.56 million and Rs 1.82 million respectively.

## **HBL Growth Fund**

The Fund as a whole incurred a total and net loss of Rs. 194.16 million and Rs. 305.63 million respectively during the period under review. The size of the fund stood at Rs. 7.78 billion as on September 30, 2021 as compared to Rs. 8.70 billion at the start of the year.

Performance review of each class is presented below:

### **HBL Growth Fund – Class ‘A’**

HBL Growth Fund – Class ‘A’ earned a total and net income of Rs. 43.08 million and Rs. 4.71 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 21.8032 per unit as on September 30, 2021 as compared to Rs. 24.1401 as at June 30, 2021, thereby giving a negative return of 9.68%. During the same period the benchmark KSE 100 index yielded a negative return of 5.19%. The size of Class ‘A’ was Rs. 6.18 billion as on September 30, 2021 as compared to Rs. 6.84 billion at the start of the year.

### **HBL Growth Fund – Class ‘B’**

HBL Growth Fund – Class ‘B’ incurred a total and net loss of Rs. 237.24 million and Rs. 206.32 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 17.6514 per unit as on September 30, 2021 as compared to Rs. 19.9059 as at June 30, 2021, thereby giving a negative return of 11.33%. During the same period the benchmark KSE 100 index yielded a negative return of 5.19%. The size of Class ‘B’ was Rs. 1.60 billion as on September 30, 2021 as compared to Rs. 1.86 billion at the start of the year.

---

---

---

---

## **HBL Investment Fund**

The Fund as a whole incurred a total and net loss of Rs. 168.04 million and Rs. 168.63 million respectively during the period under review. The size of the fund stood at Rs. 3.45 billion as on September 30, 2021 as compared to Rs. 3.88 billion at the start of the year.

Performance review of each class is presented below:

### **HBL Investment Fund – Class ‘A’**

HBL Investment Fund – Class ‘A’ earned and incurred a total income and net loss of Rs. 11.03 million and Rs. 3.55 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 7.8941 per unit as on September 30, 2021 as compared to Rs. 8.7715 as at June 30, 2021, thereby giving a negative return of 10.00%. During the same period the benchmark KSE 100 index yielded a negative return of 5.19%. The size of Class ‘A’ was Rs. 2.24 billion as on September 30, 2021 as compared to Rs. 2.49 billion at the start of the year.

### **HBL Investment Fund – Class ‘B’**

HBL Investment Fund – Class ‘B’ incurred a total and net loss of Rs. 179.06 million and Rs. 165.09 million respectively during the period ended September 30, 2021. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 8.9961 per unit as on September 30, 2021 as compared to Rs. 10.2262 as at June 30, 2021, thereby giving a negative return of 12.03%. During the same period the benchmark KSE 100 index yielded a negative return of 5.19%. The size of Class ‘B’ was Rs. 1.20 billion as on September 30, 2021 as compared to Rs. 1.39 billion at the start of the year.

## **MANAGEMENT COMPANY RATING**

The VIS Credit Rating Company Limited (JCR-VIS) 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 & Digital Custodian Company Limited as Trustee, the Pakistan Stock Exchange Limited and the State Bank of Pakistan.

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

On behalf of the Board of  
HBL Asset Management Limited

Chief Executive Officer

## انتظامی کمپنی کے ڈائریکٹرز کی رپورٹ

انٹجی ایل ایسیٹ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت 30 ستمبر 2021 کو ختم ہونے والی مدت کے لیے اپنی رپورٹ مع انٹجی ایل انکم فنڈ، انٹجی ایل گورنمنٹ سیکورٹیز فنڈ، انٹجی ایل منی مارکیٹ فنڈ، انٹجی ایل ایل کیش فنڈ، انٹجی ایل اسٹاک فنڈ، انٹجی ایل ایلیٹ فنڈ، انٹجی ایل انرجی فنڈ، انٹجی ایل ایلیٹ فنڈ، انٹجی ایل فنانشل پلاننگ فنڈ، انٹجی ایل گروتھ فنڈ اور انٹجی ایل انویسٹمنٹ فنڈ (دی فنڈز) کے مالیاتی حسابات پیش کر رہے ہیں۔

### اقتصادی جائزہ

حکومت نے مالیاتی سال 22 کے لیے ایک پرو-گروتھ بجٹ رائج کیا ہے جس کے ذریعے یہ توقع ہے کہ بلند تر پی ایس پی ڈی خراجات اور زرعی و صنعتی سیکٹرز کو دی جانے والی مراعاتوں کے پیش نظر 4.8% کی جی ڈی پی گروتھ حاصل ہوگی۔ اس کی مانیٹری پالیسی مینٹگ منعقدہ 20 ستمبر 21 میں مانیٹری پالیسی کمیٹی (ایم پی سی) نے نوٹ کیا تھا کہ معاشی بحالی کی رفتار تو تقعات سے زائد رہی ہے اور اب توجہ معاشی بحالی سے گروتھ کو برقرار رکھنے کی جانب مبذول کرنے کی ضرورت ہے۔ گروتھ میں پائیداری برقرار رکھنے کو یقینی بنانے کے لیے ایم پی سی نے فیصلہ کیا کہ پالیسی ریٹ 25bps بڑھا کر 7.25% کر دیا جائے۔

اگست 21 کے لیے کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) 1.48 یو ایس ڈالر تک پہنچ گیا، جو مالی سال 22 کے دو ماہ میں 2.29 ارب ڈالر تک چلا گیا، جبکہ یہ گزشتہ برس کی اسی مدت کے دوران 838 ملین سرپلس رہا تھا، یہ بنیادی طور پر بلند تر تجارتی خسارے کے باعث ہوا جیسا کہ درآمد شدہ ایشیا میں گروتھ (68% ~ up) رہی اور برآمدی ایشیا میں گروتھ کا حجم کم (35% ~ up) رہا۔ سی اے ڈی میں تیز رفتار اضافے میں کمی کی غرض سے حکومت نے متعدد اقدامات کیے جن میں شرح سود میں اضافہ، 114 اضافی آئٹمز کی درآمد پر 100% کیش مارجن کی شرائط کا اطلاق، 500,000 یو ایس ڈالر یا اس سے زائد کی درآمدی ادائیگیوں کے لیے بینکوں کو لازمی اجازت کی شرط اور غیر ضروری درآمد پر ڈیوٹیوں کی ری ایڈجسٹمنٹ کا جائزہ لینا شامل ہے۔

ستمبر 21 کے لیے سی پی آئی 8.8% تک پہنچ گیا جس سے مالی سال 22 کی پہلی سہ ماہی میں اوسطاً سی پی آئی 8.56% رہا جو گزشتہ برس کی اسی مدت کے دوران 8.85% رہا تھا۔ سی پی آئی میں اضافہ وسیع طور پر ایشیائی خورد و نوش اور ایندھن کے نرخوں میں نمایاں اضافے کے سبب ہوا جو کہ طلب کی جانب دباؤ کے بڑھتے ہوئے رجحان کا نتیجہ رہا جیسا کہ عالمی معیشتیں بھی بحالی کی جانب گامزن رہیں جبکہ سی پی آئی کی جانب مستقل طور پر کمی کا سامنا رہا۔

مالی سال 21 کے لیے مالیاتی خسارہ 7.1% تک پہنچ گیا جبکہ حکومت نے مالی سال 22 کے لیے 6.3% کا ہدف طے کیا تھا۔ جولائی 21 میں مالیاتی خسارہ جی ڈی پی کا 0.4% تک پہنچ گیا جو گزشتہ برس کی اسی مدت کے دوران جی ڈی پی کا 0.5% رہا تھا۔ مالی سال 22 کے لیے ایف بی آئی آر کا ٹیکس ریو نیومنٹ طور پر 22% تک بڑھ کر 15,829 ارب روپے تک پہنچ جائے گا جبکہ نان ٹیکس ریو نیو 38% تک اضافے کے ساتھ 108,02 ارب روپے کی توقع ہے۔ ایف بی آئی آر نے مالی سال 22 کی پہلی سہ ماہی کے لیے ٹیکس وصولی کے اپنے ہدف سے زائد وصولی کی جیسا کہ 1,211 ارب روپے کے ہدف کے برخلاف عبوری طور پر 1,395 ارب روپے کی وصولیاں کی گئیں۔

جولائی 21 کے دوران ایل ایس ایم نے جولائی 20 میں 8.1% کے برخلاف 2.3% کا اضافہ ظاہر کیا۔ ایل ایس ایم میں گروتھ وسیع طور پر آٹوموبیل ((44.6% بلکڑی کی مصنوعات ((24.2% اور کیمیکلز ((13.6% کی وجہ سے ممکن ہوئی۔ ایل ایس ایم گروتھ عارضی طور پر عید کی تعطیلات کے دوران صنعتی سرگرمیوں کی بندش کے سبب سست رفتار کا شکار ہوئی۔ تاہم آٹوموبیل،، پٹرولیم مصنوعات اور سینٹ کی فروخت میں تیز رفتاری کے رجحان کے سبب توقع ہے کہ آنے والے مہینوں کے دوران ایل ایس ایم میں مزید فروغ حاصل ہوگا۔

آگے بڑھتے ہوئے ہمیں یقین ہے کہ جی ڈی پی کی شرح نمو ممکنہ طور پر بحالی ظاہر کرے گی کیونکہ بیشتر کاروبار اب کھل چکے ہیں تاہم کوویڈ-19 کی چوتھی لہر بحالی کو کمزور کر سکتی ہے۔ توجہ کار مرکز کوویڈ-19 کے اعداد و شمار سے رہیں گے اور حکومت کی جانب سے سے پالیسی اقدامات بھی اس واپسی صورت حال کو کنٹرول کرنے پر مرکوز رہیں گے۔

### اسٹاک مارکیٹ کا جائزہ

مالی سال 22 کی پہلی سہ ماہی کے دوران کے ایس ای-100 انڈیکس نے 2,456 پوائنٹس یا 5.2% تک کمی ظاہر کی اور 44,900 پوائنٹس پر بند ہوا۔ مارکیٹ پہلے دو ماہ کے دوران بدستور کمزور رہی

تاہم ستمبر 21 میں نمایاں حد تک کمی آئی۔ مارکیٹ کے دباؤ میں رہنے کیلئے بنیادی اسباب (1 بڑھتی ہوئی مقامی طلب اور بین الاقوامی اشیائے صرف کے نرخوں میں اضافے کے باعث سی اے ڈی میں تیزی سے اضافہ (2) یو ایس ڈالر کے مقابلے میں پاک روپے کی قدر میں نمایاں کمی - مالی سال 22 کی پہلی سہ ماہی میں 8.30% تک کمی (3) ایس بی پی کی ایم ایس پی کے ساتھ مانیٹری سختی کے آغاز سمیت آخری ایم پی ایس میں 25bps کے ذریعے شیڈ مارک پالیسی ریٹ میں اضافہ جیسا کہ انہوں نے نوٹ کیا کہ بڑھتے ہوئے سی اے ڈی کو ایڈجسٹ کرنے کا بوجھ بنیادی طور پر زرمبادلہ کی شرح پر پڑا اور یہ دیگر ایڈجسٹمنٹ ٹولز بشمول شرح سود کے لیے موزوں تھا تا کہ وہ اپنا مقررہ کردار بھی ادا کریں (4) افغانستان میں جنگی حالات اور امریکا۔ پاکستان تعلقات میں ممکنہ نئی صورتحال کے تناثر میں متاثر ہونے والی خطے کی جغرافیائی صورتحال کے پیش نظر انتہائی بے یقینی (5) ایم ایف پروگرام کے حوالے سے بے یقینی کی کیفیت اور (6) فرنیچر مارکیٹ انڈیکس کے لیے ایمر جنگ سے پاکستان کی ری کلاسیفیکیشن کے بعد مستقل طور پر غیر ملکی فروخت رہے تھے۔

اس مدت کے دوران تجارت کا اوسط حجم QoQ 39.50% کم ہو کر 141.4 ملین شیئرز ہو گیا جبکہ تجارت کی ویلیو QoQ 43.20% تک گر کر 4.7 ارب رہ گئی۔ فلوز کی جانب غیر ملکی مالی سال 22 کی پہلی سہ ماہی کے دوران بڑے فروخت کنندگان رہے اور انہوں نے 83.4 ملین یو ایس ڈالر کے شیئرز فروخت کیے۔

ہم توقع کرتے ہیں کہ مستقبل قریب میں مارکیٹ کی سمت بین الاقوامی اشیائے صرف کے نرخوں میں تبدیلیوں، آئی ایم ایف فرنٹ پر پیشرفت اور حکام بالا کی جانب سے کیے جانے والے درست اقدامات کے پیش نظر نیکیرو اشاریے میں ممکنہ بہتری کی بدولت درست راستے پر گامزن ہو جائے گی۔ ہمیں یقین ہے کہ مقامی انویسٹرز کے ساتھ دستیاب مناسب لیکویڈیٹی آئے گی اور اس کے ساتھ ایم ایس سی آئی ایف ایم انڈیکس میں پاکستان کی شمولیت کے بعد متوقع غیر ملکی ان فلوز کے سبب لیکویڈیٹی مارکیٹ میں ری۔ ریٹنگ کی صورت میں نتیجہ برآمد ہوگا۔

ہمارا طویل مدتی ایکویٹی آؤٹ لک کو یو ایس ڈالر کی ویکسیٹیشنز کی رفتار میں اضافے، خطے کے سیاسی معاملات میں بہتری آنے اور کوویڈیٹی سائیکل پہلے جیسا ہونے کے سبب مثبت رہے گا۔

## مئی مارکیٹ کا جائزہ

مرکزی بینک نے کوویڈ-19 کی واپسی صورتحال کے بعد اقتصادی بحالی میں معاونت کے اقدام کے ساتھ پالیسی ریٹ کو 19 ستمبر 2021 تک برقرار رکھا۔ تاہم حالیہ مانیٹری پالیسی کے دوران کمیٹی نے نوٹ کیا کہ معاشی بحالی کی رفتار توقعات کے مطابق آگے بڑھ رہی ہے۔ مقامی طلب میں تیزی سے بحالی اور اس کے ساتھ بین الاقوامی اشیائے صرف کے بلند نرخوں اور طلب کے بڑھتے ہوئے دباؤ کا در آمدات میں اضافے کی صورت میں نکلا اور کرنٹ اکاؤنٹ خسارہ مزید بڑھ گیا۔ بڑھتی ہوئی طلب کے دباؤ کے ساتھ بلند تر درآمدی افراط زر کا نتیجہ باقی ماندہ مالی سال میں بلند تر سی پی آئی ریڈنگز کی شکل میں برآمد ہو سکتا ہے جس کے باعث اسٹیٹ بینک آف پاکستان نے شرح سود میں 0.25% کا پہلے ہی اضافہ کر دیا۔ ویکسیٹیشن میں مستقل طور پر بہتری آنے سے معاشی بحال اب کم رکاوٹ کی حامل نظر آتی ہے۔

مالیاتی سال 22 کے تین ماہ کے دوران تمام مدتوں کے دوران +22bps تا +92bps کے درمیان تبدیل ہوتی رہیں اور ہم مالیاتی سال 22 میں شرح سود میں مزید کچھ اضافہ ہوتا دیکھ رہے ہیں۔ تین، پانچ اور دس سالہ پی آئی بیز کے یکسٹری مارکیٹ منافع جات اس مدت کے دوران بالترتیب 73، 46 اور 51 پی ایس تک بڑھ گئے جبکہ اس مدت کے دوران تین ماہ۔ چھ ماہ اور بارہ ماہ کے ٹی بلز کے منافع جات بڑھ کر بالترتیب 31، 46 اور 92 پی ایس پر موجود تھے۔ گزشتہ بلز نیلام میں کٹ آف منافع جات تین ماہ اور چھ ماہ کی مدت کے لیے 7.64 فیصد اور 98.7 فیصد تھے جبکہ بارہ ماہ کی مدت مسترد کر دی گئی تھی۔ گزشتہ پی آئی بی نیلام پری۔ ایم پی ایس میں کٹ آفس تین سال، پانچ سال اور دس سال کی مدتوں کے لیے بالترتیب 8.88%، 9.18% اور 83% تھے۔ 27 ستمبر 2021 کو حکومت نے نئے جی او پی اجارہ سلوک کے اجراء کا اعلان کیا تھا جس کے لیے نیلام، 30 ستمبر 2021 کو شیڈول کیا گیا تھا۔ سلوک کی مدت پانچ برس اور فکسڈ ریٹیل ریٹ سلوک (FRR) اور ویری ایبل ریٹیل ریٹ سلوک (VRR) کے لیے ہدف 75 ارب روپے اور 25 ارب روپے رکھے گئے تھے۔ وی آر آر میں 193.1 ارب پاک روپے کی شراکت موصول ہوئی جبکہ ایف آر آر میں 53.83 ارب پاک روپے موصول ہوئے۔ ایف آر آر میں مجموعی قبولیت 9.70% رہی جس کے عوض 12.73 ارب روپے موصول ہوئے۔ وی آر آر میں مجموعی قبولیت اوسطاً حجم شدہ چھ ماہ کے ٹی بلز کی شرح سے 10bps زائد رہی اور مجموعی طور پر 190.5 ارب روپے موصول ہوئے۔

## مستقبل کا جائزہ

آگے بڑھتے ہوئے ہمیں یقین ہے کہ جی ڈی پی کی گروتھ معاشی سرگرمیوں میں تیزی کے رجحان کے سبب حوصلہ افزا رہے گی۔ سی اے ڈی میں تیزی سے اضافے کو روکنے کے حالیہ اقدامات مقامی کرنسی پر دباؤ کو کم کر دیں گے۔ ہم توقع کرتے ہیں مالی سال 22 میں سی اے ڈی 10.3 ارب ڈالر (جی ڈی پی کا 3.2%) تک پہنچ جائے گا جس کی وجہ مقامی طلب میں ایک بار پھر استحکام، بلند ترین الاقوامی اشیائے صرف کے نرخ اور بین الاقوامی سفری سہولت کی بحالی کے باعث تجارتی خسارے کا بڑھنا ہے۔ 13% کی دی گئی عمومی جی ڈی پی گروتھ اور 6% کی کرنسی کی بے قدری کے ساتھ ہم یقین رکھتے ہیں 10-11 ارب ڈالر کا سی اے ڈی قابل انتظام ہے۔ تو جاس امر پر مرکوز رہے گی کہ حکومت کس طرح پسندیدہ اقتصادی شرح نمو کے حصول کے درمیان کیسے توازن رکھے گی جبکہ بیرونی اور مالیات اکاؤنٹس بھی چیک کرنے ہوں گے۔

پاکستان ایکویٹیٹیز مالی سال 22 میں حکام بالا کی جانب سے بروقت کیے جانے والے درست اقدامات کے بعد سستی و بلیو اینٹیز اور ٹیکرو اکنامک آؤٹ لک میں بہتری کے باعث متوقع طور پر بہترین کارکردگی ظاہر کریں گی۔ مارکیٹ 15.7x کے علاقائی اوسط کے مقابلے میں 0x.5 کے شاندار P/E ملٹی پل پر تجارت کر رہی ہے اور 2.5% کے علاقائی اوسط کے مقابلے میں 7.7% کے ایک پرکشش منافع منقسمہ پیداوار کی پیشکش کرتی ہے۔ مزید برآں حالیہ کمی کے نتیجے میں کے ایس ای 100 کی آمدنی کی پیداوار اور 10Y PKRV کے درمیان اسپریڈ 9.5% تک بڑھ گیا جو اس کے مقابلے میں 4.9% کا پانچ سالہ تاریخی اوسط اسپریڈ رہا تھا جس سے 30% کی بہتری ظاہر ہوتی ہے۔ ہم یقین رکھتے ہیں کہ پاکستان ایکویٹیٹیز طویل مدتی سرمایہ کاروں کے بہترین مواقع کی پیشکش کریں گی۔

فلسفہ انکم کے محاذ پر مالی سال 22 کے دوران ہمیں یقین ہے کہ افراط زر اور 8.8% تک جائیگی جس کی وجہ بین الاقوامی ایشیاے صرف کے نرخوں میں بلند تر اثرات اور نرمی کی توقعات ہیں۔ تاہم اوپری جانب کے خطرات سے ہمارے تخمینہ جات بین الاقوامی فوڈ اور ایشیاے صرف کے نرخوں کے اتار چڑھاؤ کی صورت میں ایک توسیع شدہ مدت کے لیے برقرار رہیں گے۔ اسلامی محاذ پر ہمیں توقع ہے حکومت مالی سال 22 میں اجارہ سکوٹ اور زرعی سکوٹ مالیاتی خلا کو پورا کرنے کے لیے جاری کرے گی۔ آگے بڑھتے ہوئے درآمدات میں اوپری رجحان اور کرنٹ اکاؤنٹ خسارے میں اضافے کو قریبی مائیکرو مائیکرو کی ضرورت ہوگی۔

## فنڈ کی کارکردگی اور پے آؤٹس

### ایچ بی ایل انکم فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 74.05 روپے اور 87.65 روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 110.5617 روپے فی یونٹ تھی جو 30 ستمبر 2021 کو بڑھ کر 114.0585 روپے فی یونٹ ہوئی جس کے ذریعے 12.55% کا ایک سالانہ منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیٹچ مارک (چھ ماہ کا ٹی بور) منافع 7.66% تھا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 105.4 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 27.2 بلین روپے رہا تھا۔ جے سی آر وی آئی ایس کرڈٹ ریٹنگ کمپنی نے فنڈ کے لیے درجہ بندی کو A(f) سے A+(f) پر فنڈ اسٹیبلٹی ریٹنگ کو اپ گریڈ کیا ہے۔

### ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 23.38 بلین روپے اور 36.92 بلین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 112.5377 روپے فی یونٹ تھی جو 30 ستمبر 2021 کو بڑھ کر 114.987 روپے فی یونٹ ہوئی جس کے ذریعے 13.96% کا ایک سالانہ منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیٹچ مارک (چھ ماہ PKRV ریٹس) منافع 7.52% تھا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 13.1 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 07.1 بلین روپے رہا تھا۔ جے سی آر وی آئی ایس کرڈٹ ریٹنگ کمپنی نے فنڈ کے لیے درجہ بندی کو A+(f) سے AA(f) پر فنڈ اسٹیبلٹی ریٹنگ کو اپ گریڈ کیا ہے۔

### ایچ بی ایل منی مارکیٹ فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 232.47 بلین روپے اور 271.72 بلین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 102.6193 روپے فی یونٹ تھی جو 30 ستمبر 2021 کو بڑھ کر 104.9118 روپے فی یونٹ ہوئی جس کے ذریعے 8.8% کا ایک سالانہ منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیٹچ مارک (3M PKRV اور 30% ڈپازٹس ریٹس) منافع 6.75% تھا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 12.39 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 12.84 بلین روپے رہا تھا۔

جے سی آر وی آئی ایس کرڈٹ ریٹنگ کمپنی نے فنڈ کے لیے درجہ بندی کو A+(f) سے AA(f) پر فنڈ اسٹیبلٹی ریٹنگ کو اپ گریڈ کیا ہے۔

### ایچ بی ایل کیش فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 563.47 بلین روپے اور 630.66 بلین روپے رہی۔ فنڈ کی ایکس۔ڈیوڈنڈ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 101.2227 روپے فی یونٹ تھی۔ 30 ستمبر 2021 کے مطابق فنڈ کا این اے وی 101.7726 روپے فی یونٹ (1.7593) روپے فی یونٹ کا منافع منقسمہ تشکیل دینے کے بعد) ہو گیا۔ جس کے ذریعے 12% کا ایک سالانہ منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیٹچ مارک (3M PKRV اور 30% ڈپازٹس ریٹس) منافع 6.75% تھا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 37.05 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 26.54 بلین روپے رہا تھا۔

چے آری۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے درجہ بندی کو (f) A سے (f) AA پر فنڈ اسٹیبلٹی ریٹنگ کو اپ گریڈ کیا ہے۔

### ایچ بی ایل اسٹاک فنڈ

فنڈ نے 30 جون 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 125.88 ملین روپے اور 92.78 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 112.1020 روپے فی یونٹ تھی۔ 30 ستمبر 2021 کے مطابق فنڈ کا این اے وی 101.3324 روپے فی یونٹ ہو گیا جس کے ذریعے %9.61 کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے %5.20 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 91.0 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 95.0 ملین روپے رہا تھا۔

### ایچ بی ایل ایکویٹی فنڈ

فنڈ کا مجموعی اور خالص خسارہ 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 305.35 ملین روپے اور 321.92 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 139.9454 روپے فی یونٹ تھی۔ فنڈ کا این اے وی 30 ستمبر 2021 کے مطابق 118.8499 روپے فی یونٹ ہو گیا جس کے ذریعے %15.07 کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے %19.5 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 70.1 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.27 بلین روپے رہا تھا۔

### ایچ بی ایل انرجی فنڈ

فنڈ نے 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 92.25 ملین روپے اور 93.14 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 11.9855 روپے فی یونٹ تھی۔ فنڈ کا این اے وی 30 ستمبر 2021 کے مطابق 10.5564 روپے فی یونٹ ہو گیا جس کے ذریعے %11.92 کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے %20.5 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 66.0 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.77 بلین روپے رہا تھا۔

### ایچ بی ایل میٹریٹیٹیٹی فنڈ

فنڈ نے 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 11.18 ملین روپے اور 61.7 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 112.7464 روپے فی یونٹ تھی۔ فنڈ کا این اے وی 30 ستمبر 2021 کے مطابق 108.4058 روپے فی یونٹ ہو گیا جس کے ذریعے %3.85 کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 (KSE) اور چھ ماہ کے PKRV ریٹس کے روز آندہ اوسطاً حجم شدہ) نے %2.90 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 19.0 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 20.0 ملین روپے رہا تھا۔

### ایچ بی ایل فنانشل پلاننگ فنڈ

فنڈ تین ذیلی فنڈز (پلانز) بنام ایکٹو ایلیٹیشن پلان، کنزرویٹو ایلیٹیشن پلان اور اسٹیبلش انکم پلان پر مشتمل ہے۔ اسٹیبلش انکم پلان نے 13 ستمبر 2021 کو اپنی مچھوری کی مدت مکمل کی۔ فنڈ نے مجموعی طور پر زبردانہ مدت کے دوران بالترتیب 55.4 ملین روپے اور 87.3 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 94 ملین روپے پر موجود تھا جو اس کے مقابلے میں سال کے آغاز پر 197 ملین روپے رہا تھا۔

پلانز کے لیے کارکردگی کا جائزہ ذیل میں دیا گیا ہے:-

### ایکٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران ایکٹو ایلوکیشن پلان نے بالترتیب 42.5 ملین روپے اور 18.5 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ ایکٹو ایلوکیشن پلان کے خالص اثاثہ جات 42 ملین روپے پر موجود تھے جو 30 ستمبر 2021 کے مطابق 103.2079 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں جبکہ اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات 58 ملین روپے تھے جو 115.7579 روپے کے خالص اثاثہ جات (NAV) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے 10.84% کا منفی منافع ظاہر کیا۔

### کنزرویٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلوکیشن پلان نے بالترتیب 68.0 ملین روپے اور 50.0 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ کنزرویٹو ایلوکیشن پلان کے خالص اثاثہ جات 52 ملین روپے پر موجود تھے جو 30 ستمبر 2021 کے مطابق 114.1176 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں جبکہ اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات 51 ملین روپے تھے جو 115.2069 روپے کے خالص اثاثہ جات (NAV) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے 95.0% کا منفی منافع ظاہر کیا۔

### اسٹیبل انکم پلان

زیر جائزہ مدت کے دوران اسٹیبل انکم پلان نے بالترتیب 56.1 ملین روپے اور 1.82 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔

### ایچ بی ایل گروتھ فنڈ

فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 194.16 ملین روپے اور 305.63 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 7.78 ارب روپے پر موجود تھا جو اس کے مقابلے میں سال کے آغاز پر 70.8 ارب روپے تھا۔

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

### ایچ بی ایل گروتھ فنڈ - کلاس اے

ایچ بی ایل گروتھ فنڈ - کلاس اے نے 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 43.08 ملین روپے اور 4.71 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس اے کی فی یونٹ خالص اثاثہ جات کی مالیت 30 (NAV) ستمبر 2021 کے مطابق 21.8032 روپے فی یونٹ تھی جو اس کے مقابلے میں 30 جون 2021 کے مطابق 24.1401 روپے فی یونٹ تھی جس کے ذریعے 9.68% کا منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 19.5% کا منفی منافع حاصل کیا تھا۔ کلاس اے کا حجم 30 ستمبر 2021 کے مطابق

6.18 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 6.84 ملین روپے رہا تھا۔

### ایچ بی ایل گروتھ فنڈ - کلاس بی

ایچ بی ایل گروتھ فنڈ - کلاس بی نے 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 237.24 ملین روپے اور 206.32 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ کلاس بی کی فی یونٹ خالص اثاثہ جات کی مالیت 30 (NAV) ستمبر 2021 کے مطابق 17.6514 روپے فی یونٹ تھی جو اس کے مقابلے میں 30 جون 2021 کے مطابق 19.9059 روپے فی یونٹ تھی جس کے ذریعے 11.33% کا منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 19.5% کا منفی منافع حاصل کیا تھا۔ کلاس بی کا حجم 30 ستمبر 2021 کے مطابق 1.60 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 86.1 ملین روپے رہا تھا۔

## ایچ بی ایل انویسٹمنٹ فنڈ

فنڈ نے مکمل طور پر زیر جائزہ مدت کے دوران بالترتیب 168.04 ملین روپے اور 168.63 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 3.45 ارب روپے پر موجود تھا جو اس کے مقابلے میں سال کے آغاز پر 3.88 بلین روپے تھا۔

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

## ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے'

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے' نے 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 11.03 ملین روپے اور 55.3 ملین روپے کا مجموعی آمدنی اور خالص خسارہ حاصل کیا۔ کلاس 'اے' کی فی پونٹ خالص اثاثہ جات کی مالیت 30 ستمبر 2021 کے مطابق 8941.7 روپے فی پونٹ تھی جو اس کے مقابلے میں 30 جون 2021 کے مطابق 7715.8 روپے فی پونٹ تھی جس کے ذریعے 10.00% کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 19% کا منفی منافع حاصل کیا تھا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 2.24 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.49 بلین روپے رہا تھا۔

## ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی'

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی' نے 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 179.06 ملین روپے اور 165.09 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ کلاس 'بی' کی فی پونٹ خالص اثاثہ جات کی مالیت 30 (NAV) جون 2021 کے مطابق 10.2262 روپے فی پونٹ کے مقابلے میں 30 ستمبر 2021 کو 9961.8 روپے فی پونٹ تھی جس کے ذریعے 12.03% کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 5.19% کا منفی منافع حاصل کیا تھا۔ کلاس 'بی' کا حجم 30 ستمبر 2021 کے مطابق 1.20 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.39 بلین روپے رہا تھا۔

## انتظامی کمپنی کی ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (جے سی آر۔ وی آئی ایس) نے انتظامی کمپنی کے لیے بیجمنٹ کو ایٹری ریٹنگ 'AM2+' (اے ایم ٹو پلس) سے 'AM2++' (اے ایم ٹو پلس پلس) پر اپ گریڈ کی ہے اور تفریق کردہ ریٹنگ پر آڈٹ لک 'مستحکم' ظاہر کیا ہے۔

## اعتراف

بورڈ اس موقع پر اپنے معزز پونٹ - ہولڈرز کا ان کے مستقل تعاون اور سرپرستی کے لیے شکریہ ادا کرنا چاہتا ہے۔ اس سلسلے میں ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور

ڈیجیٹل سٹوڈین کمپنی لمیٹڈ بطور سٹریٹریٹ، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ تعاون اور رہنمائی پر ان کو خراج تحسین پیش کرتے ہیں۔

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

منجانب بورڈ

ایچ بی ایل ایسٹریٹس بیجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر



---

---

# **HBL**

## **Income Fund**

## FUND INFORMATION

---

---

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

**HBL Income Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at September 30, 2021*

	Note	September 30, 2021 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Bank balances	4	2,634,363	388,557
Investments	5	936,100	1,536,584
Receivable against margin trading system		578,597	413,685
Accrued mark-up		21,460	18,231
Advances, deposits and other receivables		47,986	53,347
<b>Total assets</b>		<b>4,218,506</b>	<b>2,410,404</b>
<b>Liabilities</b>			
Payable to Management Company	6	6,993	6,242
Payable to Central Depository Company of Pakistan Limited - Trustee	7	450	366
Payable to Securities and Exchange Commission of Pakistan		143	441
Payable against purchase of investment		123,098	48,005
Accrued expenses and other liabilities	9	35,998	82,165
<b>Total liabilities</b>		<b>166,682</b>	<b>137,219</b>
<b>Net assets</b>		<b>4,051,824</b>	<b>2,273,185</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>4,051,824</b>	<b>2,273,185</b>
<b>Contingencies and commitments</b>	10		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>35,524,077</b>	<b>20,560,323</b>
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>114.0585</b>	<b>110.5617</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Income Fund**  
**Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)**  
*For the quarter ended September 30, 2021*

	Note	Quarter ended September 30,	
		2021	2020
----- (Rupees in '000) -----			
<b>Income</b>			
Mark-up on deposits with banks		20,706	4,716
Mark-up / return on investments		32,677	22,932
Capital gain / (loss) on sale of investments - net		8,224	(4,183)
Dividend Income		7,563	1,927
Unrealised (loss) / gain on revaluation of investments carried at fair value through profit or loss - held-for-trading		4,010	16,434
Other Income		-	6
		<b>73,180</b>	<b>41,832</b>
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds		865	555
		<b>74,045</b>	<b>42,387</b>
<b>Expenses</b>			
Remuneration of HBL Asset Management Limited - Management Company		10,194	5,532
Remuneration of Central Depository Company of Pakistan Limited - Trustee		604	317
Annual fee to Securities and Exchange Commission of Pakistan		143	75
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	777	374
Selling and marketing expenses		2,617	1,497
Settlement and bank charges		1,473	174
Auditors' remuneration		106	106
Other expenses		1,866	1,264
		<b>17,780</b>	<b>9,339</b>
<b>Net income from operating activities</b>		<b>56,265</b>	<b>33,048</b>
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.2	31,380	(661)
<b>Net income for the period before taxation</b>		<b>87,645</b>	<b>32,387</b>
<b>Taxation</b>	11	-	-
<b>Net income for the period after taxation</b>		<b>87,645</b>	<b>32,387</b>
<b>Allocation of net income for the period:</b>			
Income already paid on redemption of units		7,058	1,495
Accounting income available for distribution:			
-Relating to capital gains		11,417	11,808
-Excluding capital gains		69,170	19,084
		<b>80,587</b>	<b>30,892</b>
<b>Net income for the period after taxation</b>		<b>87,645</b>	<b>32,387</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>87,645</b>	<b>32,387</b>
<b>Earnings per unit</b>	12		

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Income Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund**  
*For the quarter ended September 30, 2021*

	Quarter ended September 30,					
	2021			2020		
	(Rupees in '000)					
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
<b>Net assets at the beginning of the period</b>	2,104,559	168,626	2,273,185	1,400,100	143,727	1,543,827
Issuance of 19,316,113 units (2020: 3,536,056 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,135,622	-	2,135,622	363,446	-	363,446
- Element of income	46,308	-	46,308	25,906	-	25,906
Total proceeds on issuance of units	2,181,930	-	2,181,930	389,352	-	389,352
Redemption of 4,352,359 units (2020: 2,851,498 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(481,204)	-	(481,204)	(293,085)	-	(293,085)
- Amount relating to element of income	-	(7,058)	(7,058)	-	(1,495)	(1,495)
- Relating to net income for the period after taxation	(2,674)	-	(2,674)	(16,153)	-	(16,153)
Total payment on redemption of units	(483,878)	(7,058)	(490,936)	(309,238)	(1,495)	(310,733)
Total comprehensive income for the period	-	87,645	87,645	-	32,387	32,387
Refund of Capital	-	-	-	-	-	-
Distribution during the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	87,645	87,645	-	32,387	32,387
<b>Net assets at the end of the period</b>	<b>3,802,611</b>	<b>249,213</b>	<b>4,051,824</b>	<b>1,480,214</b>	<b>174,619</b>	<b>1,654,833</b>
Undistributed income brought forward						
- Realised		138,257			132,942	
- Unrealised		30,369			10,785	
		168,626			143,727	
Accounting income available for distribution		80,587			30,892	
Element of income and capital gains included in prices of		-			-	
Distribution during the period		-			-	
<b>Undistributed income carried forward</b>		<b>249,213</b>			<b>174,619</b>	
Undistributed income carried forward						
- Realised		245,203			158,185	
- Unrealised		4,010			16,434	
		249,213			174,619	
				(Rupees)		
Net assets value per unit at beginning of the period			110.5617			108.2828
Net assets value per unit at end of the period			114.0585			110.7509

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Income Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the quarter ended September 30, 2021*

	Quarter ended September 30,	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period	87,645	32,387
<b>Adjustments</b>		
Capital (gain) / Loss on sale of investments - net	(8,224)	4,183
Unrealised Loss / (gain) on revaluation of investments carried at fair value through profit or loss	(4,010)	(16,434)
	<u>75,411</u>	<u>20,136</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	612,718	(435,729)
Receivable against margin trading system	(164,912)	-
Accrued mark-up	(3,229)	4,866
Advances, deposits, and other receivables	5,361	(9,032)
	<u>449,938</u>	<u>(439,895)</u>
<b>(Decrease) / Increase in liabilities</b>		
Payable to HBL Asset Management Limited - Management Company	751	(791)
Payable to Central Depository Company of Pakistan Limited - Trustee	84	(19)
Payable to Securities and Exchange Commission of Pakistan	(298)	(229)
Accrued expenses and other liabilities	(46,167)	(20,989)
Payable against purchase of investment	75,093	-
	<u>29,463</u>	<u>(22,028)</u>
<b>Net cash generated from operating activities</b>	<u>554,812</u>	<u>(441,787)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	2,181,930	389,352
Payment against redemption of units	(490,936)	(310,733)
<b>Net cash Generated from / (used in) financing activities</b>	<u>1,690,994</u>	<u>78,619</u>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<u>2,245,806</u>	<u>(363,168)</u>
Cash and cash equivalents at beginning of the period	388,557	622,132
<b>Cash and cash equivalents at end of the period</b>	<u><u>2,634,363</u></u>	<u><u>258,964</u></u>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

# **HBL Income Fund**

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

*For the quarter ended September 30, 2021*

---

---

### **1. LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

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

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

### **2. STATEMENT OF COMPLIANCE**

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

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

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2021.
- 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, 2021.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2021.

