

**HBL**

**ASSET MANAGEMENT LTD.**  
ایسیٹ مینجمنٹ لمیٹڈ

AMC Rating : AM1 by VIS



# HALF YEARLY REPORT 2022

For the half year ended December 31, 2022

MOVING TOWARDS  
**EXCELLENCE**

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# CORPORATE INFORMATION

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## Management Company

### HBL Asset Management Limited

#### Board of Directors (Composition as of February 13, 2023)

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Directors	Mr. Mir Adil Rashid Ms. Ava Ardeshir Cowasjee Mr. Khalid Malik Mr. Rayomond H. Kotwal Mr. Tariq Masaud Mr. Abrar Ahmed Mir Mr. Abid Sattar	(Chief Executive Officer) (Independent Director) (Independent Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Independent Director)

#### Audit Committee

Chairman	Mr. Khalid Malik	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee Mr. Rayomond H. Kotwal	(Independent Director) (Non-Executive Director)

#### Human Resource Committee

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

#### Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Tariq Masaud Mr. Abid Sattar	(Non-Executive Director) (Independent Director)

#### Technology Committee

Chairman	Mr. Abrar Ahmed Mir Mr. Abid Sattar	(Non-Executive Director) (Independent Director)
Members	Ms. Ava Ardeshir Cowasjee	(Independent Director)

#### Company Secretary & Chief Financial Officer

Mr. Noman Qurban

#### AMC Rating

AM1 (Stable Outlook)

#### Legal Advisor

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

#### Website

[www.hblasst.com](http://www.hblasst.com)

#### Head Office & Registered Office

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

# REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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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, HBL Investment Fund, HBL Financial Sector Income Fund – Plan-1 and HBL Total Treasury Exchange Traded Fund (the Funds) for the period ended December 31, 2022.

## ECONOMIC REVIEW

Pakistan faced a challenging economic environment during 1HFY23 due to pressures on external account, delay in IMF program and rising inflation. Pakistan foreign exchange reserves came under severe stress during 1HFY23 as reserves held by SBP dropped to USD 5.6bn in Dec 2022 versus USD 9.8bn in June 2022, which translates into an import cover of less than 2 months. This was primarily due to huge debt repayments, reduced foreign flows amid challenging global economic environment and delay in receipt of IMF flows. However, reduction in Current Account Deficit (CAD) provided some respite which fell to USD3.7bn in 1HFY23 vs. 9bn same period last year (SPLY).

Pakistan currency also witnessed severe volatility during the period. PKR against the USD fell to as low as PKR239.6 as of Sep 22, 2022 as against PKR 204.32 in June 2022 due to fall in reserves. However, with administrative measures to keep currency in check, Pak Rupee appreciated against USD to close at PKR 226.3 as of Dec 30, 2022. Since then, the currency has started adjusting again as SBP reserves are continuously falling and the spread between interbank and open market rates had increased. With currency in the interbank market now moving closer to the open market rates, it is now likely that the workers remittances and export proceeds that were impacted due to the widening spread, will again start recovering.

On the monetary front, inflationary pressures rose as CPI inflation averaged 25% in 1HFY23 vs. 10% in SPLY. This was on the back of high commodity prices, floods impacting food prices, and supply chain disruptions due to import restrictions. Non-food and non-energy core inflation also rose with Urban and Rural Core inflation increasing to 14.1% and 17.4% in 1HFY23, respectively. Keeping in view rising inflation and worsening external account situation, SBP through its monetary policy cumulatively raised policy rate by 225bps to 16% in 1HFY23.

Large Scale Manufacturing (LSM) during 1HFY23 also saw decline of 3.7% driven by economic slowdown and import restrictions. This was driven by Cotton Yarn (-14%), Cements (-15%), Automobiles (-30%), and petroleum products (-11%).

## STOCK MARKET REVIEW

Benchmark KSE-100 index during 1HFY23 declined by 3% with index closing at 40,420 points. The index after making CY22 peak of 46,601 points on April 15, 2022, index dropped to 40,420 points in Dec 2022, down 13% from peak. This drop can be attributed to 1) delay in ninth review of IMF 2) sharp fall in foreign exchange reserves, 3) rise in interest rates as investors switched to fixed income instruments, 4) political uncertainty which kept market under pressure, and 5) import restrictions impacting listed companies profitability.

These uncertain economic and politic environment also had an impact on market traded volumes and value. Average traded volume and traded value was down by 36% and 45% to 219mn shares and PKR6.6bn, respectively.

## MONEY MARKET REVIEW

SBP conducted four monetary policies during 1HFY23 where it raised policy rate twice in July 2022 and Nov 2022. Policy rates were raised by 125bps and 100bps in July and November, respectively. SBP highlighted 1) increasing inflation expectations, 2) high commodity prices, 3) deterioration in external account situation, and 4) reduced foreign flows due to challenging global environment, as key reasons for an increase in policy rates.

Owing to rising inflationary pressures and expectations of higher interest rates, secondary market bond yields saw an increasing trend in 1HFY23. Yields on shorter tenor 6M and 1Y TBills were up ~180bps to 16.99% and 17.00%, respectively. Similarly, longer tenor bond yields on average were up by ~190bps in 1HFY23 with 3Y and 5Y PIB yielding 15.64% and 14.61%, respectively. During 1HFY23, government against a target of PKR 10.7tn borrowed PKR 10.3tn. Similarly, government raised PKR 943bn through PIBs during 1HFY23.

## FUTURE OUTLOOK

Pakistan again has reengaged with the global lender and have taken certain prior actions which is likely to result in revival of IMF program and release of funds under the program. These measures include hike in gas prices on average by around 40%, introduction of taxation measures of up to PKR 170bn and increase in power tariff. Revival of the IMF program will not only lead to the release of USD 1bn from IMF under the ninth review but will also lead to more inflows from other multi-lateral lenders. It is also expected that Saudi Arabia and China are likely to roll-over foreign debt to Pakistan in FY23 which will support foreign exchange reserves of the country.

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Improvement in foreign flows is likely to reduce pressure on exchange rate and will also lead to reduction in import controls which is currently impacting the industry. This will increase confidence of global and local investors and is likely to bode well for Equity Markets that is trading at a historic low valuations with PE multiples of around 4x.

On the monetary front, increased taxation measures and adjustment in electricity/gas prices are likely to exert pressure on CPI. In FY23, average inflation is likely to clock in at 27-28%. Given these expectations, there are likelihood of a further increase in policy rate which we believe the market is already expecting as evident from the rising secondary market yields. However, inflationary trend is likely to ease considerably from 2HCY23 due to high base effect.

We remain positive on the Pakistan Equity Market outlook as the market is trading at an attractive PE of 4x and offering dividend yield of 10%. With IMF program likely to be back on track, economic fundamentals will move in right direction which will regenerate investor's interest in Equity markets.

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

### **HBL Income Fund**

The total income and net income of the Fund was Rs. 268.50 million and Rs. 227.94 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 119.5449 per unit as on December 31, 2022 as compared to Rs. 111.4310 per unit as on June 30, 2022, thereby giving an annualized return of 14.44%. During the period the benchmark (6 Month KIBOR) return was 16.07%. The size of Fund was Rs. 2.22 billion as on December 31, 2022 as compared to Rs. 4.25 billion at the start of the year.

VIS Credit Rating Company Limited has reaffirmed the Fund stability rating of A+(f) to the Fund.

### **HBL Government Securities Fund**

The total income and net income of the Fund was Rs. 37.93 million and Rs. 30.57 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 118.9997 per unit as on December 31, 2022 as compared to Rs. 112.4774 per unit as on June 30, 2022, thereby giving an annualized return of 11.50%. During the same period the benchmark (6 Month PKRV Rates) return was 15.90%.The size of Fund was Rs. 0.45 billion as on December 31, 2022 as compared to Rs. 0.63 billion at the start of the year.

VIS Credit Rating Company Limited has downgraded the Fund stability rating to AA-(f) to the Fund.

### **HBL Money Market Fund**

The total income and net income of the Fund was Rs. 1.16 billion and Rs. 1.00 billion respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 110.1658 per unit as on December 31, 2022 as compared to Rs. 102.8274 per unit as on June 30, 2022, thereby giving an annualized return of 14.16%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 14.91%.The size of Fund was Rs. 11.54 billion as on December 31, 2022 as compared to Rs.15.60 billion at the start of the year.

VIS Credit Rating Company Limited has reaffirmed the Fund stability rating of AA+(f) to the Fund.

### **HBL Cash Fund**

The total income and net income of the Fund was Rs. 2.71 billion and Rs. 2.53 billion respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs 102.5225 per unit as on December 31, 2022 as compared to Rs 101.3611 per unit as on June 30, 2022, after incorporating dividends of Rs. 6.2910 per unit, thereby giving an annualized return of 15.04%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 14.91%.The size of Fund was Rs 45.60 billion as on December 31, 2022 as compared to Rs. 36.07 billion at the start of the year.

VIS Credit Rating Company Limited has reaffirmed the Fund stability rating of AA+(f) to the Fund.

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### **HBL Stock Fund**

The total and net loss of the Fund was Rs. 6.35 million and Rs. 12.41 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs 67.6059 per unit as on December 31, 2022 as compared to Rs 71.9274 per unit as on June 30, 2022, thereby giving a negative return of 6.01%. During the same period the benchmark KSE 30 index yielded a negative return of 0.94%. The size of Fund was Rs 0.17 billion as on December 31, 2022 as compared to Rs. 0.24 billion at the start of the year.

### **HBL Equity Fund**

The total and net loss of the Fund was Rs. 22.86 million and Rs. 40.06 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 70.7537 per unit as on December 31, 2022 as compared to Rs. 78.8634 per unit as on June 30, 2022, thereby giving a negative return of 7.95%. During the period the benchmark KSE 100 index yielded a negative return of 2.70%. The size of Fund was Rs. 0.43 billion as on June 30, 2022 as compared to Rs. 0.82 billion at the start of the year.

### **HBL Energy Fund**

The total income and net loss of the Fund was Rs. 4.21 million and Rs. 4.91 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 9.8136 per unit as on December 31, 2022 as compared to Rs. 9.8637 per unit as on June 30, 2022, thereby giving a negative return of 0.51%. During the same period the benchmark KSE 30 index yielded a negative return of 0.94%. The size of Fund was Rs. 0.26 billion as on December 31, 2022 as compared to Rs. 0.43 billion at the start of the year.

### **HBL Multi Asset Fund**

The total and net income of the Fund was Rs. 2.35 million and Rs. 0.00 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs 92.2656 per unit as on December 31, 2022 as compared to Rs 92.9902 per unit as on June 30, 2022, thereby giving a negative return of 0.78%. During the same period the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a return of 1.09%. The size of Fund was Rs 0.10 billion as on December 31, 2022 as compared to Rs. 0.10 billion at the start of the year.

### **HBL Financial Planning Fund**

The Fund comprises of two sub funds (plans) namely Active Allocation Plan and Conservative Allocation Plan.

The Fund as a whole earned a total and net income of Rs. 3.82 million and Rs. 3.23 million respectively during the period under review. The fund size of the fund stood at Rs. 0.10 billion as on December 31, 2022.

Performance review for plans is given below:

#### **Active Allocation Plan**

During the period under review, the Active allocation plan earned a total and net income of Rs. 1.34 million and Rs 1.06 million respectively. The net assets of the Active allocation plan stood at Rs. 0.07 billion representing Net Asset Value (NAV) of Rs. 77.6660 per unit as at December 31, 2022 as compared to Rs. 74.1068 per unit as at June 30, 2022. The plan earned a return of 4.80% for the period under review against the benchmark return of 7.63%. The plan is invested to the extent of 99% in fixed income funds & 1% in cash.

#### **Conservative Allocation Plan**

During the period under review, the Conservative allocation plan earned a total and net income of Rs. 2.48 million and Rs. 2.17 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.03 billion representing Net Asset Value (NAV) of Rs. 116.5518 per unit as at December 31, 2022 as compared to Rs. 111.7004 per unit as at June 30, 2022. The plan earned a return of 4.34% for the period under review against the benchmark return of 5.70%. The plan is invested to the extent of 19% in equity funds & 79% in fixed income funds.

### **HBL Growth Fund**

Effective from July 2, 2018 the Fund has been converted into an open-ended Equity Fund as per the duly approved Conversion Plan. This matter is fully disclosed in notes to the financial statements of the Fund.

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The Fund as a whole earned a total and net income of Rs. 361.90 million and Rs. 269.36 million respectively during the period under review. The fund size of the fund stood at Rs. 6.01 billion as on December 31, 2022.

Performance review of each class is presented below:

#### **HBL Growth Fund – Class ‘A’**

HBL Growth Fund – Class ‘A’ earned a total income and net income of Rs. 393.45 million and Rs. 326.81 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 17.9822 per unit as on December 31, 2022 as compared to Rs. 19.4009 as at June 30, 2022, thereby giving a negative return of 7.31%. During the period the benchmark KSE 100 index yielded a negative return of 2.70%. The size of Class ‘A’ was Rs. 5.10 billion as on December 31, 2022 as compared to Rs. 5.50 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. 31.56 million and Rs. 57.45 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 12.1462 per unit as on December 31, 2022 as compared to Rs. 12.8951 as at June 30, 2022, thereby giving a negative return of 5.81%. During the period the benchmark KSE 100 index yielded a negative return of 2.70%. The size of Class ‘B’ was Rs. 0.92 billion as on December 31, 2022 as compared to Rs. 1.05 billion at the start of the year.

#### **HBL Investment Fund**

Effective from July 2, 2018 the Fund has been converted into an open-ended Equity Fund as per the duly approved Conversion Plan. This matter is fully disclosed in notes to the financial statements of the Fund.

The Fund as a whole earned a total and net income of Rs. 116.36 million and Rs. 76.44 million respectively during the period under review. The fund size of the fund stood at Rs. 2.29 billion as on December 31, 2022.

Performance review of each class is presented below:

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

HBL Investment Fund – Class ‘A’ earned a total income and net income of Rs. 136.02 million and Rs. 111.06 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 6.4495 per unit as on December 31, 2022 as compared to Rs. 7.0325 as at June 30, 2022, thereby giving a negative return of 8.29%. During the period the benchmark KSE 100 index yielded a negative return of 2.70%. The size of Class ‘A’ was Rs. 1.83 billion as on December 31, 2022 as compared to Rs. 2.00 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. 19.66 million and Rs. 34.62 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 6.0110 per unit as on December 31, 2022 as compared to Rs. 6.4666 as at June 30, 2022, thereby giving a negative return of 7.05%. During the period the benchmark KSE 100 index yielded a negative return of 2.70%. The size of Class ‘B’ was Rs. 0.46 billion as on December 31, 2022 as compared to Rs.0.71 billion at the start of the year.

#### **HBL Financial Sector Income Fund**

The total income and net income of the Fund was Rs. 2.56 billion and Rs. 2.38 billion respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 101.2609 per unit as on December 31, 2022 (after incorporating dividends of Rs. 6.4381 per unit), thereby giving an annualized return of 15.67%. The NAV per unit as on June 30, 2022 was 100.0454 per unit. During the same period, the benchmark (6 Month KIBOR) return was 16.07%. The size of Fund was Rs. 29.66 billion as on December 31, 2022 as compared to Rs. 45.83 billion as at start of the year.

#### **HBL Total Treasury Exchange Traded Fund**

The Fund commences its operations on September 12, 2022..

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The total income and net income of the Fund was Rs. 24.21 million and Rs. 22.46 million respectively during the period ended December 31, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 10.4492 per unit as on December 31, 2022, thereby giving an annualized return of 14.15%. During the same period, the benchmark return was 15.12%. The size of Fund was Rs. 522 million as on December 31, 2022.

#### **MANAGEMENT COMPANY RATING**

The VIS Credit Rating Company Limited (VIS) has upgraded the management quality rating of HBL Asset Management Limited from 'AM2++' (AM Two Plus Plus) to 'AM-I' and the outlook on the assigned rating has been assessed at '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 the Securities & Exchange Commission of Pakistan, the Central Depository Company of Pakistan & the Digital Custodian Company Limited as Trustees, 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**

## میجمنٹ کسپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسٹ میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والی مدت کے لئے ایچ بی ایل اے کم فنڈ، ایچ بی ایل گورنمنٹ سکیورٹیز فنڈ، ایچ بی ایل منی مارکیٹ فنڈ، ایچ بی ایل کیش فنڈ، ایچ بی ایل اسٹاک فنڈ، ایچ بی ایل ایکویٹی فنڈ، ایچ بی ایل انرجی فنڈ، ایچ بی ایل ملٹی ایسٹ فنڈ، ایچ بی ایل فنانشل پلاننگ فنڈ، ایچ بی ایل گروتھ فنڈ، ایچ بی ایل انوسٹمنٹ فنڈ، ایچ بی ایل فنانشل سیکورٹیز کم فنڈ۔ پلان 1 اور ایچ بی ایل ٹول ٹریڈری آپکے ایچ بی ایل ڈیفنڈ (دی فنڈز) کے مالی بیانات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

## اقتصادی جائزہ

پاکستان کو 1HFY23 کے دوران بیرونی کھاتوں پر دباؤ، IMF پروگرام میں تاخیر اور بڑھتی ہوئی مہنگائی کی وجہ سے ایک مشکل معاشی صورتحال کا سامنا کرنا پڑا۔ پاکستان کے زرمبادلہ کے ذخائر 1HFY23 کے دوران شدید دباؤ کا شکار ہوئے کیونکہ SBP کے پاس موجود ذخائر دسمبر 2022 میں 5.6 بلین امریکی ڈالر تک گر گئے جو بمقابلہ جون 2022، 9.8 بلین امریکی ڈالر تھے جو 2 ماہ سے بھی کم کے درآمدی بل کا احاطہ کرتا ہے۔ یہ بنیادی طور پر قرضوں کی بھاری ادائیگی، چیلنجنگ عالمی اقتصادی ماحول کے درمیان غیر ملکی بہاؤ میں کمی اور آئی ایم ایف کے بہاؤ کی وصولی میں تاخیر کی وجہ سے تھا۔ تاہم کرنٹ اکاؤنٹ خسارہ (CAD) میں کمی نے کچھ مہلت فراہم کی جو 1HFY23 میں 3.7 بلین ڈالر بمقابلہ گزشتہ سال اسی مدت میں 9 بلین امریکی ڈالر تک گر گئی

اس دوران پاکستانی کرنسی میں بھی شدید اتار چڑھاؤ دیکھا گیا۔ ذخائر میں کمی کی وجہ سے پاکستانی روپیہ، امریکی ڈالر کے مقابلے میں 22 ستمبر 2022 کو 239.6 روپے تک گر گیا جو کہ جون 2022 میں 204.32 روپے تھا۔ کرنسی کو قابو میں رکھنے کے لیے انتظامی اقدامات کے نتیجے میں 30 دسمبر 2022 تک پاکستانی روپیہ امریکی ڈالر کے مقابلے پر 226.3 پر بند ہوا۔ اس کے بعد سے کرنسی نے دوبارہ ایڈجسٹ کرنا شروع کر دیا ہے کیونکہ اسٹیٹ بینک کے ذخائر مسلسل گر رہے ہیں اور انٹرنیشنل اور اوپن مارکیٹ ریٹ کے درمیان فرق بڑھ گیا ہے۔ انٹرنیشنل مارکیٹ میں کرنسی اب اوپن مارکیٹ کے نرخوں کے قریب آنے کے بعد امکان ہے کہ کارکنوں کی ترسیلات اور برآمدی آمدنی جو متاثر ہوئی تھی، دوبارہ بحال ہونا شروع ہو جائے گی۔

مالیاتی محاذ پر افراط زر کے دباؤ میں اضافہ ہوا کیونکہ CPI افراط زر 1HFY23 میں اوسطاً 25 فیصد تھا جبکہ گزشتہ سال اسی مدت میں 10 فیصد تھا۔ یہ اشیاء کی اونچی قیمتوں، خوراک کی قیمتوں کو متاثر کرنے والے سیلاب اور درآمدی پابندیوں کی وجہ سے سپلائی چین میں رکاوٹوں کی وجہ سے تھا۔ نان فوڈ اور نان انرجی بنیادی افراط زر میں بھی اضافہ ہوا جس کے ساتھ شہری اور دیہی بنیادی مہنگائی 1HFY23 میں بالترتیب 14.1 فیصد اور 17.4 تک بڑھ گئی۔ بڑھتی ہوئی افراط زر اور بیرونی کھاتوں کی بگڑتی ہوئی صورتحال کو مد نظر رکھتے ہوئے، SBP نے اپنی مانیٹری پالیسی کے ذریعے مجموعی طور پر 225bps سے 16 فیصد تک پالیسی کی شرح 1HFY23 میں بڑھادی۔

1HFY23 کے دوران بڑے پیمانے پر مینوفیکچرنگ (LSM) میں بھی معاشی سست روی اور درآمدی پابندیوں کی وجہ سے 3.7 فیصد کمی دیکھی گئی۔ کاٹن یارن (14- فیصد)، سینٹ (15- فیصد)، آٹو موٹورز (30- فیصد) اور پیٹرولیم مصنوعات (11- فیصد) کمی رہی۔

## اسٹاک مارکیٹ کا جائزہ

1HFY23 کے دوران KSE-100 انڈیکس میں 3 فیصد کمی ہوئی اور انڈیکس 40,420 پوائنٹس پر بند ہوا۔ 15 اپریل 2022 کو CY22 کی بلندی 46,601 پوائنٹس بنانے کے بعد انڈیکس دسمبر 2022 میں 40,420 تک نیچے آیا۔ اس کمی کو (1) آئی ایم ایف کے نوٹس جانے میں تاخیر کی وجہ قرار دیا جاسکتا ہے کیونکہ پاکستان پہلے کی یقین دہانیوں کو پورا کرنے سے قاصر تھا، (2) زرمبادلہ کے ذخائر میں تیزی سے کمی جس سے ڈیفالٹ ہونے کے امکانات پر تشویش پیدا ہوئی (3) سود کی شرحوں میں اضافہ کیونکہ سرمایہ کاروں نے فلکسڈ آمدنی کے ذرائع پر سوچ سچایا۔ (4) سیاسی عدم استحکام اور غیر یقینی صورتحال میں اضافہ جس نے مارکیٹ کو دباؤ میں رکھا، اور (5) درآمدی پابندیاں جو لٹھ کسپنیوں کے منافع کو متاثر کرتی ہیں۔

غیر یقینی معاشی اور سیاسی ماحول کا اثر مارکیٹ کے تجارتی حجم اور قدر پر بھی پڑا۔ اوسط تجارت شدہ حجم اور تجارت شدہ قدر بالترتیب 36 فیصد اور 45 فیصد کم ہو کر 219mn حصص اور 6.6 بلین روپے ہو گئی۔

### منی مارکیٹ کا جائزہ

اسٹیٹ بینک آف پاکستان (SBP) نے 1HFY23 کے دوران چار ماہی پالیسیاں پیش کیں اس نے جولائی 2022 اور نومبر 2022 میں پالیسی ریٹ میں دو بار اضافہ کیا۔ جولائی اور نومبر میں پالیسی ریٹ میں بالترتیب 125bps اور 100bps اضافہ کیا گیا۔ اسٹیٹ بینک نے (1) مہنگائی بڑھنے کے امکانات، (2) اشیاء کی بلند قیمتیں، (3) بیرونی کھاتوں کی صورتحال میں بگاڑ، اور (4) چیلنجنگ گلوبل انوائرنمنٹ کی وجہ سے غیر ملکی زرمبادلہ کے بہاؤ میں کمی، پالیسی کی شرحوں میں اضافے کو اہم وجوہات کے طور پر اجاگر کیا۔

بڑھتے ہوئے افراط زر کے دباؤ اور بلند شرح سود کی توقعات کی وجہ سے، ثانوی مارکیٹ بانڈ کی پیداوار میں 1HFY23 میں بڑھتا ہوا رجحان دیکھا گیا۔ مختصر مدت کے 6M اور 1Y TBills پر پیداوار بالترتیب 180bps سے 16.99 فیصد اور 17.00 فیصد تک بڑھ گئی۔ اسی طرح، طویل مدتی بانڈ کی پیداوار 1HFY23 میں اوسطاً 190bps تک بڑھی تھی جس میں 3Y اور 5Y PIB کی پیداوار بالترتیب 15.64 فیصد اور 14.61 فیصد تھی۔ 1HFY23 کے دوران 10.7 ٹریلین روپے کے ہدف کے برخلاف حکومت 10.3 ٹریلین روپے کا قرض لیا۔ اسی طرح حکومت نے 1HFY23 کے دوران PIBs کے ذریعے 943 بلین روپے اکٹھا کیے۔

### مستقبل کا آؤٹ لک

آئی ایم ایف پروگرام کی بحالی میں کچھ تاخیر کے بعد پاکستان نے عالمی قرض دہندہ کے ساتھ دوبارہ رابطہ کیا ہے اور اس نے کچھ پیشگی اقدامات کیے ہیں جس کے نتیجے میں آئی ایم ایف پروگرام کی بحالی اور پروگرام کے تحت فنڈز کے اجراء کا امکان ہے۔ ان اقدامات میں گیس کی قیمتوں میں اوسطاً 40 فیصد اضافہ، 170 ارب روپے تک کے ٹیکس کے اقدامات کے ساتھ منی بجٹ متعارف کرانا اور بجلی کے نرخوں میں اضافہ شامل ہیں۔ IMF پروگرام کی بحالی سے نہ صرف نوے جاڑے کے تحت IMF سے 1 بلین امریکی ڈالر جاری کیے جائیں گے بلکہ یہ دوسرے کثیر جہتی قرض دہندگان سے مزید رقم کی آمد کا باعث بنے گا۔ یہ بھی توقع ہے کہ سعودی عرب اور چین مالی سال 23 میں پاکستان کے لیے غیر ملکی قرضے کو رول اوور کریں گے جس سے ملک کے زرمبادلہ کے ذخائر کو سہارا ملے گا۔

غیر ملکی زرمبادلہ کے بہاؤ میں بہتری سے شرح مبادلہ پر دباؤ کم ہونے کا امکان ہے اور اس سے درآمدی کنٹرول میں بھی کمی آئے گی جو اس وقت صنعت کو متاثر کر رہی ہے۔ اس سے عالمی اور مقامی سرمایہ کاروں کا اعتماد بڑھے گا اور امکان ہے کہ ایکویٹی مارکیٹس کے لیے اچھا ہوگا جو 4x کے قریب PE ملٹی پلس کے ساتھ تاریخی کم قیمتوں پر ٹریڈ کر رہی ہے۔

مالیاتی محاذ پر ٹیکس کے بڑھتے ہوئے اقدامات اور بجلی/گیس کی قیمتوں میں ایڈجسٹمنٹ سے سی پی آئی پر دباؤ پڑنے کا امکان ہے۔ مالی سال 23 میں اوسط افراط زر 27-28 فیصد تک پہنچنے کا امکان ہے۔ ان توقعات کے پیش نظر، پالیسی ریٹ میں مزید اضافے کے امکانات ہیں جس کی ہمیں یقین ہے کہ مارکیٹ پہلے سے ہی توقع کر رہی ہے جیسا کہ ثانوی مارکیٹ کی بڑھتی ہوئی پیداوار سے واضح ہے۔ تاہم، اعلیٰ بنیادی اثر کی وجہ سے افراط زر کے رجحان میں 2HCY23 سے کافی حد تک نرمی کا امکان ہے۔

ہم پاکستان ایکویٹی مارکیٹ کے آؤٹ لک پر مثبت رہتے ہیں کیونکہ مارکیٹ 4x کے پرکشش PE پر ٹریڈ کر رہی ہے اور 10 فیصد کی منافع بخش پیداوار پیش کر رہی ہے۔ آئی ایم ایف پروگرام کے دوبارہ پٹری پر آنے کا امکان ہے، معاشی بنیادیں درست سمت میں آگے بڑھیں گی۔ نیز، 2HCY23 میں شیڈول عام انتخابات کے ساتھ، سیاسی غیر یقینی صورتحال بھی کم ہونے کا امکان ہے جو ایکویٹی مارکیٹوں میں سرمایہ کاروں کی دلچسپی کو دوبارہ پیدا کرے گا۔

## فنڈ کی کارکردگی اور ادائیگیاں

### ایچ بی ایل انکم فنڈ

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 268.50 بلین روپے اور 227.94 بلین روپے تھی۔ 31 دسمبر 2022 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 119.5449 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 111.4310 روپے فی یونٹ تھا۔ اسی طرح 14.44 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بیچ مارک ریٹرن (6 ماہ KIBOR) 16.07 فیصد تھی۔ 31 دسمبر 2022 تک فنڈ کا حجم 2.22 بلین روپے تھا جبکہ سال کے آغاز میں حجم 4.25 بلین روپے تھا۔  
VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی (f+A) کی فنڈ استحکام کی درجہ بندی کی دوبارہ تصدیق کی ہے۔

### ایچ بی ایل گورنمنٹ سیکیورٹیز فنڈ

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 37.93 بلین روپے اور 30.57 بلین روپے تھی۔ 31 دسمبر 2022 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 118.9997 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 112.4774 روپے فی یونٹ تھا۔ اسی طرح 11.50 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بیچ مارک ریٹرن (6 ماہ PKRV) 15.90 فیصد تھی۔ 31 دسمبر 2022 تک فنڈ کا حجم 0.45 بلین روپے تھا جبکہ سال کے آغاز میں حجم 0.63 بلین روپے تھا۔  
VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی استحکام کی درجہ بندی کو AA-(f) کر دیا ہے۔