### 4 BANK BALANCES

		(Unaudited) September 30, 2021	(Audited) June 30, 2021
	<i>Note</i>	(Rupees in '000)	
Balances with bank in:			
- Saving accounts	5.1	2,634,363	1,536,584
		<u>2,634,363</u>	<u>1,536,584</u>

- 4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 5.60% - 6.89% per annum.

		(Unaudited) September 30, 2021	(Audited) June 30, 2021
	<i>Note</i>	(Rupees in '000)	
<b>5 INVESTMENTS</b>			
Financial assets at Fair value through profit or loss			
- Term finance certificates and sukuk bonds - listed	5.1.1	128,296	127,366
- Term finance certificates and sukuk bonds - unlisted	5.1.2	347,890	361,975
- Investment in ready / future - spread transaction	5.4.1	181,845	527,978
Investment in government securities			
- Treasury bills	5.3	155,163	-
- Pakistan investment bonds		-	408,115
		<u>813,194</u>	<u>1,425,434</u>
Financial assets at amortised cost			
- Commercial paper		122,906	111,150
		<u>936,100</u>	<u>1,536,584</u>



## 5.1 Fair value through profit or loss

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

### 5.1.1 Term Finance Certificates and Sukuk bonds - Listed

Name of the Investee Company	Number of certificates			As at September 30, 2021	Market value / Carrying value* as at September 30, 2021	Market value as a percentage of	
	As at July 1, 2021	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
<b>Financial Services</b>							
Saudi Pak Leasing Company Limited - note 5.1.3	2,000	-	-	2,000	-	-	-
<b>Fixed Line Telecommunication</b>							
Worldcall Telecom Limited - note 5.1.4	23,750	-	-	23,750	-	-	-
<b>Commercial Banks</b>							
JS Bank Limited	1,264	-	-	1,264	128,296	13.71%	3.17%
	1,264	-	-	1,264	128,296	0	0
<b>Total</b>	<b>45,241</b>	<b>-</b>	<b>-</b>	<b>45,241</b>	<b>128,296</b>	<b>13.71%</b>	<b>3.17%</b>
<b>Cost of investments at September 30, 2021</b>					<b>127,366</b>		

### 5.1.2 Term Finance Certificates and Sukuk bonds - Unlisted

<b>Investment Companies</b>							
Jahangir Siddiqui & Company Limited	15,100	-	-	15,100	34,162	3.65%	0.84%
Jahangir Siddiqui & Company Limited	10,000	-	-	10,000	33,179	3.54%	0.82%
	<b>25,100</b>	<b>-</b>	<b>-</b>	<b>25,100</b>	<b>67,341</b>	<b>7.19%</b>	<b>1.66%</b>
<b>Chemicals</b>							
Ghani Gases Limited	200	-	200	-	-	-	-
Agritech Limited - 4th issue	430	-	-	430	-	-	-
Agritech Limited	2,000	-	-	2,000	-	-	-
	<b>2,630</b>	<b>-</b>	<b>200</b>	<b>2,430</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Commercial Banks</b>							
JS Bank Limited	7,450	-	-	7,450	37,183	3.97%	0.92%
Bank of Punjab*	1,550	-	-	1,550	157,815	16.86%	3.89%
Bank Al-falah Limited	7,600	-	-	7,600	37,173	3.97%	0.92%
	<b>16,600</b>	<b>-</b>	<b>-</b>	<b>16,600</b>	<b>232,171</b>	<b>24.80%</b>	<b>5.73%</b>
<b>Technology and Communication</b>							
TPL Corporation Limited*	47	-	-	47	48,378	5.17%	1.19%
	<b>47</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>48,378</b>	<b>5.17%</b>	<b>1.19%</b>
<b>Others</b>							
New Allied Electronics Industries (Pvt) Limited	15,100	-	-	15,100	-	-	-
New Allied Electronics Industries (Pvt) Limited - Sukuk	10,000	-	-	10,000	-	-	-
	<b>25,100</b>	<b>-</b>	<b>-</b>	<b>25,100</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>70,477</b>	<b>-</b>	<b>1,200</b>	<b>69,277</b>	<b>347,890</b>	<b>37.16%</b>	<b>8.59%</b>
<b>Cost of investments at September 30, 2021</b>					<b>345,471</b>		

---

---

\* Face value of Rs 100,000

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

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

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

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

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

5.1.4 Worldcall Telecom Limited TFC's were classified by MUFAP as non-performing on November 8, 2012 after default of instalment due on October 7, 2012 (earlier default on April 7, 2012) for the second time. A restructuring agreement was signed on December 26, 2012. The restructuring included the extension of repayment period by 2 years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.77 million equivalent to 100% of the amount outstanding has been made.

During the current period the issuer paid 0.87 million on account of principal repayment.

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

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

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

	<b>(Unaudited)</b> <b>September 30,</b> <b>2021</b>	<b>(Audited)</b> <b>June 30,</b> <b>2021</b>
	<b>(Rupees in '000)</b>	
Agritech Limited	1,998	1,998
	<u>1,998</u>	<u>1,998</u>

**5.2 Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at September 30, 2021 are as follows:**

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
<b>Term Finance Certificates - Listed</b>				
Dawood Hercules Chemical Limited	90,000	3 Month KIBOR + 1%	16-Nov-17	16-Nov-22
<b>Term Finance Certificates and Sukuk bonds - Unlisted</b>				
Bank of Punjab	99,900	6 Month KIBOR + 1%	23-Feb-16	23-Feb-26
JS Bank Limited	4,995	6 Month KIBOR + 1.40%	14-Dec-16	16-Dec-23
JS Bank Limited	99,940	6 Month KIBOR + 1.40%	29-Dec-17	29-Dec-24
Jahangir Siddiqui & Company Limited	5,000	6 Month KIBOR + 1.40%	06-Mar-18	06-Mar-23
Jahangir Siddiqui & Company Limited	3,750	6 Month KIBOR + 1.40%	18-Jul-17	18-Jul-22
TPL Corporation Limited	33,333	3 Month KIBOR + 1.50%	19-Dec-17	19-Dec-19
Hub Power Company Limited	100,000	3 Month KIBOR + 1.90%	22-Aug-19	22-Aug-23

**5.3 Investment in Government Securities - Held-for-trading**

Issue Date	Tenure	Face value As at July 1, 2021	Purchases during the year	Sales / Matured during the year	As at September 30, 2021	Carrying Value as at September 30, 2021	Market Value as at September 30, 2021	Unrealised Gain/ (Loss)	Market Value as a percentage of	Total Investments	Net Assets
------(Rupees in '000)-----											
<b>Treasury bill</b>											
June 3, 2021	3 months	-	300,000	300,000	-	-	-	-	-	-	-
May 20, 2021	3 months	-	150,000	150,000	-	-	-	-	-	-	-
June 17, 2021	6 months	-	282,600	125,000	157,600	155,210	155,163	(47)	16.58%	3.83%	
<b>Total - as at September 30, 2021</b>		<b>-</b>	<b>732,600</b>	<b>575,000</b>	<b>157,600</b>	<b>155,210</b>	<b>155,163</b>	<b>(47)</b>	<b>16.58%</b>	<b>3.83%</b>	
Total - as at June 30, 2021		-	7,875,000	7,875,000	-	-	-	-	-	-	

**6 PAYABLE TO MANAGEMENT COMPANY**

	Note	(Unaudited) September 30, 2021	(Audited) June 30, 2021
Rupees in '000'			
Management fee	6.1	3,312	2,563
Sindh Sales Tax	6.2	431	333
Sales load payable		367	497
Allocation of expenses related to registrar services, accounting, operation and valuation services		266	196
Selling and marketing expenses payable		2,617	2,653
		<b>6,993</b>	<b>6,242</b>

6.1 The Management Company has charged a fee at the rate range between 1% and 1.3080% of the average daily net asset of the scheme. Currently the Management fee is being charged at the rate of 1% of the average daily net assets of the fund. The fee is payable monthly in arrears.

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

## 7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

## 8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.075% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

## 9 ACCRUED EXPENSES AND OTHER LIABILITIES

	<i>Note</i>	<b>September 30, 2021</b>	June 30, 2021
<b>(Rupees in '000)</b>			
Auditors' remuneration		<b>297</b>	191
Brokerage payable		<b>1,521</b>	1,938
Federal Excise Duty payable	<i>9.1</i>	<b>27,578</b>	27,578
Capital gain tax payable		<b>804</b>	822
Withholding tax payable		<b>430</b>	8,937
Provision for Sindh Workers' Welfare Fund	<i>9.2</i>	-	31,380
Dividend payable		<b>4,491</b>	-
MTS charges payable		<b>315</b>	-
Unrealised loss on forward contracts			6,242
Legal Fee payable		<b>33</b>	-
Other payables		<b>529</b>	586
		<b>35,998</b>	<b>77,674</b>

### 9.1 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 27.57 million (June 30, 2021: Rs.27.57 million ). Had the provision not been made, the Net Asset Value per unit as at September 30, 2021 would have been higher by Rs. 0.776 (June 30, 2021: Rs. 1.341) per unit.

---

---

## **9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND**

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 31.86 million for the period from July 1, 2014 till August 12, 2021.

## **10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies or commitments outstanding as at September 30, 2021 and June 30, 2021.

## **11 TAXATION**

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

## **12 EARNINGS PER UNIT (EPU)**

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

## **13 TOTAL EXPENSE RATIO**

The Scheme has maintained Total Expense Ratio (TER) 0.63% (0.09% representing Government Levies, and SECP Fee).

## **14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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

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

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

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

	<b>Quarter ended</b>	
	<b>2021</b>	<b>2020</b>
<b>14.1 Transactions during the period</b>	<b>September 30,</b>	
	<b>(Rupees in '000)</b>	
<b>HBL Asset Management Limited - Management Company</b>		
Management fee	<b>10,194</b>	5,532
Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>777</b>	374
Selling and marketing expenses	<b>2,617</b>	1,497
<b>Habib Bank Limited - Sponsor</b>		
Profit on bank deposits earned	<b>1,288</b>	1,288
Profit received on bank deposits	<b>974</b>	974
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	<b>604</b>	317
<b>Directors and Executives of the Management Company and their relatives</b>		
<b>Executives and their relatives</b>		
Issuance of 49,971 units (2020: 7,295 units)	<b>5,620</b>	806
Redemption of 52,607 units (2020: Nil units)	<b>5,932</b>	-
<b>MCB FSL Trustee - HBL Financial Planning Fund</b>		
<b>Active Allocation Plan - Associate</b>		
Redemption of 7,365 units (2020: Nil units)	<b>820</b>	-

14.2 Balances outstanding as at period end	September 30, 2021	June 30, 2021
	(Rupees in '000)	
<b>HBL Asset Management Limited - Management Company</b>		
Management fee	3,312	2,563
Sindh Sales Tax	431	333
Sales Load payable	367	497
Allocation of expenses related to registrar services, accounting, operation and valuation services	266	196
Selling and marketing expenses payable	2,617	2,653
<b>Habib Bank Limited - Sponsor</b>		
Investment held by HBL in the Fund: 2,000,000 units (June 30, 2021: 2,000,000 units)	228,117	221,123
Bank balances with HBL	1,206,228	92,728
<b>The First Microfinance Bank - Associate</b>		
Bank balances	884,428	250,010
<b>MCB FSL Trustee - HBL Financial Planning Fund Active Allocation Plan - Associate</b>		
Investment held in the Fund: 83,023 units (June 30, 2021: 90,388 units)	9,469	9,993
<b>Pakistan Society For The Welfare Of Mentally Retarded Children Related party due to holding more than 10%</b>		
Investment held in the Fund: Nil units (June 30, 2021: 2,720,706 units)	-	300,806
<b>Directors and Executives of the Management Company and their relatives</b>		
<b>Executives and their relatives</b>		
Investment held in the Fund: 111,841 units (2021: 114,476 units)	12,756	12,657
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	398	147
Sindh Sales tax	52	19
Security deposit	100	100
CDC charges payable	440	12

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Note	September 30, 2021				Fair Value			
		Financial assets at Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>									
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
Investments									
- Term Finance Certificates and Sukuk bonds - Listed		128,296	-	-	128,296	-	128,296	-	128,296
- Term Finance Certificates and Sukuk bonds - Unlisted		347,890	-	-	347,890	-	347,890	-	347,890
- Investment in ready / future - spread transaction		181,845	-	-	181,845	181,845	-	-	181,845
		<u>658,031</u>	<u>-</u>	<u>-</u>	<u>658,031</u>	<u>181,845</u>	<u>476,186</u>	<u>-</u>	<u>658,031</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	15.1	-	2,634,363	-	2,634,363				
Investments									
- Placements	15.1	-	122,906	-	122,906				
Accrued mark-up		-	21,460	-	21,460				
Advances, deposits and other receivables		-	21,956	-	21,956				
		<u>-</u>	<u>2,800,685</u>	<u>-</u>	<u>2,800,685</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	15.1	-	-	6,993	6,993				
Payable to Trustee		-	-	450	450				
Accrued expenses and other liabilities		-	-	7,186	7,186				
		<u>-</u>	<u>-</u>	<u>14,629</u>	<u>14,629</u>				



	June 30, 2021						
	Carrying amount			Fair value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----							
<b>Financial assets measured at fair value</b>							
Investments -							
Term finance certificates and sukuk bonds - listed	127,366	-	127,366	127,366	-	-	127,366
Term finance certificates and sukuk bonds - unlisted	361,975	-	361,975	-	361,975	-	361,975
Government securities	408,115	-	408,115	-	408,115	-	408,115
Listed equity securities (spread transactions)	527,978	-	527,978	527,978	-	-	527,978
Commercial paper (note 28.2)	111,150	-	111,150	-	-	111,150	111,150
	<b>1,536,584</b>	<b>-</b>	<b>1,536,584</b>	<b>655,344</b>	<b>770,090</b>	<b>111,150</b>	<b>1,536,584</b>
<b>Financial assets not measured at fair value (note 28.1)</b>							
Bank balances	-	388,557	388,557	-	-	-	-
Receivable against margin trading system	-	413,685	413,685	-	-	-	-
Accrued mark-up	-	18,231	18,231	-	-	-	-
Deposits and other receivables	-	27,845	27,845	-	-	-	-
	<b>-</b>	<b>848,318</b>	<b>848,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities measured at fair value</b>							
Unrealised loss on forward contracts	6,242	-	6,242	6,242	-	-	6,242
	<b>6,242</b>	<b>-</b>	<b>6,242</b>	<b>6,242</b>	<b>-</b>	<b>-</b>	<b>6,242</b>
<b>Financial liabilities not measured at fair value (note 28.1)</b>							
Payable to the Management Company	-	6,242	6,242	-	-	-	-
Payable to the Trustee	-	366	366	-	-	-	-
Dividend payable	-	4,491	4,491	-	-	-	-
Payable against purchase of investments	-	48,005	48,005	-	-	-	-
Accrued expenses and other liabilities	-	2,715	2,715	-	-	-	-
Net assets attributable to unit holders	-	2,273,185	2,273,185	-	-	-	-
	<b>-</b>	<b>61,819</b>	<b>61,819</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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

<b>Name of Non-Complaint Investment</b>	<b>Type of Investment</b>	<b>Value of Investment before Provision</b>	<b>Provision held (if any)</b>	<b>Value of Investment after Provision</b>	<b>% of Net Assets</b>	<b>% of Gross Assets</b>
----- <b>(Rupees in '000)</b> -----						
New Allied Electronics Industries (Private) Limited	TFC	19,025	19,025	-	-	-
New Allied Electronics Industries (Private) Limited	Sukuk	44,149	44,149	-	-	-
Agritech Limited	TFC	9,991	9,991	-	-	-
Worldcall Telecom Limited	TFC	39,326	39,326	-	-	-

## 17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 28, 2021.

## 18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

---

---

# **HBL**

## **Government Securities Fund**

## FUND INFORMATION

---

---

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

**HBL Government Securities Fund**  
**Condensed Interim Statement Of Assets And Liabilities (Unaudited)**  
*As At September 30, 2021*

		Un-audited September 30, 2021 ----- (Rupees in '000) -----	Audited June 30, 2021
<b>ASSETS</b>			
Bank balances	4	1,077,736	259,770
Investments	5	985,798	835,699
Receivable against Marginal Trading System		-	-
Profit receivable		12,775	23,771
Deposits, prepayments and other receivables		1,718	1,769
<b>Total assets</b>		2,078,027	1,121,009
<b>LIABILITIES</b>			
Payable to Management Company	6	3,715	3,240
Payable to the Trustee	7	75	72
Payable to Securities and Exchange Commission of Pakistan	8	55	390
Accrued expenses and other liabilities	9	960,334	46,292
<b>Total liabilities</b>		964,179	49,994
<b>NET ASSETS</b>		1,113,848	1,071,015
<b>Unit Holders' Funds ( As per statement attached )</b>		1,113,848	1,071,015
<b>CONTINGENCIES AND COMMITMENTS</b>	10	----- (Number of Units) -----	
<b>Number of units in issue</b>		9,561,039	9,516,949
		----- (Rupees) -----	
<b>Net asset value per unit</b>		116.4987	112.5377

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Government Securities Fund**  
**Condensed Interim Income Statement And Comprehensive Income (Unaudited)**  
*For The Three Months Ended September 30, 2021*

	Note	Three Months ended September 30,	
		2021 ----- (Rupees in 000's) -----	2020
<b>INCOME</b>			
Capital gain on sale of investments - net		1,436	(14,026)
Income from Government Securities		16,081	66,135
Income from term finance certificates and sukuk bonds		1,093	1,894
Income from Money Market Placements		-	-
Profit on bank deposits		4,211	4,090
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss'-net		562	(19,875)
<b>Total income</b>		<b>23,383</b>	<b>38,218</b>
<b>EXPENSES</b>			
Remuneration of the Management Company		3,408	9,448
Sindh sales tax on remuneration of the Management Company		443	1,228
Remuneration of the Trustee		200	555
Annual fee to the Securities and Exchange Commission of Pakistan		55	153
Fund operations, accounting and related costs		679	1,678
Selling & Marketing expense		1,165	3,023
Auditors' remuneration		145	112
Fees and subscription		101	76
Securities transaction cost		177	160
Bank charges		51	93
Printing charges		-	-
<b>Total expenses</b>		<b>6,424</b>	<b>16,526</b>
<b>Net income from operating activities</b>		<b>16,959</b>	<b>21,692</b>
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.1	19,958	(434)
<b>Net income for the quarter before taxation</b>		<b>36,917</b>	<b>21,258</b>
Taxation	11	-	-
<b>Net income for the quarter after taxation</b>		<b>36,917</b>	<b>21,258</b>
<b>Allocation of net income for the quarter:</b>			
Income already paid on redemption of units		5,232	1,377
Accounting income available for distribution:			
-Relating to capital gains		1,138	-
-Excluding capital gains		30,547	19,881
		31,685	19,881
<b>Net income for the quarter after taxation</b>		<b>36,917</b>	<b>21,258</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the quarter</b>		<b>36,917</b>	<b>21,258</b>
<b>Earnings per unit</b>	12		

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Government Securities Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund**  
**For The Three Months Ended September 30, 2021**

Note	2021			2020		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
<b>Net assets at beginning of the quarter</b>	<b>876,537</b>	<b>194,478</b>	<b>1,071,015</b>	<b>3,314,588</b>	<b>194,298</b>	<b>3,508,886</b>
Issuance of 3,918,687 units (2020: 3,776,243 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	441,000	-	441,000	423,976	-	423,976
- Element of income	10,499	-	10,499	(57,362)	-	(57,362)
Total proceeds on issuance of units	451,499	-	451,499	366,614	-	366,614
Redemption of 3,874,596 units (2020: 11,626,807 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	(436,038)	-	(436,038)	(1,305,394)	-	(1,305,394)
- Amount paid out of element of income	(4,313)	-	(4,313)	57,369	-	57,369
- Income already paid on redemption of units	-	(5,232)	(5,232)	-	(1,377)	(1,377)
Total payments on redemption of units	(440,351)	(5,232)	(445,583)	(1,248,025)	(1,377)	(1,249,402)
Total comprehensive income for the quarter	-	36,917	36,917	-	21,258	21,258
<b>Net assets at end of the quarter</b>	<b>887,685</b>	<b>226,163</b>	<b>1,113,848</b>	<b>2,433,177</b>	<b>214,179</b>	<b>2,647,356</b>
<b>Undistributed income brought forward</b>						
- Realised		192,733			74,342	
- Unrealised		1,745			119,956	
		<u>194,478</u>			<u>194,298</u>	
Accounting income available for distribution						
- Relating to capital gains		1,138			-	
- Excluding capital gains		30,547			19,881	
		<u>31,685</u>			<u>19,881</u>	
Distribution during the quarter		-			-	
Undistributed income carried forward		<u>226,163</u>			<u>214,179</u>	
<b>Undistributed income carried forward</b>						
- Realised		225,601			149,579	
- Unrealised		562			(430)	
		<u>226,163</u>			<u>214,179</u>	
					(Rupees)	
<b>Net assets value per unit at beginning of the quarter</b>			<u>112.5377</u>			<u>112.2745</u>
<b>Net assets value per unit at end of the quarter</b>			<u>116.4987</u>			<u>113.1243</u>

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Government Securities Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
*For The Three Months Ended September 30, 2021*

	Three Months ended	
	September 30,	
Note	2021	2020
	----- (Rupees in 000's) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	36,917	21,258
<b>Adjustments for:</b>		
Capital (gain) / loss on sale of investments - net	(1,436)	14,026
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'-net	(562)	19,875
	(1,998)	33,901
	34,919	55,159
<b>Decrease in assets</b>		
Investments - net	794,386	457,100
Receivable against Marginal Trading System	-	-
Profit receivable	10,996	66,700
Deposits, prepayments and other receivables	51	49
	805,433	523,849
<b>(Decrease) in liabilities</b>		
Payable to Management Company	475	(7,485)
Payable to the Trustee	3	(68)
Payable to Securities and Exchange Commission of Pakistan	(335)	(540)
Accrued expenses and other liabilities	(28,445)	(43,468)
	(28,302)	(51,561)
<b>Net cash used in operating activities</b>	812,050	527,447
<b>Cash flows from Financing Activities</b>		
Receipts from issue of units	451,499	366,614
Payment against redemption of units	(445,583)	(1,249,402)
Distributions paid	-	-
<b>Net cash generated financing activities</b>	5,916	(82,788)
<b>Net increase / (decrease) in cash and cash equivalents</b>	817,966	(355,341)
Cash and cash equivalents at the beginning of the period	259,770	523,734
<b>Cash and cash equivalents at the end of the period</b>	1,077,736	168,393
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	1,077,736	168,393
Term deposit receipt	-	-
	1,077,736	168,393

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**



# **HBL Government Securities Fund**

## **Notes to the Condensed Interim Financial Information (Unaudited)**

### ***For The Three Months Ended September 30, 2021***

---

---

#### **1. LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

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

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

#### **2 BASIS OF PREPARATION**

##### **2.1 Statement of Compliance**

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.
- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2021.
- 2.1.3 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2021.

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

3.3 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2021.

4	BANK BALANCES	Note	September 30,	June 30,
			2021 (Unaudited)	2021 (Audited)
			----- (Rupees in '000) -----	
	In savings accounts	4.1	1,077,736	259,770
	In current account		-	-
			<u>1,077,736</u>	<u>259,770</u>

4.1 Profit rates on these savings accounts range between 5.6% to 8.83% per annum (June 30, 2021 : 5.60 % to 7.85% per annum).

## 5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Investments in Government securities:

Market Treasury Bills	5.1	299,819	-
Pakistan Investment Bonds	5.2	635,071	785,290
		<u>934,890</u>	<u>785,290</u>
Term Finance Certificate & Sukuk Bonds	5.3	50,908	50,409
		<u>985,798</u>	<u>835,699</u>

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

Issue date	Tenor	Face value				Balance as at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at September 30, 2021	Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
<b>Market Treasury Bills</b>										
July 30, 2020	12 Month	-	150,000	150,000	-	-	-	-	0.00%	0.00%
July 17, 2021	6 Month	-	175,150	175,150	-	-	-	-	0.00%	0.00%
August 26, 2021	6 Month	-	100,000	100,000	-	-	-	-	0.00%	0.00%
June 16, 2021	3 Month	-	200,000	200,000	-	-	-	-	0.00%	0.00%
July 2, 2021	3 Month	-	125,000	125,000	-	-	-	-	0.00%	0.00%
July 15, 2021	3 Month	-	1,100,000	800,000	300,000	299,820	299,819	(1)	26.92%	30.41%
July 29, 2021	3 Month	-	265,000	265,000	-	-	-	-	0.00%	0.00%
<b>Total - As at September 30, 2021</b>		-	<b>2,115,150</b>	<b>1,815,150</b>	<b>300,000</b>	<b>299,820</b>	<b>299,819</b>	<b>(1)</b>	<b>26.92%</b>	<b>30.41%</b>
Total - As at June 30, 2021		600,000	6,874,000	7,474,000	-	-	-	-	0.00%	0.00%

5.1.1 As at September 30, 2021 T-Bills with face value aggregating to Rs. 300mn (June 30, 2021: Nil) carrying an effective yield of 7.32% (June 2021: Nil) per annum.

## 5.2 Pakistan Investment Bonds

### - Pakistan Investment Bonds (Floating)

Issue date	Tenor	Face value				Balance as at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at September 30, 2021	Carrying value	Market value	Appreciation / (diminution)		
August 22, 2019	10 Years	375,000	375,000	375,000	375,000	377,751	378,525	774	33.98%	38.40%
<b>Total - As at September 30, 2021</b>		<b>375,000</b>	<b>375,000</b>	<b>375,000</b>	<b>375,000</b>	<b>377,751</b>	<b>378,525</b>	<b>774</b>	<b>33.98%</b>	<b>38.40%</b>
Total - As at June 30, 2021		800,000	-	425,000	375,000	378,029	377,175	(854)	35.22%	45.13%

5.2.1 The effective yield on Pakistan Investment bonds range from 8.2265% (June 30, 2021: 8.07%) per annum.

### - Pakistan Investment Bonds (Non-Floating)

August 20, 2020	3 Years	325,000	472,000	651,000	146,000	140,871	140,492	(379)	12.61%	14.25%
August 05, 2021	3 Years	-	250,000	200,000	50,000	46,938	46,759	(179)	4.20%	4.74%
October 15, 2020	5 Years	100,000	75,000	100,000	75,000	69,447	69,295	(152)	6.22%	7.03%
<b>Total - As at September 30, 2021</b>		<b>425,000</b>	<b>797,000</b>	<b>951,000</b>	<b>271,000</b>	<b>257,256</b>	<b>256,546</b>	<b>(710)</b>	<b>23.03%</b>	<b>26.02%</b>
Total - As at June 30, 2021		1,465,500	2,291,900	3,332,400	425,000	406,952	408,115	1,163	38.11%	48.84%

5.2.2 The effective yield on Pakistan Investment bonds range from 7.00% to 7.5% (June 30, 2021: 9.79% to 8.51%) per annum.

## 5.3 Term Finance Certificate and Sukuk Bonds:

Issue details	Tenor	Units				Balance as at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at September 30, 2021	Carrying value	Market value	Appreciation / (diminution)		
Term finance certificate - unlisted The Bank of Punjab	10 Years	500	-	-	500	50,409	50,908	499	4.57%	5.16%
<b>Total - As at September 30, 2021</b>		<b>500</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>50,409</b>	<b>50,908</b>	<b>499</b>	<b>4.57%</b>	<b>5.16%</b>
Total - As at June 30, 2021		7,500	-	7,000	500	48,973	50,409	1,436	4.71%	6.03%

\* Related party (associated company) due to common directorship

5.4.1 These term finance certificates carry mark-up at the rate 8.69% per annum (June 30, 2021: 8.35% to 12.20%).

**5.4.2** Significant terms and conditions of Term Finance Certificates and Sukuk Bonds as at September 30, 2021 are as follows

Name of the investee company	Remaining principal (per certificate)	Mark-up rate (per annum)	Issue date	Maturity Date
Term finance certificate - unlisted The Bank of Punjab	99,820	6 months KIBOR + 1.00%	23-Dec-16	23-Dec-26

		<b>September 30, 2020 (Un-Audited)</b>	<b>June 30, 2020 (Audited)</b>
		<b>(Rupees in '000)</b>	
<b>6</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>	<i>Note</i>	
	Management fee	6.1	1,149
	Sindh Sales Tax on Management Company's remuneration	6.2	149
	Sales load payable		1,002
	Fund operations, accounting and related costs		250
	Selling & Marketing expense payable		1,165
			<u>3,715</u>
			<u>3,240</u>

6.1 As per the amendment introduced through SRO 639(I)/2019, dated June 20, 2019, in regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. The fee is being charged at the rate of 1.25% on the average annual net assets. The fee is payable monthly in arrears.

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

**7 PAYABLE TO TRUSTEE**

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.065% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

**8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

"Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.075% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

		<b>September 30, 2020 (Un-Audited)</b>	<b>June 30, 2020 (Audited)</b>
		<b>(Rupees in '000)</b>	
<b>9</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<i>Note</i>	
	Provision for Sindh Workers' Welfare Fund	9.1	-
	Provision for Federal Excise Duty and additional sales tax on management fee	9.2	19,958
	Withholding tax		15,531
	Auditors' remuneration		1,174
	Printing charges		397
	Payable against purchase of Investment		75
	Zakat Payable		942,487
	Dividend Payable		452
	Others		-
			218
			<u>960,334</u>
			<u>46,292</u>

#### 9.1 Provision for Sindh workers' welfare fund

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 20.15 million for the period from July 1, 2014 till August 12, 2021.

#### 9.2 Provision for federal excise duty and additional sales tax

The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal which was filed by tax authorities against the order passed by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2021 would have been higher by Rs. 1.624 per unit (June 30, 2021: Rs. 1.6319 per unit).

---

---

**10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at September 30, 2021 (June 2021: Nil).

**11 TAXATION**

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

**12 EARNINGS PER UNIT**

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

**13 TOTAL EXPENSE RATIO**

The Scheme has maintained Total expense ratio (TER) 0.59%. (0.05% representing Government Levies, WWF and SECP Fee).

**14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

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

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

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

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

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

	Three months ended	
	2021	2020
	September	
	(Unaudited)	
	(Rupees in 000's)	
<b>Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of Management Company	3,408	9,448
Sindh Sales Tax on remuneration of Management Company	443	1,228
Reimbursement of fund operations, accounting and related costs	679	1,678
Sales load Paid	627	5,597

	Three months ended September	
	2021	2020
	(Unaudited)	
	(Rupees in 000's)	
<b>Habib Bank Limited Sponsor</b>		
Bank charges paid	51	88
Profit on bank deposits	2,844	1,218
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	200	555
CDS charges	5	5
<b>Executives of the Management Company</b>		
Issue of 265 units (2020: Nil units)	30	-
Redemption of 270 units (2020: 450 units)	30	51
<b>HBL Financial Planning Fund - Special Income Plan - Fund under common management</b>		
Redemption of Nil units (2020: 45,386 units)	-	5,110
	<b>September 30</b>	<b>June 30,</b>
	<b>2021</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	----- (Rupees in '000) -----	
<b>Balance outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of Management Company	1,149	1,132
Sindh Sales Tax on remuneration of Management Company	149	147
Sales Load Payable	1,002	420
Allocation of expenses realted to registrar services accounting, operation and valuation services	250	201
Selling & Marketing expense payable	1,165	1,340
<b>Habib Bank Limited Sponsor</b>		
Bank balances	1,068,593	255,116
Profit Receivable	2,637	957
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration Payable	68	59
CDC Charges Payable	7	5
Security Deposit	100	100
<b>Director and Executives of the Management Company</b>		
Investment held 265 (June 30, 2021: 270) units	31	30

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Note	September 30, 2021							
		Carrying amount			Fair Value				
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
<b>Investments</b>									
Market Treasury Bills	5.1	299,819	-	-	299,819	-	299,819	-	299,819
Pakistan Investment Bonds	5.2	635,071	-	-	635,071	-	635,071	-	635,071
Corporate Sukuk Certificates	5.3	50,908	-	-	50,908	-	50,908	-	50,908
		<u>985,798</u>	<u>-</u>	<u>-</u>	<u>985,798</u>	<u>-</u>	<u>985,798</u>	<u>-</u>	<u>985,798</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	4	-	1,077,736	-	1,077,736	-	-	-	-
Commercial Paper	5.4	-	-	-	-	-	-	-	-
Receivable against Margin Trading System		-	-	-	-	-	-	-	-
Profit receivable		-	12,775	-	12,775	-	-	-	-
		<u>-</u>	<u>1,090,511</u>	<u>-</u>	<u>1,090,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Payable to the Management Company		-	-	3,715	3,715	-	-	-	-
Payable to the Trustee		-	-	75	75	-	-	-	-
Payable against redemption of units		-	-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	943,629	943,629	-	-	-	-
		<u>-</u>	<u>-</u>	<u>947,419</u>	<u>947,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



	Note	June 30, 2021						
		Carrying amount			Fair Value			
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
(Rupees in '000)								
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
Market Treasury Bills	5.1	-	-	-	-	-	-	-
Pakistan Investment Bonds	5.2	785,290	-	-	785,290	-	785,290	785,290
Corporate Sukuk Certificates	5.3	50,409	-	-	50,409	-	50,409	50,409
		<u>835,699</u>	<u>-</u>	<u>-</u>	<u>835,699</u>	<u>-</u>	<u>835,699</u>	<u>835,699</u>
<b>Financial assets not measured at fair value</b>								
Bank balances	4	-	259,770	-	259,770	-	-	-
Commercial Paper	5.4	-	-	-	-	-	-	-
Deposits		-	1,162	-	1,162	-	-	-
Profit receivable		-	23,771	-	23,771	-	-	-
		<u>-</u>	<u>284,703</u>	<u>-</u>	<u>284,703</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>								
Payable to the Management Company		-	-	3,093	3,093	-	-	-
Payable to the Trustee		-	-	64	64	-	-	-
Payable against redemption of units		-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	666	666	-	-	-
		<u>-</u>	<u>-</u>	<u>3,823</u>	<u>3,823</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

## 16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on October 28, 2021 by the Board of Directors of the Management Company.