### ایچ بی ایل نئی مارکیٹ فنڈ

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 1.16 بلین روپے اور 1.00 بلین روپے تھی۔ 31 دسمبر 2022 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 110.1658 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 102.8274 روپے فی یونٹ تھا۔ اسی طرح 14.16 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بیچ مارک ریٹرن (70 فیصد 3M PKRV اور 30 فیصد 3M ڈپازٹ ریٹس) 14.91 فیصد تھی۔ 31 دسمبر 2022 تک فنڈ کا حجم 11.54 بلین روپے تھا جبکہ سال کے آغاز میں حجم 15.60 بلین روپے تھا۔  
VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ میں AA+(f) کی فنڈ استحکام کی درجہ بندی کی دوبارہ تصدیق کی ہے۔

### ایچ بی ایل کیش فنڈ

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 2.71 بلین روپے اور 2.53 بلین روپے تھی۔ 31 دسمبر 2022 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 102.5225 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 101.3611 روپے فی یونٹ تھا۔ منافع کو شامل کرنے کے بعد فی یونٹ 6.2910 رہا، اس طرح 15.04 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بیچ مارک ریٹرن (70 فیصد 3M PKRV اور 30 فیصد 3M ڈپازٹ ریٹس) 15.04 فیصد تھی۔ 31 دسمبر 2022 تک فنڈ کا حجم 45.60 بلین روپے تھا جبکہ سال کے آغاز میں حجم 36.07 بلین روپے تھا۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ میں AA+(f) کی فنڈ استحکام کی درجہ بندی کی دوبارہ تصدیق کی ہے۔

### ایچ بی ایل اسٹاک فنڈ

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 6.35 بلین روپے اور 12.41 بلین روپے تھی۔ 31 دسمبر 2022 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 67.6059 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 71.9274 روپے فی یونٹ تھا۔ اس

طرح 6.01 فیصد کی منفی ریٹرن دیتا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے 0.94 فیصد کی ریٹرن واپسی حاصل کی۔ 31 دسمبر 2022 تک فنڈ کا حجم 0.17 بلین روپے تھا جبکہ سال کے آغاز میں حجم 0.24 بلین روپے تھا۔

#### ایچ بی ایل ایکویٹی فنڈ

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 22.86 ملین روپے اور 40.06 ملین روپے تھی۔ 31 دسمبر 2022 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 70.7537 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 78.8634 فی یونٹ تھا۔ اس طرح 7.95 فیصد کی منفی ریٹرن دیتا ہے۔ اس مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 2.70 فیصد کی منفی ریٹرن حاصل کیا۔ 30 جون 2022 تک فنڈ کا حجم 0.43 بلین روپے تھا جبکہ سال کے آغاز میں حجم 0.82 بلین روپے تھا۔

#### ایچ بی ایل انرجی فنڈ

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 4.21 ملین روپے اور 4.91 ملین روپے تھی۔ 31 دسمبر 2022 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 9.8136 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 9.8637 فی یونٹ تھا۔ اس طرح 0.51 فیصد کی منفی ریٹرن دیتا ہے۔ اس مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے 0.94 فیصد کی منفی ریٹرن حاصل کیا۔ 31 دسمبر 2022 تک فنڈ کا حجم 0.26 بلین روپے تھا جبکہ سال کے آغاز میں حجم 0.43 بلین روپے تھا۔

#### ایچ بی ایل ملٹی ایسٹ فنڈ

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 2.35 ملین روپے اور 0.00 ملین روپے تھی۔ 31 دسمبر 2022 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 92.2656 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 92.9902 فی یونٹ تھا۔ اس طرح 0.78 فیصد کی منفی ریٹرن دیتا ہے۔ اس مدت کے دوران بیچ مارک انڈیکس (ویڈ اور تچ یومیہ ریٹرن کے ایس ای 100 اور 6 ماہ PKRV ریٹس) 1.09 فیصد رہا۔ 31 دسمبر 2022 تک فنڈ کا حجم 0.10 بلین روپے تھا جبکہ سال کے آغاز میں حجم 0.10 بلین روپے تھا۔

#### ایچ بی ایل فنانشل پلاننگ فنڈ

فنڈ دو ذیلی فنڈز (پلاز) پر مشتمل ہے یعنی ایکٹو ایلوکیشن پلان اور کنزرو ویٹو ایلوکیشن پلان۔ فنڈ نے زیر جائزہ مدت کے دوران مجموعی طور پر کل آمدنی اور خالص آمدنی بالترتیب 3.82 ملین روپے اور 3.23 ملین روپے حاصل کی۔ فنڈ کا حجم 0.10 بلین روپے رہا۔

پلان کے لیے کارکردگی کا جائزہ ذیل میں دیا گیا ہے:

#### ایکٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران، ایکٹو ایلوکیشن پلان نے کل آمدنی اور خالص آمدنی بالترتیب 1.34 ملین اور 1.06 ملین روپے رہی۔ ایکٹو ایلوکیشن پلان کے خالص اثاثے 0.07 بلین روپے خالص اثاثہ قیمت (NAV) کی نمائندگی کرتا ہے۔ 31 دسمبر 2022 تک فی یونٹ 77.6660 روپے کے مقابلے میں 30 جون 2022 تک 74.1068 روپے تھا۔ پلان نے 4.80 فیصد کی بیچ مارک ریٹرن کے مقابلے میں زیر جائزہ مدت کے لیے 7.63 فیصد کی واپسی حاصل کی۔ پلان 99 فیصد کی حد تک فکسڈ انکم فنڈز اور 1 فیصد نقد رقم میں سرمایہ کاری کرتا ہے۔

## کسنزرویٹو ایلوکیشن پلان

زیرجائزہ مدت کے دوران، ایکٹو ایلوکیشن پلان نے کل اور خالص آمدنی بالترتیب 2.48 بلین اور 2.17 بلین روپے رہی۔ ایکٹو ایلوکیشن پلان کے خالص اثاثے 0.03 بلین روپے خالص اثاثہ قیمت (NAV) کی نمائندگی کرتا ہے۔ 31 دسمبر 2022 تک فی یونٹ 116.5518 روپے کے مقابلے میں 30 جون 2022 تک 111.7004 روپے تھا۔ پلان نے 5.70 فیصد کے شیئ مارک ریٹرن کے مقابلے میں زیرجائزہ مدت کے لیے 4.34 فیصد کی ریٹرن حاصل کی۔ پلان ایکویٹی فنڈز میں 19 فیصد اور فیکسڈ انکم فنڈز میں 79 فیصد کی حد تک سرمایہ کاری کرتا ہے۔

## ایچ بی ایل گروتھ فنڈ

2 جولائی 2018 سے مؤثر طریقے سے منظور شدہ کنورژن پلان کے مطابق فنڈ کو اوپن اینڈ ایکویٹی فنڈ میں تبدیل کر دیا گیا ہے۔ یہ معاملہ فنڈ کے مالی بیانات کے نوٹس میں مکمل طور پر ظاہر ہوتا ہے۔

فنڈ نے مجموعی طور پر زیرجائزہ مدت کے دوران بالترتیب کل اور خالص آمدنی بالترتیب 361.90 بلین روپے اور 269.36 بلین روپے حاصل کی۔ 31 دسمبر 2022 تک فنڈ کا حجم 6.01 بلین روپے رہا۔ ہر کلاس کی کارکردگی کا جائزہ ذیل میں پیش کیا گیا ہے:

## ایچ بی ایل گروتھ فنڈ - کلاس A

ایچ بی ایل گروتھ فنڈ - کلاس A نے 31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران کل اور خالص آمدنی بالترتیب 393.45 بلین روپے اور 326.81 بلین روپے حاصل کی۔ 31 دسمبر 2022 کو کلاس A کی خالص ایسٹ قیمت (این اے وی) فی یونٹ 17.9822 روپے تھی جبکہ 30 جون 2022 کو 19,4009 روپے تھی۔ اس طرح 7.31 فیصد کا منفی ریٹرن دے رہا ہے۔ اس مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 2.70 فیصد کا منفی ریٹرن حاصل کیا۔ 31 دسمبر 2022 تک کلاس A کا حجم 5.10 بلین روپے تھا جبکہ سال کے آغاز میں 5.50 بلین روپے تھا۔

## ایچ بی ایل گروتھ فنڈ - کلاس B

ایچ بی ایل گروتھ فنڈ - کلاس B نے 31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران کل اور خالص نقصان بالترتیب 31.56 بلین روپے اور 57.45 بلین روپے رہا۔ 31 دسمبر 2022 کو کلاس B کی خالص ایسٹ قیمت (این اے وی) فی یونٹ 12.1462 روپے تھی جبکہ 30 جون 2022 کو 12,8951 روپے تھی۔ اس طرح 5.81 فیصد کا منفی ریٹرن دے رہا ہے۔ اس مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 2.70 فیصد کا منفی ریٹرن حاصل کیا۔ 31 دسمبر 2022 تک کلاس B کا حجم 0.92 بلین روپے تھا جبکہ سال کے آغاز میں 1.05 بلین روپے تھا۔

## ایچ بی ایل انویسٹمنٹ فنڈ

2 جولائی 2018 سے مؤثر طریقے سے منظور شدہ کنورژن پلان کے مطابق فنڈ کو اوپن اینڈ ایکویٹی فنڈ میں تبدیل کر دیا گیا ہے۔ یہ معاملہ فنڈ کے مالی بیانات کے نوٹس میں مکمل طور پر ظاہر ہوتا ہے۔

فنڈ نے مجموعی طور پر زیرجائزہ مدت کے دوران بالترتیب کل اور خالص آمدنی بالترتیب 116.30 بلین روپے اور 76.44 بلین روپے حاصل کی۔ 31 دسمبر 2022 تک فنڈ کا حجم 2.29 بلین روپے رہا۔

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

## ایچ بی ایل انویسٹمنٹ فنڈ - کلاس A

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس A نے 31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران کل اور خالص آمدنی بالترتیب 136.02 بلین روپے اور

111.06 بلین روپے حاصل کی۔ 31 دسمبر 2022 کو کلاس A کی خالص ایسٹ قیمت (این اے وی) فی یونٹ 6.4495 روپے تھی جبکہ 30 جون 2022 کو 7.0325 روپے تھی۔ اس طرح 8.29 فیصد کا منفی ریٹرن دے رہا ہے۔ اس مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 2.70 فیصد کا منفی ریٹرن حاصل کیا۔ 31 دسمبر 2022 تک کلاس A کا حجم 1.83 بلین روپے تھا جبکہ سال کے آغاز میں 2.00 بلین روپے تھا۔

بیچ بی ایل گروتھ فنڈ - کلاس B

بیچ بی ایل گروتھ فنڈ - کلاس B نے 31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران کل اور خالص نقصان بالترتیب 19.66 بلین روپے اور 34.62 بلین روپے رہا۔ 31 دسمبر 2022 کو کلاس B کی خالص ایسٹ قیمت (این اے وی) فی یونٹ 6.0110 روپے تھی جبکہ 30 جون 2022 کو 6.4666 روپے تھی۔ اس طرح 7.05 فیصد کا منفی ریٹرن دے رہا ہے۔ اس مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 2.70 فیصد کا منفی ریٹرن حاصل کیا۔ 31 دسمبر 2022 تک کلاس B کا حجم 0.46 بلین روپے تھا جبکہ سال کے آغاز میں 0.71 بلین روپے تھا۔

بیچ بی ایل فنڈ انشل سیکورٹیز

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران کل اور خالص نقصان بالترتیب 2.56 بلین روپے اور 2.38 بلین روپے رہا۔ 31 دسمبر 2022 کو خالص ایسٹ فنڈ کی قیمت (این اے وی) فی یونٹ 101.2609 روپے تھی (6.4381 روپے فی یونٹ کے منافع کو شامل کرنے کے بعد) اس طرح 15.67 فیصد سالانہ منافع دیتا ہے۔ NAV فی یونٹ 30 جون 2022 کو 100.0454 فی یونٹ تھا۔ اسی مدت کے دوران، بیچ مارک (6 ماہ KIBOR) کا ریٹرن 16.07 فیصد تھا۔ 31 دسمبر 2022 تک فنڈ کا حجم 29.66 بلین روپے تھا جو سال کے آغاز میں 45.83 بلین روپے تھا۔

بیچ بی ایل ٹول ٹریڈری ایکسیچن ٹریڈ فنڈ

اس فنڈ کا آغاز 12 ستمبر 2022 کو کیا گیا۔

31 دسمبر 2022 کو ختم ہونے والی مدت کے دوران کل اور خالص نقصان بالترتیب 24.21 بلین روپے اور 22.46 بلین روپے رہا۔ 31 دسمبر 2022 کو خالص ایسٹ فنڈ کی قیمت (این اے وی) فی یونٹ 10.4492 روپے تھی۔ اس طرح 14.15 فیصد سالانہ منافع دیتا ہے۔ اسی مدت کے دوران، بیچ مارک ریٹرن 15.12 فیصد تھا۔ 31 دسمبر 2022 تک فنڈ کا حجم 522 بلین روپے تھا۔

منجمنٹ کمپنی کی درجہ بندی

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے HBL Asset Management Limited کی منجمنٹ کو الٹی ریٹنگ کو AM2++ (AM ٹولپس پلس) سے AM-I میں اپ گریڈ کر دیا ہے اور تقویض کردہ ریٹنگ پر آؤٹ لک اسے مستحکم پر رکھا گیا ہے۔

اعتراف

بورڈ اس موقع سے اپنے قابل قدر یونٹ ہولڈرز کے اعتماد اور سرپرستی کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسیچن کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور ڈیجیٹل سٹوڈین کمپنی لمیٹڈ کی بطور سٹیز، پاکستان اسٹاک ایکسیچن لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی طرف سے فراہم کردہ مدد اور رہنمائی کے لیے اپنی تعریف ریکارڈ پر رکھنا چاہتا ہے۔

بورڈ اسٹاف کی محنت اور لگن کے لیے اپنی تعریف کو ریکارڈ پر رکھنا چاہتا ہے۔

از طرف

بورڈ آف بیچ بی ایل ایسٹ منجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

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# **HBL**

## **Income Fund**

## FUND INFORMATION

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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 HBL MicroFinance Bank U Microfinance Bank Limited Mobilink MicroFinance Bank Khushhali MicroFinance Bank Finca MicroFinance Bank
Rating	A+(f) (VIS)

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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



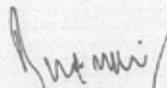
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL INCOME FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Income Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 24, 2023





A.F. FERGUSON & Co.

**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Income Fund** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2022. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

**Scope of Review**

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

**Conclusion**

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

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 27, 2023

Karachi

UDIN: RR2022100614RxHsa10Z

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

\* KARACHI \* LAHORE \* ISLAMABAD

**HBL Income Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
**AS AT DECEMBER 31, 2022**

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	756,865	1,758,049
Investments	5	1,236,523	2,484,530
Receivable against margin trading system		179,795	370,025
Accrued mark-up		46,988	56,070
Advance, deposits, prepayment and other receivables	6	46,619	47,078
<b>Total assets</b>		2,266,790	4,715,752
<b>LIABILITIES</b>			
Payable to HBL Asset Management Limited - Management Company	7	5,746	9,211
Payable to Central Depository Company of Pakistan Limited - Trustee	8	167	600
Payable to the Securities and Exchange Commission of Pakistan	9	333	817
Unclaimed dividend		4,491	4,491
Payable against purchase of investments		-	386,791
Accrued expenses and other liabilities	10	31,264	67,757
<b>Total liabilities</b>		42,001	469,667
<b>NET ASSETS</b>		<u>2,224,789</u>	<u>4,246,085</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>2,224,789</u>	<u>4,246,085</u>
<b>Contingencies and commitments</b>	17		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<u>18,610,485</u>	<u>38,105,050</u>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		<u>119.5449</u>	<u>111.4310</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

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

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

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

**HBL Income Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
------(Rupees in '000)-----					
<b>INCOME</b>					
Profit on savings accounts with banks		96,798	73,103	35,488	52,397
Mark-up / return on investments		132,121	45,651	55,410	12,974
Mark-up on margin trading system		35,832	35,786	14,662	35,786
Dividend income		-	9,244	-	1,681
Gain on sale of investments - net		4,914	14,767	2,341	6,543
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'		(1,356)	3,771	1,254	(239)
Other income		186	865	-	865
<b>Total income</b>		<b>268,495</b>	<b>183,187</b>	<b>109,155</b>	<b>110,007</b>
<b>EXPENSES</b>					
Remuneration of the HBL Asset Management Limited - Management Company	7.1 & 7.2	26,095	21,731	9,537	11,537
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1 & 8.2	1,410	1,505	536	901
Annual fee of the Securities and Exchange Commission of Pakistan	9.1	333	355	127	212
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	4,684	777	2,105	-
Selling and marketing expenses	7.4	4,684	2,617	2,105	-
Settlement and bank charges		2,902	6,802	1,154	5,329
Auditors' remuneration		246	233	129	127
Fee and subscription		185	235	93	(1,631)
Printing and stationery charges		20	36	-	-
<b>Total operating expenses</b>		<b>40,559</b>	<b>34,291</b>	<b>15,786</b>	<b>16,475</b>
<b>Net income from operating activities</b>		<b>227,936</b>	<b>148,896</b>	<b>93,369</b>	<b>93,532</b>
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	31,380	-	-
<b>Net income for the period before taxation</b>		<b>227,936</b>	<b>180,276</b>	<b>93,369</b>	<b>93,532</b>
Taxation	11	-	-	-	-
<b>Net income for the period after taxation</b>		<b>227,936</b>	<b>180,276</b>	<b>93,369</b>	<b>93,532</b>
<b>Earning per unit</b>	13				
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		227,936	180,276		
Income already paid on redemption of units		(88,298)	(41,497)		
		<u>139,638</u>	<u>138,779</u>		
Accounting income available for distribution:					
- Relating to capital gains		2,512	14,534		
- Excluding capital gains		137,126	124,245		
		<u>139,638</u>	<u>138,779</u>		

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

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

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

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

**HBL Income Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Half year ended December 31,		Quarter ended, December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	227,936	180,276	93,369	93,532
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>227,936</b>	<b>180,276</b>	<b>93,369</b>	<b>93,532</b>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

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

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

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

**HBL Income Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Undistribut ed Income	Total	Capital value	Undistribut ed Income	Total
	(Rupees in '000)					
<b>Net assets at beginning of the period (audited)</b>	4,090,685	155,400	4,246,085	2,104,559	168,626	2,273,185
Issuance of 5,445,710 units (2021: 62,310,787 units)						
- Capital value (at net asset value per unit at the beginning of the period)	606,821	-	606,821	6,889,189	-	6,889,189
- Element of income	17,254	-	17,254	235,793	-	235,793
Total proceeds on issuance of units	624,075	-	624,075	7,124,982	-	7,124,982
Redemption of 24,940,275 units (2021: 50,044,238 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(2,779,121)	-	(2,779,121)	(5,532,978)	-	(5,532,978)
- Element of loss	(182,484)	-	(182,484)	(175,791)	-	(175,791)
- Income already paid on redemption of units	-	88,298	88,298	-	(41,497)	(41,497)
	(2,961,605)	88,298	(2,873,307)	(5,708,769)	(41,497)	(5,750,266)
Total comprehensive income for the period	-	227,936	227,936	-	180,276	180,276
<b>Net assets at end of the period (un-audited)</b>	<b>1,753,155</b>	<b>471,634</b>	<b>2,224,789</b>	<b>3,520,772</b>	<b>307,405</b>	<b>3,828,177</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised		156,975			138,257	
- Unrealised (loss) / income		(1,575)			30,369	
		155,400			168,626	
Accounting income available for distribution						
- Relating to capital gains		2,512			14,534	
- Excluding capital gains		137,126			124,245	
		139,638			138,779	
<b>Undistributed income carried forward</b>		<b>471,634</b>			<b>307,405</b>	
<b>Undistributed income carried forward comprising of:</b>						
- Realised		470,278			303,634	
- Unrealised (loss) / income		(1,356)			3,771	
		471,634			307,405	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
<b>Net asset value per unit at beginning of the period</b>	<b>111.4310</b>			<b>110.5617</b>		
<b>Net asset value per unit at end of the period</b>	<b>119.5449</b>			<b>116.6172</b>		

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Income Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended	
	December 31,	
	2022	2021
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	227,936	180,276
<b>Adjustments</b>		
Profit on savings accounts with banks	(96,798)	(73,103)
Mark-up / return on investments	(132,121)	(45,651)
Mark-up on margin trading system	(35,832)	(35,786)
Dividend income	-	(9,244)
Unrealised diminution / (appreciation) on re-measurement of re-measurement of investments classified as 'at fair	1,356	(3,771)
Gain on sale of investments - net	(4,914)	(14,767)
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	(31,380)
	(40,373)	(33,426)
<b>Decrease / (increase) in assets</b>		
Investments - net	1,482,061	334,366
Receivable against margin trading system	226,062	(199,053)
Advance, deposits, prepayment and other receivables	459	(18,820)
	1,708,582	116,493
<b>Decrease in liabilities</b>		
Payable to HBL Asset Management Limited - Management Company	(3,465)	(1,784)
Payable to Central Depository Company of Pakistan Limited - Trustee	(433)	(62)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(484)	(86)
Accrued expenses and other liabilities	(36,493)	(9,788)
Payable against purchase of investments	(386,791)	(48,005)
Dividend payable	-	-
	(427,666)	(59,725)
	1,240,543	23,342
Dividend received	-	9,244
Profit received on savings accounts with banks	105,880	58,867
	105,880	68,111
<b>Net cash generated from operating activities</b>	1,346,423	91,453
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	624,075	7,124,982
Payment against redemption of units	(2,873,307)	(5,750,266)
<b>Net cash (used in) / generated from financing activities</b>	(2,249,232)	1,374,716
<b>Net increase in cash and cash equivalents</b>	(902,809)	1,466,169
Cash and cash equivalents at beginning of the period	1,758,049	388,557
<b>Cash and cash equivalents at end of the period</b>	12 855,240	1,854,726

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

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

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

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

# **HBL Income Fund**

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

### **FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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

- 1.1 HBL Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 06, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 25, 2006. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under "Sindh Trust Act, 2020". Accordingly, on September 08, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Fund is an open ended mutual fund categorised as 'Income Scheme' and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from March 15, 2007 to March 17, 2007.
- 1.4 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.
- 1.5 VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (December 31, 2021: AM++) and the outlook on the rating has been assigned as 'Stable' and the fund stability rating of A+(f) on December 29, 2022 (2021: A+(f) on December 31, 2021). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the trustee of the Fund.

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

##### **2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2022.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking Finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2022.

### 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these are not expected to have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees in '000) -----	
<b>4 BANK BALANCES</b>			
Balances with banks in :			
Savings accounts	4.1	<u>756,865</u>	<u>1,758,049</u>

4.1 This includes balance of Rs. 5.744 million (June 30, 2022: Rs. 1,668.420 million) with Habib Bank Limited (a related party) that carries profit at the rate of 14.5% (June 30, 2022: 17.30%) and Rs. 539.527 million (June 30, 2022: Rs. 0.030 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 17% (June 30, 2022: 17.25%). Other profit and loss sharing accounts of the Fund carry profit at the rates ranging from 13.50% to 17.25% (June 30, 2022: 10.35% to 17.5%) per annum.

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
----- (Rupees in '000) -----			
<b>5 INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss</b>			
Term finance certificates and sukuk bonds - listed	5.1	300,435	266,166
Term finance certificates and sukuk bonds - unlisted	5.2	738,933	830,958
Investment in Government securities	5.3	197,155	354,057
Commercial papers	5.4	-	789,637
Listed equity securities (spread transactions)	5.5	-	238,833
Future stock contracts		-	4,879
		<b>1,236,523</b>	<b>2,484,530</b>

### 5.1 Term finance certificates and sukuk bonds - listed

Name of Investee Company	Rate of return	As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution)	Market value as a percentage of	
									Total investments	Net assets
			-----Number of certificates-----			----- (Rupees in '000') -----			-----%-----	
<b>Commercial Banks</b>										
JS Bank Limited (December 29, 2017) Face value: Rs. 99,800	18.45%	1,264	-	-	1,264	126,778	125,964	(814)	8.89%	5.66%
<b>Technology &amp; Communication</b>										
TPL Trakker Limited (March 30, 2021) Face value: Rs. 722,222	20.06%	47	-	-	47	34,114	34,114	-	2.41%	1.53%
TPL Corporation Limited (June 28, 2022) Face value: Rs. 100,000	19.51%	-	1,000	-	1,000	100,000	100,000	-	7.06%	4.49%
<b>Power generation &amp; distribution</b>										
Hub Power Holdings Limited (November 12, 2020) Face Value: 100,000	18.34%	-	400	-	400	40,000	40,357	357	2.85%	1.81%
<b>Technology &amp; Communication</b>										
Worldcall Telecom Limited * (note 5.1.1) (October 7, 2008)		23,750	-	-	23,750	-	-	-	-	-
<b>Total as at December 31, 2022</b>						<b>300,892</b>	<b>300,435</b>	<b>(457)</b>		
<b>Total as at June 30, 2022</b>						<b>267,410</b>	<b>266,166</b>	<b>(1,244)</b>		

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

5.1.1 World call Telecom Limited term finance certificates 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 two years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.767 million has been made out of which till December 31, 2022 Rs. 10.440 million has been received leaving outstanding balance as at December 31, 2022 of Rs. 37.33 million, which is fully provided.

## 5.2 Term finance certificates and sukuk bonds - Unlisted

Name of Investee Company	Rate of return	As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution)	Market value as a percentage of	
									Total investments	Net assets
			Number of certificates			Rupees in '000			%	
Agritech Limited (note 5.2.1 & 5.2.3) (November 29, 2007)		2,000	-	-	2,000	-	-	-	-	-
Agritech Limited - TFC 4th issue (note 5.2.1)		430	-	-	430	-	-	-	-	-
<b>Commercial Banks</b>										
The Bank of Punjab (December 23, 2016) Face value: Rs. 99,760	16.44%	1,550	135	-	1,685	168,768	168,096	(672)	11.87%	7.56%
Bank Alfalah Limited (January 15, 2021) Face Value: Rs 5,000	9.03%	7,600	-	-	7,600	35,025	35,156	131	2.48%	1.58%
Soneri Bank Limited (December 26, 2022) Face Value: Rs 100,00	18.77%	-	1,000	-	1,000	100,000	100,000	-	7.06%	4.49%
Bank Al-Habib Limited (September 30, 2021) Face Value: Rs 4,998		-	50,000	50,000	-	-	-	-	-	-
<b>Investment Companies</b>										
Jahangir Siddiqui & Company Limited (March 6, 2018) Face Value: Rs 1,666	17.40%	10,000	-	-	10,000	17,217	17,069	(148)	1.21%	0.77%
Jahangir Siddiqui & Company Limited (July 18, 2017) Face Value: Rs 1,250	17.19%	15,100	-	-	15,100	19,464	19,213	(251)	1.36%	0.86%
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited (November 15, 2021) Face value: Rs. 1,000,000	16.30%	-	150	-	150	149,055	149,399	344	10.55%	6.72%
K-Electric Limited (February 4, 2022) Face Value: 1,000,000		-	1,500	1,500	-	-	-	-	-	-
The Hub Power Company Limited (April 27, 2022) Face Value: 100,000		-	500	500	-	-	-	-	-	-
Lucky Electric Power Company Limited (April 14, 2022) Face Value: 1,000,000		-	225	225	-	-	-	-	-	-
K-Electric Limited (August 10, 2022) Face Value: 1,000,000	17.24%	-	250	-	250	250,000	250,000	-	17.65%	11.24%
<b>Others</b>										
New Allied Electronics Industries (Private) Limited - TFC (note 5.2.1) (December 3, 2007)		9,000	-	-	9,000	-	-	-	-	-
New Allied Electronics Industries (Private) Limited - sukuk (note 5.2.1) (May 15, 2007)		9,000	-	-	9,000	-	-	-	-	-
<b>Total as at December 31, 2022</b>						<b>739,529</b>	<b>738,933</b>	<b>(596)</b>		
<b>Total as at June 30, 2022</b>						<b>833,593</b>	<b>830,958</b>	<b>(2,635)</b>		

- 5.2.1 These represent investments in privately placed Term Finance Certificates and Sukuk bonds of the investee company. These investments have been fully provided.
- 5.2.2 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.
- 5.2.3 Installment amounting to Rs. 1.998 million (June 30, 2022: Rs. 1.998 million) became due for payment on TFCs and are reflected in note 6.
- 5.2.4 Significant terms and conditions of performing term finance certificates and sukuk bonds outstanding as at December 31, 2022 are as follows:

Name of the investee company	Face value (Rupees)	Remaining principal	Mark-up rate (per annum)	Issue date	Maturity date
The Bank of Punjab (AA, PACRA)	99,760	99,760	6 month KIBOR + 1%	23-Dec-16	23-Dec-26
Bank Alfalah Limited (AAA, PACRA)	5,000	5,000	6 month KIBOR + 0.75%	15-Jan-21	15-Jan-24
JS Bank Limited (A+, PACRA)	99,800	99,800	6 month KIBOR + 1.40%	29-Dec-17	29-Dec-24
Jahangir Siddiqui & Company Limited (AA+, PACRA)	1,666	1,666	6 month KIBOR + 1.40%	6-Mar-18	6-Sep-23
Jahangir Siddiqui & Company Limited (AA+, PACRA)	1,250	1,250	6 month KIBOR + 1.40%	18-Jul-17	18-Jul-23
TPL Corporation Limited (AA-, PACRA)	100,000	100,000	3 month KIBOR + 2.5%	28-Jun-22	28-Jun-27
Pak Elektron Limited (A+, PACRA)	1,000,000	1,000,000	3 month KIBOR + 1.3%	15-Nov-21	15-Feb-23
TPL Trakker Limited (A+, PACRA)	722,222	722,222	3 month KIBOR + 3%	30-Mar-21	30-Mar-26
Hub Power Holdings Limited (AA+, PACRA)	100,000	100,000	6 month KIBOR + 2.5%	12-Nov-20	12-Nov-25
Soneri Bank Limited (AA-, PACRA)	100,000	100,000	6 month KIBOR + 1.7%	26-Dec-22	23-Dec-32