## 17 CORRESPONDING FIGURES

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

## 18 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

---

---

# **HBL**

## **Money Market Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Money Market Fund
Name of Auditor	A.F.Ferguson & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited Allied Bank Limited Meezan Bank Limited Askari Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited Sindh Bank Limited United Bank Limited Soneri bank limited JS Bank Dubai Islamic Bank MCB
Fund Rating	AA+(f) (JCR-VIS)

**HBL Money Market Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at September 30, 2021*

	Note	September 30, 2021 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Bank balances	4	12,047,385	12,963,462
Investments	5	8,275,739	-
Accrued mark-up		67,151	77,714
Advance , Deposit and prepayments		364	105
<b>Total assets</b>		<b>20,390,639</b>	13,041,281
<b>Liabilities</b>			
Payable to Management Company	6	8,761	4,072
Payable to Trustee	7	734	710
Payable to Securities and Exchange Commission of Pakistan	8	620	2,599
Dividend payable		2,942	2,942
Payable againts purchase of investment		7,940,102	-
Accrued expenses and other liabilities	9	49,273	193,988
<b>Total liabilities</b>		<b>8,002,432</b>	204,311
<b>Net assets</b>		<b>12,388,207</b>	12,836,970
<b>Unit holders' fund (as per statement attached)</b>		<b>12,388,207</b>	12,836,970
<b>Cotingencies and commitments</b>	10.	-	-
		(Number of units)	
<b>Number of units in issue</b>		<b>118,082,167</b>	125,093,106
		(Rupees)	
<b>Net assets value per unit</b>		<b>104.9118</b>	102.6193

The annexed notes 1 to 17 form an integral part of these financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Money Market Fund**  
**Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)**  
*For the three months ended September 30, 2021*

	Note	Three months ended September 30,	
		2021	2020
(Rupees in '000)			
<b>Income</b>			
Mark-up / return on investments		175,081	155,166
Mark-up on deposits with banks & TDRs		60,047	63,779
Gain / (Loss) on sale of investments - net		(2,956)	(4,748)
Unrealized (loss)/ gain on revaluation of investment carried at fair value through profit or loss - held for trading		293	-
		<b>232,465</b>	<b>214,197</b>
<b>Expenses</b>			
Remuneration of Management Company		15,376	15,324
Remuneration of Trustee		2,278	2,213
Annual fee of Securities and Exchange Commission of Pakistan		620	603
Allocation of expenses related to registrar services, accounting, operation and valuation services		2,227	-
Selling and Marketing expenses		2,227	-
Auditors' remuneration		218	161
Fees & Subscription		73	77
Settlement and bank charges		386	221
Securities transaction cost		11	10
Legal Charges		33	-
		<b>23,449</b>	<b>18,609</b>
		<b>209,016</b>	<b>195,588</b>
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.2	62,703	(3,912)
<b>Net income for the period before taxation</b>		<b>271,719</b>	<b>191,676</b>
<b>Taxation</b>	12.	-	-
<b>Net income for the period after taxation</b>		<b>271,719</b>	<b>191,676</b>
<b>Allocation of net income for the period:</b>			
Income already paid on redemption of units		25,401	44,202
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		246,318	147,474
		<b>246,318</b>	<b>147,474</b>
<b>Net income / (loss) for the period after taxation</b>		<b>271,719</b>	<b>191,676</b>
-Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>271,719</b>	<b>191,676</b>
<b>Earning Per Unit</b>	13		

The annexed notes 1 to 17 form an integral part of these financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Money Market Fund**  
**Statement of Movement in Unit Holders' Fund**  
*As at September 30, 2021*

	Three months ended September 30,					
	2021			2020		
	(Rupees in '000)					
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
<b>Net assets at the beginning of the period</b>	12,788,659	48,311	12,836,970	9,909,419	65,876	9,975,295
Issuance of units 28,409,868 (2020: 90,705,482 units)						
- Capital Value (at net asset value per unit at the beginning of the period)	2,915,421	-	2,915,421	9,308,197	-	9,308,197
- Element of income	30,076	-	30,076	54,174	-	54,174
<b>Total proceeds on issuance of units</b>	2,945,497		2,945,497	9,362,371		9,362,371
Redemption of units 35,420,807 (2020: 64,314,614 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(3,634,883)	-	(3,634,883)	(6,599,966)	-	(6,599,966)
- Amount paid out of element of income						
Relating to net income for the period after taxation	(5,695)	(25,401)	(31,096)	(3,271)	(44,202)	(47,473)
<b>Total payment on redemption of units</b>	(3,640,578)	(25,401)	(3,665,979)	(6,603,237)	(44,202)	(6,647,439)
Total comprehensive income for the period	-	271,719	271,719	-	191,676	191,676
Refund of Capital	-	-	-	-	-	-
Distribution during the period	-	-	-	-	-	-
<b>Net income for the period less distribution</b>	-	271,719	271,719	-	191,676	191,676
<b>Net assets at the end of the period</b>	<b>12,093,578</b>	<b>294,629</b>	<b>12,388,207</b>	<b>12,668,553</b>	<b>213,350</b>	<b>12,881,903</b>
Undistributed income brought forward						
- Realised		48,311			59,424	
- Unrealised		-			6,452	
		48,311			65,876	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		246,318			147,474	
		246,318			147,474	
Distribution during the period		-			-	
<b>Undistributed income carried forward</b>		<b>294,629</b>			<b>213,350</b>	
<b>Undistributed income carried forward</b>						
- Realised		294,629			213,350	
- Unrealised		-			-	
		294,629			213,350	
<b>Net assets value per unit at beginning of the period</b>			<b>102.6193</b>			<b>102.3799</b>
<b>Net assets value per unit at end of the period</b>			<b>104.9118</b>			<b>104.0332</b>

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Money Market Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*As at September 30, 2021*

	Three months ended September 30,	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period	271,719	191,676
<b>(Increase) / decrease in assets</b>		
Investments - net	(8,275,739)	3,334,100
Accrued mark-up	10,563	(10,537)
Advances, deposits and other receivables	(259)	(241)
	<b>(8,265,435)</b>	<b>3,323,322</b>
<b>Increase / (decrease) in assets</b>		
Payable to HBL Asset Management Limited - Management Company	4,689	978
Payable to Central Depository Company of Pakistan Limited - Trustee	24	167
Payable to Securities and Exchange Commission of Pakistan	(1,979)	(1,150)
Payable againsts purchase of investment	7,940,102	(1,182,958)
Accrued expenses and other liabilities	(144,715)	(96,700)
	<b>7,798,121</b>	<b>(1,279,663)</b>
<b>Net cash generated (used in) / from operating activities</b>	<b>(195,595)</b>	<b>2,235,335</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	2,945,497	9,362,371
Payment against redemption of units	(3,665,979)	(6,647,439)
Cash dividend paid	-	-
<b>Net cash generated (used in) / from financing activities</b>	<b>(720,482)</b>	<b>2,714,932</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(916,077)</b>	<b>4,950,267</b>
Cash and cash equivalents at beginning of the period	12,963,462	7,992,986
<b>Cash and cash equivalents at end of the period</b>	<b>12,047,385</b>	<b>12,943,253</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

# **HBL Money Market Fund**

## **Notes to the Condensed Interim Financial Information (Unaudited)**

*As at September 30, 2021*

---

---

### **1. LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

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

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

### **2. STATEMENT OF COMPLIANCE**

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

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

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2021.

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, 2021.

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2021.

4	BANK BALANCES	Note	September 30, 2021	June 30, 2021
			(Rupees in '000)	
	Balances with bank in:			
	- PLS saving deposit accounts under mark-up arrangements	4.1	<u>12,047,385</u>	12,963,462
			<u>12,047,385</u>	<u>12,963,462</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 5.00% - 8.88% per annum (June 30, 2021: 5.00% - 8.00% per annum).

5.	INVESTMENTS	Note	September 30, 2021	June 30, 2021
			(Rupees in '000)	
	Financial asset at fair value through profit or loss			
	- Government Securities	5.1	7,940,394	-
	- Sukuk - unlisted			
	- Letter of Placement	5.2	-	-
	- Commercial Paper	5.3	<u>335,345</u>	-
			<u>8,275,739</u>	-

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

Issue Date	Tenor	Face value			Market Value as at		Market value as a percentage of	
		As at July 1, 2021	Purchases during the period	Sales / Matured during the period	As at September 30, 2021	September 30, 2021	Total Investments	Net Assets
----- (Rupees in '000) -----								
<b>Treasury bills</b>								
May 20, 2021	3 month	-	3,545,000	2,000,000	1,545,000	-	-	-
June 3, 2021	3 month	-	2,700,000	2,700,000	-	-	-	-
July 2, 2021	3 month	-	5,300,000	5,300,000	-	-	-	-
July 15, 2021	3 month	-	1,225,000	1,225,000	-	-	-	-
July 29, 2021	3 month	-	40,000	40,000	-	-	-	-
August 12, 2021	3 month	-	750,000	750,000	-	-	-	-
January 28, 2021	6 month	-	1,500,000	475,000	1,025,000	-	-	-
March 25, 2021	6 month	-	2,030,000	2,030,000	-	-	-	-
April 8, 2021	6 month	-	1,250,000	1,250,000	-	-	-	-
April 22, 2021	6 month	-	3,700,000	200,000	3,500,000	3,485,846	-	-
May 6, 2021	6 month	-	7,000,000	3,500,000	3,500,000	3,475,920	-	-
July 2, 2021	6 month	-	8,600,000	8,600,000	-	-	-	-
July 15, 2021	6 month	-	6,000,000	5,000,000	1,000,000	978,628	-	-
August 12, 2021	6 month	-	500,000	500,000	-	-	-	-
August 26, 2021	6 month	-	500,000	500,000	-	-	-	-
September 24, 2020	12 month	-	1,580,000	1,580,000	-	-	-	-
<b>Total</b>		-	<b>46,220,000</b>	<b>35,650,000</b>	<b>10,570,000</b>	<b>7,940,394</b>	-	-

## 5.2 Letter of Placement - At fair value through profit or loss

Name of Company	As at July 01, 2021	Placements made during the period	Matured during the period	As at September 30, 2021	Percentage of total value of	Percentage of Net Assets
Pak Kuwait Investment Co. Ltd.	-	-	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd	-	-	-	-	-	-
Saudi Pak Ind & Agri Investment Co. (Pvt) Ltd	-	-	-	-	-	-
	-	-	-	-	-	-

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

Particulars	As at July 01, 2021	Placements made during the period	Matured during the period	As at September 30, 2021	Percentage of total value of investments	Percentage of Net Assets
K - Electric - (ICP-14)	-	70,000	70,000	-	-	-
K - Electric - (ICP-21)	-	295,497	-	295,497	-	-
K - Electric - (ICP-18)	-	39,848	-	39,848	-	-
<b>Total as at September 30, 2021</b>			<b>70,000</b>	<b>335,345</b>		
Total as at June 30, 2021				-		

6.	<b>PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	<i>Note</i>	<b>September 30, 2021 (Un-Audited) (Rupees in '000)</b>	June 30, 2021 (Audited)
	Management fee	6.1	4,498	3,538
	Sindh Sales Tax	6.2	585	460
	Sales load payable to management company		451	74
	Allocation of expenses related to registrar services, accounting, operation and valuation services		1,000	-
	Selling and marketing payable to management company		2,227	-
			<b>8,761</b>	<b>4,072</b>

6.1 As per the offering document of the Fund the maximum limit of the Management fee is 1.5% per annum of average annual net assets. During the period, management remuneration is charged by the Asset Management Company at the rate ranging from 0.2% to 0.45% of average annual net assets. Currently Management fee is charged at the rate of 0.45% of average annual net assets of the fund. The fee is payable monthly in arrears.

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

7	<b>PAYABLE TO TRUSTEE</b>	<i>Note</i>	<b>September 30, 2021 (Un-Audited) (Rupees in '000)</b>	June 30, 2021 (Audited)
	Trustee's remuneration	7.1	650	628
	Sindh Sales Tax		84	82
			<b>734</b>	<b>710</b>

7.1 The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2020 the trustee fee is being charged at the rate of 0.065% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

8	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<i>Note</i>	<b>September 30, 2021 (Un-Audited) (Rupees in '000)</b>	June 30, 2021 (Audited)
	Annual fee	8.1	620	2,599

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2020 the rate of 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

9	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<i>Note</i>	<b>September 30, 2021</b>	June 30, 2021
			<b>(Rupees in '000)</b>	
	Auditors remuneration		860	643
	Withholding tax payable		-	73,476
	Federal Excise Duty	9.1	41,211	41,211
	Capital gain tax payable		1,227	9,124
	Advance against units to be issued		2,500	2,500
	Provision for Sindh Workers' Welfare Fund	9.2	-	62,703
	Other payable		3,475	4,331
			<b>49,273</b>	<b>193,988</b>

### 9.1 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 41.21 million (June 30, 2020 Rs. 41.211 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2021 would have been higher by Re. 0.3490 (June 30, 2021: Re. 0.329) per unit.

### 9.2 PROVISION WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that

SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them.

SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 64.77 million for the period from July 1, 2014 till August 12, 2021.

---

---

**10. CONTINGENCIES AND COMMITMENTS**

There were no contingencies or commitments outstanding as at September 30, 2021.

**11. TOTAL EXPENSE RATIO**

The Scheme has maintained Total Expense Ratio (TER) 0.19% (0.02% representing Government Levies, and SECP Fee).

**12. TAXATION**

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

**13. EARNINGS PER UNIT (EPU)**

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

**14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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

Transactions with connected persons are in the normal course of business, at contracted rates and terms As at September 30, 2020 determined in accordance with market rates.

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

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

	<b>Three months ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>14.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee	<b>15,376</b>	15,324
Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>2,227</b>	-
Selling and Marketing expenses	<b>2,227</b>	-
Investment of 47,983 units ( 2020: Nil units)	<b>5,000</b>	-
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	<b>252</b>	101
Mark-up earned during the period	<b>29,281</b>	23,162

		<b>Three months ended September 30, 2021                      2020 (Rupees in '000)</b>	
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration		<b>2,278</b>	2,213
<b>Directors, Executives and Key Management personnel</b>			
Investment of 24,002 Units (2020: 29,087 units )		<b>2,472</b>	2,983
Redemption of 25,132 units (2020: 32,901 units)		<b>2,587</b>	3,384
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>			
Investment of 12,137 units ( 2020: 832,607 units)		<b>1,255</b>	86,170
Redemption of 3,891 units (2020: 1,149,052 units)		<b>400</b>	119,129
<b>CDC Trustee HBL Islamic Money Market Fund</b>			
Purchase of Commercial Paper KEL-ICP		<b>69,557</b>	204,476
Sale of Commercial Paper KEL-ICP		<b>63,839</b>	-
<b>14.2</b>	<b>Amounts outstanding as at period end</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>
		<b>(Rupees in '000)</b>	
<b>HBL Asset Management Limited - Management Company</b>			
Management Fee		<b>4,498</b>	3,538
Sindh Sales Tax		<b>585</b>	460
Sale load payable		<b>451</b>	74
Investment held in the Fund : 47,983 units (June 30, 2020: Nil units)		<b>5,034</b>	-
Allocation of expenses related to registrar services, accounting, operation and valuation services		<b>1,000</b>	-
Selling and Marketing expenses		<b>2,227</b>	-
<b>Habib Bank Limited - Sponsor</b>			
Investment held in the Fund : 4,116,245 units (June 30, 2021: units)		<b>431,843</b>	422,406
Bank balances		<b>5,513,474</b>	12,448,270
Sale load payable		<b>2,925</b>	4,048
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration payable		<b>734</b>	710
<b>Directors, Executives and Key Management personnel</b>			
Investment held in the Fund : 37,365 units (June 30, 2021: 38,522 units)		<b>3,920</b>	3,953
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>			
Investment held in the Fund : 404,571 units (June 30, 2021: units)		<b>42,444</b>	40,671

## 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date.

The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

	September 30, 2021						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>							(Rupees in '000)
<b>Financial assets measured at fair value</b>							
Investments							
- Government Securities	7,940,394	-	7,940,394	7,940,394	-	-	7,940,394
- Commercial Paper	335,345	-	335,345	-	335,345	-	335,345
	<u>8,275,739</u>	<u>-</u>	<u>8,275,739</u>	<u>7,940,394</u>	<u>335,345</u>	<u>-</u>	<u>8,275,739</u>
<b>Financial assets not measured at fair value</b>							
Bank balances	-	12,047,385	12,047,385	-	-	-	-
Accrued mark-up	-	67,151	67,151	-	-	-	-
Advances, deposits and other receivables	-	100	100	-	-	-	-
	<u>-</u>	<u>12,114,636</u>	<u>12,114,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>							
Payable to Management Company	-	4,498	4,498	-	-	-	-
Payable to Trustee	-	650	650	-	-	-	-
Accrued expenses and other liabilities	-	4,335	4,335	-	-	-	-
	<u>-</u>	<u>9,483</u>	<u>9,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	June 30, 2021						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	----- (Rupees in '000) -----						
<b>Financial assets not measured at fair value</b>							
Bank balances	-	12,963,482	12,963,482	-	-	-	-
Accrued mark-up	-	77,714	77,714	-	-	-	-
Deposits	-	100	100	-	-	-	-
	-	13,041,296	13,041,296	-	-	-	-
<b>Financial liabilities not measured at fair value</b>							
Payable to Management Company	-	4,072	4,072	-	-	-	-
Payable to Trustee	-	710	710	-	-	-	-
Dividend Payable	-	2,942	2,942	-	-	-	-
Accrued expenses and other liabilities	-	4,974	4,974	-	-	-	-
	-	12,698	12,698	-	-	-	-

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

#### 16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 28 , 2020.

#### 17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



---

---

# **HBL**

## **Cash Fund**

## FUND INFORMATION

---

---

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

**HBL Cash Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT SEPTEMBER 30, 2021*

	September 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
Note	(Rupees in '000)	
<b>Assets</b>		
Bank balances	5 36,049,626	26,522,253
Investments	6 3,776,956	-
Accrued markup on bank balances and investments	270,818	156,410
Deposits and prepayments	1,169	1,221
<b>Total assets</b>	<b>40,098,569</b>	<b>26,679,884</b>
<b>Liabilities</b>		
Payable to Management Company	7 11,542	7,856
Payable to the Trustee	8 2,046	1,547
Payable to the Securities and Exchange Commission of Pakistan	9 1,424	5,067
Payable against purchase of investment	2,983,589	-
Accrued expenses and other liabilities	10 47,984	126,003
Dividend payable	-	-
<b>Total liabilities</b>	<b>3,046,585</b>	<b>140,473</b>
<b>Net assets</b>	<b>37,051,984</b>	<b>26,539,411</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>37,051,984</b>	<b>26,539,411</b>
<b>Contingencies and commitments</b>	11	
	<b>(Number of units)</b>	
<b>Number of units in issue</b>	<b>364,066,336</b>	<b>262,188,307</b>
	<b>(Rupees)</b>	
<b>Net assets value per unit</b>	<b>101.7726</b>	<b>101.2227</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

## HBL Cash Fund

### CONDENSED INTERIM INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

	Three Months ended September 30, 2021                      2020	
	Note -----(Rupees in '000)-----	
<b>Income</b>		
Capital (loss)/gain on sale of investments - net	3,885	(4,810)
Income from government securities	214,034	267,441
Income from money market placements	16,794	41,973
Profit on bank deposits	328,726	78,234
	563,439	382,838
Unrealized (diminution) on re-measurement of investments classified as ' financial assets at fair value through profit or loss - held-for-trading - net	26	(8)
	563,465	382,830
<b>Expenses</b>		
Remuneration of the Management Company	7.1 19,468	15,931
Sindh Sales Tax on remuneration of Management Company	7.2 2,531	2,071
Remuneration of the Trustee	8 5,229	3,900
Annual fee to the Securities and Exchange Commission of Pakistan	9 1,424	1,062
Selling & marketing expense	1,065	1,328
Allocation of expenses related to registrar services, accounting, operation and valuation services	989	1,328
Auditors remuneration	110	112
Fee & Subscription charges	132	105
Settlement and bank charges	389	436
<b>Total operating expense</b>	31,336	26,273
<b>Net income for the period from operating activities</b>	532,129	356,557
Reversal / (Provision) for Sindh Workers' Welfare Fund	8.1 98,533	(7,131)
<b>Net income for the period before taxation</b>	630,662	349,426
Taxation	12 -	-
<b>Net income for the period after taxation</b>	630,662	349,426
<b>Allocation Of Net Income For The Period</b>		
Income already paid on redemption	22,889	28,744
Accounting income available for distribution		
-Relating to capital gain	-	-
-Excluding capital gain	607,773	320,682
	607,773	320,682
<b>Net income for the period after taxation</b>	630,662	349,426
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	630,662	349,426

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

# HBL Cash Fund

## Statement Of Movement In Unitholders' Fund

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

	2021			2020		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
<b>Net assets at the beginning of the year</b>	26,431,839	107,572	26,539,411	17,880,077	91,709	17,971,786
Issuance of 221,070,566 units (2020: 154,128,736 units)						
- Capital value (at net asset value per unit at the beginning of the year)	22,442,411	-	22,442,411	15,625,043	-	15,625,043
- Element of income	(2,183,510)	-	(2,183,510)	9,358	-	9,358
Total proceeds on issuance of units	20,258,901	-	20,258,901	15,634,401	-	15,634,401
Redemption of 119,192,537 units (2020: 59,767,210 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(12,064,992)	-	(12,064,992)	(9,913,338)	-	(9,913,338)
- Income already paid on redemption	-	(22,889)	(22,889)	-	(28,744)	(28,744)
- Element of income	2,203,093	-	2,203,093	(2,843)	-	(2,843)
Total payment on redemption of units	(9,861,899)	(22,889)	(9,884,788)	(9,916,181)	(28,744)	(9,944,925)
Total comprehensive income for the year	-	630,662	630,662	-	349,426	349,426
Rs. 0.7771 per unit declared on August 06, 2021 as cash dividend						
Refund of capital	(6,782)	-	(6,782)	(33,394)	-	(33,394)
Distribution during the year	-	(181,837)	(181,837)	-	(222,064)	(222,064)
Rs. 0.9822 per unit declared on September 03, 2021 as cash dividend						
Refund of capital	(58,267)	-	(58,267)	-	-	-
Distribution during the year		(245,316)	(245,316)			
Total comprehensive income for the year less distribution	(65,049)	203,509	138,460	(33,394)	127,362	93,968
<b>Net assets at the end of the year</b>	<b>36,763,792</b>	<b>288,192</b>	<b>37,051,984</b>	<b>23,564,904</b>	<b>190,327</b>	<b>23,755,230</b>
Undistributed income brought forward						
- Realised		107,572			80,763	
- Unrealised		-			10,946	
		107,572			91,709	
Element of income and capital gains included in prices of units issued less those in units redeemed		-			-	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		607,773			320,682	
		607,773			320,682	
Distribution during the year						
Rs. 0.7771 per unit declared on August 06, 2021 as cash dividend		(181,837)			(222,064)	
Rs. 0.9822 per unit declared on September 03, 2021 as cash dividend		(245,316)				
Undistributed income carried forward		288,192			190,327	
<b>Undistributed income carried forward</b>						
- Realised		288,166			190,335	
- Unrealised		26			(8)	
		288,192			190,327	
				(Rupees)		
<b>Net assets value per unit at beginning of the year</b>			101.2227			101.1599
<b>Net assets value per unit at end of the year</b>			101.7726			101.6096

The annexed notes 1 to 18 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Cash Fund**  
**Condensed Interim Statement of Cash Flow (Un-Audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	Three Month ended September 30,	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period	630,662	349,426
<b>Adjustments</b>		
Capital loss/(gain) on sale of investments-net	(3,885)	4,810
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(26)	8
<b>Operating cash inflow before working capital changes</b>	<b>626,751</b>	<b>354,244</b>
<b>(Increase) / Decrease in assets</b>		
Investments - net	(3,773,045)	9,637,802
Profit Receivable	(114,408)	(3,955)
Prepayments and advances	52	68
	<b>(3,887,401)</b>	<b>9,633,915</b>
<b>(Decrease) in liabilities</b>		
Payable to the Management Company	3,686	2,584
Payable to Trustee	499	383
Payable to Securities and Exchange Commission of Pakistan	(3,643)	(1,400)
Payable against purchase of investment	2,983,589	(6,279,629)
Accrued expenses and other liabilities	(78,019)	2,439
Dividend payable	-	-
	<b>2,906,112</b>	<b>(6,275,623)</b>
<b>Net cash generated from / (used in ) operating activities</b>	<b>(354,539)</b>	<b>3,712,536</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	20,258,901	15,634,401
Payments on redemption of units	(9,884,788)	(9,944,925)
Dividend paid	(492,202)	(255,458)
Net payments from issuance and redemptions of units	9,881,911	5,434,019
<b>Net cash generated from financing activities</b>	<b>9,881,911</b>	<b>5,434,019</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,527,373</b>	<b>9,146,554</b>
Cash and cash equivalents at the beginning of the period	26,522,253	13,602,521
<b>Cash and cash equivalents at the end of the period</b>	<b>36,049,626</b>	<b>22,749,075</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

# HBL Cash Fund

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

FOR THREE MONTHS ENDED SEPTEMBER 30, 2021

---

---

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2+' to the Management Company and a stability rating of AA(f) to the Fund as at September 30, 2021.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

**3.1** The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2021.

**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, 2021.

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

**3.5** The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2021

	Note	September 30, 2021 Un-Audited (Rupees in '000)	June 30, 2021 (Audited)
<b>5 BANK BALANCES</b>			
In savings accounts	5.1	<b>36,049,626</b>	26,522,246
In current accounts		-	7
		<b>36,049,626</b>	<b>26,522,253</b>

**5.1** These accounts carry mark-up at rates ranging between 5% and 7.8% (2021: 4% and 8.85%) per annum



6 INVESTMENTS	Note	September 30,	June 30,
		2021	2021
		Un-Audited	(Audited)
		(Rupees in '000)	
<b>Financial assets</b>			
At fair value through profit or loss	6.1	<b>2,983,615</b>	-
At amortized cost	6.2	<b>793,341</b>	-
		<b>3,776,956</b>	-
<b>6.1 Financial assets at fair value through profit or loss</b>			
Market treasury bills	6.1.1	<b>2,983,615</b>	-

**6.1.1 Financial assets at fair value through profit or loss:  
- Market treasury bills**

Issue date	Tenor	As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at September 30, 2021	Balance as at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
July 30, 2020	1 Year	-	275,000	275,000	-	-	-	-	-	-
August 12, 2021	6 months	-	3,500,000	3,500,000	-	-	-	-	-	-
July 30, 2020	1 Year	-	1,900,000	1,900,000	-	-	-	-	0%	0%
July 2, 2021	3 Months	-	5,100,000	5,100,000	-	-	-	-	0%	0%
June 3, 2021	3 Months	-	15,030,000	15,030,000	-	-	-	-	0%	0%
June 17, 2021	3 Months	-	3,290,000	3,290,000	-	-	-	-	0%	0%
May 20, 2021	3 Months	-	5,565,000	5,565,000	-	-	-	-	0%	0%
July 29, 2021	3 Months	-	1,175,000	1,175,000	-	-	-	-	0%	0%
July 2, 2021	6 Months	-	8,200,000	8,200,000	-	-	-	-	0%	0%
June 3, 2021	6 Months	-	1,000,000	1,000,000	-	-	-	-	0%	0%
May 6, 2021	6 Months	-	3,000,000	1,500,000	1,500,000	1,489,662	1,489,680	18.48	4%	39%
April 8, 2021	6 Months	-	474,000	474,000	-	-	-	-	0%	0%
March 11, 2021	6 Months	-	8,700,000	8,700,000	-	-	-	-	0%	0%
July 15, 2021	6 Months	-	2,000,000	2,000,000	-	-	-	-	0%	0%
April 22, 2021	6 Months	-	1,500,000	-	1,500,000	1,493,927	1,493,934	7.72	4%	40%
March 25, 2021	6 Months	-	7,350,000	7,350,000	-	-	-	-	0%	0%
August 26, 2021	6 Months	-	500,000	500,000	-	-	-	-	0%	0%
July 29, 2021	6 Months	-	2,000,000	2,000,000	-	-	-	-	0%	0%
January 28, 2021	6 Months	-	75,000	75,000	-	-	-	-	-	-
<b>Total - As at September 30, 2021</b>			<b>70,634,000</b>	<b>67,634,000</b>	<b>3,000,000</b>	<b>2,983,589</b>	<b>2,983,615</b>	<b>26</b>	<b>8%</b>	<b>79%</b>
Total - June 30, 2021			206,345,000	216,278,000	-	-	-	-	0%	0%

6.2 Financial assets at amortized cost	Note	Un-audited	(Audited)
		September 30, 2021	June 30, 2021
		(Rupees in '000)	
Commercial Paper	6.2.2	<b>793,341</b>	-
		<b>793,341</b>	-

**6.1.1 Financial assets at amor - Commercial paper**

Name of Investee Company	Maturity date	As at July 1, 2021	Placement made during the year	Income Accrued	Matured / Sold during the year	Market value as at June 30, 2020	Market value as a percentage of net assets	Market value as a percentage of total
Rupees in '000								
K Electric	2/21/2022	-	432,900	3,367	-	436,267	1.2%	11.6%
K Electric	1/26/2022	-	432,451	3,343	380,000	68,237	0.2%	1.8%
K Electric	3/21/2022	-	288,264	573	-	288,837	0.8%	7.6%
<b>Total - as at September 30, 2021</b>			<b>1,153,615</b>	<b>7,283</b>	<b>380,000</b>	<b>793,341</b>	<b>2.1%</b>	<b>21.0%</b>
<b>Total - as at June 30, 2021</b>		<b>947,166</b>	<b>316,507</b>	<b>29,304</b>	<b>1,292,976</b>	<b>-</b>	<b>-</b>	<b>-</b>

**6.2.1** These carry return of 7.86%, 7.89% & 8.05% per annum respectively (June 2021 : Nil per annum).

	Note	Un-audited September 30, 2021 (Un-Audited) (Rupees in '000)	(Audited) June 30, 2021 (Audited)
<b>7</b>			
<b>PAYABLE TO MANAGEMENT COMPANY</b>			
Management fee	7.1	8,358	5,593
Sindh sales tax payable	7.2	1,087	727
Allocation of expenses related to registrar services, accounting, operation and valuation services		697	219
Selling & marketing payable		1,065	1,313
sales load payable		335	4
		<b>11,542</b>	<b>7,856</b>

**7.1** The management has charged a fee at the rate ranging between 0.2% to 0.3% of the average daily net asset of the scheme. Currently management fee is being charged at the rate of 0.3% of the average daily net asset of the fund. The fee is payable monthly in arrears.

**7.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2021: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

	Note	Un-audited September 30, 2021 (Un-Audited) (Rupees in '000)	(Audited) June 30, 2021 (Audited)
<b>10</b>			
<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund	10.2	-	63,567
Provision for Federal Excise Duty and additional sales tax on management fee	10.1	7,528	7,528
Withholding tax payable		39,459	8,254
Sales load - payable to related parties		-	253
Auditors' remuneration		553	313
Brokerage payable		217	408
Zakat Payable		89	51
Other Payable		138	
		<b>47,984</b>	<b>80,374</b>

#### **10.1 PROVISION FOR SINDH WORKERS' WELFARE FUND**

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

---

---

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 102.73 million for the period from July 1, 2014 till August 12, 2021.

**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 Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2021 would have been higher by Rs. 0.02 per unit (June 30, 2021: 0.03 per unit).

## **11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at September 30, 2021 and June 30, 2021.

## **12 TAXATION**

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders in cash. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders. Furthermore, as per regulation no. 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of net accounting income other than capital gains/loss to unit holders. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## **13 EARNING PER UNIT (EPU)**

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

## **14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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

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

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

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

Three Month ended September 30,	
2021	2020
(Rupees in '000)	

#### 14.1 Transaction during the period

##### Management Company

Remuneration of the Management Company	19,468	15,931
Sindh Sales Tax on remuneration of the Management Company	2,531	2,071
Allocation of expenses related to registrar services, accounting, operation and valuation services	989	1,328
Selling & marketing expense	1,065	1,328
Issue of 1,233,973 units (2020: 743,510 units)	125,000	75,507
Redemption of 1,180,207 units (2020: 591,343 units)	120,000	60,000
Dividend paid	941	251

##### Central Depository Company Of Pakistan Limited - Trustee

Remuneration for the period	5,229	3,900
CDS connection charges	11	11

##### Habib Bank Limited - Sponsor

Profit on bank deposits	167,049	28,979
-------------------------	---------	--------

##### CDC Trustee HBL Islamic Money Market Fund

Sale of K-Electric- Commercial Paper (Face Value: 380 million)	367,557	199,489
--	---------	---------

##### First Micro Finance Bank Limited

Sale of T-Bills	-	250,000
-----------------	---	---------

##### Directors and Executives of the Management Company

Issue of 65,974 units (2020: 11,029 units)	6,705	4,308
Redemption of 21,235 units (2020: 8,012 units)	2,168	4,901
Dividend paid	186	38

	<b>Three Month ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>Financial Planning Fund - Active Allocation Plan - Associated Company</b>		
Issue of Nil units (2020: 17,074 units)	-	1,727
Redemption of 14,992 units (2020: Nil units) units	1,522	-
Dividend paid	-	227
<b>Financial Planning Fund - Conservative Allocation Plan - Associated Company</b>		
Issue of Nil units (2020: NIL units)	-	-
Redemption of Nil units (2020: NIL units) units	-	-
Dividend paid	0.22	-
<b>Financial Planning Fund - Special Income Plan - Associated Company</b>		
Redemption of 884,450 units (2020: Nil units)	89,683	-
Dividend paid	1,359	-
<b>Connected Person due to holding of more than 10% units</b>		
<b>Fauji Fertilizer Company Limited</b>		
Issue of 126,202,943 units (2020: 85,195,501 units)	12,850,000	8,646,697
Redemption of 59,630,974 units (2020: 55,265,917 units)	6,061,882	5,608,191
Dividend paid	13,458	41,230
	<b>September 30,</b>	<b>June 30,</b>
	<b>2021</b>	<b>2021</b>
	<b>(Un-Audited)</b>	<b>Audited</b>
	<b>(Rupees in '000')</b>	
<b>14.2 Balances outstanding at the period / year end</b>		
<b>Management Company</b>		
Outstanding 457,212 units (June 2021 : 394,763)	46,532	142,367
Remuneration of the Management Company	8,358	5,593
Sindh Sales Tax on remuneration of the Management Company	1,087	727
Allocation of expenses related to registrar services, accounting, operation and valuation services	697	219
Selling & marketing payable	1,065	1,313
Sales load payable	335	4
<b>Central Depository Company Of Pakistan Limited - Trustee</b>		
Trustee fee payable	2,046	1,547
Security deposit held	100	100

	<b>September 30, 2021 (Un-Audited)</b>	June 30, 2021 Audited
	<b>(Rupees in '000')</b>	
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	<u>12,476,042</u>	<u>22,716,150</u>
Profit Receivable	<u>32,363</u>	<u>143,973</u>
Sales load payable	<u>793</u>	<u>313</u>
<b>Directors and Executive of the Management Company</b>		
157,401 units held (June 2021: 107,551 units)	<u>16,019</u>	<u>10,887</u>
<b>Financial Planning Fund - Active Allocation Plan - Associated Company</b>		
14,992 units held (June 2021: 14,992 units)	<u>1,518</u>	<u>1,518</u>
<b>Financial Planning Fund - Conservative Allocation Plan - Associated Company</b>		
126 units held (June 2021: 124 units)	<u>13</u>	<u>13</u>
<b>Financial Planning Fund - Special Income Plan - Associated Company</b>		
NIL units held (June 2021: 871,029 units)	<u>-</u>	<u>88,168</u>
<b>Connected person due to holding of more than 10% units Fauji Fertilizer Company Limited</b>		
97,337,568 units held (June 2021: 30,242,777 units)	<u>9,906,297</u>	<u>3,061,256</u>

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

As per the requirements of IFRS 7 (Financial Instrument: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurement using Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Fair value measurement 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).
- Fair value measurement 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, 2021							
	Carrying amount			Fair value				
	Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3	Total	
<b>Note</b>	----- (Rupees in '000) -----							
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>	<b>13.1</b>							
Market treasury bills		2,983,615	-	2,983,615	-	2,983,615	-	2,983,615
		<u>2,983,615</u>	<u>-</u>	<u>2,983,615</u>	<u>-</u>	<u>2,983,615</u>	<u>-</u>	<u>2,983,615</u>
<b>Financial assets not measured at fair value</b>	<b>13.2</b>							
Bank balances		-	36,049,626	36,049,626				
Accrued markup		-	270,818	270,818				
Investments		-	793,341	793,341				
Deposits		-	100	100				
		<u>-</u>	<u>37,113,785</u>	<u>37,113,785</u>				
<b>Financial liabilities not measured at fair value</b>	<b>15.2</b>							
Payable to Management Company		-	11,542	11,542				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	2,046	2,046				
Accrued expenses and other liabilities		-	770	770				
		<u>-</u>	<u>14,358</u>	<u>14,358</u>				

		June 30, 2021						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
13.1	Market treasury bills	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>								
15.2	Bank balances	-	26,522,253	26,522,253				
	Accrued markup	-	156,410	156,410				
	Investments	-	-	-				
	Deposits	-	100	100				
		-	26,678,763	26,678,763				
<b>Financial liabilities not measured at fair value</b>								
15.2	Payable to Management Company	-	5,019	5,019				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	774	774				
	Payable against purchase of investments	-	6,279,629	6,279,629				
	Accrued expenses and other liabilities	-	974	974				
		-	6,286,396	6,286,396				

## 15.1 Valuation Techniques

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

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

15.3 During the period ended september 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

## 16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the three month ended September 30, 2021 is 0.11% (YTD) which includes 0.02% representing government levy and SECP fee.