### 5.3 Investment in Government securities

#### 5.3.1 Government securities - Market treasury bills

Particulars	Issue Date	Face value				Balance as at Decemeber 31, 2022			Market value as a percentage of	
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution)	Total investments	Net assets
(Rupees in '000) ----- (%) -----										
<b>Market Treasury Bills - 3 months</b>										
Market treasury bills	April 21, 2022	150,000	-	150,000	-	-	-	-	-	-
Market treasury bills	June 30, 2022	150,000	-	150,000	-	-	-	-	-	-
Market treasury bills	July 28, 2022	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	August 25, 2022	-	300,000	300,000	-	-	-	-	-	-
Market treasury bills	October 6, 2022	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	November 17, 2022	-	100,000	-	100,000	98,368	98,375	7	6.95%	4.42%
<b>Market Treasury Bills - 6 months</b>										
Market treasury bills	January 27, 2022	60,000	-	60,000	-	-	-	-	-	-
<b>Market Treasury Bills - 12 months</b>										
Market treasury bills	November 17, 2022	-	500,000	500,000	-	-	-	-	-	-
<b>Total as at December 31, 2022</b>						<b>98,368</b>	<b>98,375</b>	<b>7</b>		
<b>Total as at June 30, 2022</b>						<b>294,552</b>	<b>354,057</b>	<b>162</b>		

5.3.2 The market treasury bills carry yield of 15.69% (June 30, 2022: nil) per annum and have maturity of February 9, 2023

#### 5.3.3 Government securities - Pakistan investment bonds

Particulars	Tenor	Issue Date	Face value				Balance as at Decemeber 31, 2022			Market value as a percentage of	
			As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution)	Total investments	Net assets
(Rupees in '000) ----- (%) -----											
Pakistan investment bonds	2 years	December 30, 2021	-	1,200,000	1,200,000	-	-	-	-	-	
Pakistan investment bonds	2 years	August 26, 2021	-	354,000	354,000	-	-	-	-	-	
Pakistan investment bonds	3 years	September 8, 2022	-	175,000	175,000	-	-	-	-	-	
Pakistan investment bonds	3 years	August 4, 2022	-	1,100,000	1,100,000	-	-	-	-	-	
Pakistan investment bonds	3 years	October 22, 2022	-	1,200,000	1,200,000	-	-	-	-	-	
Pakistan investment bonds	5 years	April 29, 2022	-	300,000	300,000	-	-	-	-	-	
Pakistan investment bonds	5 years	May 6, 2021	-	125,000	125,000	-	-	-	-	-	
Pakistan investment bonds	5 years	October 13, 2022	-	1,100,000	1,100,000	-	-	-	-	-	
Pakistan investment bonds	10 years	August 22, 2019	-	100,000	-	100,000	99,090	98,780	(310)	6.97%	4.44%
<b>Total as at December 31, 2022</b>						<b>99,090</b>	<b>98,780</b>	<b>(310)</b>			
<b>Total as at June 30, 2022</b>						<b>-</b>	<b>-</b>	<b>-</b>			

5.3.4 The Pakistan investment bond carry yield of 16.54% (June 30, 2022: 13.41% to 14.71%) per annum and have maturity of August 22, 2029

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

Particulars	Issue Date	Face value				Carrying value as at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of	
		As at July 01, 2022	Purchases during the period	Sales / Matured during the period	As at December 31, 2022			Total investments	Net assets
----- (Rupees '000') ----- % -----									
Waves CP (A-2, VIS)	2-Nov-21	100,000	-	100,000	-	-	-	-	-
Hub Power Holding Co. Ltd	12-Nov-20	71,888	-	71,888	-	-	-	-	-
LEPCL ICP 2 (AA, PACRA)	12-Jan-22	200,000	-	200,000	-	-	-	-	-
PEL CP (A+, PACRA)	1-Feb-22	100,000	-	100,000	-	-	-	-	-
China Power	12-Apr-22	370,000	-	370,000	-	-	-	-	-
<b>Total as at December 31, 2022</b>									
<b>Total as at June 30, 2022</b>						<b>789,637</b>	<b>789,637</b>		

#### 5.5 Listed equity securities (spread transactions) - At fair value through profit or loss

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

Name of the Investee Company	As at July 1, 2022	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution)	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									Net assets of the Fund	Total market value of investments	
----- Number of shares -----						----- Rupees in '000 -----			----- Percentage -----		
<b>Power generation &amp; distribution</b>											
Hub Power Company Limited	-	150,000	-	150,000	-	-	-	-	-	-	-
<b>Glass &amp; ceramics</b>											
Ghani Global Glass Limited	-	12,000	-	12,000	-	-	-	-	-	-	-
<b>Chemical</b>											
G3 Technologies Limited	-	271,000	-	271,000	-	-	-	-	-	-	-
<b>Technology &amp; communication</b>											
TRG Pakistan Limited	-	14,500	-	14,500	-	-	-	-	-	-	-
Air Link Communication Limited	-	2,500,000	-	2,500,000	-	-	-	-	-	-	-
<b>Food &amp; personal care products</b>											
Unity Foods Limited	11,900,000	-	-	11,900,000	-	-	-	-	-	-	-
<b>Total as at December 31, 2022</b>											
<b>Total as at June 30, 2022</b>						<b>241,570</b>	<b>238,833</b>	<b>(2,737)</b>			

5.5.1 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchased equity securities in ready settlement market and sold them in future settlement market earning income on spread transactions due to difference in ready and future stock prices.

#### 5.6 Details of non-compliant investments

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular no. 16 dated July 7, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investment	Note	Type of investment	Value of investment before provision	Provision held	Value of investment after provision	% of net assets	% of total investments
			(Rupees)		(%)		
New Allied Electronics Industries (Private) Limited	5.2.1	TFC	19,025	19,025	-	-	-
New Allied Electronics Industries (Private) Limited	5.2.1	Sukuk	44,149	44,149	-	-	-
World Telecom Limited	5.1.1	TFC	37,330	37,330	-	-	-
Agritech Limited	5.2.1 & 5.2.3	TFC	9,992	9,992	-	-	-
			110,496	110,496	-		

	Note	December 31, 2022	June 30, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
<b>6 ADVANCE, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES</b>			
Security deposits:			
- National Clearing Company of Pakistan Limited		21,169	21,471
- Central Depository Company of Pakistan Limited		100	100
		21,269	21,571
Receivable against investments in term finance certificates		1,998	1,998
Advance tax	6.1	25,212	25,212
Prepayment		138	295
		48,617	49,076
Less: Provision against overdue instalments of Term finance certificates		(1,998)	(1,998)
		46,619	47,078

6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 150 and 151. However, withholding tax on profits paid to the Fund was deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs 25.212 million (2022: Rs 25.212 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of the FBR. On January 28, 2016, the Board of Directors of AMCs passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profits received by the Fund has been shown as other receivables as at December 31, 2022, as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	December 31, 2022	June 30, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
<b>7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management fee payable	7.1	1,965	3,668
Sindh Sales Tax payable on management fee	7.2	256	477
Allocated expenses payable related to registrar services, accounting, operation and valuation services	7.3	983	917
Selling and marketing expenses payable	7.4	2,105	2,503
Sales load payable		437	1,646
		5,746	9,211

7.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 1% TO 1.5% (2022: 0.75% to 1.31%).

The remuneration is payable to the Management Company monthly in arrears.

7.2 The Sindh Provincial Government has levied Sindh sales tax (SST) at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company may charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The Management Company based on its own discretion has charged allocated expenses at the rates ranging from 0.25% to 0.5% (2022: 0.1% to 0.25%).

7.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) up to a maximum limit approved by the Board of Directors of the Management Company as part of an annual plan.

In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the overall return, the annual plan and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the rates ranging from 1.05% (2022: 0.4% to 0.25%).

<b>8</b>	<b>Note</b>	<b>December 31, 2022 (Un-audited)</b>	<b>June 30, 2022 (Audited)</b>
<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
----- (Rupees) -----			
Trustee fee payable	8.1	148	275
Sindh Sales Tax payable on trustee fee	8.2	19	36
CDS charges payable		-	289
		<u>167</u>	<u>600</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2022: 0.075%) of average annual net assets of the Fund. The remuneration is paid to the trustee monthly in arrears.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (2022: 13%) on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.

<b>9</b>	<b>Note</b>	<b>December 31, 2022 (Un-audited)</b>	<b>June 30, 2022 (Audited)</b>
<b>ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
----- (Rupees in '000) -----			
Annual fee	9.1	<u>333</u>	<u>817</u>

9.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (June 30, 2022: 0.02%) per annum of average annual net assets of the Fund.

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
----- (Rupees in '000) -----			
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Federal excise Duty payable on Management Company's remuneration	10.1	27,578	27,578
Capital gain tax payable		1,354	9,120
Withholding tax payable		127	28,663
Auditors' remuneration		174	229
Brokerage payable		791	1,115
Other payable		1,240	1,052
		<u>31,264</u>	<u>67,757</u>

10.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 27.578 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs. 1.48 (June 30, 2022: Re. 0.724)

## 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% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year in cash derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

		(Un-audited) December 31, 2022	(Audited) December 31, 2021
		----- (Rupees in '000) -----	
<b>12</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>Note</b>	
	Balances with banks in:		
	Savings accounts	4	756,865
	Government securities - Market treasury bills	5.3.1	98,375
			-
			<u>855,240</u>
			<u>1,854,726</u>

### 13 EARNINGS PER UNIT

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

### 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 2.45% (2021: 0.97%) which includes 0.21% (2021: 0.08%) representing government levies on the Fund such as Sales taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Income Scheme'.

### 15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations.

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

Accounting and operational charges and selling and marketing charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

15.1 Transactions during the period	(Un-audited) Half year ended December 31,	
	2022	2021
	----- (Rupees in '000) -----	
<b>HBL Asset Management Limited - Management Company</b>		
Management fee inclusive of sales tax	26,095	21,731
Allocation of expenses related to registrar services, accounting, operation and valuation services	4,684	777
Selling and marketing expenses	4,684	2,617
<b>Habib Bank Limited - Sponsor</b>		
Dividend paid		-
Bank charges paid	169	101
Bank profit	96,798	5,115
Redemption of 7,623,705 units (December 31, 2021: Nil units)	876,811	-
<b>Habib Bank Limited - Treasury Division</b>		
Redemption of 404,270 units (December 31, 2021: Nil units)	46,496	-
<b>MCBFSL Trustee HBL Financial Planning Fund Active</b>		
<b>Allocation Plan - CIS Managed by the Management Company</b>		
Investment of 587,212 units (December 31, 2021: nil units)	65,752	-
Redemption of 618,300 units (December 31, 2021: 34,429 units)	70,608	3,946
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative</b>		
<b>Allocation Plan - CIS Managed by the Management Company</b>		
Investment of 13,926 units (December 31, 2021: 132,074 units)	1,641	15,200
Redemption of 297,680 units (December 31, 2021: 18,617 units)	34,197	2,161
<b>CDC Trustee HBL Cash Fund - under common management</b>		
Purchase of Market treasury bill	-	50,000
<b>CDC Trustee HBL Multi Asset Fund - under common management</b>		
Purchase of Term finance certificate - Bank of Punjab	-	13,500
<b>CDC Trustee HBL Government Securities Fund - under common management</b>		
Purchase of Pakistan Investment Bond	102,956	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee's remuneration including sales tax thereon	1,410	1,505
CDC charges	109	736
<b>Directors and Executives of the Management Company and their relatives</b>		
Issuance of nil units (December 31, 2021: 125,507 units)	-	14,309
Redemption of 7,315 units (December 31, 2021: 113,376 units)	842	12,945

15.2	Balances outstanding as at period / year end	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees in '000) -----	
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration payable to the Management Company	1,965	3,668
	Sindh Sales Tax on remuneration of the Management Company	256	477
	Allocation of expenses related to registrar services, accounting, operation and valuation services	983	917
	Selling and marketing expenses payable	2,105	2,503
	Sales load payable	437	1,646
	<b>Habib Bank Limited - Sponsor</b>		
	Outstanding units: nil units (June 30, 2022: 7,623,705 units)	-	849,517
	Bank balances	5,744	1,668,422
	<b>Habib Bank Limited - Treasury Division</b>		
	Outstanding nil units (June 30, 2022: 404,270 units)	-	45,048
	<b>HBL Microfinance Bank (Formerly: The First Microfinance Bank) - Associate</b>		
	Bank balances	539,527	41,973
	<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate</b>		
	Investment held in the Fund: nil units (June 30, 2022: 31,088 units)	-	3,464
	<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>		
	Investment held in the Fund: 220,364 units (June 30, 2022: 504,118 units)	26,333	56,174
	<b>Directors and Executives of the Management Company and their relatives</b>		
	Investment held in the Fund: 120,996 units (June 30, 2022: 128,311 units)	14,459	14,298
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable to the Trustee	148	275
	Sindh Sales Tax payable on remuneration of the Trustee	19	36
	Security deposit	100	100
	CDC charges payable	-	289

## 16 FAIR VALUE MEASUREMENT

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair value measurement' requires the Fund to classify assets 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:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: 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); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at the reporting date, the Fund held the following financial instruments measured at fair values:

------(Un-audited)-----				
----- As at December 31, 2022 -----				
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
------(Rupees in '000)-----				
<b>Financial assets at fair value through profit or loss</b>				
- Term Finance Certificates	-	1,039,368	-	1,039,368
- Government Securities	-	197,155	-	197,155
- Listed equity securities (spread transactions)	-	-	-	-
- Commercial paper *	-	-	-	-
	<u>-</u>	<u>1,236,523</u>	<u>-</u>	<u>1,236,523</u>

------(Audited)-----				
----- As at June 30, 2022 -----				
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
------(Rupees in '000)-----				
<b>Financial assets at fair value through profit or loss</b>				
- Term Finance Certificates	-	1,097,124	-	1,097,124
- Government Securities	-	354,057	-	354,057
- Listed equity securities (spread transactions)	243,712	-	-	243,712
- Commercial paper *	-	789,637	-	789,637
	<u>243,712</u>	<u>2,240,818</u>	<u>-</u>	<u>2,484,530</u>

\* The valuation of commercial paper has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 as the residual maturity of this investment is up to 6 months and are placed with counter parties which have high credit rating.