## 17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management company on October 28, 2021.



---

---

**18 GENERAL**

**18.1** Figures have been rounded off to the nearest thousand rupees.

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

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

---

---

# **HBL**

## **Stock Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Stock Fund
Name of Auditor	A.F.Ferguson & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited

**HBL Stock Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at September 30, 2021*

	Note	September 30, 2021 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Bank balances	4	89,824	102,568
Investments	5	852,790	919,590
Dividend receivable and accrued mark-up	6	4,608	3,623
Receivable against sale of investments		18,166	532,832
Advance, deposits and other receivables		6,530	10,451
<b>Total assets</b>		<b>971,917</b>	<b>1,569,064</b>
<b>Liabilities</b>			
Payable to Management Company	8	4,624	7,655
Payable to Trustee		171	228
Payable to Securities and Exchange Commission of Pakistan	11	47	400
Payable against purchase of investments		18,051	23,548
Accrued expenses and other liabilities	9	40,111	585,888
<b>Total liabilities</b>		<b>63,005</b>	<b>617,719</b>
<b>Net assets</b>		<b>908,913</b>	<b>951,345</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>908,913</b>	<b>951,345</b>
<b>Contingencies and commitments</b>	9.3		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>8,969,613</b>	<b>8,486,417</b>
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>101.3324</b>	<b>112.1020</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

# HBL Stock Fund

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

For The Three Months Ended September 30, 2021

		Three months ended September 30,	
		2021	2020
		------(Rupees in '000)-----	
<b>Income</b>			
Dividend income		6,680	5,420
Mark-up on deposits with banks		1,327	2,294
Unrealized (diminution) on re-measurements of investments		(135,561)	210,085
Capital (loss) / gain on sale of investments - net		1,676	66,291
		<b>(125,878)</b>	<b>284,090</b>
<b>Expenses</b>			
Remuneration of Management Company	8.1&8.2	5,363	11,754
Remuneration of Trustee		611	910
Annual fee to Securities and Exchange Commission of Pakistan		47	104
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,305	2,861
Selling & Marketing Expense		2,491	5,460
Settlement, Bank Charges & Other Expenses		184	127
Auditors' remuneration		160	160
Securities Transaction Cost		953	1,922
Legal Fee		33	-
		<b>11,149</b>	<b>23,298</b>
<b>Net (loss) / income from operating activities</b>		<b>(137,027)</b>	<b>260,792</b>
Reversal / (Provision) for Sindh Workers' Welfare fund	9.2	44,249	(5,216)
<b>Net (loss) / income for the period before taxation</b>		<b>(92,778)</b>	<b>255,576</b>
<b>Taxation</b>	12	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(92,778)</b>	<b>255,576</b>
<b>Earning per unit</b>	13		
<b>Allocation of net income for the period:</b>			
Net Income for the period		-	255,576
Income already paid on redemption of units		-	(12,362)
		-	243,214
<b>Accounting (loss) / income available for distribution:</b>			
-Relating to capital gains		-	243,214
-Excluding capital gains		-	-
		-	243,214
Other comprehensive income for the period		-	-
<b>Total comprehensive (loss) / income for the period</b>		<b>(92,778)</b>	<b>255,576</b>

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**HBL Stock Fund**  
**Statement Of Movement In Unitholders' Fund**  
**For The Three Months Ended September 30, 2021**

	For the year ended					
	2021			September 30,		
	(Rupees in '000)			2020		
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
<b>Net assets at the beginning of the period</b>	1,837,990	(886,646)	951,345	2,925,074	(1,084,330)	1,840,744
Issuance of 912,647 units (2020: 2,002,885 units)						
- Capital value (at net asset value per unit at the beginning of the period)	102,310	-	102,310	172,933	-	172,933
- Element of Income	(5,934)	-	(5,934)	25,414	-	25,414
Total proceeds on issuance of units	96,376	-	96,376	198,347	-	198,347
Redemption of 429,451 units (2020: 2,335,765 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(48,142)	-	(48,142)	(201,674)	-	(201,674)
- Amount relating to element of loss						-
Relating to net income for the year after taxation	2,113	-	2,113	(11,387)	(12,362)	(23,749)
Total payment on redemption of units	(46,030)	-	(46,030)	(213,061)	(12,362)	(225,423)
Total comprehensive income for the year less distribution	-	(92,778)	(92,778)	-	255,576	255,576
<b>Net assets at the end of the period</b>	<b>1,888,336</b>	<b>(979,424)</b>	<b>908,913</b>	<b>2,910,359</b>	<b>(841,116)</b>	<b>2,069,243</b>
Undistributed income brought forward						
- Realised	(966,283)			(1,084,330)		
- Unrealised	79,637			-		
	(886,646)			(1,084,330)		
Accounting (loss) / income available for distribution						
-Relating to CG	-			243,214		
-Excluding CG	-			-		
	-			243,214		
Distribution during the period	-			-		
<b>Undistributed income carried forward</b>	<b>(886,646)</b>			<b>(841,116)</b>		
Undistributed income carried forward						
- Realised	(751,085)			(1,051,202)		
- Unrealised	(135,561)			210,085		
	(886,646)			(841,116)		
				(Rupees)		
Net assets value per unit at beginning of the period		112.1020				86.3419
Net assets value per unit at end of the period		101.3324				98.5994

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Stock Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For The Three Months Ended September 30, 2021*

	Three Months ended	
	September 30,	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period	(92,778)	255,576
<b>Adjustments</b>		
Capital (loss) / gain on sale of investments - net	(1,676)	(66,291)
Dividend Income	(6,680)	(5,420)
Profit on bank deposit	(1,327)	(2,294)
Unrealized diminution on re-measurements of investments	135,561	(210,085)
	<b>33,100</b>	<b>(28,514)</b>
<b>(Increase) / decrease in assets</b>		
Investments - net	<b>(67,085)</b>	(30,808)
Receivable against sale of investments	<b>514,666</b>	(1,537)
Advances, deposits, prepayments and other receivables	<b>3,921</b>	(25)
	<b>451,502</b>	<b>(32,370)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Management Company	<b>(3,031)</b>	2,231
Payable to Trustee	<b>(57)</b>	32
Payable to Securities and Exchange Commission of Pakistan	<b>(353)</b>	(313)
Payable against purchase of investments	<b>(5,497)</b>	11,831
Accrued expenses and other liabilities	<b>(545,777)</b>	6,082
	<b>(554,714)</b>	19,863
Mark-up on bank deposits received	<b>1,487</b>	2,753
Dividend received	<b>5,535</b>	3,069
<b>Net cash used in / (generated from) operating activities</b>	<b>(63,090)</b>	<b>(35,200)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	<b>96,376</b>	198,347
Payment against redemption of units	<b>(46,030)</b>	(225,423)
<b>Net cash generated from / (used in) financing activities</b>	<b>50,346</b>	<b>(27,077)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(12,743)</b>	<b>(62,277)</b>
Cash and cash equivalents at beginning of the period	<b>102,568</b>	209,661
<b>Cash and cash equivalents at end of the period</b>	<b>4 89,824</b>	<b>147,383</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

# **HBL Stock Fund**

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

### *For The Three Months Ended September 30, 2021*

---

---

#### **1 LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2++' (Stable 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 (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

**2.1.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2021.

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2021.

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, 2021.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2021.

4	BANK BALANCE	Note	September 30, 2021	June 30, 2021
			(Rupees in '000)	
	Savings accounts	4.1	89,806	102,550
	Current accounts		18	18
			<u>89,824</u>	<u>102,568</u>

Mark-up rates on these accounts range between 5% to 8.25% p.a (June 30, 2021: 5% - 5.5% p.a).

5	INVESTMENTS	Note	September 30, 2021	June 30, 2021
			(Rupees in '000)	
	Held For Trading			
	- Listed equity securities	5.1	<u>852,790</u>	<u>919,590</u>
			<u>852,790</u>	<u>919,590</u>

## 5.1 Listed Equity Securities

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

Name of the Investee Company	Number of shares				As at September 30, 2021	Market value as at September 30, 2021		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
	As at July 1, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period		(Rupees in '000)				
<b>INSURANCE</b>										
IGI Holdings Limited	199,100	76,500	-	5,000	270,600	44,630	5.23%	4.91%	0.22%	
IGI LIFE INSURANCE LIMITED	200,500	13,000	-	-	213,500	9,285	1.09%	1.02%	0.01%	
TPL Insurance Limited	402,000	4,000	-	-	406,000	16,212	1.90%	1.78%	0.54%	
	801,600	93,500	-	5,000	890,100	70,127	8.22%	7.72%		
<b>TEXTILE COMPOSITE</b>										
Azgard Nine Ltd	894,000	725,000	-	5,000	1,614,000	32,522	3.81%	3.58%	0.52%	
Gul Ahmed Textile Mills Ltd	279,800	38,000	-	124,000	193,800	10,622	1.25%	1.17%	0.05%	
Interloop Limited	138,250	-	-	-	138,250	9,839	1.15%	1.08%	1.59%	
Nishat (Chunian) Ltd	190,000	-	-	64,500	125,500	6,215	0.73%	0.68%	0.05%	
	1,502,050	763,000	-	193,500	2,071,550	59,198	6.94%	6.51%		
<b>CEMENT</b>										
Attock Cement Pakistan Ltd	209,000	149,100	-	-	358,100	50,442	5.91%	5.55%	0.31%	
Cherat Cement Company Ltd.	52,500	-	-	9,500	43,000	6,158	0.72%	0.68%	0.02%	
D G Khan Cement Co.Ltd.	72,900	-	-	6,250	66,650	5,893	0.69%	0.65%	0.02%	
Kohat Cement Ltd	41,400	-	-	-	41,400	7,118	0.83%	0.78%	0.03%	
Lucky Cement Ltd	62,150	-	-	-	62,150	44,928	5.27%	4.94%	0.02%	
Maple Leaf Cement Factory Ltd	149,000	110,000	-	-	259,000	9,117	1.07%	1.00%	0.05%	
Pioneer Cement Limited	56,500	-	-	34,000	22,500	1,987	0.23%	0.22%	0.01%	
	643,450	259,100	-	49,750	852,800	125,644	14.73%	13.82%		
<b>POWER GENERATION &amp; DISTRIBUTION</b>										
Hub Power Company Ltd	412,558	-	-	91,000	321,558	23,644	2.77%	2.60%	0.02%	
<b>ENGINEERING</b>										
Agha Steel Ind.Ltd	288,000	86,000	-	73,500	300,500	8,261	0.97%	0.91%	0.00%	
Aisha Steel Mills Ltd	579,000	-	-	579,000	-	-	0.00%	0.00%	0.00%	
Amreli Steels Limited	110,000	132,500	-	-	242,500	9,494	1.11%	1.04%	8.16%	
International Industries Ltd	45,500	-	-	45,500	-	-	0.00%	0.00%	0.00%	
International Steels Limited	153,401	-	-	153,401	-	-	0.00%	0.00%	0.00%	
Mughal Iron & Steel Inds Ltd	90,285	57,000	-	5,000	142,285	13,890	1.63%	1.53%	5.66%	
	1,266,186	275,500	-	856,401	685,285	31,644	3.71%	3.48%		
<b>AUTOMOBILE ASSEMBLER</b>										
Pak Suzuki Motor Company Limited	-	15,000	-	-	15,000	2,925	0.34%	0.32%	0.06%	
Sazgar Engineering Works Limited	21,100	-	-	-	21,100	5,645	0.66%	0.62%	0.03%	
	21,100	15,000	-	-	36,100	8,570	1.00%	0.94%		
<b>CABLE &amp; ELECTRICAL GOODS</b>										
Pak Elektron Ltd	403,000	55,000	-	255,000	203,000	5,593	0.66%	0.62%	0.04%	
Waves Singer Pakistan Limited	360,000	216,000	-	-	576,000	10,875	1.28%	1.20%	0.03%	
	763,000	271,000	-	255,000	779,000	16,468	1.93%	1.81%		
<b>PHARMACEUTICALS</b>										
Abbott Laboratories (Pak) Ltd	-	200	-	-	200	155	0.02%	0.02%	0.00%	
Ferozsons Laboratories Ltd	-	33,000	-	-	33,000	12,035	1.41%	1.32%	0.11%	
The Searle Company Ltd	7,333	-	-	-	7,333	1,478	0.17%	0.16%	0.00%	
	7,333	33,200	-	-	40,533	13,667	1.60%	1.50%		
<b>FOOD &amp; ALLIED INDUSTRIES</b>										
The Organic Meat Company Limited	526,272	957,500	-	505,000	978,772	35,167	4.12%	3.87%	0.09%	
<b>MISCELLANEOUS</b>										
Pace (Pakistan) Ltd.	-	672,000	-	-	672,000	3,300	0.39%	0.36%	0.24%	
Pakistan Aluminium Beverage Cans Limi	-	167,563	-	113,000	54,563	2,141	0.25%	0.24%	0.01%	
TPL Properties Ltd	465,000	-	-	465,000	-	-	0.00%	0.00%	-	
	465,000	839,563	-	578,000	726,563	5,441	0.64%	0.60%		
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Mari Petroleum Company Ltd	17,069	-	-	1,200	15,869	24,650	2.89%	2.71%	0.01%	
Oil & Gas Development Co Ltd	343,300	-	-	25,000	318,300	26,674	3.13%	2.93%	0.01%	
Pakistan Oilfields Ltd	18,000	-	-	-	18,000	6,756	0.79%	0.74%	0.01%	
Pakistan Petroleum Ltd	405,519	-	-	93,000	312,519	23,411	2.75%	2.58%	0.02%	
	783,888	-	-	119,200	664,688	81,491	9.56%	8.97%		

Name of the Investee Company	Number of shares				As at September 30, 2021	Market value as at September 30, 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 1, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Pakistan State Oil Company Ltd	138,741	20,000	-	1,400	157,341	31,624	3.71%	3.48%	0.05%
	<u>138,741</u>	<u>20,000</u>	<u>-</u>	<u>1,400</u>	<u>157,341</u>	<u>31,624</u>	<u>3.71%</u>	<u>3.48%</u>	
<b>REFINERY</b>									
Attock Refinery Ltd	47,000	-	-	26,000	21,000	3,754	0.44%	0.41%	0.02%
National Refinery Ltd	56,000	29,000	-	12,000	73,000	22,109	2.59%	2.43%	0.09%
	<u>103,000</u>	<u>29,000</u>	<u>-</u>	<u>38,000</u>	<u>94,000</u>	<u>25,863</u>	<u>3.03%</u>	<u>2.85%</u>	
<b>COMMERCIAL BANKS</b>									
Bank Al-Falah Ltd	-	133,552	-	-	133,552	4,320	0.51%	0.48%	0.01%
Faysal Bank Limited	26,018	143,000	-	-	169,018	4,449	0.52%	0.49%	0.02%
Habib Bank Ltd*	108,504	-	-	-	108,504	11,865	1.39%	1.31%	0.01%
MCB Bank Ltd	108,964	-	-	-	108,964	16,420	1.93%	1.81%	0.01%
Standard Chartered Bank (Pakistan) Ltd	1,102,000	107,000	-	-	1,209,000	42,013	4.93%	4.62%	0.03%
United Bank Limited	367,215	25,000	-	33,621	358,594	42,515	4.99%	4.68%	0.03%
	<u>1,712,701</u>	<u>408,552</u>	<u>-</u>	<u>33,621</u>	<u>2,087,632</u>	<u>121,581</u>	<u>14.26%</u>	<u>13.38%</u>	
<b>FERTILIZER</b>									
Engro Corporation Ltd	96,500	-	-	96,500	-	-	0.00%	0.00%	-
Fauji Fertilizer Bin Qasim Ltd	343,000	166,000	-	75,000	434,000	9,765	1.15%	1.07%	0.05%
Fauji Fertilizer Co Ltd	132,784	-	-	132,784	-	-	0.00%	0.00%	-
	<u>572,284</u>	<u>166,000</u>	<u>-</u>	<u>304,284</u>	<u>434,000</u>	<u>9,765</u>	<u>1.15%</u>	<u>1.07%</u>	
<b>CHEMICAL</b>									
Nimir Resins Limited (5)	733,500	250,000	-	983,500	-	-	0.00%	0.00%	-
Nimir Resins Ltd	-	614,750	-	68,000	546,750	14,970	1.76%	1.65%	0.00%
	<u>733,500</u>	<u>864,750</u>	<u>-</u>	<u>1,051,500</u>	<u>546,750</u>	<u>14,970</u>	<u>1.76%</u>	<u>1.65%</u>	
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>									
General Tyre & Rubber Co of Pakistan Ltc	285,000	36,000	-	22,500	298,500	18,441	2.16%	2.03%	0.50%
PANTHER TYRES LIMITED	141,811	-	-	141,811	-	-	0.00%	0.00%	-
	<u>426,811</u>	<u>36,000</u>	<u>-</u>	<u>164,311</u>	<u>298,500</u>	<u>18,441</u>	<u>2.16%</u>	<u>2.03%</u>	
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
Air Link Communication Ltd	-	90,750	-	-	90,750	6,540	0.77%	0.72%	1.01%
Avanceon Limited	51,000	70,500	-	51,000	70,500	8,697	1.02%	0.96%	0.04%
Netsol Technologies	76,000	73,000	-	-	149,000	18,607	2.18%	2.05%	0.19%
Systems Limited	17,100	12,000	-	-	29,100	21,171	2.48%	2.33%	0.03%
TPL Corp Limited	-	500,000	-	500,000	-	-	0.00%	0.00%	-
TPL Trakker Limited	1,728,000	1,952,500	-	137,000	3,543,500	60,452	7.09%	6.65%	0.19%
TRG Pakistan Ltd	59,000	-	-	59,000	-	-	0.00%	0.00%	-
WorldCall Telecom Ltd	1,000,000	-	-	1,000,000	-	-	0.00%	0.00%	-
	<u>2,931,100</u>	<u>2,698,750</u>	<u>-</u>	<u>1,747,000</u>	<u>3,882,850</u>	<u>115,467</u>	<u>13.54%</u>	<u>12.70%</u>	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>									
Al Shaheer Corporation Ltd	-	690,500	-	-	690,500	9,805	1.15%	1.08%	0.49%
Clover Pakistan Limited	76,000	-	-	76,000	-	-	0.00%	0.00%	-
Fauji Foods Limited	7,000	354,000	-	137,000	224,000	3,479	0.41%	0.38%	0.00%
Unity Foods Limited	766,400	218,000	-	-	984,400	30,733	3.60%	3.38%	0.18%
	<u>849,400</u>	<u>1,262,500</u>	<u>-</u>	<u>213,000</u>	<u>1,898,900</u>	<u>44,017</u>	<u>5.16%</u>	<u>4.84%</u>	
	<u>14,659,974</u>	<u>8,992,915</u>	<u>-</u>	<u>6,205,967</u>	<u>17,446,922</u>	<u>852,790</u>	<u>100.00%</u>	<u>93.83%</u>	
Cost of investments at September 30, 2021						<u>988,351</u>			

\*Sponsor of the Management Company

**5.2** Investments include shares having market value aggregating to Rs. 208.7184 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

**5.2.1** This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which

shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 4.64 million at Sep 30, 2021 (June 30, 2021: Rs.4.903 million) and not yet deposited on CDC account of department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

<b>6 DIVIDEND RECEIVABLE AND ACCRUED MARK-UP</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>
	<b>(Rupees in '000)</b>	
Dividend receivable	4,306	3,161
Mark-up accrued on deposits with banks	302	462
	<u>4,608</u>	<u>3,623</u>

#### **7 ADVANCE, DEPOSITS AND OTHER RECEIVABLES**

Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited	100	100
Advance tax	511	511
Advance against subscription of Term Finance Certificates (TFC)	25,000	25,000
Advance against IPO Subscription	3,419	7,340
	<u>31,530</u>	<u>35,451</u>
Less: Provision in respect of advance against subscription of term finance certificates	7.1 <u>25,000</u>	<u>25,000</u>
	<u>6,530</u>	<u>10,451</u>

**7.1** The Fund had subscribed towards the Term Finance Certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till Sep 30, 2021. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at Sep 30, 2021, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company

<b>8 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	<i>Note</i>	<b>September 30, 2021</b>	<b>June 30, 2021</b>
		<b>(Rupees in '000)</b>	
Management fee	8.1	1,514	2,401
Sindh Sales Tax	8.2	197	312
Sales load payable		5	12
Allocation of expenses related to registrar services, accounting, operation and valuation services		416	4,270
Selling & Marketing payable		2,492	660
		<u>4,624</u>	<u>7,655</u>

- 8.1 The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2021: 2% per annum) of the average annual net assets of the Fund for the current year.
- 8.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<i>Note</i>	<b>September 30, 2021</b>	June 30, 2021
			<b>(Rupees in '000)</b>	
	Auditors' remuneration		<b>606</b>	924
	Federal Excise Duty	9.1	<b>37,838</b>	37,838
	Provision for Sindh Workers' Welfare Fund	9.2	-	44,249
	Payable to brokers		<b>207</b>	1,279
	Withholding tax payable		<b>754</b>	762
	Redemption Payable		-	500,000
	Legal Fee		<b>33</b>	-
	Other payables		<b>673</b>	836
			<b>40,111</b>	<b>585,888</b>

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

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 37.838 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2021 would have been higher by Rs. 4.22 (June 30, 2021: Rs. 4.46) per unit.

#### 9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 44.25 million for the period from July 1, 2014 till August 12, 2021.

### 9.3 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2021

### 10 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 1.18% (0.07% representing Government Levies, and SECP Fee).

### 11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	<i>Note</i>	<b>September 30, 2021</b>	June 30, 2021
<b>(Rupees in '000)</b>			
Fee Payable		<u><b>47</b></u>	<u>417</u>

### 12 TAXATION

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

### 13 EARNINGS PER UNIT (EPU)

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

### 14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

14.1	Transactions during the period	Three months ended	
		September 30,	
		2021	2020
		(Rupees in '000)	
	<b>HBL Asset Management Limited - Management Company</b>		
	Management Fee	5,363	11,754
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,305	2,861
	Selling & Marketing Expense	2,491	5,460
	<b>Habib Bank Limited - Sponsor</b>		
	Bank charges paid	4	4
	Dividend income earned	190	-
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee remuneration	611	910
14.2	Balances outstanding as at period end	September 30,	June 30,
		2021	2021
		(Rupees in '000)	
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee	1,514	2,401
	Sindh Sales Tax	197	312
	Sales load payable	5	12
	Selling & Marketing Expense	2,492	4,270
	Allocation of expenses related to registrar services, accounting, operation and valuation services	416	660
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balances	50,954	66,713
	Investment held in the fund: 4,131,628 units (June 30, 2021: 4,131,628 units)	418,668	463,164
	Payable against redemption	-	497,593
	Mark-up accrued on deposits with bank	61	274
	<b>Bank Al Habib Limited - CP due to 10% units</b>		
	Investment held in the fund: 1,604,623 units (June 30, 2021: 1,604,623 units)	162,600	179,881
	<b>Directors and Executives of the Management Company and their relatives</b>		
	Investment held in the Fund: 1,579 units (June 30, 2021: 1,579 units)	160	177
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	151	202
	Sindh Sales Tax	20	26
	Security deposit	100	100

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	September 30, 2021				Fair Value			
	Carrying amount			Total	Level 1	Level 2	Level 3	Total
	Available- for-sale	Loans and receivables	Other financial liabilities					
----- (Rupees in '000) -----								
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
- Listed equity securities	852,790	-	-	852,790	852,790	-	-	852,790
	852,790	-	-	852,790	852,790	-	-	852,790
<b>Financial assets not measured at fair value</b>								
Bank balances	-	89,824	-	89,824				
Receivable against sale of investments	-	18,166	-	18,166				
Dividend receivable and accrued mark-up	-	4,608	-	4,608				
Advances, deposits and other receivables	-	6,530	-	6,530				
	-	119,127	-	119,127				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	4,624	4,624				
Payable to Trustee	-	-	171	171				
Payable against purchase of investments	-	-	13,603	13,603				
Accrued expenses and other liabilities	-	-	2,240	2,240				
	-	-	20,638	20,638				



	June 30, 2021							
	Carrying amount				Fair Value			
	Available- for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	----- (Rupees in '000) -----							
<b>Financial assets measured at fair value</b>								
Investments								
- Listed equity securities	919,590	-	-	919,590	919,590	-	-	919,590
	<u>919,590</u>	<u>-</u>	<u>-</u>	<u>919,590</u>	<u>919,590</u>	<u>-</u>	<u>-</u>	<u>919,590</u>
<b>Financial assets not measured at fair value</b>								
Bank balances	-	102,568	-	102,568				
Dividend receivable and accrued mark-up	-	3,623	-	3,623				
Receivable against sale of investments	-	532,832	-	532,832				
Deposits	-	9,940	-	9,940				
	<u>-</u>	<u>648,963</u>	<u>-</u>	<u>648,963</u>				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	7,655	7,655				
Payable to Trustee	-	-	228	228				
Payable against purchase of investments	-	-	23,548	23,548				
Accrued expenses and other liabilities	-	-	503,039	503,039				
	<u>-</u>	<u>-</u>	<u>534,470</u>	<u>534,470</u>				

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

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

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment criteria. As at September 30, 2020, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

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

---

---

**17 DATE OF AUTHORISATION FOR ISSUE**

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 28, 2021.

**18 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

# **HBL**

## **Equity Fund**

## FUND INFORMATION

---

---

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

**HBL Equity Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT SEPTEMBER 30, 2021*

	Note	Unaudited September 30, 2021	Audited June 30, 2021
(Rupees in '000')			
<b>ASSETS</b>			
Balances with banks	4	72,598	701,869
Investments	5	1,671,819	2,155,293
Dividend and profit receivable		18,355	6,105
Deposits and prepayments and Other receivable		4,846	11,368
<b>Total assets</b>		<b>1,767,618</b>	<b>2,874,635</b>
<b>LIABILITIES</b>			
Payable to the Management Company	6	10,887	4,579
Payable to the Trustee	7	265	257
Payable to Securities and Exchange Commission of Pakistan	8	105	236
Payable against redemption of units		25,662	25,080
Payable against purchase of Investment		16,625	554,112
Accrued expenses and other liabilities	9	15,917	20,005
<b>Total liabilities</b>		<b>69,461</b>	<b>604,269</b>
<b>NET ASSETS</b>		<b>1,698,157</b>	<b>2,270,366</b>
<b>Unit Holders' Funds ( As per statement attached )</b>		<b>1,698,157</b>	<b>2,270,366</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	10	<b>Number of units</b>	
<b>Number of units in issue</b>		<b>14,288,253</b>	<b>16,223,229</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>118.8499</b>	<b>139.9454</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Equity Fund**  
**Condensed Interim Income Statement and Other Comprehensive Income (Un-audited)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Note	Quarter ended	
		2021	2020
		(Rupees in '000')	
<b>INCOME</b>			
Capital Gain / (Loss) on sale of investments - net		1,463	42,453
Dividend income		11,723	1,166
Profit on bank deposits		527	698
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(319,067)	35,682
<b>Total Income/ (Loss)</b>		<b>(305,354)</b>	<b>79,999</b>
<b>EXPENSES</b>			
Remuneration to Management Company		10,527	3,317
Sindh Sales Tax on remuneration of management company		1,368	431
Provision for Federal Excise Duty and additional sales tax on the Management Fee	9.2	-	-
Remuneration to Trustee		880	375
Annual fee - Securities and Exchange Commission of Pakistan		105	33
Allocation of expenses related to registrar services, accounting, operation and valuation services		2,774	682
Selling and marketing expenses		5,440	482
Auditors' Remuneration		107	109
Securities transaction costs, settlement charges and bank charges		3,522	1,914
Fees and Subscription		38	7
Printing and postage expenses		-	-
<b>Total expenses</b>		<b>24,761</b>	<b>7,350</b>
<b>Net Gain/(Loss) from operating activities</b>		<b>(330,115)</b>	<b>72,649</b>
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.1	8,197	(1,453)
<b>Net Gain/(Loss) for the period before taxation</b>		<b>(321,918)</b>	<b>71,196</b>
Taxation	11	-	-
<b>Net Gain/ (Loss) for the period after taxation</b>		<b>(321,918)</b>	<b>71,196</b>
<b>Allocation of net income for the period:</b>			
Income already paid on redemption of units		-	11,086
Accounting income available for distribution:			
-Relating to capital gains		-	60,110
-Excluding capital gains		-	-
		-	60,110
<b>Net Gain/ (Loss) for the period after taxation</b>		<b>(321,918)</b>	<b>71,196</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive Gain/(Loss) for the period</b>		<b>(321,918)</b>	<b>71,196</b>
<b>Earnings per unit</b>	12		

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Equity Fund**  
**Statement Of Movement In Unitholders' Fund**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Quarter ended September 30,					
	2021			2020		
	(Rupees in '000)					
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
<b>Net assets at the beginning of the period</b>	<b>2,106,739</b>	<b>163,627</b>	<b>2,270,366</b>	412,122	10,630	422,752
Issuance of 2,032,614 units (2020: 84,819 units)						
- Capital value (at net asset value per unit at the beginning of the period)	284,464	-	284,464	8,511	-	8,511
- Element of loss	(23,509)	-	(23,509)	(1,226)	-	(1,226)
Total proceeds on issuance of units	260,955	-	260,955	7,285	-	413,836
Redemption of 3,967,590 units (2020: 355,020 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(555,264)	-	(555,264)	(35,623)	-	(35,623)
- Amount relating to element of loss	44,018	-	44,018	4,862	-	4,862
Relating to net loss for the period after taxation	-	-	-	-	-	-
Total payment on redemption of units	(511,246)	-	(511,246)	(30,761)	-	(46,568)
Total comprehensive income for the period	-	(321,918)	(321,918)	-	71,196	71,196
Distribution during the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	(321,918)	-	-	71,196	71,196
<b>Net assets at the end of the period</b>	<b>1,856,448</b>	<b>(158,291)</b>	<b>1,698,157</b>	388,646	81,826	861,216
Undistributed income brought forward						
- Realised		108,165			24,551	
- Unrealised		55,462			(13,921)	
		163,627			10,630	
Accounting (loss) / income available for distribution		(321,918)			71,196	
Distribution during the year		-			-	
<b>Undistributed income carried forward</b>		<b>(158,291)</b>			<b>81,826</b>	
Undistributed income carried forward						
- Realised		160,776			46,144	
- Unrealised		(319,067)			35,682	
		(158,291)			81,826	
				(Rupees)		
Net assets value per unit at beginning of the period			139.9454			100.3410
Net assets value per unit at end of the period			118.8499			88.7833

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Equity Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Quarter ended September 30,	
	2021	2020
	(Rupees in '000')	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net gain / (loss) for the period	(321,918)	71,196
<b>Adjustments</b>		
Net unrealised diminution / (appreciation) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	319,067	(35,682)
Capital loss / (gain) on sale of investments - net	(1,463)	(42,453)
<b>Operating cash inflows before working capital changes</b>	<b>(4,314)</b>	<b>(6,939)</b>
<b>Decrease / (Increase) in assets</b>		
Investments	165,870	(362,196)
Dividend and profit receivable	(12,250)	(1,306)
Deposits and prepayments	6,522	(1,166)
Receivable against sale of investments	-	2,804
	<b>160,142</b>	<b>(361,864)</b>
<b>Increase / (Decrease) in liabilities</b>		
Payable to the Management Company	6,308	2,476
Payable to the Trustee	8	70
Payable to Securities and Exchange Commission of Pakistan	(131)	(27)
Accrued expenses and other liabilities	582	(2,036)
Payable against redemption of units	(4,088)	4,690
Payable against purchase of investments	(537,487)	13,324
	<b>(534,808)</b>	<b>18,497</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>(378,980)</b>	<b>(350,306)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash received from issuance of units	260,955	413,836
Cash paid on redemption of units	(511,246)	(46,568)
<b>Net cash (used in) / generated from financing activities</b>	<b>(250,291)</b>	<b>367,268</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(629,271)</b>	<b>16,962</b>
Cash and cash equivalents at the beginning of the period	701,869	26,474
<b>Cash and cash equivalents at the end of the period</b>	<b>72,598</b>	<b>43,436</b>

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

For HBL Asset Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



# **HBL Equity Fund**

## **Notes to the Condensed Interim Financial Information (Unaudited)**

### **FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

---

---

#### **1 LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

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

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

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

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

#### **2 BASIS OF PREPARATION**

##### **2.1 STATEMENT OF COMPLIANCE**

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

**2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2021.

**2.1.3** This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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

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

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

**3.2** The preparation of this condensed interim financial information in conformity with approved accounting 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, 2021.

**3.4** Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. None of these amendments are expected to have a significant effect on this condensed interim financial information.

**3.5** The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2021.

<b>4 BANK BALANCES</b>	<b>Note</b>	<b>(Unaudited) September 30, 2021 (Rupees in '000')</b>	<b>(Audited) June 30, 2021</b>
In current accounts		503	503
In saving accounts	4.1	72,095	701,366
		<u>72,598</u>	<u>701,869</u>

**4.1** Mark-up rates on these accounts range between 5.00% to 7.00% per annum (June 30, 2021: 5.00% to 7.00 % per annum).

## 5 INVESTMENTS

(Unaudited) (Audited)  
September June 30,  
30, 2021 2021  
Note (Rupees in '000')

### Financial assets 'at fair value through profit or loss'

Listed equity securities	5.1	1,671,819	2,155,293
		1,671,819	2,155,293

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

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

Name of the Investee Company	-----Number of shares-----					Market value as at September 30, 2021 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Market value as a percentage of Investee paid-up capital
	As at July 1, 2021	Purchases during the year	Bonus / right issues	Sales during the year	As at September 30, 2021				
	-----Number of shares-----						-----Percentage-----		
<b>INVESTMENT BANKS/COs./SECUR</b>									
EFG Hermes Pakistan Limited	95,500	-	-	95,500	-	-	-	-	-
Pakistan Stock Exchange Limited	-	566,000	-	-	566,000	10,335	0.62	0.61	0.13
	<b>95,500</b>	<b>566,000</b>	<b>-</b>	<b>95,500</b>	<b>566,000</b>	<b>10,335</b>	<b>0.62</b>	<b>0.61</b>	<b>0.13</b>
<b>ENGINEERING</b>									
Agha Steel Industries Limited	1,077,500	85,000	-	410,000	752,500	20,686	1.24	1.22	0.36
Aisha Steel Mills Limited	746,500	-	-	746,500	-	-	-	-	-
Amreli Steels Limited	56,000	20,000	-	56,000	20,000	783	0.05	0.05	0.03
International Industries Limited	107,100	-	-	3,200	103,900	17,327	1.04	1.02	1.31
International Steels Limited	413,500	93,000	-	407,500	99,000	7,545	0.45	0.44	0.17
Mughal Iron & Steel Inds Limited	292,940	66,500	-	86,000	273,440	26,693	1.60	1.57	0.91
	<b>2,693,540</b>	<b>264,500</b>	<b>-</b>	<b>1,709,200</b>	<b>1,248,840</b>	<b>73,034</b>	<b>4.38</b>	<b>4.30</b>	<b>2.78</b>
<b>AUTOMOBILE ASSEMBLER</b>									
Gandhara Industries Limited	-	38,500	-	-	38,500	7,506	0.45	0.44	1.76
	<b>-</b>	<b>38,500</b>	<b>-</b>	<b>-</b>	<b>38,500</b>	<b>7,506</b>	<b>0.45</b>	<b>0.44</b>	<b>1.76</b>
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>									
General Tyre & Rubber Company of Pakistan Limited	1,087,000	169,000	-	274,500	981,500	60,637	3.63	3.57	4.97
Panther Tyres Limited	664,682	-	-	664,682	-	-	0.00	-	-
	<b>1,751,682</b>	<b>169,000</b>	<b>-</b>	<b>939,182</b>	<b>981,500</b>	<b>60,637</b>	<b>3.63</b>	<b>3.57</b>	<b>4.97</b>
<b>CABLE &amp; ELECTRICAL GOODS</b>									
Pak Elektron Limited	1,034,000	127,000	-	580,000	581,000	16,007	0.96	0.94	0.32
Waves Singer Pakistan Limited	1,683,000	284,000	-	797,000	1,170,000	22,090	1.32	1.30	0.78
	<b>2,717,000</b>	<b>411,000</b>	<b>-</b>	<b>1,377,000</b>	<b>1,751,000</b>	<b>38,097</b>	<b>2.28</b>	<b>2.24</b>	<b>1.10</b>
<b>FOOD &amp; ALLIED INDUSTRIES</b>									
The Organic Meat Company Limited	<b>1,164,800</b>	1,830,500	-	1,068,000	1,927,300	69,248	4.14	4.08	6.19
	<b>1,164,800</b>	<b>1,830,500</b>	<b>-</b>	<b>1,068,000</b>	<b>1,927,300</b>	<b>69,248</b>	<b>4.14</b>	<b>4.08</b>	<b>6.19</b>
<b>REFINERY</b>									
Attock Refinery Limited	5,700	-	-	5,700	-	-	-	-	-
National Refinery Limited	175,200	63,000	-	13,000	225,200	68,204	4.08	4.02	8.53
	<b>175,200</b>	<b>63,000</b>	<b>-</b>	<b>18,700</b>	<b>225,200</b>	<b>68,204</b>	<b>4.08</b>	<b>4.02</b>	<b>8.53</b>
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>									
Al Shaheer Corporation Limited	-	1,224,000	-	-	1,224,000	17,381	1.04	1.02	0.58
Clover Pakistan Limited	382,500	-	-	382,500	-	-	-	-	-
Fauji Foods Limited	24,500	809,000	-	324,500	509,000	7,905	0.47	0.47	0.10
Unity Foods Limited	1,558,800	770,000	-	47,000	2,281,800	71,238	4.26	4.20	0.72
	<b>1,965,800</b>	<b>2,803,000</b>	<b>-</b>	<b>754,000</b>	<b>4,014,800</b>	<b>96,524</b>	<b>5.77</b>	<b>5.69</b>	<b>1.40</b>
<b>INSURANCE</b>									
IGI Holdings Limited	609,200	152,000	-	15,000	746,200	123,071	7.36	7.25	8.63
IGI Life Insurance Limited	749,500	80,500	-	-	830,000	36,097	2.16	2.13	2.12
TPL Insurance Limited	497,500	227,500	-	-	725,000	28,949	1.73	1.70	1.08
	<b>1,856,200</b>	<b>460,000</b>	<b>-</b>	<b>15,000</b>	<b>2,301,200</b>	<b>188,117</b>	<b>11.25</b>	<b>11.08</b>	<b>11.83</b>
<b>CEMENT</b>									
Attock Cement Pakistan Limited	872,100	181,900	-	-	1,054,000	148,466	8.88	8.74	10.80
Cherat Cement Company Limited	101,000	-	-	101,000	-	-	-	-	-
D G Khan Cement Company Limited	91,100	34,000	-	1,680	123,420	89,220	5.34	5.25	2.04
Lucky Cement Limited	520,200	-	-	520,000	200	7	-	-	-
Maple Leaf Cement Factory Limited	161,500	-	-	161,500	-	-	-	-	-
Thatta Cement Company Limited	1,364,000	-	-	1,364,000	-	-	-	-	-
	<b>3,109,900</b>	<b>215,900</b>	<b>-</b>	<b>2,148,180</b>	<b>1,177,620</b>	<b>237,693</b>	<b>14.22</b>	<b>13.99</b>	<b>12.84</b>
<b>CHEMICAL</b>									
Nimir Resins Limited (5)	2,533,500	725,000	-	3,258,500	-	-	-	-	-
Nimir Resins Limited	-	1,980,250	-	111,000	1,869,250	51,180	3.06	3.01	3.62
	<b>2,533,500</b>	<b>2,705,250</b>	<b>-</b>	<b>3,369,500</b>	<b>1,869,250</b>	<b>51,180</b>	<b>3.06</b>	<b>3.01</b>	<b>3.62</b>

Name of the Investee Company	-----Number of shares-----					Market value as at September 30, 2021 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Market value as a percentage of Investee paid-up capital
	As at July 1, 2021	Purchases during the year	Bonus / right issues	Sales during the year	As at September 30, 2021				
-----Number of shares-----									
-----Percentage-----									
<b>COMMERCIAL BANKS</b>									
Faysal Bank Limited	1,440	180,000	-	-	181,440	4,776	0.29	0.28	0.03
Habib Bank Limited*	-	250,500	-	101,000	149,500	16,348	0.98	0.96	0.11
MCB Bank Limited	48,000	-	-	48,000	-	-	-	-	-
Standard Chartered Bank (Pakistan) Limited	3,918,500	189,000	-	-	4,107,500	142,736	8.54	8.41	0.37
United Bank Limited	225,000	582,149	-	521,000	286,149	33,926	2.03	2.00	0.28
	<b>4,192,940</b>	<b>1,201,649</b>	<b>-</b>	<b>670,000</b>	<b>4,724,589</b>	<b>197,786</b>	<b>11.84</b>	<b>11.65</b>	<b>0.79</b>
<b>FERTILIZERS</b>									
Engro Corporation Limited	279,900	-	-	279,900	-	-	-	-	-
Fauji Fertilizer Company Limited	73,000	-	-	73,000	-	-	-	-	-
	<b>352,900</b>	<b>-</b>	<b>-</b>	<b>352,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>MISCELLANEOUS</b>									
Pace (Pakistan) Limited	-	1,523,000	-	-	1,523,000	7,478	0.45	0.44	0.27
Shifa International Hospitals Limited	-	143,000	-	-	143,000	27,519	1.65	1.62	4.44
TPL Properties Limited	1,929,500	-	-	1,929,500	-	-	-	-	-
	<b>1,929,500</b>	<b>1,666,000</b>	<b>-</b>	<b>1,929,500</b>	<b>1,666,000</b>	<b>34,997</b>	<b>2.10</b>	<b>2.06</b>	<b>4.71</b>
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>									
Mari Petroleum Company Limited	9,000	-	-	9,000	-	-	-	-	-
Oil & Gas Development Company Limited	848,716	52,000	-	900,716	-	-	-	-	-
Pakistan Oilfields Limited	10,500	-	-	10,500	-	-	-	-	-
Pakistan Petroleum Limited	979,800	15,000	-	994,800	-	-	-	-	-
	<b>1,848,016</b>	<b>67,000</b>	<b>-</b>	<b>1,915,016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Hi-Tech Lubricants Limited	-	165,500	-	165,500	-	-	-	-	-
Pakistan State Oil Company Limited	395,331	67,000	-	30,000	432,331	86,894	5.20	5.12	1.85
	<b>395,331</b>	<b>232,500</b>	<b>-</b>	<b>195,500</b>	<b>432,331</b>	<b>86,894</b>	<b>5.20</b>	<b>5.12</b>	<b>1.85</b>
<b>PHARMACEUTICALS</b>									
Ferozsons Laboratories Limited	-	114,500	-	16,200	98,300	35,850	2.14	2.11	9.90
The Searle Company Limited	274	-	-	-	274	55	-	-	-
	<b>274</b>	<b>114,500</b>	<b>-</b>	<b>16,200</b>	<b>98,574</b>	<b>35,905</b>	<b>2.14</b>	<b>2.11</b>	<b>9.90</b>
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Limited	140,000	-	-	140,000	-	-	-	-	-
	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
Air Link Communication Limited	-	201,375	-	80,000	121,375	8,747	0.50	0.52	0.24
Avanceon Limited	210,000	245,500	-	388,500	67,000	8,265	0.49	0.49	0.32
Netsol Technologies	139,000	283,000	-	-	422,000	52,699	3.15	3.10	5.87
Pakistan Telecommunication Company Limited	500,000	-	-	500,000	-	-	-	-	-
Systems Limited	81,071	37,500	-	60,000	58,571	42,611	2.55	2.51	3.09
TPL Corporation Limited	-	1,250,000	-	1,250,000	-	-	-	-	-
TPL Trakker Limited	5,220,500	4,875,500	-	611,500	9,484,500	161,806	9.68	9.53	8.64
TRG Pakistan Limited	231,000	50,000	-	281,000	-	-	-	-	-
WorldCall Telecom Limited	1,700,000	800,000	-	2,500,000	-	-	-	-	-
	<b>8,081,571</b>	<b>7,742,875</b>	<b>-</b>	<b>5,671,000</b>	<b>10,153,446</b>	<b>274,128</b>	<b>16.37</b>	<b>16.15</b>	<b>18.16</b>
<b>TEXTILE COMPOSITE</b>									
Azgard Nine Limited	3,328,500	1,642,000	-	812,000	4,158,500	83,794	5.01	4.93	1.73
GulAhmed Textile Mills Limited	637,800	197,000	-	530,000	304,800	16,706	1.00	0.98	0.33
Interloop Limited	323,500	-	-	35,000	288,500	20,533	1.23	1.21	0.24
Nishat (Chunian) Limited	90,000	325,000	-	1,000	414,000	20,501	1.23	1.21	0.85
	<b>4,379,800</b>	<b>2,164,000</b>	<b>-</b>	<b>1,378,000</b>	<b>5,165,800</b>	<b>141,534</b>	<b>8.47</b>	<b>8.33</b>	<b>3.15</b>
<b>As at September 30, 2021</b>	<b>39,383,454</b>	<b>22,715,174</b>	<b>-</b>	<b>23,762,378</b>	<b>38,341,950</b>	<b>1,671,819</b>	<b>100.00</b>	<b>98.45</b>	<b>93.71</b>

Carrying value as at September 30, 2021

**1,990,886**

\* Sponsor of the management company

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

**5.1.1** The above investments include shares with market value aggregating to Rs. 86.87 million (June 2021: Rs. 154.6 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

**5.1.2** These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.55 million at September 30, 2021 (June 30, 2021: Rs. 1.58 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.

<b>6 PAYABLE TO MANAGEMENT COMPANY</b>	<b>Note</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>September 30, 2021</b>	<b>June 30, 2021</b>
<b>Rupees in '000'</b>			
Management fee	6.1	<b>3,042</b>	2,818
Sindh Sales Tax	6.2	<b>395</b>	366
Sales load payable		<b>1,174</b>	922
Allocation of expenses related to registrar services, accounting, operation and valuation services		<b>836</b>	473
Selling and Marketing expenses		<b>5,440</b>	-
		<b>10,887</b>	4,579

**6.1** As per the offering document of the Fund, the Management Company may charge a fee at the rate of 2% of the average daily net asset of the scheme. The fee is payable monthly in arrears.

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

## **7 PAYABLE TO THE TRUSTEE**

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged by permanently eliminating the minimum fee component as mentioned in the offering documents. During the year, Management Company has charged the Trustee fee accordingly. The fee is payable monthly in arrears.

## **8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an equity scheme is required to pay as annual fee to the SECP, an amount equal to 0.095% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s). During the year, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

9 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Unaudited)	(Audited)
		September 30, 2021	June 30, 2021
Rupees in '000'			
Provision for Sindh Workers' Welfare Fund	9.1	-	8,197
Provision for federal excise duty and additional sales tax on Management Fee	9.2	5,685	5,685
Brokerage payable		7,739	4,291
Auditors' remuneration		547	440
Printing and other related costs		56	56
Withholding tax payable		1,758	1,268
Other payables		133	68
		<u>15,918</u>	<u>20,005</u>

### 9.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 8.20 million for the period from July 1, 2014 till August 12, 2021.

### 9.2 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision. 2

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2020 would have been higher by Rs. 2.409 (June 30, 2020: Rs. 1.349) per unit.

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

---

---

**11 TAXATION**

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

**12 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.

**13 TOTAL EXPENSE RATIO**

The Scheme has maintained Total Expense Ratio (TER) 1.19% (June 2021: 5.40%) 0.10% of TER representing Government Levies (June 2021: 0.90%).

**14 TRANSACTIONS WITH CONNECTED PERSONS**

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

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

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

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

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

	<b>(Unaudited)</b>	
	<b>Quarter ended</b>	
	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>14.1 Transaction during the period</b>		
<b>Management Company</b>		
Remuneration of Management Company	10,527	3,317
Sindh Sales tax on remuneration of the Management Company	<u>1,368</u>	<u>431</u>
<b>Habib Bank Limited - Associated Company</b>		
Dividend income	<u>416</u>	<u>104</u>
<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Under Common Management</b>		
Redemption of 61,283 units (2020: Nil) units	<u>8,520</u>	<u>-</u>

	(Unaudited) Quarter ended September 30, 2021                      2020  (Rupees in '000)	
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management</b>		
Issue of 2,313 units (2020: Nil) units	313	-
<b>Central Depository Company Of Pakistan Limited - Trustee</b>		
Remuneration for the period	880	375
CDS Charges	11	11
<b>Directors and Executives of the Management Company</b>		
Issue of 15,670 units (2020: 32,095) units	2,082	3,600
Redemption of 27,087 units (2020: 53,161) units	3,745	5,808
	(Unaudited)	(Audited)
<b>14.2 Amounts outstanding at the period / year end</b>	September 30, 2021	June 30, 2021
	Rupees in '000'	
<b>Management Company</b>		
Units held: 345,975 units (June 30, 2021: 345,975) units	41,119	48,418
Remuneration payable to the Management Company	3,042	2,818
Sindh sales tax on remuneration of the Management Company	395	366
Allocation of expenses related to registrar services, accounting, operation and valuation services	836	473
Selling and Marketing reimbursement	5,440	-
Sales load payable	1,174	922
<b>Central Depository Company Of Pakistan Limited - Trustee</b>		
Trustee fee payable	265	252
CDS charges payable	10	5
Security deposit	100	100
<b>Habib Bank Limited - Sponsor</b>		
Bank balance	10,635	14,008
Units held: 3,594,808 units (June 30, 2021: 3,594,808) units	427,243	503,077
<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Under Common Management</b>		
Units held: 269,654 (June 30 ,2021: 330,938)	32,048	46,313
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management</b>		
Units held: 76,683 (June 30 ,2021: 74,369)	9,114	10,408
<b>Directors and Executives of the Management Company</b>		
Units held: 10,476 (June 30, 2021: 21,893) units	1,245	3,064
<b>CDC Trustee - Punjab Pension Fund Trust</b>		
Units held: 1,420,588 (June 30 ,2021: 1,420,588)	168,837	198,805



## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2021							
		Carrying amount			Fair Value				
Note	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
-	Listed equity securities	1,671,819	-	-	1,671,819	1,671,819	-	-	1,671,819
		<b>1,671,819</b>	<b>-</b>	<b>-</b>	<b>1,671,819</b>	<b>1,671,819</b>	<b>-</b>	<b>-</b>	<b>1,671,819</b>
<b>Financial assets not measured at fair value</b> 15.1									
	Bank balances	-	72,598	-	72,598	-	-	-	-
	Dividend and profit receivable	-	18,355	-	18,355	-	-	-	-
	Deposits	-	2,600	-	2,600	-	-	-	-
		<b>-</b>	<b>93,553</b>	<b>-</b>	<b>93,553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b> 15.1									
	Payable to the Management Company	-	-	10,887	10,887	-	-	-	-
	Payable to the Trustee	-	-	265	265	-	-	-	-
	Accrued expenses and other liabilities	-	-	8,475	8,475	-	-	-	-
	Payable for equity settlement	-	-	16,625	16,625	-	-	-	-
	Dividend Payable	-	-	-	-	-	-	-	-
		<b>-</b>	<b>-</b>	<b>36,252</b>	<b>36,252</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

		June 30, 2021							
		Carrying amount			Fair Value				
		Fair value through profit and loss- for trading	At amortized cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- Listed equity securities									
		2,155,293	-	-	2,155,293	2,155,293	-	-	2,155,293
		2,155,293	-	-	2,155,293	2,155,293	-	-	2,155,293
<b>Financial assets not measured at fair value</b> 15.1									
Bank balances									
		-	701,869	-	701,869	-	-	-	-
Dividend and profit receivable									
		-	6,105	-	6,105	-	-	-	-
Deposits									
		-	2,600	-	2,600	-	-	-	-
Advance for purchase of investment									
		-	8,563	-	8,563	-	-	-	-
		-	719,137	-	719,137	-	-	-	-
<b>Financial liabilities not measured at fair value</b> 15.1									
Payable to the Management Company									
		-	-	4,213	4,213	-	-	-	-
Payable to the Trustee									
		-	-	228	228	-	-	-	-
Accrued expenses and other liabilities									
		-	-	4,803	4,803	-	-	-	-
Payable against redemption of units									
		-	-	25,080	25,080	-	-	-	-
Payable against purchase of Investment									
		-	-	554,112	214	-	-	-	-
		-	-	588,436	34,538	-	-	-	-

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

## 16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 28, 2021 by the board of directors of the Management company.

## 17 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

---

---

# **HBL**

## **Energy Fund**

## FUND INFORMATION

---

---

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

**HBL Energy Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT SEPTEMBER 30, 2021*

	Note	September 30, 2021 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Bank balances	4	22,594	13,030
Investments	5	642,851	772,110
Dividend and profit receivable		11,884	138
Receivable against purchase of Investment		18,969	36,357
Deposits and prepayments		2,996	2,996
<b>Total assets</b>		<b>699,294</b>	<b>824,631</b>
<b>Liabilities</b>			
Payable to Management Company	6	3,621	3,992
Payable to the Trustee		133	157
Payable to the Securities and Exchange Commission of Pakistan	12	37	157
Payable against purchase of Investment		15,479	-
Accrued expenses and other liabilities	7	15,232	40,420
Unclaimed dividend		5,382	5,382
<b>Total liabilities</b>		<b>39,883</b>	<b>50,108</b>
<b>Net assets</b>		<b>659,412</b>	<b>774,523</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>659,412</b>	<b>774,523</b>
<b>Contingencies and commitments</b>	8		
		(Number of units)	
<b>Number of units in issue</b>		<b>62,465,841</b>	<b>64,621,727</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>10.5564</b>	<b>11.9855</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Energy Fund**  
**Condensed Interim Income Statement And Other Comprehensive Income (Un-audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	Three months ended September 30, Un-Audited	
	2021	2020
Note	------(Rupees in '000)-----	
<b>Income</b>		
Capital gain on sale of investments - net	(6,584)	39,915
Dividend income	16,421	2,156
Profit on bank deposits	574	864
	<b>10,411</b>	<b>42,935</b>
Unrealised appreciation / (diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - n	<b>(102,657)</b>	<b>45,215</b>
	<b>(92,246)</b>	<b>88,150</b>
<b>Expenses</b>		
Remuneration of Management Company	6.1 & 6.2 <b>4,235</b>	4,503
Remuneration of the Trustee	<b>423</b>	450
Annual fee to the Securities and Exchange Commission of Pakistan	<b>37</b>	40
Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>1,031</b>	1,096
Allocation of expenses related to Selling and Marketing, Settlement and bank charges	<b>1,968</b>	2,092
Auditors' remuneration	<b>115</b>	145
Fee & Subscription	<b>-</b>	109
Securities transaction costs	<b>28</b>	2
	<b>380</b>	1,475
	<b>8,217</b>	9,912
<b>Net income / (loss) from operating activities</b>	<b>(100,463)</b>	<b>78,238</b>
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.2 <b>7,320</b>	(1,565)
<b>Net income / (loss) for the period before taxation</b>	<b>(93,143)</b>	<b>76,673</b>
Taxation	9 <b>-</b>	<b>-</b>
<b>Net (loss) for the period after taxation</b>	<b>(93,143)</b>	<b>76,673</b>
<b>Allocation of net income for the period:</b>		
Income already paid on redemption of units	<b>-</b>	(15,713)
Accounting income available for distribution:		
-Relating to capital gains	<b>-</b>	<b>60,960</b>
-Excluding capital gains	<b>-</b>	<b>-</b>
	<b>-</b>	<b>60,960</b>
<b>Net income / (loss) for the period after taxation</b>	<b>-</b>	<b>76,673</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>(93,143)</b>	<b>76,673</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Energy Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	Three Months Ended					
	2021			September 30,		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
<b>Net assets at beginning of the year</b>	756,966	17,557	774,523	633,476	(62,665)	570,811
Issuance of 2,207,803 units (2020: 1,151,349 units)						
- Capital value (at net asset value per unit at the beginning of the year)	26,462	-	26,462	470,676	-	470,676
- Element of Income	(835)	-	(835)	59,457	-	59,457
Total proceeds on issuance of units	25,627	-	25,627	530,133	-	530,133
Redemption of 4,363,690 units (2020: 3,040,783 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(52,301)	-	(52,301)	(307,424)	-	(307,424)
- Amount relating to element of loss Relating to net loss for the year after taxation	4,708	-	4,708	(33,145)	(15,713)	(48,858)
Total payment on redemption of units	(47,593)	-	(47,593)	(340,569)	(15,713)	(356,282)
Total comprehensive income for the year	-	(93,143)	(93,143)	-	76,673	76,673
Distribution during the year	-	-	-	-	-	-
Total comprehensive income for the year less distribution	-	(93,143)	(93,143)	-	76,673	76,673
<b>Net assets at end of the year</b>	734,999	(75,586)	659,412	823,040	(1,705)	821,335
<b>Undistributed income brought forward</b>						
- Realised		1,772			(11,960)	
- Unrealised		15,785			(50,705)	
		17,557			(62,665)	
Element of loss and capital losses included in prices of units issued less those in units redeemed		-			-	
Accounting (loss) / income available for distribution						
-Relating to CG		-			60,960	
-Excluding CG		-			-	
		-			60,960	
Distribution during the year		-			-	
Undistributed income carried forward		17,557			(1,705)	
<b>Undistributed income carried forward</b>						
- Realised		120,214			(46,920)	
- Unrealised		(102,657)			45,215	
		17,557			(1,705)	
<b>Net assets value per unit at beginning of the period</b>			11.9855			10.0106
<b>Net assets value per unit at end of the period</b>			10.5564			11.2008

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Energy Fund**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	Note	Three Months Ended	
		September 30,	
		2021	2020
		(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income for the period		(93,143)	76,673
<b>Adjustments</b>			
Capital loss / (gain) on sale of investments - net		6,584	(39,915)
Dividend income		(16,421)	(2,156)
Profit on bank deposits		(574)	(864)
Unrealised (appreciation) / diminution on remeasurement of investments at fair value through profit or loss- held-for-trading - net		102,657	(45,215)
		(897)	(11,477)
<b>(Increase) / decrease in assets</b>			
Investments - net		20,018	(156,533)
Dividend and profit receivable		5,249	2,801
Receivable against sale of investments		17,388	-
Deposits and prepayments		-	(25)
		42,655	(153,757)
<b>Increase / (decrease) in liabilities</b>			
Payable to Management Company		(371)	1,336
Payable to Central Depository Company of Pakistan Limited - Trustee		(24)	51
Payable to Securities and Exchange Commission of Pakistan		(120)	(97)
Payable against purchase of investments		15,479	3,761
Accrued expenses and other liabilities		(25,188)	2,362
		(10,224)	7,413
<b>Net cash generated from operations</b>		<b>31,534</b>	<b>(157,821)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Amount received on issue of units		25,627	530,133
Payment against redemption of units		(47,593)	(356,282)
Dividend Paid		-	-
<b>Net cash used in financing activities</b>		<b>(21,967)</b>	<b>173,851</b>
<b>Net decrease in cash and cash equivalents</b>		<b>9,567</b>	<b>16,031</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>13,030</b>	<b>39,502</b>
<b>Cash and cash equivalents at end of the period</b>	4	<b>22,594</b>	<b>55,533</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**



# **HBL Energy Fund**

## **Condensed Interim Statement of Cash Flow (Un- Audited)**

### **FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

---

---

#### **1. LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

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

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

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

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

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

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

---

---

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

**3.1** The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2021.

**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, 2021.

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

**3.5** The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2021.

	Note	September 30, 2021 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited)
<b>4 BANK BALANCES</b>			
In saving accounts	5.1	22,582	13,019
In current accounts		11	11
		<b>22,593</b>	<b>13,030</b>

4.1 Mark-up rates on these accounts range between 5% to 8.25% per annum (June 30, 2021: 5% to 5.5% per annum).

	Note	September 30, 2021 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited)
<b>5 INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss' - held-for-trading</b>			
Listed equity securities	5.1	642,851	772,110
		<b>642,851</b>	<b>772,110</b>

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

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

Name of the Investee Company	Number of shares				Market value				Par value as a percentage of issued capital of the investee company
	As at July 1, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2021	As at September 30, 2021 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets	
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Ltd	1,065,398	-	-	238,000	827,398	60,839	9.46%	9.23%	0.06%
Kot Addu Power Company Ltd	579,000	-	-	200,000	379,000	13,265	2.06%	2.01%	0.04%
	1,644,398	-	-	438,000	1,206,398	74,104			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>									
Mari Petroleum Company Ltd	38,529	10,000	-	2,840	45,689	70,972	11.04%	10.76%	0.04%
Oil & Gas Development Co Ltd	1,273,158	-	-	245,000	1,028,158	86,160	13.40%	13.07%	0.02%
Pakistan Oilfields Ltd	208,229	25,000	-	19,000	214,229	80,411	12.51%	12.19%	0.09%
Pakistan Petroleum Ltd	1,280,332	-	-	113,000	1,167,332	87,445	13.60%	13.26%	0.06%
	2,800,248	35,000	-	379,840	2,455,408	324,987			
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Attock Petroleum Ltd	-	23,500	-	-	23,500	6,815	1.06%	1.03%	0.03%
Hi-Tech Lubricants Ltd	-	166,500	-	164,000	2,500	155	0.02%	0.02%	0.00%
Pakistan State Oil Company Ltd	553,324	20,000	-	7,800	565,524	113,665	17.68%	17.24%	0.17%
Shell Pakistan Ltd	136,700	-	-	48,500	88,200	11,939	1.86%	1.81%	0.08%
Sui Northern Gas Pipeline Ltd	508,000	130,000	-	154,000	484,000	22,012	3.42%	3.34%	0.08%
Sui Southern Gas Co Ltd	569,500	-	-	400,000	169,500	1,853	0.29%	0.28%	0.02%
	1,767,524	340,000	-	774,300	1,333,224	156,438			

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, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2021	As at September 30, 2021 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets	
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Attock Refinery Ltd	60,000	-	-	-	60,000	10,727	1.67%	1.63%	0.07%
Byco Petroleum Pakistan Ltd	700,000	-	-	-	700,000	5,726	0.89%	0.87%	0.07%
National Refinery Ltd	151,000	111,500	-	28,500	234,000	70,869	11.02%	10.75%	0.29%
Pakistan Refinery Limited	237,500	-	-	237,500	-	-	0.00%	0.00%	0.10%
	<u>1,148,500</u>	<u>111,500</u>	<u>-</u>	<u>266,000</u>	<u>994,000</u>	<u>87,322</u>			
<b>Total September 30, 2021</b>	<b>7,360,670</b>	<b>486,500</b>	<b>-</b>	<b>1,858,140</b>	<b>5,989,030</b>	<b>642,851</b>			
Carrying value of investment at September 30, 2021						<u>745,508</u>			

5.2 Investments include shares having market value aggregating to Rs. 60.221 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.3 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.4 million at September 30, 2021 (June 30, 2021: 0.535 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

	Note	September 30, 2021 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited)
<b>6 PAYABLE TO MANAGEMENT COMPANY</b>			
Management fee	6.1	1,173	1,361
Sindh Sales Tax	6.2	153	177
Sales load payable		4	-
Allocation of expenses related to registrar services, accounting, operation and valuation services		323	375
Selling and marketing expenses		<u>1,968</u>	<u>2,079</u>
		<u>3,621</u>	<u>3,992</u>

6.1 The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2021: 2% per annum) of the average annual net assets of the Fund for the current year.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2021: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

	Note	September 30, 2021 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited) (Rupees in '000)
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty	7.1	13,920	13,920
Provision for Sindh Workers' Welfare Fund	7.2	-	7,320
Auditors' remuneration		443	443
Securities transaction cost		201	374
Withholding tax payable		420	462
Zakat Payable		248	241
		<b>15,232</b>	<b>22,760</b>

#### 7.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.920 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2021 would have been higher by Re. 0.22 (June 30, 2021: Re. 0.22) per unit.

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

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 7.32 million for the period from July 1, 2014 till August 12, 2021.

#### 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2021 and June 30, 2021.

#### 9 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced

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

#### 10 EARNING PER UNIT (EPU)

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

#### 11 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2021 is 1.11% which includes 0.09% representing government levy and SECP fee.

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	September 30, 2020 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited)
Fee Payable		<b>37</b>	<b>157</b>

#### 13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

		Three months ended September 30,	
		2021	2020
		(Rupees in '000)	
<b>13.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company **</b>		
	Remuneration of the Management Company	3,748	3,985
	Sindh Sales Tax on remuneration of the Management Company	487	518
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,031	1,096
	Allocation of expenses related to Selling and Marketing,	1,968	2,092
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee remuneration	423	450
	Central Depository Service charges	18	32
	<b>Habib Bank Limited - Sponsor</b>		
	Bank Charges	7	7
	<b>Directors of the Management Company</b>		
	Issue of 1,822 units (2020: 20,509 units)	20	225
	Redemption of 45,293 units (2020: 20,509 units)	517	228
		<b>September 30,</b>	<b>June 30,</b>
		<b>2021</b>	<b>2021</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>(Rupees in '000)</b>	
<b>13.2</b>	<b>Balances outstanding as at period / year end</b>		
	<b>HBL Asset Management Limited - Management Company **</b>		
	Management fee	1,173	1,361
	Sindh Sales Tax	153	177
	Sales load payable	4	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	323	375
	Allocation of expenses related to Selling and Marketing,	1,968	2,079
	<b>Habib Bank Limited - Sponsor</b>		
	Bank Balance	1,996	451
	Units held: 19,690,192 units (June 30,2021 19,690,192 units)	207,858	235,997
	<b>Directors of the Management Company</b>		
	Units held: 389,308 units (June 30,2021: 403,276 units)	4,110	4,833
	<b>MCB Bank Limited- Connected person due to holding more than 10% units:</b>		
	Units held: 6,468,401 (June 30 ,2021: 6,468,401)	68,283	64,753
	<b>Rohtas Associates Private Limited- Connected person due to holding more than 10% units:</b>		
	Units held: 6,277,914 (June 30 ,2021: 6,277,914)	66,272	75,244
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	133	152
	CDC charges payable	3	3
	Security deposit	300	300

## 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Note	September 30, 2021				Fair Value			
		Carrying amount			Total	Level 1	Level 2	Level 3	Total
		Fair value through profit or loss- held-for-trading	Loans and receivables	Other financial liabilities					
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- Listed equity securities		642,851	-	-	642,851	642,851	-	-	642,851
		642,851	-	-	642,851	642,851	-	-	642,851
<b>Financial assets not measured at fair value</b>									
	14.1								
Bank balances		-	22,594	-	22,594	-	-	-	-
Dividend and profit receivable		-	11,782	-	11,782	-	-	-	-
Security deposits		-	2,800	-	2,800	-	-	-	-
		-	37,176	-	37,176	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
	14.1								
Payable to Management Company		-	-	3,621	3,621	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	133	133	-	-	-	-
Payable against purchase of investments		-	-	15,479	15,479	-	-	-	-
Accrued expenses and other liabilities		-	-	15,232	15,232	-	-	-	-
		-	-	34,465	34,465	-	-	-	-



		June 30, 2021							
		Carrying amount			Fair Value				
		Fair value through profit or loss- held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- Listed equity securities									
		772,110	-	-	772,110	772,110	-	-	772,110
		772,110	-	-	772,110	772,110	-	-	772,110
<b>Financial assets not measured at fair value</b> 14.1									
Bank balances									
		-	13,030	-	13,030	-	-	-	-
Dividend and profit receivable									
		-	138	-	138	-	-	-	-
Security deposits									
		-	2,800	-	2,800	-	-	-	-
		-	15,968	-	15,968	-	-	-	-
<b>Financial liabilities not measured at fair value</b> 14.1									
Payable to Management Company									
		-	-	3,992	3,992	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee									
		-	-	157	157	-	-	-	-
Accrued expenses and other liabilities									
		-	-	40,420	40,420	-	-	-	-
		-	-	44,569	44,569	-	-	-	-

**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 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 28, 2021.

## **16 GENERAL**

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

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

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

---

---

# **HBL**

## **Multi Asset Fund**

## FUND INFORMATION

---

---

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

**HBL Multi Asset Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at September 30, 2021*

	Note	September 30, 2021 (Un-Audited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Bank balances	4	46,850	54,922
Investments	5	145,003	161,844
Dividend receivable and accrued mark-up		1,400	428
Receivable Against Sale of Investment		1,951	-
Advances, deposits and other receivables		3,506	2,964
<b>Total assets</b>		<b>198,710</b>	<b>220,158</b>
<b>Liabilities</b>			
Payable to Management Company	6.	670	703
Payable to Trustee	7.	37	38
Payable to Securities and Exchange Commission of Pakistan	8	10	41
Payable Against Purchase of Investment		-	4,003
Accrued expenses and other liabilities	9.	7,209	12,936
<b>Total liabilities</b>		<b>7,926</b>	<b>17,721</b>
<b>Net assets</b>		<b>190,784</b>	<b>202,437</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>190,784</b>	<b>202,437</b>
<b>Contingencies And Commitments</b>	8	(Number of units)	
<b>Number of units in issue</b>		<b>1,759,905</b>	<b>1,795,511</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>108.4058</b>	<b>112.7464</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Multi Asset Fund**  
**Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)**  
*For the three months ended September 30, 2021*

	Note	Three months ended	
		September 30,	
		2021	2020
		----- (Rupees in '000) -----	
<b>Income</b>			
Dividend income		1,208	478
Mark-up on deposits with banks & Term deposit		837	911
Mark-up / return on investments - net		510	376
Capital gain on sale of investments - net		328	4,144
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds		-	1,520
Other Income		-	6
		<b>2,883</b>	<b>7,435</b>
Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net		<b>(14,063)</b>	15,768
		<b>(11,180)</b>	<b>23,203</b>
<b>Expenses</b>			
Remuneration of Management Company		1,146	1,252
Remuneration of Trustee		115	125
Annual fee of Securities and Exchange Commission of Pakistan		10	11
Allocation of expenses related to registrar services, accounting, operation and valuation services		177	194
Selling and Marketing Expense		246	269
Settlement and bank charges		87	131
Auditors' remuneration		100	99
Fee and Subscription		40	7
Printing Charges		17	-
Securities transaction costs		52	86
		<b>1,990</b>	<b>2,174</b>
<b>Net loss from operating activities</b>		<b>(13,170)</b>	<b>21,029</b>
<b>Reversal / (Provision) for Sindh Workers' Welfare Fund</b>	9.2	<b>5,562</b>	(421)
<b>Net loss for the period before taxation</b>		<b>(7,608)</b>	<b>20,608</b>
<b>Taxation</b>	11.	-	-
<b>Net income for the period after taxation</b>		<b>(7,608)</b>	<b>20,608</b>
<b>Allocation of net income for the period:</b>			
Income already paid on redemption of units		-	3,218
Accounting income available for distribution:			
-Relating to capital gains		-	16,694
-Excluding capital gains		-	696
		-	17,390
<b>Net income / (loss) for the period after taxation</b>		-	<b>20,608</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>(7,608)</b>	<b>20,608</b>
<b>Earning per unit</b>	12.		

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Multi Asset Fund**  
**Statement of Movement in Unitholders' Fund (Un-Audited)**  
*For the three months ended September 30, 2021*

Three months ended  
September 30,

	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
<b>Net assets at the beginning of the period</b>	220,838	(18,401)	-	202,437	243,068	(49,304)	-	193,764
Issuance of 53,961 units (2020: 372,261 units)								
- Capital value (at net asset value per unit at the beginning of the period)	6,085	-	-	6,085	35,023	-	-	35,023
- Element of loss	(7)	-	-	(7)	3,536	-	-	3,536
	6,078			6,078	38,559			38,559
Redemption of 89,573 units (2020: 265,426 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(10,099)	-	-	(10,099)	(24,972)	-	-	(24,972)
- Income already paid on redemption of units		-	-	-		(3,218)	-	(3,218)
- Amount paid out of element of income Relating to net income for the period after taxation	(24)	-	-	(24)	427	-	-	427
	(10,123)			(10,123)	(24,545)	(3,218)	-	(27,762)
Net (loss) / income for the period after taxation	-	(7,608)	-	(7,608)	-	20,608	-	20,608
Distribution during the period	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	(7,608)	-	(7,608)	-	20,608	-	20,608
<b>Net assets at the end of the period</b>	<b>216,793</b>	<b>(26,009)</b>	<b>-</b>	<b>190,784</b>	<b>257,082</b>	<b>(31,914)</b>	<b>-</b>	<b>225,169</b>

Undistributed income brought forward

- Realised	713	(28,505)
- Unrealised	(19,114)	(20,799)
	(18,401)	(49,304)

Adoption of IFRS 9

-

-

Accounting income available for distribution

-

17,390

**Undistributed income carried forward**

**(18,401)**

**(31,914)**

Undistributed income carried forward

- Realised	(4,338)	(47,682)
- Unrealised	(14,063)	15,768
	(18,401)	(31,914)

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

Net assets value per unit at beginning of the period

112.7464

94.0814

Net assets value per unit at end of the period

108.4058

103.9384

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Multi Asset Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the three months ended September 30, 2021*

	Three months ended	
	September 30,	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period	(7,608)	20,608
<b>(Increase) / decrease in assets</b>		
Investments - net	10,887	(28,472)
Dividend receivable and accrued mark-up	(972)	(593)
Advances, deposits and other receivables	(542)	(20)
	9,373	(29,085)
<b>Increase / (decrease) in liabilities</b>		
Payable to Management Company	(33)	(3)
Payable to Trustee	(1)	10
Payable to Securities and Exchange Commission of Pakistan	(31)	(28)
Accrued expenses and other liabilities	(5,727)	(2,784)
	(5,792)	(2,805)
<b>Net cash generated from operating activities</b>	(4,027)	(11,282)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	6,078	38,559
Payment against redemption of units	(10,123)	(27,762)
<b>Net cash generated from financing activities</b>	(4,045)	10,797
<b>Net increase cash and cash equivalents</b>	(8,072)	(485)
Cash and cash equivalents at beginning of the period	54,922	69,747
<b>Cash and cash equivalents at end of the period</b>	46,850	69,262

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

# **HBL Multi Asset Fund**

## **Notes to the Condensed Interim Financial Information (Unaudited)**

*For the three months ended September 30, 2021*

---

---

### **1. LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

JCR-VIS Credit Rating Agency (JCR-VIS) has assigned management quality rating of 'AM2++ (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 IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2021.

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, 2021.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2021.

4. Bank Balances	Note	September 30, 2021	June 30, 2021
		(Rupees in '000)	
Savings accounts	4.1	46,850	54,922
		<u>46,850</u>	<u>54,922</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 4.00%-8.25% per annum (2021:6.00% - 14.05%) p.a).