## 17 CONTINGENCIES AND COMMITMENTS

17.1 There are no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

## 18 GENERAL

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

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**19 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements are authorised for issue by the Board of Directors of the Management Company on February 13, 2023.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Government Securities Fund**

## FUND INFORMATION

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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 MicroFinance Bank Khushhali MicroFinance Bank Mobilink MicroFinance Bank National Bank of Pakistan U MicroFinance Bank

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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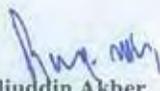
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL GOVERNMENT SECURITIES FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Government Securities Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 23, 2023





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Pakistan

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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL GOVERNMENT SECURITIES FUND ("the Fund") as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2022 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2022 and December 31, 2021 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2023

UDIN: RR202210166gNTky3WqB

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Tariq Feroz Khan

**HBL Government Securities Fund**  
**Condensed Interim Statement Of Assets And Liabilities (Unaudited)**  
**AS AT DECEMBER 31, 2022**

		December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	-----Rupees in '000-----	
<b>ASSETS</b>			
Bank balances	4	222,068	451,031
Investments	5	227,777	572,021
Profit / mark-up receivable		12,317	23,848
Advances, deposits, prepayments and other receivables	6	1,642	1,769
<b>TOTAL ASSETS</b>		<u>463,804</u>	<u>1,048,669</u>
<b>LIABILITIES</b>			
Payable to the Management Company	7	1,313	1,714
Payable to the Trustee	8	24	35
Payable to Securities and Exchange Commission of Pakistan	9	56	181
Accrued expenses and other liabilities	10	16,552	25,418
Payable against investment		-	390,738
<b>TOTAL LIABILITIES</b>		<u>17,945</u>	<u>418,086</u>
<b>NET ASSETS</b>		<u>445,859</u>	<u>630,583</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>445,859</u>	<u>630,583</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	-----Number of units-----	
<b>Number of units in issue</b>		<u>3,746,724</u>	<u>5,606,306</u>
		-----Rupees-----	
<b>Net assets value per unit</b>		<u>118.9997</u>	<u>112.4774</u>

The annexed notes from 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 Government Securities Fund**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Half year ended		Quarter ended	
		December 31		December 31	
		2022	2021	2022	2021
-----Rupees in '000-----					
<b>INCOME</b>					
Capital loss on sale of investments - net		(3,337)	(7,262)	(3,653)	(8,698)
Income from Government securities		27,566	28,767	13,489	12,686
Income from term finance certificates and sukuks		4,292	2,229	2,225	1,136
Income from money market placements		-	656	-	656
Mark-up on bank deposits		10,878	10,522	6,474	6,311
		<u>39,399</u>	<u>34,912</u>	<u>18,535</u>	<u>12,091</u>
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	5.2	(1,470)	1,107	(1,275)	545
		<u>37,929</u>	<u>36,019</u>	<u>17,260</u>	<u>12,636</u>
<b>EXPENSES</b>					
Remuneration of the Management Company		3,864	6,472	1,877	3,064
Sindh sales tax on remuneration of the Management Company		502	841	244	398
Remuneration of the Trustee		153	312	73	135
Sindh sales tax on remuneration of the Trustee		20	41	10	18
Annual fee to the Securities and Exchange Commission of Pakistan		56	103	27	48
Allocation of expenses related to registrar services, accounting, operation and valuation services		758	1,346	365	667
Selling and marketing expense		1,253	2,268	603	1,103
Auditors' remuneration		258	225	148	80
Fees and subscription		155	211	70	110
Securities transaction and settlement costs		239	190	157	13
Printing charges		58	-	57	-
Bank charges		39	58	39	7
		<u>7,355</u>	<u>12,067</u>	<u>3,670</u>	<u>5,643</u>
Net income for the period from operating activities		30,574	23,952	13,590	6,993
Reversal of provision for Sindh Workers' Welfare Fund		-	19,958	-	-
Net income for the period before taxation		30,574	43,910	13,590	6,993
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>30,574</u>	<u>43,910</u>	<u>13,590</u>	<u>6,993</u>
<b>Allocation of net income for the period</b>					
Income already paid on redemption of units		6,277	11,334	4,611	6,102
Accounting income available for distribution:					
Relating to capital gains		-	-	(121)	(1,138)
Excluding capital gains		24,297	32,576	9,100	2,029
		<u>24,297</u>	<u>32,576</u>	<u>8,979</u>	<u>891</u>
		<u>30,574</u>	<u>43,910</u>	<u>13,590</u>	<u>6,993</u>
Earnings per unit	13				

The annexed notes from 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 Government Securities Fund****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

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	Half year ended		Quarter ended	
	December 31		December 31	
	2022	2021	2022	2021
	-----Rupees in '000-----			
Net income for the period after taxation	30,574	43,910	13,590	6,993
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>30,574</u>	<u>43,910</u>	<u>13,590</u>	<u>6,993</u>

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

**HBL Government Securities Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended December 31					
	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000-----					
Net assets at beginning of the period	436,529	194,054	630,583	876,537	194,478	1,071,015
Issuance of units 3,861,449 (2021: 4,769,231 units)						
Capital value (at net asset value per unit at the beginning of the period)	434,325	-	434,325	536,718	-	536,718
Element of income	17,944	-	17,944	7,720	-	7,720
Total proceeds on issuance of units	452,269	-	452,269	544,438	-	544,438
Redemption of units 5,721,032 (2021: 6,634,901 units)						
Capital value (at net asset value per unit at the beginning of the period)	(643,487)	-	(643,487)	(746,677)	-	(746,677)
Income already paid on redemption of units		(6,277)	(6,277)		(11,334)	(11,334)
Element of loss	(17,803)	-	(17,803)	(3,281)	-	(3,281)
Total payments on redemption of units	(661,290)	(6,277)	(667,567)	(749,958)	(11,334)	(761,292)
Total comprehensive income for the period	-	30,574	30,574	-	43,910	43,910
Net assets at end of the period	227,508	218,351	445,859	671,017	227,054	898,071
Undistributed income brought forward						
Realised income		196,238			192,733	
Unrealised income		(2,184)			1,745	
		194,054			194,478	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		24,297			32,576	
		24,297			32,576	
Undistributed income carried forward		218,351			227,054	
Undistributed income carried forward						
Realised income		219,821			225,947	
Unrealised (loss)/ income		(1,470)			1,107	
		218,351			227,054	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			112.4774			112.5377
Net assets value per unit at end of the period			118.9997			117.3753

The annexed notes from 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 Government Securities Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Half year ended	
		December 31	
		2022	2021
		-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		30,574	43,910
Adjustments for:			
Capital loss on sale of investments - net		3,337	7,262
Mark-up / profit on bank deposits		(10,878)	(10,522)
Income from Government securities		(27,566)	(28,767)
Income from term finance certificates and sukuks		(4,292)	(2,229)
Income from money market placements		-	(656)
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net		1,470	(1,107)
		<u>(7,355)</u>	<u>7,891</u>
<b>(Increase) / decrease in assets</b>			
Investments - net		(51,299)	121,786
Advances, deposits, prepayments and other receivables		127	59
		<u>(51,172)</u>	<u>121,845</u>
<b>(Decrease) / increase in liabilities</b>			
Payable to the Management Company		(401)	(757)
Payable to the Trustee		(11)	(16)
Payable to the Securities and Exchange Commission of Pakistan		(125)	(285)
Accrued expenses and other liabilities		(8,866)	596,227
		<u>(9,403)</u>	<u>595,169</u>
Cash (used in) / generated from operations		<u>(67,930)</u>	<u>724,905</u>
Income received from Government securities		37,421	32,507
Income received from term finance certificates and sukuks		3,714	2,174
Mark-up received on bank deposits		13,130	9,365
		<u>54,265</u>	<u>44,046</u>
Net cash (used in) / generated from operating activities		<u>(13,665)</u>	<u>768,951</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issue of units		452,269	544,438
Payment against redemption of units		(667,567)	(761,292)
Dividend paid		-	-
Net cash used in financing activities		<u>(215,298)</u>	<u>(216,854)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(228,963)</u>	<u>552,097</u>
Cash and cash equivalents at the beginning of the period		451,031	259,770
Cash and cash equivalents at end of the period	4	<u>222,068</u>	<u>811,867</u>

The annexed notes from 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 Government Securities Fund**

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

### **FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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

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

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

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

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

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM1 (Stable Outlook)' to the HBL Asset Management Company Limited and assigned stability rating of AA-(f) to the Fund as at December 30, 2022 and December 29, 2022, respectively.

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

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

##### **2.1 Statement of compliance**

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

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

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- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2022, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2021.
- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2022 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements of the Fund for the year ended June 30, 2022.
- 3.6 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

	Note	December 31,	June 30,
		2022 (Un-Audited)	2022 (Audited)
		-----Rupees in '000-----	
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	222,068	451,031

4.1 These bank accounts carry mark-up at rates ranging between 12% to 17.9% (2022: 5.5% to 17.56%) per annum. This includes an amount held by a related parties, (Habib Bank Limited) amounting to Rs. 5.114 million (2022: Rs. 446.371 million) on which return is earned at rate ranging between 13.5% to 19.12% (2022: 5.5% to 17.56%) per annum and (HBL Microfinance Bank) amounting to Rs. 0.622 million (2022: Rs. 0.624) on which return is earned at rate ranging between 16.25% to 17.00% (2022: 10.25% to 17.25%) per annum.

	Note	December 31,	June 30,
		2022 (Un-Audited)	2022 (Audited)
		-----Rupees in '000-----	
<b>5 INVESTMENTS</b>			
Financial assets			
At fair value through profit or loss	5.1	227,777	572,021
<b>5.1 Financial assets at fair value through profit or loss</b>			
Government Securities			
Market Treasury Bills	5.1.1	-	-
Pakistan Investment Bonds	5.1.2	187,777	521,932
GOP Ijarah Sukuk Certificates	5.1.3	-	-
		187,777	521,932
Term Finance Certificates	5.1.4	-	50,089
Corporate Sukuk Bonds	5.1.5	40,000	-
		227,777	572,021

#### 5.1.1 Market Treasury Bills

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2022	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at December 31, 2022					
-----Rupees in '000-----										
June 16, 2022	3 Months	-	16,000	16,000	-	-	-	-	0.00%	0.00%
October 6, 2022	12 Months	-	500,000	500,000	-	-	-	-	0.00%	0.00%
September 8, 2022	3 Months	-	350,000	350,000	-	-	-	-	0.00%	0.00%
September 22, 2022	3 Months	-	292,000	292,000	-	-	-	-	0.00%	0.00%
October 6, 2022	3 Months	-	760,000	760,000	-	-	-	-	0.00%	0.00%
November 17, 2022	3 Months	-	250,000	250,000	-	-	-	-	0.00%	0.00%
Total - As at December 31, 2022		-	2,168,000	2,168,000	-	-	-	-	0.00%	0.00%
Total - As at June 30, 2022		-	6,305,150	6,305,150	-	-	-	-	0.00%	0.00%

## 5.1.2 Pakistan Investment Bonds

### Non-Floating

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2022	Unrealised (diminution) / appreciation	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales during the period	As at December 31, 2022					
-----Rupees in '000-----										
August 20, 2020	3 Years	106,000	-	106,000	-	-	-	0.00%	0.00%	
April 29, 2022	5 Years	-	25,000	25,000	-	-	-	0.00%	0.00%	
August 4, 2022	3 Years	-	1,500,000	1,500,000	-	-	-	0.00%	0.00%	
August 4, 2022	5 Years	-	700,000	700,000	-	-	-	0.00%	0.00%	
October 13, 2022	5 Years	-	50,000	50,000	-	-	-	0.00%	0.00%	
Total - As at December 31, 2022		106,000	2,275,000	2,381,000	-	-	-	0.00%	0.00%	
Total - As at June 30, 2022		425,000	1,727,000	2,046,000	106,000	98,975	97,277	(1,698)	15.00%	17.00%

5.1.2.1 As at December 31, 2022, Pakistan Investment Bonds (PIBs) had a face value of Rs. Nil (June 30 2022: Rs. 106 million) carrying effective yield of Nil % (June 30 2022: 12.33 %), per annum.

### Floating

Issue date	Tenure	Face value				Carrying value as at December 31, 2022	Market value As at December 31, 2022	Unrealised diminution on re-measurement of investments	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales during the period	As at December 31, 2022					
-----Rupees in '000-----										
August 22, 2019	10 Years	375,000	375,000	610,000	140,000	139,749	138,292	(1,457)	31.02%	60.71%
August 26, 2021	2 Years	50,000	-	50,000	-	-	-	-	0.00%	0.00%
September 8, 2022	2 Years	-	50,000	-	50,000	49,499	49,485	(14)	11.10%	21.73%
September 8, 2022	3 Years	-	175,000	175,000	-	-	-	-	0.00%	0.00%
May 6, 2021	5 Years	-	125,000	125,000	-	-	-	-	0.00%	0.00%
Total - As at December 31, 2022		425,000	725,000	960,000	190,000	189,247	187,777	(1,470)	42.12%	82.44%
Total - As at June 30, 2022		375,000	5,925,000	5,875,000	425,000	424,841	424,655	(186)	67.34%	74.24%

5.1.2.2 As at December 31, 2022, Pakistan Investment Bonds (PIBs) had a face value of Rs. 190 million (June 30, 2022: Rs. 425 million) carrying effective yield ranging between 16.54% to 16.97%, per annum (June 30, 2022: 10.89% to 11.36%), per annum.

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

### - GOP Ijarah Sukuk Certificates

Issue date	Tenure	Face value				Carrying value as at December 31, 2022	Market value As at December 31, 2022	Unrealised appreciation on re-measurement of investments	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the year	Sales during the year	As at December 31, 2022					
-----Rupees in '000-----										
October 26, 2022	5 Years	-	175,000	175,000	-	-	-	-	0.00%	0.00%
Total - as at December 31, 2022		-	175,000	175,000	-	-	-	-	0.00%	0.00%
Total - as at June 30, 2022		-	62,500	62,500	-	-	-	-	0.00%	0.00%

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

### - Term Finance Certificates

Name of the investee company	As at July 1, 2022	Purchases during the year	Sales during the year	As at December 31, 2022	Carrying value as at December 31, 2022	Market value As at December 31, 2022	Unrealised (diminution) / appreciation	Market value as a percentage of net assets	Market value as a percentage of total investments	
-----Units----- (Rupees in '000) -----										
<b>Term Finance Certificates - unlisted</b>										
The Bank of Punjab *	500	-	500	-	-	-	-	0.00%	0.00%	
Bank Al-Habib Limited **	-	20,000	20,000	-	-	-	-	0.00%	0.00%	
Total - as at December 31, 2022	500	-	500	-	-	-	-	0.00%	0.00%	
Total - as at June 30, 2022	500	-	-	500	50,389	50,089	(300)	7.94%	8.76%	

\* The face value of TFC is Rs. 99,780 per certificate

\*\* The face value of TFC is Rs. 4,999 per certificate

5.1.4.1 These Term Finance Certificates carry mark-up at the rate of Nil% (2022: 8.69% to 16.44 %), per annum.

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

### - Corporate Sukuk Bond

Name of the investee company	As at July 1, 2022	Purchases during the year	Sales during the year	As at December 31, 2022	Carrying value as at December 31, 2022	Market value As at December 31, 2022	Unrealised (diminution) / appreciation	Market value as a percentage of net assets	Market value as a percentage of total investments
Units ----- (Rupees in '000) -----									
Corporate Sukuk Bond									
K-Electric Limited	-	400	-	400	40,000	40,000	-	8.97%	17.56%
Total - as at December 31, 2022	-	400	-	400	40,000	40,000	-	8.97%	17.56%
Total - as at June 30, 2022	-	-	-	-	-	-	-	0.00%	0.00%

5.1.5.1 These Corporate Sukuk Bond carry mark-up at the rate ranging between of 17.47% to 17.53% (2022: Nil%), per annum.