5. INVESTMENTS	Note		
At Fair Value Through Profit or Loss			
- Term Finance Certificates	5.1	17,862	17,705
- Listed equity securities	5.3	122,650	139,755
Financial assets at amortised cost			
- Sukuk Certificates	5.2	4,491	4,384
		<u>145,003</u>	<u>161,844</u>

## 5.1 Term Finance Certificates

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

Name of the Investee Company	Number of certificates				Market value / Carrying value* as at September 30, 2021	Market value as a percentage of	
	As at July 1, 2021	Purchases during the period	Sales / Matured during the period	As at September 30, 2021		Total Investments	Net Assets
	(Rupees in '000)						
The Bank Of Punjab	135	-	-	135	13,745	6.84%	4.57%
TPL Trakker Limited	4	-	-	4	4,117	2.05%	1.37%
	<b>139</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>17,862</b>		
<b>Cost of investments at September 30, 2020</b>					<b>17,705</b>		

\* Related party due to common directorship

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

### 5.1.2 Significant terms and conditions of Term Finance Certificates and Sukuk bonds outstanding at September 30, 2021 are:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
The Bank Of Punjab	99,820	6 month KIBOR + 0.50%	19-Feb-16	19-Feb-26
Dawood Hercules Pvt Ltd	100,000	3 Month KIBOR + 3.0%	1-Mar-18	1-Mar-23

## 5.2 Sukuk Certificate - At Amortised Cost

Name of the Investee Company	Maturity Date						Market value as a percentage of	
		As at July 1, 2021	Purchases during the period	Income accrued	Sales / Matured during the period	As at September 30, 2021	Total Investments	Net Assets
		(Rupees in '000)						
HUB Power Holding Limited	November 10, 2022	4,384	-	107	-	4,491	2.23%	1.49%
		<b>4,384</b>	<b>-</b>	<b>107</b>	<b>-</b>	<b>4,491</b>		

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

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

Name of the Investee Company	Number of shares				Market value as at September 30, 2021	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period		Total Investments	Net Assets		
(Rupees in '000)									
<b>Personal Goods (Textile)</b>									
Gul Ahmed Textile Mills Ltd	62,400	-	-	16,000	46,400	2,543	1.75%	1.33%	0.02%
Interloop Limited	28,250	-	-	-	28,250	2,011	1.39%	1.05%	0.39%
Kohinoor Textile Mills Ltd	40,000	-	-	5,500	34,500	2,396	1.65%	1.26%	0.06%
Nishat (Chunian) Ltd	39,000	-	-	6,000	33,000	1,634	1.13%	0.86%	0.06%
Nishat Mills Ltd	8,700	10,800	-	-	19,500	1,772	1.22%	0.93%	0.01%
	<u>178,350</u>	<u>10,800</u>	<u>-</u>	<u>27,500</u>	<u>161,650</u>	<u>10,356</u>			
<b>Commercial Banks</b>									
Bank Al-Falah Ltd	-	42,000	-	-	42,000	1,359	0.94%	0.71%	0.01%
Faysal Bank Limited	72,250	22,500	-	-	94,750	2,494	1.72%	1.31%	0.01%
Habib Bank Ltd	49,471	-	-	-	49,471	5,410	3.73%	2.84%	0.00%
MCB Bank Ltd	22,400	-	-	-	22,400	3,375	2.33%	1.77%	0.00%
Meezan Bank Limited	6,300	-	945	-	7,245	1,014	0.70%	0.53%	0.00%
Standard Chartered Bank (Pakistan) Ltd	128,500	3,500	-	-	132,000	4,587	3.16%	2.40%	0.00%
United Bank Limited	62,400	-	-	-	62,400	7,398	5.10%	3.88%	0.00%
	<u>341,321</u>	<u>68,000</u>	<u>945</u>	<u>-</u>	<u>410,266</u>	<u>25,637</u>			
<b>Cement</b>									
Attock Cement Pakistan Ltd	32,000	-	-	-	32,000	4,508	3.11%	2.36%	0.01%
D G Khan Cement Co.Ltd.	26,900	-	-	-	26,900	2,378	1.64%	1.25%	0.01%
Kohat Cement Ltd	6,200	-	-	-	6,200	1,066	0.74%	0.56%	0.01%
Lucky Cement Ltd	12,800	-	-	-	12,800	9,253	6.38%	4.85%	0.00%
Maple Leaf Cement Factory Ltd	88,000	-	-	-	88,000	3,098	2.14%	1.62%	0.01%
Pioneer Cement Ltd	15,000	-	-	8,000	7,000	618	0.43%	0.32%	0.01%
	<u>180,900</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>172,900</u>	<u>20,921</u>			
<b>Power Generation &amp; Distribution</b>									
The Hub Power Company Limited	64,483	-	-	10,000	54,483	4,006	2.76%	2.10%	0.00%
	<u>64,483</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>54,483</u>	<u>4,006</u>			
<b>Oil and Gas Exploration Company</b>									
Mari Petroleum Company Ltd	4,015	-	-	-	4,015	6,237	4.30%	3.27%	0.01%
Oil & Gas Development Co Ltd	67,800	-	-	-	67,800	5,682	3.92%	2.98%	0.00%
Pakistan Oilfields Ltd	6,200	-	-	-	6,200	2,327	1.60%	1.22%	0.00%
Pakistan Petroleum Ltd	73,306	-	-	-	73,306	5,491	3.79%	2.88%	0.00%
	<u>151,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,321</u>	<u>19,737</u>			
<b>Oil and Gas Marketing Company</b>									
Pakistan State Oil Company Ltd	22,904	-	-	-	22,904	4,603	3.17%	2.41%	0.01%
	<u>22,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,904</u>	<u>4,603</u>			
<b>Fertilizer</b>									
Fauji Fertilizer Co. Ltd	12,500	-	-	12,500	-	-	0.00%	0.00%	0.00%
	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>-</u>			
<b>TRANSPORT</b>									
Pakistan National Shipping Corp Ltd	13,000	-	-	13,000	-	-	0.00%	0.00%	0.00%
	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>-</u>			
<b>Cable and Electrical Good</b>									
Waves Singer Pakistan Limited	40,000	4,000	-	-	44,000	831	0.57%	0.00	0.01%
	<u>40,000</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>44,000</u>	<u>831</u>			
<b>Pharma and Bio Tech</b>									
The Searle Company Ltd	862	-	-	-	862	174	0.12%	0.09%	0.00%
	<u>862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862</u>	<u>174</u>			

Name of the Investee Company	Number of shares				Market value as at September 30, 2021	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period		As at September 30, 2021	Total Investments		Net Assets
(Rupees in '000)									
<b>FOOD &amp; ALLIED INDUSTRIES</b>									
The Organic Meat Company Limited	130,725	5,000	-	19,500	116,225	4,176	2.88%	2.19%	0.01%
	<u>130,725</u>	<u>5,000</u>	<u>-</u>	<u>19,500</u>	<u>116,225</u>	<u>4,176</u>			
<b>INSURANCE</b>									
Adamjee Insurance Co Ltd	16,000	-	-	-	16,000	564	0.39%	0.30%	0.01%
IGI Holdings Limited	12,200	4,000	-	-	16,200	2,672	1.84%	1.40%	0.01%
IGI LIFE INSURANCE LIMITED	19,000	16,000	-	-	35,000	1,522	1.05%	0.80%	0.00%
	<u>47,200</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>67,200</u>	<u>4,758</u>			
<b>Engineering</b>									
Agha Steel Industries Ltd	54,000	-	-	6,000	48,000	1,320	0.91%	0.69%	0.01%
Aisha Steel Mills Ltd	60,000	-	-	60,000	-	-	0.00%	0.00%	0.01%
Amreli Steels Ltd	15,000	61,500	-	-	76,500	2,995	2.07%	1.57%	0.01%
International Industries Ltd	10,500	-	-	10,500	-	-	0.00%	0.00%	0.01%
International Steels Limited	9,000	-	-	9,000	-	-	0.00%	0.00%	0.00%
Mughal Iron & Steel Inds Ltd	28,612	2,500	-	1,100	30,012	2,930	2.02%	1.54%	0.01%
	<u>177,112</u>	<u>64,000</u>	<u>-</u>	<u>86,600</u>	<u>154,512</u>	<u>7,245</u>			
<b>Automobile Assembler</b>									
Honda Atlas Cars (Pakistan) Ltd	3,000	-	-	-	3,000	790	0.54%	0.41%	0.02%
Pak Suzuki Motor Company Limited	2,500	-	-	-	2,500	669	0.46%	0.35%	0.01%
	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>1,459</u>			
<b>Automobile Parts &amp; Accessories</b>									
General Tyre & Rubber Company of Pakistan Ltd	30,000	10,000	-	-	40,000	2,471	1.70%	1.30%	0.02%
Panther Tyres Limited	19,526	-	-	19,526	-	-	0.00%	0.00%	0.01%
	<u>49,526</u>	<u>10,000</u>	<u>-</u>	<u>19,526</u>	<u>40,000</u>	<u>2,471</u>			
<b>Chemical</b>									
Dynea Pakistan Limited	-	3,100	-	-	3,100	705	0.49%	0.37%	0.01%
	<u>-</u>	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>3,100</u>	<u>705</u>			
<b>Technology and Communication</b>									
Air Link Communication Ltd	-	19,500	-	-	19,500	1,405	0.97%	0.74%	0.02%
Avanceon Limited	36,000	8,000	-	16,500	27,500	3,392	2.34%	1.78%	0.02%
Netsol Technologies	12,000	3,500	-	-	15,500	1,936	1.34%	1.01%	0.02%
TPL Trakker Limited	154,500	18,000	-	-	172,500	2,943	2.03%	1.54%	0.02%
TRG Pakistan Ltd	17,500	-	-	17,500	-	-	0.00%	0.00%	0.02%
	<u>220,000</u>	<u>49,000</u>	<u>-</u>	<u>34,000</u>	<u>235,000</u>	<u>9,676</u>			
<b>Food &amp; Personal Care Product</b>									
Fauji Foods Limited	-	38,000	-	-	38,000	590	0.41%	0.31%	0.01%
Unity Foods Limited	97,000	2,500	-	-	99,500	3,106	2.14%	1.63%	0.02%
	<u>97,000</u>	<u>40,500</u>	<u>-</u>	<u>-</u>	<u>137,500</u>	<u>3,696</u>			
<b>Refinery</b>									
Attock Refinery Ltd	5,500	-	-	-	5,500	983	0.68%	0.52%	0.01%
National Refinery Ltd	2,600	200	-	-	2,800	848	0.58%	0.44%	0.02%
	<u>8,100</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>8,300</u>	<u>1,831</u>			
<b>MISCELLANEOUS</b>									
Pace (Pakistan) Ltd	-	75,000	-	-	75,000	368	0.25%	0.19%	0.02%
	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>368</u>			
	<u>1,740,804</u>	<u>349,600</u>	<u>945</u>	<u>230,626</u>	<u>1,860,723</u>	<u>122,650</u>			
Cost of investments at September 30, 2021						<u>136,869</u>			

5.3.1 Investments include shares having market value aggregating to Rs. 28.776 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.3.2 These include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the bonus shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 514,000 at September 30, 2021 (2020: Rs.473,364) and not yet deposited in CDC account of Department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

<b>6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	<i>Note</i>	<b>September 30, 2021</b>	June 30, 2021
<b>(Rupees in '000)</b>			
Management fee	6.1	<b>324</b>	339
Sindh Sales Tax	6.2	<b>42</b>	44
Sales load payable		<b>2</b>	19
Allocation of expenses related to registrar services, accounting, operation and valuation services		<b>56</b>	59
Selling and Marketing Payable		<b>246</b>	242
		<b>670</b>	703

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (June 30, 2021: two percent per annum) of the average annual net assets.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

<b>7. Payable To Trustee</b>	<b>September 30, 2021</b>	June 30, 2021
<b>(Rupees in '000)</b>		
Trustee's remuneration	<b>32</b>	34
Sindh Sales Tax	<b>4</b>	4
	<b>36</b>	38

7.1 The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.2% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

<b>8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		<b>September 30, 2021</b>	June 30, 2021
		<b>(Rupees in '000)</b>	
Annual Fee		<b>10</b>	<b>41</b>

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears

<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<i>Note</i>	<b>September 30, 2021</b>	June 30, 2021
		<b>(Rupees in '000)</b>	
Auditors' remuneration		<b>416</b>	316
Federal Excise Duty	9.1	<b>6,610</b>	6,610
Other payables		<b>109</b>	61
With Holding Tax Paable		<b>2</b>	303
Payable to brokers		<b>69</b>	81
Dividend payable		<b>3</b>	3
Provision for Sindh Workers' Welfare Fund	9.2	<b>-</b>	5,562
		<b>7,209</b>	<b>12,936</b>

#### 9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.61 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2020 would have been higher by Re. 3.76 (June 30, 2021: Re. 3.6814) per unit.

#### 9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

---

---

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 5.5624 million for the period from July 1, 2014 till August 12, 2021.

#### **10. CONTINGENCIES AND COMMITMENTS**

There were no contingencies or commitments outstanding as at September 30, 2021.

#### **11. TAXATION**

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

#### **12. EARNINGS PER UNIT (EPU)**

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

#### **13. TOTAL EXPENSE RATIO**

The Scheme has maintained Total Expense Ratio (TER) 0.99% (0.08% representing Government Levies, and SECP Fee).

#### **14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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

14.1	Transactions during the period	Three months ended	
		September 30,	
		2021	2020
		(Rupees in '000)	
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee	1,146	1,252
	Allocation of expenses related to registrar services, accounting, operation and valuation services	177	194
	Selling and Marketing Expense	246	269
	<b>Habib Bank Limited - Sponsor</b>		
	Mark-up earned during the period	91	68
	Mark-up received during the period	71	68
	Dividend income earned during the period	87	-
	Bank charges	1	-
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration	115	125
	Central Depository service charges	3	3
14.2	Amounts outstanding as at period end	September 30, 2021	June 30, 2021
		(Rupees in '000)	
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee	324	339
	Sindh Sales Tax	42	44
	Sales load payable	2	19
	Allocation of expenses related to registrar services, accounting, operation and valuation services	56	59
	Selling and Marketing Payable	246	242
	<b>Habib Bank Limited - Sponsor</b>		
	Investment held in the Fund: 822,848 units (June 30, 2021: 822,848 units)	89,201	92,773
	Bank balances	44,302	6,343
	Mark-up receivable on deposits with bank	48	21
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	32	34
	Sindh Sales Tax	4	4
	<b>Mr. Rafiuddin Zakir Mahmood - Connected Person due to holding more than 10% holding</b>		
	Unit held: 312,940 units ( June 30, 2021: 312,940 units)	33,925	35,283



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

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

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

**16 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

Note	September 30, 2021							
	Carrying amount				Fair Value			
	fair value through profit or loss	At Amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	----- (Rupees in '000) -----							
<b>Financial assets measured at fair value</b>								
Investments								
- Listed equity securities	122,650	-	-	122,650	122,650	-	-	122,650
- Term finance certificate	17,862	-	-	17,862	-	17,862	-	17,862
	<u>140,512</u>	<u>-</u>	<u>-</u>	<u>140,512</u>				
<b>Financial assets not measured at fair value</b>								
Bank balances	-	46,850	-	46,850				
Investments								
Dividend receivable and accrued mark-up	-	1,400	-	1,400				
Advances, deposits and other receivables	-	3,506	-	3,506				
Term Finance Certificates and sukuk bonds	-	4,491	-	4,491				
	<u>-</u>	<u>56,247</u>	<u>-</u>	<u>56,247</u>				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	670	670				
Payable to Trustee	-	-	37	37				
Accrued expenses and other liabilities	-	-	7,209	7,209				
	<u>-</u>	<u>-</u>	<u>7,916</u>	<u>7,916</u>				
	June 30, 2021							
	Carrying amount				Fair Value			
	Fair value through profit or loss	at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	----- (Rupees in '000) -----							
<b>Financial assets measured at fair value</b>								
Investments								
- Listed equity securities	139,755	-	-	139,755	139,755	-	-	139,755
Term Finance certificate	17,705	-	-	17,705	-	17,705	-	17,705
	<u>157,460</u>	<u>-</u>	<u>-</u>	<u>157,460</u>				
<b>Financial assets not measured at fair value</b>								
Bank balances	-	54,922	-	54,922				
Investments								
- Un-Listed equity securities	-	-	-	-				
- At amortized cost - Placements	-	-	-	-				
- Term Finance Certificates and sukuk bonds	-	4,384	-	4,384				
Dividend receivable and accrued mark-up	-	428	-	428				
Advances, deposits, prepayments and other receivables	-	2,964	-	2,964				
	<u>-</u>	<u>62,698</u>	<u>-</u>	<u>62,698</u>				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	659	659				
Payable to Trustee	-	-	34	34				
Accrued expenses and other liabilities	-	-	764	764				
	<u>-</u>	<u>-</u>	<u>1,457</u>	<u>1,457</u>				

## 17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 28, 2021.

---

---

**18. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

# **HBL**

## **Financial Planning Fund**

## FUND INFORMATION

---

---

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

**HBL Financial Planning Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at September 30, 2021*

Note	September 30, 2021				June 30, 2021			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
(Unaudited)				(Audited)				
(Rupees in '000)								
<b>Assets</b>								
4	644	402	590	1,636	237	1,598	1,089	2,924
5	41,518	51,563	-	93,081	57,824	51,084	88,149	197,057
	77	43	-	120	377	372	-	749
	307	315	-	622	68	36	-	104
<b>Total assets</b>	<b>42,546</b>	<b>52,323</b>	<b>590</b>	<b>95,459</b>	<b>58,506</b>	<b>53,090</b>	<b>89,238</b>	<b>200,834</b>
<b>Liabilities</b>								
6	11	45	9	65	10	9	15	34
	4	4	3	11	5	5	8	18
7	2	3	3	8	12	12	24	48
8	224	86	575	885	679	1,944	1,266	3,889
	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>241</b>	<b>138</b>	<b>590</b>	<b>969</b>	<b>706</b>	<b>1,970</b>	<b>1,313</b>	<b>3,989</b>
<b>Net assets</b>	<b>42,305</b>	<b>52,185</b>	<b>-</b>	<b>94,490</b>	<b>57,800</b>	<b>51,120</b>	<b>87,925</b>	<b>196,845</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>42,305</b>	<b>52,185</b>	<b>-</b>	<b>94,490</b>	<b>57,800</b>	<b>51,120</b>	<b>87,925</b>	<b>196,845</b>
<b>Number of units in issue</b>	<b>409,901</b>	<b>457,289</b>	<b>-</b>		<b>499,316</b>	<b>443,711</b>	<b>833,350</b>	<b>1,776,377</b>
(Rupees)				(Rupees)				
<b>Net asset value per unit</b>	<b>103.2079</b>	<b>114.1176</b>	<b>-</b>		<b>115.7579</b>	<b>115.2069</b>	<b>105.5096</b>	

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 Financial Planning Fund

## Condensed Interim Income Statement and Other Comprehensive Income (Unaudited)

### For the Three months ended September 30, 2021

Note	September-21			For the period from July 01, 2021 to September 13, 2021	September-20			Total
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	
	(Rupees in '000)				(Rupees in '000)			
<b>Income</b>								
Mark-up on deposits with bank	22	10	21	53	29	145	3	177
Capital (loss) / gain on sale of investment - net	(47)	1	176	130	-	1,818	14	1,832
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(5,398)	(690)	-	(6,088)	4,255	76	1,049	5,380
Dividend income	-	-	1,358	1,358	227	-	-	227
Bank End load	-	-	-	-	-	-	26	26
<b>Total income / (loss)</b>	<b>(5,423)</b>	<b>(679)</b>	<b>1,555</b>	<b>(4,547)</b>	<b>4,511</b>	<b>2,039</b>	<b>1,092</b>	<b>7,642</b>
<b>Expenses</b>								
Remuneration of the Management Company	1	2	4	7	6	50	1	57
Sindh Sales Tax on remuneration of the Management Company	-	-	1	1	1	7	-	8
Remuneration of the Trustee	12	13	17	42	16	21	36	73
Annual fee to Securities and Exchange Commission of Pakistan	2	3	3	8	3	4	7	14
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	-	-	-
Amortisation of preliminary expenses and flotation costs	24	26	34	84	31	42	70	143
Auditors' remuneration	68	58	-	126	67	58	-	125
Printing Charges	32	28	49	109	17	16	42	75
Bank charges	4	4	4	12	-	-	-	-
Listing Fee	4	2	78	84	2	3	-	5
Legal Fee	5	4	3	12	7	6	4	17
Legal Fee	15	16	8	39	-	-	-	-
<b>Total expenses</b>	<b>167</b>	<b>156</b>	<b>201</b>	<b>524</b>	<b>150</b>	<b>207</b>	<b>160</b>	<b>517</b>
<b>Net (loss) / income from operating activities</b>	<b>(5,590)</b>	<b>(835)</b>	<b>1,354</b>	<b>(5,071)</b>	<b>4,361</b>	<b>1,832</b>	<b>932</b>	<b>7,125</b>
Reversal / (Provision) for Sindh Workers' Welfare Fund	406	332	466	1,204	(87)	(37)	(19)	(143)
<b>Net (loss) / income for the Period before taxation</b>	<b>(5,184)</b>	<b>(503)</b>	<b>1,820</b>	<b>(3,867)</b>	<b>4,274</b>	<b>1,795</b>	<b>913</b>	<b>6,982</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net (loss) / income for the Period after taxation</b>	<b>(5,184)</b>	<b>(503)</b>	<b>1,820</b>	<b>(3,867)</b>	<b>4,274</b>	<b>1,795</b>	<b>913</b>	<b>6,982</b>
<b>Earning per unit</b>								
Income already paid on redemption of units	-	-	162	-	56	-	7	-
Accounting income available for distribution:								
-Relating to capital gains	(5,445)	(503)	176	-	4,199	1,795	1,056	-
-Excluding capital gains	261	-	1,484	-	19	-	-	-
	<b>(5,184)</b>	<b>(503)</b>	<b>1,658</b>		<b>4,218</b>	<b>1,795</b>	<b>906</b>	
<b>Net loss / income for the Period after taxation</b>	<b>(5,184)</b>	<b>(503)</b>	<b>1,820</b>		<b>4,274</b>	<b>1,795</b>	<b>913</b>	
<b>Other comprehensive income for the Period</b>	-	-	-		-	-	-	
<b>Total comprehensive income for the Period</b>	<b>(5,184)</b>	<b>(503)</b>	<b>1,820</b>		<b>4,330</b>	<b>1,795</b>	<b>913</b>	

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 Financial Planning Fund**  
**Statement of Movement In Unitholders' Fund**  
*For the Three months ended September 30, 2021*

	September-21			September-20		
	Active Allocation Plan			Active Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
<b>Net assets at beginning of the Period</b>	56,275	1,525	57,800	65,400	(7,953)	57,447
Issuance of 4,271 (2020: 8,781) units						
- Capital value (at net asset value per unit at the par value)	494	-	494	-	-	-
- Element of Income	(10)	-	(10)	-	-	-
<b>Total proceeds on issuance of units</b>	<b>484</b>	<b>-</b>	<b>484</b>	<b>-</b>	<b>-</b>	<b>-</b>
Redemption of 93,685 (2020: 12,705) units						
- Capital value (at net asset value per unit at the par value)	(10,845)	-	(10,845)	(1,219)	-	(1,219)
- Amount paid out of element of income	50	-	50	(23)	-	(23)
- Income already paid on redemption of units	-	-	-	-	(56)	(56)
<b>Total payments on redemption of units</b>	<b>(10,795)</b>	<b>-</b>	<b>(10,795)</b>	<b>(1,242)</b>	<b>(56)</b>	<b>(1,298)</b>
Total comprehensive income for the Period	-	(5,184)	(5,184)	-	4,274	4,274
<b>Net assets at end of the Period</b>	<b>45,964</b>	<b>(3,659)</b>	<b>42,305</b>	<b>64,158</b>	<b>(3,735)</b>	<b>60,423</b>
- Realised		(2,360)			(12,208)	
- Unrealised		3,885			4,255	
Undistributed income brought forward		1,525			(7,953)	
Accounting income available for distribution						
- Relating to capital gains		(5,445)			4,199	
- Excluding capital gains		261			19	
Total comprehensive loss for the period		(5,184)			4,218	
Undistributed income carried forward		(3,659)			(3,735)	
<b>Undistributed income carried forward</b>						
- Realised		1,739			(3,735)	
- Unrealised		(5,398)			4,255	
		(3,659)			(3,735)	
			(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the Period</b>			<b>115.7579</b>			95.9459
<b>Net assets value per unit at end of the Period</b>			<b>103.2079</b>			103.0971

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 Financial Planning Fund**  
**Statement of Movement In Unitholders' Fund**  
*For the Three months ended September 30, 2021*

	September-21			September-20		
	Conservative Allocation Plan			Conservative Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
<b>Net assets at beginning of the Period</b>	42,154	8,966	51,120	46,342	6,207	52,549
Issuance of 13,586 (2020: 2,608,437) units						
- Capital value (at net asset value per unit at the par value)	1,564	-	1,564	282,502	-	282,502
- Element of Income	5	-	5	6,903	-	6,903
<b>Total proceeds on issuance of units</b>	<b>1,569</b>	<b>-</b>	<b>1,569</b>	<b>289,405</b>	<b>-</b>	<b>289,405</b>
Redemption of 9 (2020: 2,608,010) units						
- Capital value (at net asset value per unit at the par value)	(1)	-	(1)	(282,455)	-	(282,455)
- Amount paid out of element of income	-	-	-	(7,162)	-	(7,162)
- Income already paid on redemption of units	-	-	-	-	-	-
<b>Total payments on redemption of units</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>(289,617)</b>	<b>-</b>	<b>(289,617)</b>
Total comprehensive income for the Period	-	(503)	(503)	-	1,795	1,795
<b>Net assets at end of the Period</b>	<b>43,722</b>	<b>8,463</b>	<b>52,185</b>	<b>46,130</b>	<b>8,002</b>	<b>54,132</b>
- Realised		7,975			6,131	
- Unrealised		991			76	
Undistributed income brought forward		8,966			6,207	
Accounting income available for distribution						
- Relating to capital gains		(503)			1,795	
- Excluding capital gains		-			-	
		(503)			1,795	
Undistributed income carried forward		8,463			8,002	
<b>Undistributed income carried forward</b>						
- Realised		9,153			7,926	
- Unrealised		(690)			76	
		8,463			8,002	
			(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the Period</b>			<b>115.2069</b>			<b>108.3030</b>
<b>Net assets value per unit at end of the Period</b>			<b>103.2079</b>			<b>103.0971</b>

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 Financial Planning Fund**  
**Statement of Movement In Unitholders' Fund**  
*For the period from July 01, 2021 to September 13, 2021*

	September-21			September-20		
	Special Income Plan			Special Income Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
----- (Rupees '000) -----						
<b>Net assets at beginning of the Period</b>	81,693	6,232	87,925	135,761	5,733	141,494
Issuance of 24,128 (2020: Nil) units						
- Capital value (at net asset value per unit at the par value)	2,546	-	2,546	-	-	-
- Element of Income	(1,413)	-	(1,413)	-	-	-
<b>Total proceeds on issuance of units</b>	<b>1,133</b>	<b>-</b>	<b>1,133</b>	<b>-</b>	<b>-</b>	<b>-</b>
Redemption of 857,477 (2020: 24,406) units						
- Capital value (at net asset value per unit at the par value)	(90,472)	-	(90,472)	(2,558)	-	(2,558)
- Amount paid out of element of income	1,172	-	1,172	1	-	1
- Income already paid on redemption of units	-	(162)	(162)	-	(7)	(7)
<b>Total payments on redemption of units</b>	<b>(89,462)</b>	<b>(162)</b>	<b>(89,462)</b>	<b>(2,557)</b>	<b>(7)</b>	<b>(2,564)</b>
Total comprehensive income for the Period	-	1,820	1,820	-	913	913
Interim Distribution						
Rs. 2.2 per unit declared on September 13, 2021 as cash dividend	-	(1,416)	(1,416)	-	-	-
<b>Net assets at end of the Period</b>	<b>(6,636)</b>	<b>6,636</b>	<b>-</b>	<b>133,204</b>	<b>6,639</b>	<b>139,843</b>
Undistributed income brought forward						
- Realised		6,196			4,684	
- Unrealised		36			1,049	
		<b>6,232</b>			<b>5,733</b>	
Accounting income available for distribution						
- Relating to capital gains		176			1,056	
- Excluding capital gains		1,482			-	
		1,658			1,056	
ion during the period		(1,416)				
puted income carried forward		<b>6,636</b>			<b>6,789</b>	
<b>Undistributed income carried forward</b>						
id		6,636			5,740	
- Unrealised		-			1,049	
		<b>6,636</b>			<b>6,789</b>	
			(Rupees)			(Rupees)
ets value per unit at beginning of the Period			<u>105.5096</u>			<u>-</u>
Net assets value per unit at end of the Period			<u>-</u>			<u>105.4811</u>

exed 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 Financial Planning Fund**  
**Condensed Interim Cash Flow Statement (unaudited)**  
*For the Three months ended September 30, 2021*

Note	September-21				Sep-20			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	For the period from July 01, 2021 to September 13 2021							
	(Rupees in '000)				(Rupees in '000)			
<b>Cash flows from operating activities</b>								
Net (loss) / income for the Period before taxation	(5,184)	(503)	1,820	(3,867)	4,274	1,795	913	6,982
<b>Adjustments for non-cash items</b>								
Dividend income	-	-	(1,358)	(1,358)	(227)	-	-	(227)
Capital loss / (gain) on sale of investment - net	47	(1)	(176)	(130)	-	(1,818)	(14)	(1,832)
Unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	5,398	690	-	6,088	(4,255)	(76)	(1,049)	(5,380)
	261	186	286	733	(295)	(99)	(150)	(544)
<b>(Increase) / Decrease in assets</b>								
Investments - net	10,861	(1,168)	89,683	99,376	(1,501)	1,176	5,110	4,785
Accrued mark-up	-	-	-	-	-	-	-	-
Advance, deposits and other receivables	300	329	-	629	1	1	(11)	(9)
Preliminary expenses and flotation costs	(239)	(279)	-	(518)	69	58	-	127
	10,922	(1,118)	89,683	99,487	(1,431)	1,235	5,099	4,903
<b>(Decrease) / Increase in liabilities</b>								
Payable to the Management Company	1	36	(6)	31	1	4,237	(1)	4,237
Payable to the Trustee	(1)	(1)	(5)	(7)	-	3	-	3
Payable to Securities and Exchange Commission of Pakistan	(10)	(9)	(21)	(40)	(12)	(8)	(16)	(36)
Accrued expenses and other liabilities	(455)	(1,858)	(691)	(3,004)	(400)	(3,004)	(2,481)	(5,885)
	(465)	(1,832)	(723)	(3,020)	(411)	1,228	(2,498)	(1,681)
<b>Net cash (used) / flow in / from operating activities</b>	10,718	(2,764)	89,246	97,200	(2,137)	2,364	2,451	2,678
<b>Cash flows from financing activities</b>								
Amount received on issue of units	484	1,569	1,133	3,186	901	289,405	-	290,306
Amount paid on redemption of units	(10,795)	(1)	(89,462)	(100,258)	(1,298)	(289,617)	(2,564)	(293,479)
Dividend paid	-	-	(1,416)	(1,416)	-	-	-	-
<b>Net cash used in financing activities</b>	(10,311)	1,568	(89,745)	(98,488)	(397)	(212)	(2,564)	(3,173)
<b>Net (decrease) / increase in cash and cash equivalents</b>	407	(1,196)	(499)	(1,288)	(2,447)	2,152	(113)	(495)
Cash and cash equivalents at the beginning of the Period	237	1,598	1,089	2,924	3,468	4,116	954	8,538
<b>Cash and cash equivalents at the end of the Period</b>	4	644	402	590	1,636	1,021	6,268	8,043

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 Financial Planning Fund**

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

*For the Three months ended September 30, 2021*

---

---

### **1. LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

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

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

The "Special Income Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between Income and Money Market schemes based on fundamental analysis of economic indicators, interest rate environment, market liquidity conditions and a strategy of minimizing risk & volatility. The duration of this plan is 24 months (Two Years). However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause no.10.4 of the offering document of HBL-FPF.

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

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

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the

---

---

Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

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

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

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

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2021.

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

Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. None of these amendments are expected to have a significant effect on this condensed interim financial information.

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2021.

#### 4. BANK BALANCES

	Note	30-Sep-2021				30-Jun-2021			
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
(Rupees in '000)									
Savings accounts	4.1	644	402	590	1,636	237	1,598	1,089	2,924

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 5.5% to 5.6% (June 2021: 4% to 5.6%) per annum.

#### 5. INVESTMENTS

	Note	30-Sep-2021				30-Jun-2021			
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
(Rupees in '000)									
Investments by category									
At fair value through profit or loss - held-for-trading									
Units of mutual funds	5.1	41,518	51,563	-	93,081	54,195	53,447	143,634	251,276

#### 5.1 Units of mutual funds

Name of Investee Funds	As at July 01, 2021	Purchases during the period	Redemptions during the period	As at September 30, 2021	Total carrying value as at September 30, 2021	Total market value as at September 30, 2021	Appreciation/(diminution) as at September 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment
	Number of units			(Rupees in '000)			%		
<b>Active Allocation Plan</b>									
HBL Cash Fund	14,995	-	14,995	-	-	-	-	-	-
HBL Income Fund	90,388	-	7,365	83,023	9,179	9,469	290	22.38	22.81
HBL Equity Fund	330,937	-	61,283	269,654	37,737	32,049	(5,688)	75.76	77.19
	436,320	-	83,643	352,677	46,916	41,518	(5,398)	98.14	100.00
<b>Conservative Allocation Plan</b>									
HBL Cash Fund	124	2	-	126	13	13	-	0.02	0.03
HBL Money Market Fund	396,326	12,143	3,891	404,578	41,519	42,436	917	81.32	82.30
HBL Equity Fund	74,370	2,313	-	76,683	10,721	9,114	(1,607)	17.46	17.68
	470,820	14,458	3,891	481,387	52,253	51,563	(690)	98.81	100.00
<b>Special Income Plan</b>									
HBL Cash Fund	871,029	13,422	884,451	-	-	-	-	-	0.0000%
	871,029	13,422	884,451	-	-	-	-	-	-
<b>Total as at September 30, 2021</b>	<b>1,778,169</b>	<b>27,880</b>	<b>971,985</b>	<b>834,064</b>	<b>99,169</b>	<b>93,081</b>	<b>(6,088)</b>		
<b>Total as at June 30, 2021</b>	<b>2,400,469</b>	<b>3,520,606</b>	<b>4,142,906</b>	<b>1,778,169</b>	<b>192,145</b>	<b>197,057</b>	<b>4,912</b>		

#### 6. PAYABLE TO THE MANAGEMENT COMPANY

	Note	30-Sep-2021				30-Jun-2021			
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
(Rupees in '000)									
Management fee	6.1	1	1	3	5	-	-	-	-
Sindh Sales Tax on Management Company's remuneration	6.2	-	-	-	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	7	9	6	22	10	9	15	34
Sales load payable		3	35	-	38	-	-	-	-
		11	45	9	65	10	9	15	34

- 6.1** As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the Scheme. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.
- 6.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.
- 6.3** As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

## 7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a fund of fund scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

	30-Sep-2021				June 30, 2021			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
Note	(Rupees in '000)				(Rupees in '000)			
Withholding tax	77	-	410	487	62	485	376	923
Provision for Sindh Workers' Welfare Fund	-	-	-	-	406	332	466	1,204
Printing	-	-	-	-	-	-	-	-
Auditors' remuneration	76	69	157	302	68	62	167	297
Other Payables	71	17	8	96	143	1,065	257	1,465
	<b>224</b>	<b>86</b>	<b>575</b>	<b>885</b>	<b>679</b>	<b>1,944</b>	<b>1,266</b>	<b>3,889</b>

### 8.1 SINDH WORKER'S WELFARE FUND

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 0.41 mn, Rs. 0.33 mn and Rs. 0.48 mn in Active Allocation Plan, Conservative Allocation Plan and Special Income Plan million for the period from July 1, 2014 till August 12, 2021.

## 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% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the period, management has distributed cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

## 10 EARNINGS PER UNIT (EPU)

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

## 11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

### 11.1 Transactions during the period

	For the three months ended September 30, 2021				For the three months ended September 30, 2020			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	------(Rupees in '000)-----				------(Rupees in '000)-----			
<b>HBL Asset Management Limited - Management Company</b>								
Remuneration of the Management Company	1	2	4	7	6	50	1	57
Sindh Sales Tax on remuneration of the Management Company	-	-	1	1	1	7	-	8
Allocation of expenses related to registrar services, accounting, operation and valuation services	24	26	34	84	31	42	70	143
<b>Habib Bank Limited - Sponsor</b>								
Mark-up earned	21	9	20	50	29	121	-	150
<b>MCB Financial Services Limited - Trustee</b>								
Remuneration of the Trustee	12	13	17	42	16	21	36	73



	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	------(Rupees in '000)-----				------(Rupees in '000)-----			
<b>HBL Cash Fund</b>								
<b>- CIS managed by Management Company</b>								
Purchase of Nil (2020: 17,076) units	1,727	-	-	1,727	1,727	-	-	1,727
Purchase of 2 (2020: 1) units	-	-	-	-	-	-	-	-
Purchase of 13,422 (2020: Nil) units	-	-	1,359	1,359	-	-	-	-
Redemption of 14,995 (2020: Nil) units	1,522	-	-	1,522	-	-	-	-
Redemption of 884,451 (2020: Nil) units	-	-	89,683	89,683	-	-	-	-
<b>HBL Stock Fund</b>								
<b>- CIS managed by Management Company</b>								
Purchase of Nil (2020: 279,867) units	-	-	-	-	-	29,050	-	29,050
Redemption of Nil (2020: Nil) units	-	-	-	-	-	-	-	-
Redemption of Nil (2020: 300,770) units	-	-	-	-	-	30,618	-	30,618
<b>HBL Equity Fund</b>								
<b>- CIS managed by Management Company</b>								
Redemption of 61,283 (2020: Nil) units	8,520	-	-	8,520	-	-	-	-
Purchase of 2,313 (2020: Nil) units	-	314	-	314	-	-	-	-
<b>HBL Income Fund</b>								
<b>- CIS managed by Management Company</b>								
Redemption of 7,365 (2020: Nil) units	820	-	-	820	-	-	-	-
<b>HBL Money Market Fund</b>								
<b>- CIS managed by Management Company</b>								
Purchase of 12,143 (2020: 1,155,393) units	-	1,255	-	1,255	-	119,670	-	119,670
Redemption of 3,891 (2020: 1,150,494) units	-	400	-	400	-	119,279	-	119,279
<b>HBL Government Securities Fund - CIS managed by Management Company</b>								
Redemption of Nil (2020: 45,386) units	-	-	-	-	-	-	5,110	5,110
<b>Mr. Asif Nadeem Minhaas - Connected Person due to 10% holding</b>								
Redemption of Nil (2020: 6,066) units	-	-	-	-	606	-	-	606

## 11.2 Balances outstanding as at period end

	30-Sep-2021				30-Jun-2021			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	------(Rupees in '000)-----				------(Rupees in '000)-----			
<b>HBL Asset Management Limited - Management Company</b>								
Management fee	1	1	3	5	-	-	-	-
Sindh Sales Tax on Management Company's remuneration	-	-	-	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	7	9	6	22	10	9	15	34
Sales load payable	3	-	-	3	-	-	-	-
<b>Habib Bank Limited - Sponsor</b>								
Balance in savings account	1,009	4,885	319	6,213	237	1,598	1,089	2,924
<b>MCB Financial Services Limited - Trustee</b>								
Remuneration payable to the Trustee	4	4	3	11	5	5	8	18
<b>Anwar Ahmed Syed - Connected Person due to 10% holding</b>								
Units held Nil (2021: 92,027) units	-	-	-	-	-	-	9,710	9,710
<b>Shahbaz Khaliq - Connected Person due to 10% holding</b>								
Units held 50,353 (2021: 50,353) units	5,197	-	-	-	5,829	-	-	5,829

	30-Sep-2021				30-Jun-2021			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	(Rupees in '000)				(Rupees in '000)			
<b>Tauqeer Mazhar - Connected Person due to 10% holding</b>								
Units held 41,545 (2021: 41,545) units	4,288	-	-	4,288	4,809	-	-	4,809
<b>Saleem Poput Tejani - Connected Person due to 10% holding</b>								
Units held 39,682 (2021: 39,682) units	4,096	-	-	4,096	4,594	-	-	4,594
<b>Ishtiaq Ahmed - Connected Person due to holding of 10% or more</b>								
Units held 51,478 (2021: 51,478) units	5,313	-	-	5,313	5,959	-	-	5,959
<b>Mrs. Shazia Afshan Minhas - Connected Person due to holding of 10% or more</b>								
Units held Nil (2021: 203,929) units	-	-	-	-	-	-	21,516	21,516
<b>Patient Welfare Association - Connected Person due to holding of 10% or more</b>								
Units held 400,000 (2021: 400,000) units	-	45,647	-	45,647	-	46,083	-	46,083
<b>Asif Nadeem Minhas - Connected Person due to holding of 10% or more</b>								
Units held Nil (2021: 73,012) units	-	-	-	-	8,452	-	-	8,452
Units held Nil (2021: 98,420) units	-	-	-	-	-	-	10,384	10,384
<b>HBL Cash Fund - CIS managed by Management Company</b>								
Units held Nil (2021: 14,995) units	-	-	-	-	1,518	-	-	1,518
Units held 126 (2020: 116) units	-	13	-	13	-	13	-	13
Units held Nil (2021: 871,029) units	-	-	-	-	-	-	88,149	88,149
<b>HBL Equity Fund - CIS managed by Management Company</b>								
Units held 269,654 (2021: 330,937) units	32,049	-	-	32,049	46,313	-	-	46,313
Units held 76,683 (2021: 74,370) units	-	9,114	-	9,114	-	10,408	-	10,408
<b>HBL Money Market Fund - CIS managed by Management Company</b>								
Units held 404,578 (2021: 396,326) units	-	42,436	-	42,436	-	40,663	-	40,663
<b>HBL Income Fund - CIS managed by Management Company</b>								
Units held 83,023 (2021: 90,338) units	9,469	-	-	9,469	9,993	-	-	9,993

## 12. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

		September 30, 2021							
		Carrying amount				Fair Value			
	Note	Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>		(Rupees in '000)							
<b>Financial assets measured at fair value</b>									
Units of mutual funds	5	93,081	-	-	93,081	93,081	-	-	93,081
		<u>93,081</u>	<u>-</u>	<u>-</u>	<u>93,081</u>	<u>93,081</u>	<u>-</u>	<u>-</u>	<u>93,081</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	12.1	-	1,636	-	1,636				
Accrued mark-up		-	-	-	-				
		<u>-</u>	<u>1,636</u>	<u>-</u>	<u>1,636</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to the Management Company	12.1	-	65	-	-				
Payable to the Trustee		-	11	-	-				
Accrued expenses and other liabilities		-	249	-	-				
Unit holders' fund		-	94,490	-	-				
		<u>-</u>	<u>94,815</u>	<u>-</u>	<u>-</u>				
		June 30, 2021							
		Carrying amount				Fair Value			
	Note	Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>		(Rupees in '000)							
<b>Financial assets measured at fair value</b>									
Units of mutual funds		197,057	-	-	197,057	197,057	-	-	197,057
		<u>197,057</u>	<u>-</u>	<u>-</u>	<u>197,057</u>	<u>197,057</u>	<u>-</u>	<u>-</u>	<u>197,057</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	12.1	-	2,924	-	2,924				
Accrued mark-up		-	-	-	-				
		<u>-</u>	<u>2,924</u>	<u>-</u>	<u>2,924</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to the Management Company	12.1	-	34	-	34				
Payable to the Trustee		-	18	-	18				
Accrued expenses and other liabilities		-	3,455	-	3,455				
Unit holders' fund		-	196,845	-	196,845				
		<u>-</u>	<u>200,352</u>	<u>-</u>	<u>200,352</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.

**13. TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the period ended September 30, 2021 is 0.35% and 0.3% (YTD) (2020: 0.39%, 0.03% and 0.12% which includes 0.01% and 0.01% (2020: 0.15%, 0.06%, 0.02% and nil) representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan, Special Income Plan respectively.

**14. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on October 28, 2021 by the Board of Directors of the Management Company.

**15. GENERAL**

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

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

# **HBL**

## **Growth Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Growth Fund
Name of Auditor	A.F.Ferguson & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited

**HBL Growth Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
**AS AT SEPTEMBER 30, 2021**

	September 30, 2021 (Un-Audited)			June 30, 2021 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
<b>Assets</b>						
Bank balances	235,245	273,886	509,131	236,374	381,491	617,865
Investments	5,950,836	1,563,699	7,514,535	6,618,068	1,792,927	8,410,995
Dividend and profit receivable	6,581	13,953	20,534	6,596	1,576	8,172
Receivable against purchase of investment	-	31,751	31,751	-	45,633	45,633
Security deposits and Prepayments	1,860	5,886	7,746	204	12,984	13,188
<b>Total assets</b>	<b>6,194,521</b>	<b>1,889,176</b>	<b>8,083,697</b>	<b>6,861,242</b>	<b>2,234,611</b>	<b>9,095,853</b>
<b>Liabilities</b>						
Payable to Management Company	11,781	8,605	20,386	13,027	9,038	22,065
Payable to the Trustee	686	249	935	749	297	1,046
Payable to the Securities and Exchange Commission of Pakistan	337	90	427	1,310	350	1,660
Payable against purchase of investment	-	17,627	17,627	-	52,114	52,114
Accrued expenses and other liabilities	515	126,824	127,339	2,434	178,814	181,248
Unclaimed dividend	-	132,906	132,906	-	133,120	133,120
<b>Total liabilities</b>	<b>13,319</b>	<b>286,301</b>	<b>299,620</b>	<b>17,520</b>	<b>373,733</b>	<b>391,253</b>
<b>Net assets</b>	<b>6,181,202</b>	<b>1,602,875</b>	<b>7,784,077</b>	<b>6,843,722</b>	<b>1,860,878</b>	<b>8,704,600</b>
<b>Total unit holders' fund (as per statement attached)</b>	<b>6,181,202</b>	<b>1,602,875</b>	<b>7,784,077</b>	<b>6,843,722</b>	<b>1,860,878</b>	<b>8,704,600</b>
<b>Contingencies and commitments</b>						
Number of units in issue	283,500,000	90,807,433		283,500,000	93,483,779	
	(Rupees)					
<b>Net assets value per unit</b>	<b>21.8032</b>	<b>17.6514</b>		<b>24.1401</b>	<b>19.9059</b>	

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

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

Chief Financial Officer

Chief Executive Officer

Director

# HBL Growth Fund

## CONDENSED INTERIM INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

Note	Three Months Ended					
	September 30,			September 30,		
	2021		Total	2020		Total
Class A	Class B	Class A		Class B		
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
<b>Income</b>						
Capital gain on sale of investments - net	-	1,138	1,138	-	61,499	61,499
Dividend income	39,645	12,788	52,433	19,822	4,482	24,304
Profit on bank deposits	3,436	4,575	8,011	3,751	4,360	8,111
Back End Load	-	-	-	-	-	-
	43,081	18,501	61,582	23,574	70,340	93,914
Unrealized appreciation on re-measurement of investments classified as financial assets at 'fair value through profit and loss' - held-for-trading - net	-	(255,736)	(255,736)	-	161,095	161,095
	43,081	(237,236)	(194,155)	23,574	231,435	255,009
investments at fair value through profit or loss - net	-	-	-	-	-	-
<b>Expenses</b>						
Remuneration of Management Company	28,570	10,151	38,721	33,911	9,657	43,567
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,129	568	2,697	1,915	712	2,627
Annual fee to the Securities and Exchange Commission of Pakistan	337	90	427	300	85	386
Allocation of expenses related to registrar services, accounting, operation and valuation services	9,271	2,470	11,741	8,253	2,350	10,603
Selling and Marketing Expense	-	4,716	4,716	15,755	4,487	20,241
Settlement and bank charges	0	268	268	0	184	184
Auditors' remuneration	126	14	140	122	36	158
Fees & Subscription	-	104	104	14	2	17
Securities transaction costs	-	1,680	1,680	-	1,729	1,729
	40,433	20,061	60,494	60,270	19,242	79,512
<b>Net income from operating activities</b>	2,648	(257,298)	(254,650)	(36,696)	212,192	175,496
Reversal / (Provision) for Sindh Workers' Welfare Fund	2,065	50,977	50,977	-	4,244	4,244
<b>Net income for the period before taxation</b>	4,713	(206,321)	(305,627)	(36,696)	207,949	171,252
Taxation	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	4,713	(206,321)	(305,627)	(36,696)	207,949	171,252
<b>Allocation of net income for the period:</b>						
Net Income for the period	-	-	-	-	207,949	-
Income already paid on redemption of units	-	-	-	-	3,715	-
	-	-	-	-	-	-
<b>Accounting (loss) / income available for distribution:</b>						
-Relating to capital gains	-	-	-	-	204,233	204,233
-Excluding capital gains	-	-	-	-	-	-
	-	-	-	-	204,233	204,233
<b>Other comprehensive income / (loss) for the period</b>	(667,233)	-	(667,233)	1,221,881	-	1,221,881
<b>Total comprehensive income / (loss) for the period</b>	(662,520)	(206,321)	(972,860)	1,185,184	207,949	1,393,133

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



# HBL Growth Fund

## Statement of Movement in Unit Holders' Fund

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

	2021					2020			2020							
	Class A		Class B			Class A		Class B			Class A		Class B			
	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on Issue of Certificates	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on Issue of Certificates	Total	Capital Value	Undistributed Income	Total
	(Rupees)															
Net assets at beginning of the year / period	2,835,000	(3,196,781)	5,197,691	2,007,812	6,843,722	(319,699)	2,180,577	1,860,878	2,835,000	(3,165,172)	3,448,810	2,007,812	5,126,450	(238,252)	1,743,119	1,504,867
Issue of 283,500,000 Class B units at the time of conversion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of 200,374 units (2020: 1,060,471 units)	-	-	-	-	-	3,989	-	3,989	-	-	-	-	-	3,582	-	3,582
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	(173)	-	(173)	-	-	-	-	-	446	-	446
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	3,816	-	3,816	-	-	-	-	-	4,027	-	4,027
Redemption of 2,876,720 units (2020: 96,606,347 units)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	57,264	-	57,264	-	-	-	-	-	28,617	-	28,617
- Amount paid out of element of income	-	-	-	-	-	(112,762)	-	(112,762)	-	-	-	-	-	(57,419)	(3,715)	(61,134)
- Relating to net income for the year / period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	(28,302)	(3,715)	(32,517)
Total payment on redemption of units	-	-	-	-	-	(55,498)	-	(55,498)	-	-	-	-	-	-	-	-
Total comprehensive income for the year / period	-	4,713	(667,233)	-	(662,520)	-	(206,321)	(206,321)	-	(36,696)	1,221,881	-	1,185,184	-	207,949	207,949
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year / period less distribution	-	4,713	(667,233)	-	(662,520)	-	(206,321)	(206,321)	-	(36,696)	1,221,881	-	1,185,184	-	207,949	207,949
Net assets at end of the year / period	2,835,000	(3,192,068)	4,530,458	2,007,812	6,181,202	(371,382)	1,974,256	1,602,875	2,835,000	(3,201,868)	4,670,691	2,007,812	6,311,634	(263,026)	1,947,352	1,684,326
Undistributed income / (loss) brought forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised	-	(3,196,781)	-	-	-	-	2,014,687	165,910	-	(3,165,172)	-	-	-	1,843,245	(100,126)	-
- Unrealised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(3,196,781)	-	-	-	-	2,180,577	-	-	(3,165,172)	-	-	-	1,743,119	-	-
Transferred to Class B - Segment on conversion of Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting Income / Loss available for distribution	-	-	-	-	-	-	-	-	-	(36,696)	-	-	-	204,233	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	4,713	-	-	-	-	-	-	-	(36,696)	-	-	-	204,233	-	-
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward	-	(3,192,068)	-	-	-	-	2,180,577	-	-	(3,201,868)	-	-	-	1,947,352	-	-
Undistributed income carried forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised	-	(3,192,068)	-	-	-	-	2,436,313	(255,736)	-	(3,201,868)	-	-	-	1,786,258	161,095	-
- Unrealised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(3,192,068)	-	-	-	-	2,180,577	-	-	(3,201,868)	-	-	-	1,947,352	-	-
Net assets value per unit at beginning of the year / period	24.1401	-	-	-	-	-	19.9059	-	18.0827	-	-	-	-	15.2116	-	-
Net assets value per unit at end of the year / period	21.8032	-	-	-	-	-	17.6514	-	22.2633	-	-	-	-	17.3136	-	-

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Growth Fund**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	2021			2020		
	Class A	Class B	Total	Class A	Class B	Total
Note						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net income for the period	4,713	(206,321)	(201,608)	(36,696)	207,949	171,252
<b>Adjustments of non-cash items</b>						
Capital loss / (gain) on sale of investments - net	-	(1,138)	(1,138)	-	(61,499)	(61,499)
Unrealised diminution / (appreciation) on remeasurement of investments at fair value through profit or loss - net	-	255,736	255,736	-	(161,095)	(161,095)
Dividend income	(39,645)	(12,788)	(52,433)	(19,822.49)	(4,482)	(24,304)
Profit on bank deposit	(3,436)	(4,575)	(8,011)	(3,751)	(4,360)	(8,111)
	(38,368)	30,915	(7,454)	(60,270)	(23,487)	(83,757)
<b>(Increase) / decrease in assets</b>						
Investments - net	-	(25,371)	(25,371)	-	61,741	61,741
Receivable against sale of investments	-	13,882	13,882	-	1,171	1,171
Security deposits	(1,656)	7,098	5,442	(773)	(25)	(799)
	(1,656)	(4,392)	(6,047)	(773)	62,886	62,113
<b>Increase / (decrease) in liabilities</b>						
Payable to Management Company	(1,246)	(433)	(1,679)	6,665	1,208	7,872
Payable to Central Depository Company of Pakistan Limited - Trustee	(63)	(48)	(111)	130	(9)	121
Payable to the Securities and Exchange Commission of Pakistan	(973)	(260)	(1,233)	(738)	(409)	(1,146)
Payable against purchase of investment	-	(34,487)	(34,487)	-	9,435	9,435
Accrued expenses and other liabilities	(1,919)	(51,990)	(53,909)	119	(2,383)	(2,264)
	(4,201)	(87,218)	(91,419)	6,176	7,842	14,018
Cash used in operations	(44,225)	(60,695)	(104,920)	(54,868)	47,242	(7,626)
Dividend received	39,645	-	39,645	19,822	1,991	21,813
Profit received on bank deposit	3,450	4,986	8,436	4,255	4,849	9,104
Net cash generated from operating activities	43,095	4,986	48,081	24,077	6,840	30,917
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Amount received on issue of units	-	3,816	3,816	-	4,027	4,027
Amount paid on redemption of units	-	(55,498)	(55,498)	-	(32,517)	(32,517)
Dividend paid	-	(214)	(214)	-	(9,558)	(9,558)
Net cash generated from / (used in) financing activities	-	(51,897)	(51,897)	-	(38,048)	(38,048)
Net (decrease) / increase in cash and cash equivalents	(1,130)	(107,606)	(108,736)	(30,790)	16,034	(14,756)
Cash and cash equivalents at beginning of the period	236,374	381,491	617,865	278,910	314,221	593,131
Cash and cash equivalents at end of the period	4 235,245	273,886	509,131	248,120	330,254	578,374

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

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

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Growth Fund**

## **Notes to the Condensed Interim Financial Information (Unaudited)**

### **FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

---

---

#### **1 LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** HBL Growth Fund was established under a Trust Deed, executed between PICIC Asset Management Company (Now HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.

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

**1.3** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

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

**1.5** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

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

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

---

---

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

**3.1** The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2021 except as explained in note 3.1 and 3.2.

**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, 2021.

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

**3.5** The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2021.

	Note	September 30, 2021			June 30, 2021		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
<b>4 BANK BALANCES</b>							
In savings account	4.1	235,245	273,886	509,131	236,374	381,491	617,865
<b>4.1</b>							
Mark-up rates on these accounts range between 5% to 8.25% p.a (June 30, 2021: 5% - 7.4% p.a).							
<b>5 INVESTMENTS</b>							
	Note	Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
<b>Financial assets 'at fair value through profit or loss' - held-for-trading</b>							
- Listed equity securities	5.1	-	1,563,699	1,563,699	-	1,792,927	1,792,927
<b>Available for sale</b>							
- Listed equity securities	5.2	5,950,836	-	5,950,836	6,618,068	-	6,618,068
		<b>5,950,836</b>	<b>1,563,699</b>	<b>7,514,535</b>	<b>6,618,068</b>	<b>1,792,927</b>	<b>8,410,995</b>

5.1 Financial assets 'at fair value through profit and loss' - held-for-trading  
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2021 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2021	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2021		Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>INSURANCE</b>									
IGI Holdings Limited	412,200	57,000	-	15,000	454,200	74,911	4.67%	4.79%	0.37%
IGI LIFE INSURANCE LIMITED	393,500	11,500	-	-	405,000	17,613	1.10%	1.13%	0.02%
TPL Insurance Limited	751,695	2,500	-	-	754,195	30,115	1.88%	1.93%	1.00%
	1,557,395	71,000	-	15,000	1,613,395	122,640	7.65%	7.84%	
<b>TEXTILE COMPOSITE</b>									
Azgard Nine Ltd	1,773,000	950,000	-	35,000	2,688,000	54,163	3.38%	3.46%	0.86%
Gul Ahmed Textile Mills Ltd	540,600	79,000	-	265,500	354,100	19,408	1.21%	1.24%	0.10%
Interloop Limited	271,915	-	-	30,000	241,915	17,217	1.07%	1.10%	2.78%
Nishat (Chunian) Ltd	363,500	-	-	122,000	241,500	11,959	0.75%	0.76%	0.10%
	2,949,015	1,029,000	-	452,500	3,525,515	102,748	6.41%	6.57%	
<b>CEMENT</b>									
Attock Cement Pakistan Ltd	407,500	233,300	-	-	640,800	90,263	5.63%	5.77%	0.56%
Cherat Cement Company Ltd.	76,000	-	-	26,500	49,500	7,089	0.44%	0.45%	0.03%
D G Khan Cement Co.Ltd.	195,500	-	-	54,500	141,000	12,467	0.78%	0.80%	0.03%
Kohat Cement Ltd	80,300	-	-	-	80,300	13,807	0.86%	0.88%	0.06%
Lucky Cement Ltd	128,338	-	-	879	127,459	92,140	5.75%	5.89%	0.04%
Maple Leaf Cement Factory Ltd	403,500	197,000	-	85,000	515,500	18,146	1.13%	1.16%	0.10%
Pioneer Cement Limited	116,000	-	-	74,000	42,000	3,709	0.23%	0.24%	0.02%
	1,407,138	430,300	-	240,879	1,596,559	237,621	14.82%	15.20%	
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Ltd	814,856	-	-	216,000	598,856	44,034	2.75%	2.82%	0.05%
	814,856	-	-	216,000	598,856	44,034	2.75%	2.82%	
<b>ENGINEERING</b>									
Agha Steel Ind.Ltd	529,000	130,000	-	114,000	545,000	14,982	0.93%	0.96%	0.00%
Aisha Steel Mills Ltd	1,105,494	-	-	1,105,494	-	-	0.00%	0.00%	-
Amreli Steels Limited	185,000	273,000	-	-	458,000	17,931	1.12%	1.15%	0.15%
International Industries Ltd	84,000	-	-	74,000	10,000	1,668	0.10%	0.11%	0.01%
International Steels Limited	290,500	-	-	290,500	-	-	0.00%	0.00%	-
Mughal Iron & Steel Inds Ltd	172,300	84,300	-	5,000	251,600	24,561	1.53%	1.57%	0.10%
	2,366,294	487,300	-	1,588,994	1,264,600	59,142	3.69%	3.78%	
<b>AUTOMOBILE ASSEMBLER</b>									
Ghandhara Ind. Ltd.	-	30,500	-	-	30,500	5,947	0.37%	0.38%	0.12%
Pak Suzuki Motor Company Limited	26,700	-	-	-	26,700	7,144	0.45%	0.46%	0.03%
	26,700	30,500	-	-	57,200	13,090	0.82%	0.84%	
<b>CABLE &amp; ELECTRICAL GOODS</b>									
Pak Elektron Ltd	649,000	217,000	-	450,000	416,000	11,461	0.72%	0.73%	0.08%
Waves Singer Pakistan Limited	692,000	360,000	-	-	1,052,000	19,862	1.24%	1.27%	0.06%
	1,341,000	577,000	-	450,000	1,468,000	31,323	1.95%	2.00%	

Name of the Investee Company	Number of shares				Market value as at Sep 30, 2021 (Rupees in '000)	Percentage in Relation to			
	As at July 1, 2021	Purchases during the year	Bonus / Rights issue	Sales during the year		As at Sep 30, 2021	Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>PHARMACEUTICALS</b>									
Ferozsons Laboratories Ltd	-	60,000	-	-	60,000	21,882	1.37%	1.40%	0.20%
The Searle Company Ltd	3,020	-	-	-	3,020	609	0.04%	0.04%	0.00%
	3,020	60,000	-	-	63,020	22,491	1.40%	1.44%	
<b>FOOD &amp; ALLIED INDUSTRIES</b>									
The Organic Meat Company Limited	965,894	1,646,000	-	810,500	1,801,394	64,724	4.04%	4.14%	0.16%
	965,894	1,646,000	-	810,500	1,801,394	64,724	4.04%	4.14%	
<b>MISCELLANEOUS</b>									
Pace (Pakistan) Ltd.	-	1,245,000	-	-	1,245,000	6,113	0.38%	0.39%	0.45%
Pakistan Aluminium Beverage Cans Limi	-	211,584	-	105,000	106,584	4,182	0.26%	0.27%	0.01%
TPL Properties Ltd	900,000	-	-	900,000	-	-	0.00%	0.00%	-
	900,000	1,456,584	-	1,005,000	1,351,584	10,295	0.64%	0.66%	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>									
Mari Petroleum Company Ltd	33,453	-	-	2,900	30,553	47,460	2.96%	3.04%	0.03%
Oil & Gas Development Co Ltd	698,600	-	-	45,000	653,600	54,772	3.42%	3.50%	0.02%
Pakistan Oilfields Ltd	35,600	-	-	-	35,600	13,362	0.83%	0.85%	0.02%
Pakistan Petroleum Ltd	785,536	-	-	223,000	562,536	42,140	2.63%	2.69%	0.03%
	1,553,189	-	-	270,900	1,282,289	157,734	9.84%	10.09%	
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Pakistan State Oil Company Ltd	292,456	10,000	-	7,600	294,856	59,263	3.70%	3.79%	0.09%
	292,456	10,000	-	7,600	294,856	59,263	3.70%	3.79%	
<b>REFINERY</b>									
Attock Refinery Ltd	69,600	-	-	31,000	38,600	6,901	0.43%	0.44%	0.05%
National Refinery Ltd	113,500	51,700	-	26,000	139,200	42,158	2.63%	2.70%	0.17%
	183,100	51,700	-	57,000	177,800	49,059	3.06%	3.14%	
<b>COMMERCIAL BANKS</b>									
Bank Al-Falah Ltd	-	136,000	-	-	136,000	4,400	0.27%	0.28%	0.01%
Faysal Bank Limited	17,250	230,000	-	-	247,250	6,508	0.41%	0.42%	0.03%
Habib Bank Ltd*	224,000	-	-	7,000	217,000	23,729	1.48%	1.52%	0.01%
MCB Bank Ltd	228,004	-	-	15,000	213,004	32,098	2.00%	2.05%	0.02%
Standard Chartered Bank (Pakistan) Ltd	2,245,000	27,000	-	-	2,272,000	78,952	4.93%	5.05%	0.06%
United Bank Limited	752,205	50,000	-	100,000	702,205	83,253	5.19%	5.32%	0.06%
	3,466,459	443,000	-	122,000	3,787,459	228,939	14.28%	14.64%	
<b>FERTILIZER</b>									
Engro Corporation Ltd	186,253	-	-	186,253	-	-	0.00%	0.00%	-
Fauji Fertilizer Bin Qasim Ltd	422,000	628,000	-	283,000	767,000	17,258	1.08%	1.10%	0.08%
Fauji Fertilizer Co Ltd	260,500	-	-	260,500	-	-	0.00%	0.00%	-
	868,753	628,000	-	729,753	767,000	17,258	1.08%	1.10%	
<b>CHEMICAL</b>									
Nimir Resins Limited (5)	1,392,000	555,500	-	1,947,500	-	-	0.00%	0.00%	-
Nimir Resins Ltd	-	1,122,750	-	67,000	1,055,750	28,906	1.80%	1.85%	0.01%
	1,392,000	1,678,250	-	2,014,500	1,055,750	28,906	1.80%	1.85%	
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>									
General Tyre & Rubber Co of Pakistan Lt	555,500	25,000	-	48,500	532,000	32,867	2.05%	2.10%	0.89%
PANTHER TYRES LIMITED	329,363	-	-	329,363	-	-	0.00%	0.00%	-
	884,863	25,000	-	377,863	532,000	32,867	2.05%	2.10%	
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
Air Link Communication Ltd	-	172,425	-	-	172,425	12,427	0.78%	0.79%	1.92%
Avanceon Limited	99,000	82,500	-	99,000	82,500	10,177	0.63%	0.65%	0.04%
Netsol Technologies	145,500	118,000	-	-	263,500	32,906	2.05%	2.10%	0.34%
Systems Limited	42,000	14,000	-	1,700	54,300	39,504	2.46%	2.53%	0.05%
TPL Corp Limited	-	700,000	-	700,000	-	-	0.00%	0.00%	-
TPL Trakker Limited	3,417,000	3,156,000	-	131,000	6,442,000	109,901	6.86%	7.03%	0.34%
TRG Pakistan Ltd	101,000	15,000	-	116,000	-	-	0.00%	0.00%	-
WorldCall Telecom Ltd	1,350,000	-	-	1,350,000	-	-	0.00%	0.00%	-
	5,154,500	4,257,925	-	2,397,700	7,014,725	204,914	12.78%	13.10%	

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2021 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2021	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2021		Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>									
Al Shaheer Corporation Ltd	-	1,025,000	-	-	1,025,000	14,555	0.91%	0.93%	0.72%
Clover Pakistan Limited	142,000	-	-	142,000	-	-	0.00%	0.00%	-
Fauji Foods Limited	23,500	415,000	-	58,500	380,000	5,901	0.37%	0.38%	0.01%
Unity Foods Limited	1,271,007	599,000	-	70,000	1,800,007	56,196	3.51%	3.59%	0.33%
	1,436,507	2,039,000	-	270,500	3,205,007	76,653	4.78%	4.90%	
<b>Total as at September 30, 2021</b>	<b>27,563,139</b>	<b>14,920,559</b>	<b>-</b>	<b>11,026,689</b>	<b>31,457,009</b>	<b>1,563,699</b>	<b>97.56%</b>	<b>100%</b>	
<b>Total as at June 30, 2021</b>	<b>27,242,846</b>	<b>57,825,744</b>	<b>117,600</b>	<b>57,623,051</b>	<b>27,563,139</b>	<b>1,792,927</b>	<b>99.84%</b>	<b>100%</b>	
<b>Cost as at Sep 30, 2021</b>						<b>1,819,436</b>			

\*Sponsor of the Management Company

**5.1.1** Investments include shares having market value aggregating to Rs. 189.573 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 1.11 million at September 30, 2021 (June 30, 2021: Rs. 1.073) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

**5.2** Listed equity securities - Available for Sale

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2021 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2021	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2021		Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>Oil and Gas Marketing Companies</b>									
Pakistan State Oil Company Limited	27,364,904	-	-	-	27,364,904	5,500,072	88.98%	92.43%	8.39%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	450,763	7.29%	7.57%	1.56%
<b>TOTAL SEPTEMBER 30, 2021</b>	<b>37,276,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,276,150</b>	<b>5,950,836</b>	<b>96.27%</b>	<b>100%</b>	
<b>TOTAL JUNE 30, 2021</b>	<b>37,276,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,276,150</b>	<b>6,618,068</b>	<b>97.00%</b>	<b>100%</b>	
<b>Cost as at September 30, 2021</b>						<b>1,420,375</b>			

**5.2.1** The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

**5.2.2** These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined

on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the 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. 38.19 million at September 30, 2021 (June 30, 2021: Rs. 51.139 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

	Note	September 30, 2021			June 30, 2021		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
<b>6 PAYABLE TO MANAGEMENT COMPANY</b>							
Management fee		7,871	2,768	10,639	8,704	3,079	11,783
Sindh Sales Tax	6.1	1,023	360	1,383	1,131	400	1,531
Allocation of expenses relating to registrar services, accounting, operation and valuation services		2,886	761	3,647	3,192	847	4,039
Selling and marketing expenses		-	4,716	4,716	-	4,712	4,712
		<b>11,781</b>	<b>8,605</b>	<b>20,386</b>	<b>13,027</b>	<b>9,038</b>	<b>22,065</b>

**6.1** The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2021: 2% per annum) of the average annual net assets of the Fund for the current year.

**6.2** The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2021:13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

	Note	September 30, 2021			June 30, 2021		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>							
Provision for Sindh Workers' Welfare Fund	7.1	-	-	-	-	50,977	50,977
Provision for Federal Excise Duty and additional Sales tax on Management Fee	7.2	-	125,303	125,303	2,065	125,303	127,368
Brokerage		-	321	321	-	1,392	1,392
Auditors' remuneration		477	108	585	352	94	446
Withholding tax		38	52	90	17	37	54
Others		-	1,040	1,040	-	1,011	1,011
		<b>515</b>	<b>126,824</b>	<b>127,339</b>	<b>2,434</b>	<b>178,814</b>	<b>181,248</b>

#### **7.1 PROVISION FOR WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND**

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.



In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 2.5 million & 50.98 million for both and HBL Growth Fund Class A and Class B respectively for the period from July 1, 2014 till August 12, 2021.

## 7.2 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

The Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 125.303 million (June 30, 2021: Rs. 125.303 million). Had the provision not been made, the Net Asset Value per unit of Class-B as at September 30, 2020 would have been higher by Re. 1.3799 (June 30, 2021: Rs. 1.340 ) per unit.

8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	September 30, 2021			June 30, 2021		
			Class A	Class B	Total	Class A	Class B	Total
			(Rupees in '000)			(Rupees in '000)		
	Fee Payable		337	90	427	1,310	350	1,660

## 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2021.

## 10 TAXATION

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

## 11 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio for the Three Months Ended September 30, 2021 is 0.6% and 1.13% which includes 0.05% and 0.09% representing government levy, and SECP fee of the Class A and Class B respectively.

## 12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL asset management limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund. As mentioned in note 1, PICIC Asset Management Company Limited merged with and into HBL Asset Management Limited, therefore PICIC Asset Management Company Limited remained related party till August 31, 2016.