5.1.5.2 Significant terms and conditions of Corporate Sukuk Bond as at December 31, 2022 are as follows:

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

#### Corporate Sukuk Bond

K-Electric Limited	100,000	3 months KIBOR + 1.7%	November 23, 2022
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	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	----- (Rupees in '000) -----	

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

Market value of investments	227,777	572,021
Less: Carrying value of investments	(229,247)	(574,205)
	<u>(1,470)</u>	<u>(2,184)</u>

## 6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with:

National Clearing Company of Pakistan Limited		250	250
Central Depository Company of Pakistan Limited		100	100
		<u>350</u>	<u>350</u>
Prepaid expenses	6.1	89	216
Advance tax	6.2	391	391
Receivable against conversion in of units		812	812
		<u>1,642</u>	<u>1,769</u>

- 6.1 This includes prepaid expenses recognized in respect of payment made for rating fee and listing fee.
- 6.2 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Furthermore, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150A, 151 and 233 of ITO 2001.

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

		<b>December 31, 2022 (Un-audited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	<b>------(Rupees in '000)-----</b>	
<b>7</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration payable to the Management Company	532	680
	Sindh Sales Tax payable on the Management Company's remuneration	69	88
	Sales load payable	6	12
	Allocation of expenses related to registrar services, accounting, operation and valuation services	103	148
	Selling and marketing expense payable	603	786
		<u>1,313</u>	<u>1,714</u>
		<b>December 31, 2022 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
		<b>Note ------(Rupees in '000)-----</b>	
<b>8</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee payable	21	30
	Sindh Sales Tax on remuneration of the Trustee	3	4
	CDS charges payable	-	1
		<u>24</u>	<u>35</u>
<b>9</b>	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee payable	<u>56</u>	<u>181</u>
<b>10</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty	10.1 15,531	15,531
	Withholding tax payable	170	9,144
	Auditors' remuneration	257	201
	Printing charges	-	13
	Brokerage payable	90	13
	Zakat payable	452	452
	Others	52	64
		<u>16,552</u>	<u>25,418</u>

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10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2022 would have been higher by Rs. 4.1452 per unit (June 30, 2022: Rs. 2.7703 per unit).

## **11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2022 (June 30, 2022: Nil).

## **12 TAXATION**

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

## **13 EARNINGS PER UNIT**

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

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

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

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

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

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

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

		Half year ended December 31	
		2022 (Un-Audited)	2021 (Un-Audited)
		-----Rupees in '000-----	
<b>14.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	3,864	6,472
	Sindh Sales Tax on remuneration of the Management Company	502	841
	Sales load paid	304	1,751
	Allocation of expenses related to registrar services, accounting, operation and valuation services	758	1,346
	Selling and marketing expense	1,253	2,268
	<b>Habib Bank Limited - Sponsor</b>		
	Bank charges	32	56
	Mark-up on bank deposits	1,432	3,322
	<b>HBL Microfinance Bank - Associate</b>		
	Profit / mark-up on deposits accounts	1,677	-
	Sale of Pakistan investment bond	140,026	-
	<b>CDC Trustee HBL Financial Sector Income - Fund Plan - I - Connected Party</b>		
	Sale of Bank of Punjab TFC	49,890	-
	Sale of Pakistan investment bond	138,991	-
	<b>CDC Trustee HBL Income Fund - Connected Party</b>		
	Sale of Pakistan investment bond	102,956	-
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration	153	312
	Sindh Sales Tax payable on the Trustee fee	20	41
	Central Depository service charges	15	9
	<b>Director and Executives of the Management Company</b>		
	Redemption of 9 (2021: Nil) units	1	-

	December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	-----Rupees in '000-----	
<b>14.2 Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company	532	680
Sindh Sales Tax on remuneration of the Management Company	69	88
Sales load payable	6	12
Allocation of expenses related to registrar services, accounting, operation and valuation services	103	148
Selling and marketing payable	603	786
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	5,114	446,371
Profit / markup receivable	131	1,462
<b>HBL Microfinance Bank - Associate</b>		
Bank balances	622	624
Profit / mark-up receivable	79	768
<b>Taavun (Private) Limited - Connected Persons - due to 10% Holding*</b>		
Units held: 440,875 (June 30, 2022: Nil )	52,444	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	21	30
Sindh Sales Tax payable on Trustee Remuneration	3	4
CDC charges payable	-	1
Security deposit held	100	100
<b>Director and Executives of the Management Company</b>		
Units held: Nil (June 30 ,2022 : 9) units	-	1

\* As at June 30, 2022 units held were 440,875. However, units are not shown in comparative period because as at June 30, 2022 Taavun (private) limited was not a related party.

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

- 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).

As at December 31, 2022 and June 30, 2022, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3	Total
Note	----- (Rupees in '000) -----			
<b>December 31, 2022 (Un-audited)</b>				
<b>At fair value through profit or loss</b>	15.1			
Pakistan Investment Bonds	-	187,777	-	187,777
Corporate Sukuk Bonds	-	40,000	-	40,000
	-	227,777	-	227,777
<b>June 30, 2022 (Audited)</b>				
<b>At fair value through profit or loss</b>	15.1			
Pakistan Investment Bonds	-	521,932	-	521,932
Term Finance Certificates	-	50,089	-	50,089
	-	572,021	-	572,021

### 15.1 Valuation techniques

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

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

### 15.3 Transfers during the period

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

## 16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2022 is 1.33% (December 31, 2021: 1.17%) which includes 0.10% (December 31, 2021: 0.09%) representing Government levy and SECP fee.

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**17 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 13, 2023.

**18 GENERAL**

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

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Money Market Fund**

## FUND INFORMATION

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Name of Fund	HBL Money Market Fund
Name of Auditor	A.F. Fergusons & 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)

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 7B  
S.M.C.H.S., Main Shakra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel : (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: www.cdcPakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL MONEY MARKET FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Money Market Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Money Market Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

**Scope of Review**

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

**Conclusion**

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

**Other matter**

The condensed interim financial statements of the Fund for the half year ended December 31, 2020 were reviewed and the financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 22, 2021 and September 27, 2021 respectively.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 24, 2022

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

\* KARACHI \* LAHORE \* ISLAMABAD

**HBL Money Market Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
**AS AT DECEMBER 31, 2022**

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	549,516	13,661,227
Investments	5	10,987,749	1,985,515
Accrued mark-up		98,104	198,722
Deposits and prepayments		285	105
<b>Total assets</b>		<b>11,635,654</b>	<b>15,845,569</b>
<b>LIABILITIES</b>			
Payable to HBL Asset Management Limited - Management Company	6	35,884	41,799
Payable to Central Depository Company of Pakistan Limited - Trustee	7	620	721
Payable to the Securities and Exchange Commission of Pakistan	8	1,464	2,839
Dividend payable		1,729	9,261
Accrued expenses and other liabilities	9	53,467	192,276
<b>Total liabilities</b>		<b>93,164</b>	<b>246,896</b>
<b>NET ASSETS</b>		<b>11,542,490</b>	<b>15,598,673</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>11,542,490</b>	<b>15,598,673</b>
<b>Contingencies and commitments</b>	10		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>104,773,794</b>	<b>151,697,590</b>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<b>110.1658</b>	<b>102.8274</b>

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

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

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

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

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

**HBL Money Market Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
----- (Rupees in '000) -----					
<b>INCOME</b>					
Profit on savings accounts with banks		297,036	244,286	64,437	184,239
Mark-up / return on investments		869,066	324,780	446,672	149,698
Loss on sale of investments - net		(6,330)	(9,240)	(5,884)	(6,284)
		1,159,772	559,826	505,225	327,653
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'		639	2,247	639	1,955
<b>Total income</b>		<b>1,160,411</b>	<b>562,073</b>	<b>505,864</b>	<b>329,608</b>
<b>EXPENSES</b>					
Remuneration of HBL Asset Management Limited - Management Company	6.1 & 6.2	59,052	30,461	24,495	15,085
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1 & 7.2	4,550	4,540	2,016	2,262
Annual fee of the Securities and Exchange Commission of Pakistan	8.1	1,464	1,348	648	728
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.4	44,989	3,871	20,524	1,644
Settlement and bank charges		570	809	482	423
Auditors' remuneration		300	321	138	103
Fee and subscription		165	252	81	190
Securities transaction cost		76	11	25	0
Selling and marketing expenses	6.3	44,989	3,871	20,524	1,644
Printing and stationery		59	45	59	-
		156,214	45,529	68,992	22,079
<b>Net income from operating activities</b>		<b>1,004,197</b>	<b>516,544</b>	<b>436,872</b>	<b>307,529</b>
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	62,703	-	-
<b>Net income for the period before taxation</b>		<b>1,004,197</b>	<b>579,247</b>	<b>436,872</b>	<b>307,529</b>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<b>1,004,197</b>	<b>579,247</b>	<b>436,872</b>	<b>307,529</b>
<b>Earning per unit</b>	13				
<b>Allocation of income for the period</b>					
Net income for the period after taxation		1,004,197	579,247		
Income already paid on redemption of units		(367,078)	(156,641)		
		637,119	422,606		
Accounting income available for distribution:					
- Relating to capital gains		-	-		
- Excluding capital gains		637,119	422,606		
		637,119	422,606		

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

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

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

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

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

**HBL Money Market Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Half year ended December 31,		Quarter ended, December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	1,004,197	579,247	436,872	307,529
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,004,197</b>	<b>579,247</b>	<b>436,872</b>	<b>307,529</b>

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

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

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

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

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

**HBL Money Market Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	-----Rupees in '000-----					
<b>Net assets at beginning of the period</b>	15,548,452	50,221	15,598,673	12,788,663	48,311	12,836,970
Issuance of 173,404,181 units (2021: 164,444,614 units)						
- Capital value (at net asset value per unit at the beginning of the period)	17,830,706	-	17,830,706	16,875,195	-	16,875,195
- Element of income	672,973	-	672,973	506,909	-	506,909
<b>Total proceeds on issuance of units</b>	<b>18,503,679</b>	<b>-</b>	<b>18,503,679</b>	<b>17,382,104</b>	<b>-</b>	<b>17,382,104</b>
Redemption of 220,327,977 units (2021: 127,484,396 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(22,655,759)	-	(22,655,759)	(13,082,363)	-	(13,082,363)
- Element of loss	(541,222)	(367,078)	(908,300)	(192,350)	(156,641)	(348,991)
<b>Total payments on redemption of units</b>	<b>(23,196,981)</b>	<b>(367,078)</b>	<b>(23,564,059)</b>	<b>(13,274,713)</b>	<b>(156,641)</b>	<b>(13,431,354)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,004,197</b>	<b>1,004,197</b>	<b>-</b>	<b>579,247</b>	<b>579,247</b>
<b>Net assets at end of the period</b>	<b>10,855,150</b>	<b>687,340</b>	<b>11,542,490</b>	<b>16,896,054</b>	<b>470,917</b>	<b>17,366,967</b>
<b>Undistributed income brought forward</b>						
- Realised income		50,221			48,311	
- Unrealised income		-			-	
		<u>50,221</u>			<u>48,311</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gain		-			-	
- Excluding capital gain		637,119			422,606	
		<u>637,119</u>			<u>422,606</u>	
<b>Undistributed income carried forward</b>		<u>687,340</u>			<u>470,917</u>	
<b>Undistributed income carried forward</b>						
- Realised income		686,701			468,670	
- Unrealised income		639			2,247	
		<u>687,340</u>			<u>470,917</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net asset value per unit at beginning of the period		<u>102.8274</u>			<u>102.6193</u>	
Net asset value per unit at end of the period		<u>110.1658</u>			<u>107.1682</u>	

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

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

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

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

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

**HBL Money Market Fund**  
**Condensed Interim Statement of Cash Flows (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	----- (Rupees in '000) -----	
Net income for the period before taxation	1,004,197	579,247
<b>Adjustments for:</b>		
Loss on sale of investments - net	6,330	9,240
Mark-up / return on investments	(869,066)	(324,780)
Profit on savings accounts with banks	(297,036)	(244,286)
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit and loss'	(639)	(2,247)
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	(62,703)
	<u>(156,214)</u>	<u>(45,529)</u>
<b>Increase in Asset</b>		
Investments - net	<u>(1,075,723)</u>	<u>(5,889,036)</u>
Deposits and prepayments	<u>(180)</u>	<u>(249)</u>
	(1,075,903)	(5,889,285)
<b>(Decrease) / increase in liabilities</b>		
Payable to HBL Asset Management Limited - Management Company Limited - Management Company	<u>(5,915)</u>	<u>958</u>
Payable to Central Depository Company of Pakistan Limited - Trustee	<u>(101)</u>	<u>16</u>
Annual fee payable to the Securities and Exchange Commission of Pakistan	<u>(1,375)</u>	<u>(1,251)</u>
Payable against purchase of investment	<u>-</u>	<u>4,354,484</u>
Accrued expenses and other liabilities	<u>(138,809)</u>	<u>(68,400)</u>
	<u>(146,200)</u>	<u>4,285,807</u>
	<u>(1,378,317)</u>	<u>(1,649,007)</u>
Profit received on savings account with banks	<u>448,693</u>	<u>229,823</u>
Accrued mark-up received	<u>818,031</u>	<u>324,780</u>
	1,266,724	554,603
<b>Net cash used in operating activities</b>	<u>(111,593)</u>	<u>(1,094,404)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	<u>18,503,679</u>	<u>13,008,069</u>
Payment against redemption of units	<u>(23,564,059)</u>	<u>(9,057,319)</u>
Dividend paid	<u>(7,532)</u>	<u>(617)</u>
<b>Net cash (used in) / generated from financing activities</b>	<u>(5,067,912)</u>	<u>3,950,133</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(5,179,505)</u>	<u>2,855,729</u>
Cash and cash equivalents at beginning of the period	13,661,227	12,963,462
<b>Cash and cash equivalents at end of the period</b>	<u>14</u> <u>8,482,357</u>	<u>15,819,191</u>

The annexed notes 1 to 18 form an integral part of these condensed interim 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)**

### **FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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

- 1.1 HBL Money Market Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on March 18, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 9, 2010. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the "Sindh Trust Act, 2020". Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 1.3 The Fund is an open ended mutual fund categorised as 'Money Market Scheme' and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from July 12, 2010 to July 14, 2010.
- 1.4 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.
- 1.5 VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (December 31, 2021: AM++) and the outlook on the rating has been assigned as 'Stable' and the fund stability rating of AA+(f) on December 29, 2022 (2021: AA+(f) on December 31, 2021). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

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

##### **2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34 "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IAS 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with

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the annual published financial statements of the Fund for the year ended June 30, 2022.