	September 30,			June 30,		
	2021			2021		
	(Un-Audited)			(Audited)		
Class A	Class B	Total	Class A	Class B	Total	
----- (Rupees in '000) -----			----- (Rupees in '000) -----			
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee remuneration payable	686	249	935	749	236	985
Security Deposit with trustee	100	175	275	100	175	275
CDS Charges Payable	-	122	122	-	30	30
<b>Jubilee General Insurance Company Limited - Associate</b>						
Units held: 142,500 Units (June 2021: 142,500 Units)	1,425	-	1,425	1,425	-	1,425
Units held: 146,124 Units (June 2021: 146,124 Units)	-	2,579	2,579	-	2,909	2,909
<b>Directors and Executives of the Management Company</b>						
Units held: 18,000 Units (June 2021: 18,000 Units)	180	-	180	180	-	180
Units held: 18,000 Units (June 2021: 141,052 Units)	-	318	318	-	2,808	2,808

### 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

13.1

		Class A							
		September 30, 2021							
		Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investment in listed equity securities									
- available for sale	-	5,950,836	-	-	5,950,836	5,950,836	-	-	5,950,836
	-	5,950,836	-	-	5,950,836	5,950,836	-	-	5,950,836
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	235,245	-	235,245	-	-	-	-
Dividend and profit receivable	-	-	6,581	-	6,581	-	-	-	-
Security deposits	-	-	100	-	100	-	-	-	-
	-	-	241,926	-	241,926	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	-	-	-	11,781	11,781	-	-	-	-
Payable to trustee	-	-	-	686	686	-	-	-	-
Accrued expenses and other liabilities	-	-	-	477	477	-	-	-	-
	-	-	-	12,945	12,945	-	-	-	-

13.2

		Class B							
		September 30, 2021							
		Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investment in listed equity securities									
- at fair value through profit and loss	1,563,699	-	-	-	1,563,699	1,563,699	-	-	1,563,699
	1,563,699	-	-	-	1,563,699	1,563,699	-	-	1,563,699
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	273,886	-	273,886	-	-	-	-
Dividend and profit receivable	-	-	13,953	-	13,953	-	-	-	-
Deposits	-	-	2,675	-	2,675	-	-	-	-
	-	-	290,514	-	290,514	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	-	-	-	8,605	8,605	-	-	-	-
Payable to trustee	-	-	-	249	249	-	-	-	-
Accrued expenses and other liabilities	-	-	-	127,287	127,287	-	-	-	-
	-	-	-	136,142	136,142	-	-	-	-

		Class A							
		June 30, 2021							
		Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investment in listed equity securities									
- available for sale	-	6,618,068	-	-	6,618,068	6,618,068	-	-	6,618,068
	-	6,618,068	-	-	6,618,068	6,618,068	-	-	6,618,068
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	236,374	-	236,374	-	-	-	-
Dividend and profit receivable	-	-	6,596	-	6,596	-	-	-	-
Deposits	-	-	204	-	204	-	-	-	-
	-	-	243,174	-	243,174	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	-	-	-	13,027	13,027	-	-	-	-
Payable to trustee	-	-	-	749	749	-	-	-	-
Accrued expenses and other liabilities	-	-	-	2,434	2,434	-	-	-	-
	-	-	-	16,210	16,210	-	-	-	-

	Class B									
	June 30, 2021									
	Carrying amount				Fair Value					
Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total		
(Rupees in '000)										
<b>On-balance sheet financial instruments</b>										
<b>Financial assets measured at fair value</b>										
Investment in listed equity securities - at fair value through profit and loss	1,792,927	-	-	-	1,792,927	1,792,927	-	-	1,792,927	
	<b>1,792,927</b>	-	-	-	<b>1,792,927</b>	<b>1,792,927</b>	-	-	<b>1,792,927</b>	
<b>Financial assets not measured at fair value</b>										
					-					
Bank balances	-	-	381,491	-	381,491	-	-	-	-	
Dividend and profit receivable	-	-	1,576	-	1,576	-	-	-	-	
Deposits	-	-	12,984	-	12,984	-	-	-	-	
	-	-	<b>396,051</b>	-	<b>396,051</b>	-	-	-	-	
<b>Financial liabilities not measured at fair value</b>										
Payable to Management Company	-	-	-	9,038	9,038	-	-	-	-	
Payable to trustee	-	-	-	297	297	-	-	-	-	
Accrued expenses and other liabilities	-	-	-	178,814	178,814	-	-	-	-	
	-	-	-	<b>188,149</b>	<b>188,149</b>	-	-	-	-	

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

#### 14 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 28, 2021.

#### 15 GENERAL

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

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

---

---

# **HBL**

## **Investment Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Investment Fund
Name of Auditor	A.F.Ferguson & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited JS Bank Limited Habib Bank Limited Soneri Bank Limited Habib Metropolitan Bank Limited Zarai Taraqati Bank Limited

**HBL Investment Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT SEPTEMBER 30, 2021*

	September 30, 2021 (Un-Audited)			June 30, 2021 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
Note ----- (Rupees in '000) -----							
<b>Assets</b>							
Bank balances	4	75,494	165,436	240,929	80,798	216,276	297,074
Investments	5	2,169,981	1,167,117	3,337,098	2,415,724	1,341,920	3,757,644
Dividend and profit receivable		2,354	10,133	12,487	2,425	643	3,068
Receivable against sale of investment		-	25,360	25,360	-	33,792	33,792
Advances & deposits		348	4,381	4,729	160	10,758	10,918
<b>Total assets</b>		<b>2,248,176</b>	<b>1,372,427</b>	<b>3,620,602</b>	<b>2,499,107</b>	<b>1,603,389</b>	<b>4,102,496</b>
<b>Liabilities</b>							
Payable to the Management Company	6	4,280	6,432	10,712	4,749	6,744	11,493
Payable to the trustee		308	210	518	332	259	591
Payable to the Securities and Exchange Commission of Pakistan		122	67	189	476	266	742
Payable against purchase of investment		-	18,735	18,735	-	36,111	36,111
Accrued expenses and other liabilities	7	546	58,829	59,374	1,342	87,989	89,331
Unclaimed dividend		-	85,381	85,381	-	85,420	85,420
<b>Total liabilities</b>		<b>5,256</b>	<b>169,654</b>	<b>174,910</b>	<b>6,899</b>	<b>216,789</b>	<b>223,688</b>
<b>Net assets</b>		<b>2,242,920</b>	<b>1,202,773</b>	<b>3,445,692</b>	<b>2,492,208</b>	<b>1,386,600</b>	<b>3,878,808</b>
<b>Total unit holders' fund (as per statement attached)</b>		<b>2,242,920</b>	<b>1,202,773</b>	<b>3,445,692</b>	<b>2,492,208</b>	<b>1,386,600</b>	<b>3,878,808</b>
<b>Contingencies and commitments</b>							
Number of units in issue	8	284,125,000	133,699,849		284,125,000	135,592,594	
<b>Net assets value per unit</b>		<b>7.8941</b>	<b>8.9961</b>	----- (Rupees) -----		<b>8.7715</b>	<b>10.2262</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**



**HBL Investment Fund**  
**Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

Note	Three months ended						
	2021			2020			
	Class A	Class B	Total	Class A	Class B	Total	
------(Rupees in '000)-----							
<b>Income</b>							
Capital gain on sale of investments - net	-	(3,433)	(3,433)	-	45,708	45,708	
Dividend income	9,952	9,491	19,443	4,976	3,483	8,459	
Profit on bank deposits	1,076	2,775	3,851	1,248	2,492	3,740	
Back end Load Income	-	-	-	-	-	-	
	<b>11,028</b>	<b>8,832</b>	<b>19,861</b>	<b>6,224</b>	<b>51,683</b>	<b>57,907</b>	
Unrealised (diminution) on remeasurement of investments at fair value through profit or loss - net	-	(187,895)	(187,895)	-	123,419	123,419	
	<b>11,028</b>	<b>(179,063)</b>	<b>(168,035)</b>	<b>6,224</b>	<b>175,102</b>	<b>181,326</b>	
<b>Expenses</b>							
Remuneration of Management Company	6.1	9,187	6,703	15,891	10,815	6,588	17,403
Sindh Sales tax on remuneration of the Management company	6.2	1,194	871	2,066	1,406	856	2,262
Remuneration of Trustee		876	479	1,356	785	483	1,268
Annual fee to the Securities and Exchange Commission of Pakistan		122	67	190	108	66	174
Selling & marketing expense	6.4	-	3,519	3,519	5,678	3,459	9,137
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	3,369	1,843	5,212	2,974	1,812	4,786
Securities transaction costs		219	1,622	1,841	-	1,507	1,507
Auditors' remuneration		96	61	158	97	61	158
Printing Charges		-	-	-	5	-	5
Fee and Subscription Charges		142	7	149	317	7	324
Bank Charges		-	17	17	-	2	2
Conversion expense from closed end to open end fund		-	-	-	-	-	-
		<b>15,207</b>	<b>15,190</b>	<b>30,398</b>	<b>22,185</b>	<b>14,841</b>	<b>37,026</b>
Net loss from operating activities		(4,179)	(194,253)	(198,433)	(15,961)	160,262	144,300
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.1	634	29,166	29,800	-	(3,205.00)	(3,205.00)
Net loss for the period before taxation		(3,545)	(165,087)	(168,633)	(15,961)	157,057	141,095
Taxation	9	-	-	-	-	-	-
Net (loss)/Income for the period after taxation		(3,545)	(165,087)	(168,633)	(15,961)	157,057	141,095
<b>Allocation Of Net Income For The Period</b>							
Income already paid on redemption		-	-	-	-	1,031	1,031
Accounting income available for distribution		-	-	-	-	-	-
-Realting to capital gain		-	-	-	-	156,026	156,026
-Excuding capital gain		-	-	-	-	-	-
		<b>(3,545)</b>	<b>(165,087)</b>	<b>(168,632)</b>	<b>(15,961)</b>	<b>156,026</b>	<b>140,064</b>
Net (Loss)/income for the period after taxation		(3,545)	(165,087)	(168,632)	(15,961)	157,057	141,096
Other Comprehensive income / (loss) for the year		(245,743)	-	(245,743)	448,154	-	448,154
Total comprehensive income / (loss) for the year		<b>(249,288)</b>	<b>(165,087)</b>	<b>(414,375)</b>	<b>432,193</b>	<b>157,057</b>	<b>589,250</b>

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

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

Chief Financial Officer

Chief Executive Officer

Director

# HBL Investment Fund

## Condensed Interim Statement Of Movemet In Unit Holder's Fund

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

Three months ended  
September

	2021				Class B			2020				Class B		
	Class A	Class A	Class A	Total	Capital Value	Undistributed Income	Total	Class A	Class A	Class A	Total	Capital Value	Undistributed Income	Total
	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the year / period	2,841,250	(2,247,274)	1,898,232	2,492,208	1,495,225	(108,625)	1,386,600	2,841,250	(2,233,206)	1,236,880	1,844,924	1,580,790	(425,085)	1,155,706
Issuance of 410 units (2020:152,762 units)	-	-	-	-	4	-	4	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	(0)	-	(0)	-	-	-	-	1,189	-	1,189
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	240	-	240
Total proceeds on issuance of units	-	-	-	-	4	-	4	-	-	-	-	1,429	-	1,429
Redemption of 1,893,155 units(2020: 896,840 units)	-	-	-	-	(19,360)	-	(19,360)	-	-	-	-	(7,074)	-	(7,074)
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	-	-	-	-	-	-	-	(1,031)	(1,031)
- Amount paid out of element of income	-	-	-	-	615	-	615	-	-	-	-	-	-	-
Relating to net income for the year / period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payment on redemption of units	-	-	-	-	(18,744)	-	(18,744)	-	-	-	-	(7,074)	(1,031)	(8,105)
Total comprehensive income for the year / period	-	(3,545)	(245,743)	(249,288)	-	(165,087)	(165,087)	-	(15,961)	448,154	432,193	-	157,057	157,057
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year / period less distribution	-	(3,545)	(245,743)	(249,288)	-	(165,087)	(165,087)	-	(15,961)	448,154	432,193	-	157,057	157,057
Net assets at end of the year / period	2,841,250	(2,250,819)	1,652,489	2,242,920	1,476,485	(273,712)	1,202,773	2,841,250	(2,249,167)	1,685,034	2,277,117	1,575,145	(269,059)	1,306,086
Undistributed income / (loss) brought forward	-	(2,247,274)	-	-	(349,006)	(76,079)	(425,085)	(2,233,206)	-	-	-	(349,006)	(76,079)	(425,085)
- Realised	-	(2,247,274)	-	-	(108,625)	-	(108,625)	(2,233,206)	-	-	-	(425,085)	-	(425,085)
- Unrealised	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Class B - Segment on conversion of Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution	-	(3,545)	-	-	-	-	-	(15,961)	-	-	-	156,026	-	156,026
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	(3,545)	-	-	-	-	-	(15,961)	-	-	-	156,026	-	156,026
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward	-	(2,250,819)	-	-	(108,625)	-	(108,625)	(2,249,167)	-	-	-	(269,059)	-	(269,059)
Undistributed income carried forward	-	(2,250,819)	-	-	(108,625)	-	(108,625)	(2,249,167)	-	-	-	(269,059)	-	(269,059)
- Realised	-	(2,250,819)	-	-	79,270	(187,895)	(108,625)	(2,249,167)	-	-	-	(392,478)	(123,419)	(515,897)
- Unrealised	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at beginning of the year / period	8.7715	-	-	-	10.2262	-	10.2262	6.4934	-	-	-	7.8872	-	7.8872
Net assets value per unit at end of the year / period	7.8941	-	-	-	8.9961	-	8.9961	8.0145	-	-	-	8.9591	-	8.9591

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Investment Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	Three months ended					
	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
<b>Note</b>	------(Rupees in '000)-----					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net loss for the period	(3,545)	(165,087)	(168,632)	(15,961)	157,057	141,096
Adjustments of non-cash items						
Unrealised diminution on remeasurement of investments at fair value through profit or loss - net	-	187,895	187,895	-	(123,419)	(123,419)
Dividend income	(9,952.10)	(9,491)	(19,443)	(4,976)	(3,483)	(8,459)
Profit on bank deposit	(1,076)	(2,775)	(3,851)	(1,248)	(2,492)	(3,740)
	(14,573)	10,543	(4,030)	(22,185)	27,663	5,478
<b>(Increase) / decrease in assets</b>						
Investments - net	-	(13,093)	(13,093)	-	(17,484)	(17,484)
Receivable against sale of investments	-	8,432	8,432	-	11,454	11,454
Security deposits	(188)	6,377	6,189	(372)	(1)	(373)
	(188)	1,716	1,528	(372)	(6,031)	(6,403)
<b>Increase / (decrease) in liabilities</b>						
Payable to Management Company	(469)	(312)	(781)	2,422	940	3,362
Payable to Central Depository Company of Pakistan Limited - Trustee	(24)	(49)	(73)	48	(20)	28
Payable to the Securities and Exchange Commission of Pakistan	(354)	(199)	(553)	(263)	(263)	(526)
Payable against purchase of investment	-	(17,376)	(17,376)	-	4,588	4,588
Accrued expenses and other liabilities	(796)	(29,160)	(29,957)	257	233	490
Unclaimed dividend	-	(39)	(39)	-	(15,569)	(15,569)
	(1,643)	(47,135)	(48,778)	2,464	(10,091)	(7,627)
Cash used in operations	(16,404)	(34,876)	(51,280)	(20,093)	11,541	(8,552)
Dividend received	9,952	-	9,952	4,976	1,044	6,020
Profit received on bank deposit	1,148	2,775	3,924	1,456	2,773	4,229
<b>Net cash generated from operating activities</b>	<b>11,100</b>	<b>2,775</b>	<b>13,876</b>	<b>6,432</b>	<b>3,817</b>	<b>10,249</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Amount received on issue of units	-	4	4	-	1,429	1,429
Amount paid on redemption of units	-	(18,744)	(18,744)	-	(8,105)	(8,105)
<b>Net cash generated from / (used in) financing activities</b>	<b>-</b>	<b>(18,740)</b>	<b>(18,740)</b>	<b>-</b>	<b>(6,676)</b>	<b>(6,676)</b>
Net (decrease) / increase in cash and cash equivalents	(5,304)	(50,841)	(56,145)	(13,661)	8,683	(4,978)
<b>Cash and cash equivalents at beginning of the period</b>	<b>80,798</b>	<b>216,276</b>	<b>297,074</b>	<b>98,673</b>	<b>183,558</b>	<b>282,231</b>
<b>Cash and cash equivalents at end of the period</b>	<b>4</b>	<b>75,494</b>	<b>165,436</b>	<b>240,930</b>	<b>85,012</b>	<b>192,241</b>
						<b>277,253</b>

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

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

Chief Financial Officer

Chief Executive Officer

Director

## **HBL Investment Fund**

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

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

---

---

#### **1. STATUS AND NATURE OF BUSINESS**

- 1.1 HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has a Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to the following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holder of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.5 JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2++' (AM Two Plus) to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

#### **2. BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS-34) and provisions and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC

---

---

Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

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

2.1.2 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

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

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

4	BANK BALANCES	September 30, 2021 (Un-Audited)			June 30, 2021 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)					
	In savings account	75,494	165,436	240,929	80,798	216,276	297,074
		<u>75,494</u>	<u>165,436</u>	<u>240,929</u>	<u>80,798</u>	<u>216,276</u>	<u>297,074</u>

4.1 Mark-up rates on these accounts range between 5.6% to 6.20% p.a (June 30, 2020: 7% - 14.05% p.a).

5	INVESTMENTS	September 30, 2021 (Un-Audited)			June 30, 2021 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)					
	At fair value through profit						
	Listed Equity Securities	-	1,283,089	1,283,089	-	1,341,920	1,341,920
	At fair value through other comprehensive income						
	Listed Equity Securities	2,169,981	-	2,169,981	2,415,724	-	2,415,724
		<u>2,169,981</u>	<u>1,283,089</u>	<u>3,453,070</u>	<u>2,415,724</u>	<u>1,341,920</u>	<u>3,757,644</u>

## 5.1 Financial assets 'at fair value through profit or loss

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

Name of investee company	Number of Shares					Market value as at September 30, 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 1, 2021	Purchases during the year	Right issue	Sales during the year	As at September 30, 2021		Total Investments	Net Assets	
<b>Class B</b>									
<b>INSURANCE</b>									
IGI Holdings Limited	305,900	38,500	-	15,000	329,400	54,327,942	4654.88%	4516.89%	26.85%
IGI LIFE INSURANCE LIMITED	290,500	8,000	-	-	298,500	12,981,765	1112.29%	1079.32%	1.75%
TPL Insurance Limited	536,189	2,000	-	-	538,189	21,489,887	1841.28%	1786.69%	71.27%
	1,132,589	48,500	-	15,000	1,166,089	88,799,594	7608.46%	7382.90%	
<b>TEXTILE SPINNING</b>									
Sunshine Cloth	50,000	-	-	-	50,000	1	0.00%	0.00%	63.69%
	50,000	-	-	-	50,000	1	0.00%	0.00%	
<b>TEXTILE WEAVING</b>									
Mohib Textile	40,820	-	-	-	40,820	1	0.00%	0.00%	26.89%
	40,820	-	-	-	40,820	1	0.00%	0.00%	
<b>TEXTILE COMPOSITE</b>									
Cherat Cement Company Ltd.	1,322,000	771,500	-	5,000	2,088,500	42,083,275	3605.75%	3498.85%	66.78%
D G Khan Cement Co.Ltd.	403,900	58,000	-	196,000	265,900	14,573,979	1248.72%	1211.70%	7.46%
Fauji Cement Company Limited	203,142	-	-	22,000	181,142	12,891,876	1104.59%	1071.85%	208.35%
Kohat Cement Ltd	271,000	-	-	90,500	180,500	8,938,360	765.85%	743.15%	7.51%
	2,200,042	829,500	-	313,500	2,716,042	78,487,490	6724.90%	6525.54%	
<b>CEMENT</b>									
Attock Cement Pakistan Ltd	302,000	330,700	-	-	632,700	89,122,122	7636.09%	7409.72%	55.25%
Cherat Cement Company Ltd.	57,000	-	-	17,500	39,500	5,657,190	484.71%	470.35%	2.24%
D G Khan Cement Co.Ltd.	145,500	-	-	43,500	102,000	9,018,840	772.74%	749.84%	2.33%
Kohat Cement Ltd	59,600	-	-	-	59,600	10,247,624	878.03%	852.00%	4.63%
Lucky Cement Ltd	95,700	-	-	500	95,200	68,820,080	5896.59%	5721.78%	2.94%
Maple Leaf Cement Factory Ltd	300,500	147,000	-	62,000	385,500	13,569,600	1162.66%	1128.19%	7.30%
Pioneer Cement Limited	86,000	-	-	10,500	75,500	6,667,405	571.27%	554.34%	3.32%
	1,046,300	477,700	-	134,000	1,390,000	203,102,861	17402.10%	16886.22%	
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Ltd	605,909	-	-	159,000	446,909	32,861,219	2815.59%	2732.12%	3.45%
	605,909	-	-	159,000	446,909	32,861,219	2815.59%	2732.12%	
<b>ENGINEERING</b>									
Agha Steel Ind.Ltd	395,000	210,000	-	85,000	520,000	14,294,800	1224.80%	1188.49%	0.00%
Aisha Steel Mills Ltd	824,525	-	-	824,525	-	-	0.00%	0.00%	0.00%
Amreli Steels Limited	143,500	256,500	-	-	400,000	15,660,000	1341.77%	1301.99%	13.47%
International Industries Ltd	64,000	-	-	54,700	9,300	1,550,961	132.89%	128.95%	0.78%
International Steels Limited	216,500	-	-	216,500	-	-	0.00%	0.00%	0.00%
Mughal Iron & Steel Inds Ltd	127,140	156,500	-	5,000	278,640	27,200,837	2330.60%	2261.51%	11.07%
	1,770,665	623,000	-	1,185,725	1,207,940	58,706,598	5030.05%	4880.94%	
<b>AUTOMOBILE ASSEMBLER</b>									
Ghandhara Ind. Ltd.	-	22,500	-	-	22,500	4,386,825	375.87%	364.73%	8.58%
Pak Suzuki Motor Company Limited	19,900	-	-	3,300	16,600	4,441,330	380.54%	369.26%	2.02%
	19,900	22,500	-	3,300	39,100	8,828,155	375.87%	364.73%	
<b>CABLE &amp; ELECTRICAL GOODS</b>									
Pak Elektron Ltd	501,500	140,000	-	370,000	271,500	7,479,825	640.88%	621.88%	5.46%
Waves Singer Pakistan Limited	520,000	272,000	-	-	792,000	14,952,960	1281.19%	1243.21%	4.22%
	1,021,500	412,000	-	370,000	1,063,500	22,432,785	1922.07%	1865.09%	
<b>PHARMACEUTICALS</b>									
Ferozsons Laboratories Ltd	-	45,200	-	-	45,200	16,484,440	1412.41%	1370.54%	14.97%
The Searle Company Ltd	1,463	-	-	-	1,463	294,809	25.26%	24.51%	0.08%
	1,463	45,200	-	-	46,663	16,779,249	1437.67%	1395.05%	
<b>FOOD &amp; ALLIED INDUSTRIES</b>									
The Organic Meat Company Limited	725,572	1,275,000	-	645,500	1,355,072	48,687,737	4171.62%	4047.96%	12.12%
	725,572	1,275,000	-	645,500	1,355,072	48,687,737	4171.62%	4047.96%	

Name of investee company	Number of Shares					Market value as at September 30, 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 1, 2021	Purchases during the year	Right issue	Sales during the year	As at September 30, 2021		Total Investments	Net Assets	
<b>MISCELLANEOUS</b>									
Pace (Pakistan) Ltd.	-	895,000	-	-	895,000	4,394,450	376.52%	365.36%	32.09%
Pakistan Aluminium Beverage Cans Limited	-	158,570	-	83,000	75,570	2,965,367	254.08%	246.54%	0.80%
TPL Properties Ltd	700,000	-	-	700,000	-	-	-	-	0.00%
	700,000	1,053,570	-	783,000	970,570	7,359,817	630.60%	611.90%	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>									
Mari Petroleum Company Ltd	24,666	-	-	-	24,666	38,315,424	3282.91%	3185.59%	2.24%
Oil & Gas Development Co Ltd	532,595	-	-	195,000	337,595	28,290,461	2423.96%	2352.10%	0.78%
Pakistan Oilfields Ltd	28,000	-	-	-	28,000	10,509,800	900.49%	873.80%	1.18%
Pakistan Petroleum Ltd	609,546	-	-	291,500	318,046	23,824,826	-	-	1.61%
	1,194,807	-	-	486,500	708,307	100,940,511	6607.36%	6411.49%	
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Pakistan State Oil Company Ltd	217,692	-	-	5,400	212,292	42,668,569	3655.89%	3547.52%	6.51%
	217,692	-	-	5,400	212,292	42,668,569	3655.89%	3547.52%	
<b>REFINERY</b>									
Attock Refinery Ltd	52,500	-	-	23,000	29,500	5,274,010	451.88%	438.49%	3.46%
National Refinery Ltd	82,000	38,200	-	20,000	100,200	30,346,572	2600.13%	2523.05%	12.53%
	134,500	38,200	-	43,000	129,700	35,620,582	3052.01%	2961.54%	
<b>COMMERCIAL BANKS</b>									
Faysal Bank Limited	9,000	28,500	-	-	37,500	987,000	84.57%	82.06%	0.40%
Habib Bank Ltd	167,100	-	-	5,000	162,100	17,725,635	1518.75%	1473.73%	1.11%
MCB Bank Ltd	177,253	-	-	15,000	162,253	24,449,905	2094.90%	2032.79%	1.46%
Standard Chartered Bank (Pakistan) Ltd	1,675,000	40,000	-	-	1,715,000	59,596,250	5106.28%	4954.90%	4.43%
United Bank Limited	560,200	25,000	-	77,000	508,200	60,252,192	5162.48%	5009.44%	4.15%
	2,588,553	93,500	-	97,000	2,585,053	163,010,982	13966.98%	13552.93%	
<b>FERTILIZER</b>									
Engro Corporation Ltd	139,000	0	-	139,000	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Ltd	340,000	459,000	-	799,000	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Co Ltd	194,100	0	-	194,100	-	-	0.00%	0.00%	0.00%
	673,100	459,000	-	1,132,100	-	-	0.00%	0.00%	
<b>CHEMICAL</b>									
Nimir Resins Limited (5)	1,026,000	325,000	-	1,351,000	-	-	0.00%	0.00%	0.00%
Nimir Resins Ltd	-	834,500	-	129,000	705,500	19,316,590	1655.07%	1606.00%	0.50%
	1,026,000	1,159,500	-	1,480,000	705,500	19,316,590	1655.07%	1606.00%	
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>									
General Tyre & Rubber Co of Pakistan Ltd	411,500	40,000	-	30,000	421,500	26,040,270	2231.16%	2165.02%	70.52%
PANTHER TYRES LIMITED	260,213	0	-	260,213	-	-	-	-	0.00%
	671,713	40,000	-	290,213	421,500	26,040,270	2231.16%	2165.02%	
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
Air Link Communication Ltd	-	127,875	-	-	127,875	9,215,951	789.63%	766.23%	142.08%
Avanceon Limited	74,000	72,000	-	74,000	72,000	8,881,920	761.01%	738.45%	3.74%
Netsol Technologies	111,000	87,000	-	-	198,000	24,726,240	2118.57%	2055.77%	25.41%
Systems Limited	31,300	10,500	-	1,200	40,600	29,536,906	2530.76%	2455.73%	3.67%
TPL Corp Limited	-	500,000	-	500,000	-	0	0.00%	0.00%	0.00%
TPL Tracker Limited	2,520,500	2,477,000	-	131,500	4,866,000	83,013,960	7112.74%	6901.88%	25.99%
TRG Pakistan Ltd	74,500	12,000	-	86,500	-	0	0.00%	0.00%	0.00%
WorldCall Telecom Ltd	1,000,000	-	-	1,000,000	-	0	0.00%	0.00%	0.00%
	3,811,300	3,286,375	-	1,793,200	5,304,475	155,374,977	13312.71%	12918.06%	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>									
Al Shaheer Corporation Ltd	0	800,000	-	-	800,000	11,360,000	973.34%	944.48%	56.29%
Claver Pakistan Limited	122,000	0	-	122,000	-	0	0.00%	0.00%	0.00%
Fauji Foods Limited	17,000	329,000	-	62,000	284,000	4,410,520	377.90%	366.70%	0.54%
Unity Foods Limited	942,816	473,000	-	60,000	1,355,816	42,328,576	3626.76%	3519.25%	24.92%
	1,081,816	1,602,000	-	244,000	2,439,816	58,099,096	4978.00%	4830.43%	
<b>Total as at September 30, 2021</b>	<b>20,714,241</b>	<b>11,465,545</b>	<b>-</b>	<b>9,180,438</b>	<b>22,999,348</b>	<b>1,167,117,083</b>	<b>976</b>	<b>947</b>	
Carrying value as at September 30, 2021						1,159,670			

\*Suspended/Delisted Companies

\*\*Sponsors of Management Company

Investments include shares having market value aggregating to Rs. 105.76 million (June 30, 2020: Rs. 163.138 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.



These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.55 million at September 30, 2021 (June 30, 2021: Rs. 0.526 Million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

## 5.2 Listed equity securities - Fair value through other comprehensive income

Name of investee company	Number of Shares					Market value as at September 30, 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 1, 2021	Purchases during the year	Right issue	Sales during the year	As at September 30, 2021		Total Investments	Net Assets	
Class A									
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	10,233,471	-	-	-	10,233,471	2,056,825	94.79%	91.70%	3.14%
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	113,155	5.21%	5.05%	0.39%
<b>Total</b>	<b>12,721,495</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,721,495</b>	<b>2,169,981</b>	<b>100%</b>	<b>96.75%</b>	

5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the 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. 17.073 million at September 30, 2020 (June 30, 2020: Rs. 13.488) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

## 6 PAYABLE TO MANAGEMENT COMPANY

Note	September 30, 2021 (Un-Audited)			June 30, 2021 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
Management fee	2,860	2,073	4,932	3,173	2,297	5,470
Sindh Sales Tax	372	269	641	412	298	710
Allocation of expenses relating to registrar services, accounting, operation and valuation services	1,049	570	1,619	1,164	632	1,796
Selling & Marketing payable	-	3,519	3,519	-	3,517	3,517
	<b>4,280</b>	<b>6,432</b>	<b>10,712</b>	<b>4,749</b>	<b>6,744</b>	<b>11,493</b>

- 6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged at the rate of 2% of the average daily net assets of the Fund.. The fee is payable monthly in arrears.
- 6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2021:13% ) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The expense charged by the asset Management Company is 0.55% during the year.
- 6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 1.05% of the average daily net assets of the Fund.

## 7 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	September 30, 2021 (Un-Audited)			June 30, 2021 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
Provision for Sindh Workers' Welfare Fund	-	-	-	634	29,166	29,800
Provision for Federal Excise Duty and additional sales tax on Management Fee	-	55,961	55,961	-	55,961	55,961
Printing Charges	-	-	-	-	-	-
Auditors remuneration	392	228	620	569	370	939
Security Transaction Charges	-	1,380	1,380	-	1,079	1,079
Withholding tax payable	137	35	172	139	276	415
Other Payable	16	1,178	1,195	-	1,137	1,137
Payable to class A	-	-	-	-	-	-
Zakat payable	-	47	47	-	-	-
	<b>546</b>	<b>58,829</b>	<b>59,374</b>	<b>1,342</b>	<b>87,989</b>	<b>89,331</b>

- 7.1 The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

---

---

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 0.70 million and 29.17 million in Class A and Class B respectively for the period from July 1, 2014 till August 12, 2021.

7.2 "The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per certificate of the Fund as at September 30, 2021 would have been higher by Rs. 0.4186 per unit (June 30, 2021: 0.413 per certificate) of class B.

## **8 Contingencies & Commitments**

There are no contingencies and commitment as at September 30, 2021.

## **9 TAXATION**

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

## **10 TOTAL EXPENSES RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the period ended September 30, 2021 of class A is 0.63% (2020:1.03%) and of class B is 1.14%(2020: 1.38%) which includes 0.06%(2020: 0.07%) of class A and 0.08%(2020: 0.33%) of class B representing government levy and SECP fee.

## 11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Class A					SEPTEMBER 30, 2021			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)								
<b>Financial assets measured at fair value</b>									
Listed equity securities	-	2,169,981	-	-	2,169,981	2,169,981	-	-	2,169,981
	-	2,169,981	-	-	2,169,981	2,169,981	-	-	2,169,981
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	75,494	75,494				
Dividend and Profit receivable	-	-	-	2,354	2,354				
	-	-	-	77,847	77,847				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company		-	-	4,280	4,280				
Payable to Trustee		-	-	308	308				
Accrued expenses and other liabilities		-	-	408	408				
Net assets attributable to unitholders		-	-	2,242,920	2,242,920				
		-	-	2,247,917	2,247,917				

Class B SEPTEMBER 30, 2021									
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
Note	----- (Rupees in '000) -----								
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments - Listed equity securities	1,283,089	-	-	-	1,283,089	1,283,089	-	-	1,283,089
	<u>1,283,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,283,089</u>	<u>1,283,089</u>	<u>-</u>	<u>-</u>	<u>1,283,089</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	165,436	165,436				
Dividend and Profit receivable	-	-	-	10,133	10,133				
Receivable against purchase of investment	-	-	-	25,360	25,360				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,929</u>	<u>200,929</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company		-	-	6,432	6,432				
Payable to Trustee		-	-	210	210				
Payable against purchase of investment		-	-	18,735	18,735				
Accrued expenses and other liabilities		-	-	2,786	2,786				
Net assets attributable to unitholders		-	-	1,202,773	1,202,773				
		<u>-</u>	<u>-</u>	<u>1,230,935</u>	<u>1,230,935</u>				
Class A June 30, 2021									
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----								
<b>Financial assets measured at fair value</b>									
Listed equity securities	-	2,415,724	-	-	2,415,724	2,415,724	-	-	2,415,724
	<u>-</u>	<u>2,415,724</u>	<u>-</u>	<u>-</u>	<u>2,415,724</u>	<u>2,415,724</u>	<u>-</u>	<u>-</u>	<u>2,415,724</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	80,798	80,798				
Dividend and Profit receivable	-	-	-	2,425	2,425				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,223</u>	<u>83,223</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company		-	-	4,749	4,749				
Payable to Trustee		-	-	332	332				
Accrued expenses and other liabilities		-	-	569	569				
Net assets attributable to unitholders		-	-	2,492,208	2,492,208				
		<u>-</u>	<u>-</u>	<u>2,497,858</u>	<u>2,497,858</u>				

	Class B					June 30, 2021			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
Listed equity securities	1,341,920	-	-	-	1,341,920	1,341,920	-	-	1,341,920
	<u>1,341,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,341,920</u>	<u>1,341,920</u>	<u>-</u>	<u>-</u>	<u>1,341,920</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	216,276	216,276				
Dividend and Profit receivable	-	-	-	643	643				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,919</u>	<u>216,919</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company		-	-	6,744	6,744				
Payable to Trustee		-	-	259	259				
Payable against purchase of investment		-	-	36,111	36,111				
Accrued expenses and other liabilities		-	-	2,586	2,586				
Unclaimed dividend		-	-	101,015	101,015				
Net assets attributable to unitholders		-	-	1,386,600	1,386,600				
		<u>-</u>	<u>-</u>	<u>1,533,315</u>	<u>1,533,315</u>				

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

## 12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

	Three Months Ended					
	September 30, 2021			September 30, 2020		
	Class A	Class B	Total	Class A	Class B	Total
<b>Transactions during the year</b>	(Rupees in '000)					
<b>HBL Asset Management Limited</b>						
Remuneration of Management Company	9,187	6,703	15,891	10,815	6,588	17,403
Sindh Sales Tax on remuneration of Management Company	1,194	871	2,066	1,406	856	2,262
Reimbursement of Fund Operations, accounting and Related costs	3,369	1,843	5,212	2,974	1,812	4,786
Selling & Marketing	-	3,519	3,519	5,678	3,459	9,137
<b>Habib Bank Limited - Associated Company</b>						
Dividend Income	-	-	-	-	-	-
Profit on Bank Deposit	-	9	9	-	5	5
<b>MCB Bank Limited</b>						
<b>Connected Person Due to Holding more than 10% Certificates</b>						
Profit on bank deposits	1,071	2,340	3,411	2	2,048	2,050
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration	876	479	1,356	785	483	1,268
CDC Connection charges	-	101	101	-	67	67
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remedemption of units: 205,885 (2020: Nil) units	-	2,105	2,105	-	103	103
<b>HBL Islamic Equity Fund</b>						
<b>Purchase of Security</b>						
Purchase of Security 100,000 shares	-	13,676	13,676	-	-	-
<b>Balances outstanding at the year end</b>						
<b>HBL Asset Management Limited</b>						
Payable to the Management Company	2,860	2,073	4,932	3,173	2,297	5,470
Sindh Sales tax payable on remuneration to management company	372	269	641	412	298	710
Finance and operational cost	1,049	570	1,619	1,164	632	1,796
Selling & Marketing expense	-	3,519	3,519	-	3,517	3,517
<b>Central Depository Company Of Pakistan Limited - Trustee</b>						
Trustee fee payable	308,31488	209,9825	518	332	203	535
Security deposit held	100	200	300	100	200	300
CDC Charges Payable	-	36	36	-	36	36
<b>MCB Bank Limited</b>						
<b>Connected Person Due to Holding more than 10% units</b>						
Bank balance	144	126,159	126,303	142	179,286	179,428
Certificates held: 66,090,021 (2021: 66,090,021 certificates)	660,900	-	660,900	660,900	-	660,900

	September 30, 2021			June 30, 2021		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
<b>Habib Bank Limited -Sponsor</b>						
Outstanding units :48,662,161 (2021: 48,662,161) units	486,622	-	486,622	486,622	-	486,622
Outstanding units :48,662,173(2021:48,662,173) Units	-	437,770	437,770	-	497,629	497,629
Bank Balances	-	487	487	-	479	479
<b>Associated Companies</b>						
<b>Jubilee General Insurance Company Limited</b>						
Outstanding units:100,379 (2021: 100,379)units	1,004	-	1,004	1,004	-	1,004
Outstanding units:103,333 (2021: 103,333)units	-	930	930	-	1,057	1,057
<b>Jubilee General Insurance Company Limited Staff Provident Fund Trust</b>						
Outstanding certificates:118,454 (2021: 118,454) certificates	1,184	-	1,184	1,184	-	1,184
Outstanding units:121,940 (2021: 121,940) units	-	1,097	1,097	-	962	962
<b>Jubilee General Insurance Company Limited Gratuity Fund Trust</b>						
Outstanding units:224,000 (2021: 224,000) units	2,240	-	2,240	2,240	-	2,240
Outstanding units:230,592 (2021: 230,592) units	-	2,074	2,074	-	1,819	1,819
<b>Aga Khan University Employees Provident Fund Trust</b>						
Outstanding certificates:588,000 (2021: 588,000) certificates	5,880	-	5,880	5,880	-	5,880
<b>Aga Khan University Employees Gratuity Fund Trust</b>						
Outstanding certificates:138,000 (2021: 138,000) certificates	1,380	-	1,380	1,380	-	1,380
<b>Directors and Executives of the Management Company</b>						
Outstanding units:26,195 (2021: 26,195) units	262	-	262	262	-	262
Outstanding units:26,813 (2021: 232,698) units	-	241	241	-	2,380	2,380

### 13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 28, 2021 by the Board of Directors of the company.

### 14 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

















**Be aware, Be alert,  
Be safe**

**Learn about investing at  
www.jamapunji.pk**

**Key features:**

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event  
notifications, corporate and  
regulatory actions)
-  Jamapunji application for  
mobile device
-  Online Quizzes



Jama Punji is an Investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

 jamapunji.pk

 @jamapunji\_pk

\*Mobile apps are also available for download for android and ios devices

# HBL

# ASSET MANAGEMENT LTD.

ایس ایٹ مینجمنٹ لمیٹڈ

**Head Office Karachi:**

7th Floor, Emerald Tower, Clifton,  
Karachi.  
UAN:111 HBL AMC (111-425-262)  
Fax: 021-35168455  
info@hblasasset.com

**Lahore:**

102-103, Upper Mall, Lahore  
Tel: 042-36281600  
042-36281640-3  
042-36281610  
Fax: 042-36281686

**Islamabad:**

HBL Corporate Center,  
HBL building, Jinnah Avenue,  
Islamabad  
Tel: 051-2821183  
Fax: 051-2822206