- 2.1.3 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking Finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

- 3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2022.

### 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these are not expected to have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

	Note	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
<b>4 BANK BALANCES</b>		----- (Rupees in '000) -----	
Balances with bank in:			
Savings accounts	4.1	<u>549,516</u>	<u>13,661,227</u>

- 4.1 This includes balance of Rs 93.912 million (June 30, 2022: Rs 6,022 million) with Habib Bank Limited (a related party) that carry profit at the rates ranging from 13.50% to 19.12% (June 30, 2022: 17.56%) per annum. Other profit and loss sharing accounts of the Fund carry profit at the rates ranging from 8.00% to 17.85% (June 30, 2022: 5.00% to 16.70%) per annum.

	Note	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----			
<b>5 INVESTMENTS</b>			
At fair value through profit or loss			
- Government securities - Market treasury bills	5.1	7,932,841	-
- Sukuk certificates	5.2	1,671,000	935,000
- Commercial papers	5.3	283,908	1,050,515
- Letter of placements	5.4	1,100,000	-
		<u>10,987,749</u>	<u>1,985,515</u>

### 5.1 Government securities - Market treasury bills

Name of the security	Issue date	Face value				Balance as at December 31, 2022			Market value as a percentage of	
		As at July 1, 2022	Purchased during the period	Matured / sold during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation/ (diminution) as at December 31, 2022	Total market value of investment	Net assets of the Fund
----- Rupees in '000 -----										
----- (%) -----										
<b>Market treasury bills - 3-months</b>										
Treasury bills - 3 months	June 30, 2022	-	7,764,000	7,764,000	-	-	-	-	-	-
Treasury bills - 3 months	July 14, 2022	-	18,000,000	18,000,000	-	-	-	-	-	-
Treasury bills - 3 months	July 28, 2022	-	114,559,600	114,559,600	-	-	-	-	-	-
Treasury bills - 3 months	August 11, 2022	-	2,635,000	2,635,000	-	-	-	-	-	-
Treasury bills - 3 months	August 25, 2022	-	2,200,000	2,200,000	-	-	-	-	-	-
Treasury bills - 3 months	September 8, 2022	-	382,000	382,000	-	-	-	-	-	-
Treasury bills - 3 months	September 22, 2022	-	4,800,000	4,800,000	-	-	-	-	-	-
Treasury bills - 3 months	October 6, 2022	-	13,980,000	13,980,000	-	-	-	-	-	-
Treasury bills - 3 months	October 20, 2022	-	15,050,000	9,700,000	5,350,000	5,325,087	5,325,893	806	48%	46%
Treasury bills - 3 months	November 3, 2022	-	1,000,000	1,000,000	-	-	-	-	-	-
Treasury bills - 3 months	November 17, 2022	-	4,000,000	1,350,000	2,650,000	2,607,115	2,606,948	(167)	24%	23%
Treasury bills - 3 months	December 15, 2022	-	800,000	800,000	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Market treasury bills - 6-months</b>										
Treasury bills - 6 months	January 27, 2022	-	5,500,000	5,500,000	-	-	-	-	-	-
Treasury bills - 6 months	March 10, 2022	-	3,300,000	3,300,000	-	-	-	-	-	-
Treasury bills - 6 months	April 7, 2022	-	1,000,000	1,000,000	-	-	-	-	-	-
Treasury bills - 6 months	April 21, 2022	-	1,620,000	1,620,000	-	-	-	-	-	-
Treasury bills - 6 months	October 6, 2022	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 6 months	October 20, 2022	-	250,000	250,000	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total as at December 31, 2022</b>		-	<b>197,340,600</b>	<b>189,340,600</b>	<b>8,000,000</b>	<b>7,932,202</b>	<b>7,932,841</b>	<b>639</b>		
<b>Total as at June 30, 2022</b>		-	<b>272,482,000</b>	<b>272,482,000</b>	-	-	-	-		

- 5.1.1 These carry yield ranging from 15.02% to 15.46% (June 30, 2022: nil) per annum. These have maturities up to February 9, 2023.

### 5.2 Sukuk certificates - Short term sukuks

Name of Investee Company	Rate of return	Maturity date	As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of	
									Total investments	Net assets
						Number of certificates	Rupees in '000		%	
<b>Power generation and distribution</b>										
K-Electric Limited (April 22, 2022) Face value: Rs. 100,000	13.98%	October 12, 2022	2,500	-	2,500	-	-	-	-	-
Lucky Electric Power Company Limited (April 14, 2022) Face value: Rs. 100,000	14.23%	October 14, 2022	6,000	-	6,000	-	-	-	-	-
The Hub Power Company Limited (April 27, 2022) Face value: Rs. 100,000	15.10%	October 27, 2022	850	-	850	-	-	-	-	-
China Power Hub Generation Company (Pvt.) Limited (July 28, 2022) Face value: Rs. 100,000	17.06%	January 28, 2023	-	6,500	-	6,500	650,000	650,000	5.92%	5.63%
K-Electric Limited (August 29, 2022) Face value: Rs. 100,000	18.30%	February 28, 2023	-	2,500	-	2,500	250,000	250,000	2.28%	2.17%
Lucky Electric Power Company Limited (October 14, 2022) Face value: Rs. 100,000	17.27%	April 13, 2023	-	5,730	3,000	2,730	273,000	273,000	2.48%	2.37%
K-Electric Limited (December 13, 2022) Face value: Rs. 100,000	18.34%	June 13, 2023	-	4,980	-	4,980	498,000	498,000	4.53%	4.31%
<b>Total as at December 31, 2022</b>							<b>1,671,000</b>	<b>1,671,000</b>		
<b>Total as at June 30, 2022</b>							<b>935,000</b>	<b>935,000</b>		

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

Name of the security	Effective Yield	Issue Date	Face value (Rupees in '000)				Carrying value as at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of	
			As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022			Total investments	Net assets
						(Rupees in '000)			%	
China Power Hub Generation Company (Private) Limited		April 13, 2022	500,000	-	500,000	-	-	-	-	-
Lucky Electric Power Company Limited (AA, PACRA)		April 12, 2022	600,000	-	600,000	-	-	-	-	-
Lucky Electric Power Company Limited (AA, PACRA)	17.34%	November 1, 2022	-	300,000	-	300,000	283,908	283,908	2.58%	2.46%
<b>Total as at December 31, 2022</b>							<b>283,908</b>	<b>283,908</b>		
<b>Total as at June 30, 2022</b>							<b>1,050,515</b>	<b>1,050,515</b>		

### 5.4 Investment in Letter of Placements - At fair value through profit or loss

Name of investee company	Maturity date	Face value (Rupees in '000)				Balance as at December 31, 2022		Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / Matured during the period	As at December 31, 2022	Carrying value	Market value	Total investments	Net assets
						Rupees in '000		%	
Saudi Pak Industrial and Agricultural Investment Company (Private) Limited	July 29, 2022	-	1,500,000	1,500,000	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company (Private) Limited	September 14, 2022	-	1,450,000	1,450,000	-	-	-	-	-
Pak Oman Investment Company Limited	July 29, 2022	-	1,600,000	1,600,000	-	-	-	-	-
Pak Oman Investment Company Limited	August 12, 2022	-	1,000,000	1,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	August 16, 2022	-	1,200,000	1,200,000	-	-	-	-	-
Pak Oman Investment Company Limited	August 17, 2022	-	1,200,498	1,200,498	-	-	-	-	-
Pak Oman Investment Company Limited	August 18, 2022	-	1,600,000	1,600,000	-	-	-	-	-
Pak Oman Investment Company Limited	August 19, 2022	-	1,600,666	1,600,666	-	-	-	-	-
Pak Oman Investment Company Limited	August 23, 2022	-	1,600,000	1,600,000	-	-	-	-	-
Pak Oman Investment Company Limited	August 25, 2022	-	1,600,000	1,600,000	-	-	-	-	-
Pak Oman Investment Company Limited	August 26, 2022	-	1,500,000	1,500,000	-	-	-	-	-
Pak Oman Investment Company Limited	September 9, 2022	-	1,500,000	1,500,000	-	-	-	-	-
Pak Oman Investment Company Limited	September 14, 2022	-	1,500,000	1,500,000	-	-	-	-	-
Pak Oman Investment Company Limited	September 15, 2022	-	1,500,621	1,500,621	-	-	-	-	-
Pak Oman Investment Company Limited	September 20, 2022	-	400,000	400,000	-	-	-	-	-
Pak Oman Investment Company Limited	October 5, 2022	-	1,000,000	1,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	October 11, 2022	-	1,000,000	1,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	December 16, 2022	-	500,000	500,000	-	-	-	-	-
Pak Oman Investment Company Limited	December 28, 2022	-	600,000	600,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	August 23, 2022	-	1,600,000	1,600,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	September 30, 2022	-	600,000	600,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	November 2, 2022	-	800,000	800,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	November 3, 2022	-	800,343	800,343	-	-	-	-	-

Name of investee company	Maturity date	Face value (Rupees in '000)				Balance as at December 31, 2022		Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / Matured during the period	As at December 31, 2022	Carrying value	Market value	Total invest-ments	Net assets
		----- Rupees in '000 -----						----- % -----	
Pak Kuwait Investment Company Limited	November 4, 2022	-	1,200,677	1,200,677	-	-	-	-	-
Pak Kuwait Investment Company Limited	November 7, 2022	-	1,201,184	1,201,184	-	-	-	-	-
Pak Kuwait Investment Company Limited	November 15, 2022	-	400,000	400,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	December 16, 2022	-	1,000,000	1,000,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	December 26, 2022	-	400,000	400,000	-	-	-	-	-
Pak Brunei Investment Company Limited	November 3, 2022	-	300,000	300,000	-	-	-	-	-
Pak Brunei Investment Company Limited	November 4, 2022	-	400,125	400,125	-	-	-	-	-
Pak Brunei Investment Company Limited	December 15, 2022	-	550,000	550,000	-	-	-	-	-
Askari Bank Limited	July 29, 2022	-	1,600,000	1,600,000	-	-	-	-	-
Askari Bank Limited	August 23, 2022	-	1,600,000	1,600,000	-	-	-	-	-
Askari Bank Limited	August 26, 2022	-	1,500,000	1,500,000	-	-	-	-	-
Askari Bank Limited	September 9, 2022	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	January 6, 2023	-	1,100,000	-	1,100,000	1,100,000	1,100,000	10.01%	9.53%
<b>Total as at December 31, 2022</b>						<b>1,100,000</b>	<b>1,100,000</b>		
<b>Total as at June 30, 2022</b>									

5.4.1 The letter of placement carry yield of 15.45% (June 30, 2022: nil) per annum and have maturity of January 6, 2023.

5.5	Net unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	Note	December 31, 2022	June 30, 2022
			----- (Rupees in '000) -----	
	Market value of investments	5.1, 5.2, 5.3 & 5.4	10,987,749	1,985,515
	Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4	(10,987,110)	(1,985,515)
			639	-

## 6 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee payable	6.1	4,981	8,421
Sindh Sales Tax on Management Company's remuneration	6.2	648	1,095
Sales load payable		2,740	5,712
Allocation of expenses related to registrar services, accounting, operation and valuation services payable	6.4	7,000	7,863
Selling and marketing expense payable	6.3	20,515	18,708
		35,884	41,799

6.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold which is 2%, the Management Company has charged its remuneration at the rates ranging from 0.5% to 0.75% (June 30, 2022: 0.20% to 0.75%).

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 'The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company has charged selling and marketing expenses based on its discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the rates ranging from 0.60% to 0.70% (June 30, 2022: 0.05% to 0.70%).

6.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company may charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The Management Company based on its own discretion has charged allocated expenses at the rates ranging from 0.60% to 0.70% (June 30, 2022: 0.05% to 0.70%).

7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
			----- (Rupees in '000) -----	
	Trustee fee payable	7.1	549	638
	Sindh Sales Tax payable on trustee fee	7.2	71	83
			620	721

7.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.055% (June 30, 2022: 0.055%) per annum of net assets of the Fund.

7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
			----- (Rupees in '000) -----	
	Annual fee	8.1	1,464	2,839

8.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP. As per the guideline issued by SECP vide its SRO no. 685(1)/2019 dated June 28, 2019, the Fund has recognised SECP Fee at the rate of 0.02% (June 30, 2022: 0.02%)

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
			----- (Rupees in '000) -----	
	Auditors' remuneration		351	508
	Withholding tax payable		552	130,484
	Capital gain tax payable		7,878	17,066
	Federal Excise Duty	9.1	41,211	41,211
	Advance received against units to be issued		2,500	2,500
	Other payable		975	506
			53,467	192,276

9.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 41.211 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.39 (June 30, 2022: Re. 0.27).

## 10 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

## 11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 2.13% (June 30, 2022: 1.01%) which includes 0.12% (June 30, 2022: 0.09%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This maximum ratio limit as prescribed under the NBFC Regulation for a collective investment scheme categorised as an 'Money Market Scheme' is 2% which is required to be complied on an annual basis by the Fund.

## 12 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% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year in cash derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

## 13 EARNINGS PER UNIT

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

	Note	(Unaudited) December 31, 2022	(Unaudited) December 31, 2021
----- (Rupees in '000) -----			
<b>14 CASH AND CASH EQUIVALENTS</b>			
Balances with bank in:			
- Savings accounts	4	549,516	15,819,191
Government securities - Market treasury bills	5.1	7,932,841	-
		<u>8,482,357</u>	<u>15,819,191</u>

## 15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

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

Accounting and operational charges and selling and marketing charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

		(Un-audited) Half year ended December 31,	
		2022	2021
		----- (Rupees in '000) -----	
<b>15.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee inclusive of sales tax	59,052	30,461
	Allocation of expenses related to registrar services, accounting, operation and valuation services	44,989	3,871
	Selling and marketing expenses	44,989	3,871
	Issue of nil units (December 31, 2021: 48,001 units)	-	5,002
	Redemption of nil units (December 31, 2021: 48,001 units)	-	5,127
	<b>Habib Bank Limited - Sponsor</b>		
	Mark-up earned during the period	72,155	124,732
	Redemption of 4,603,276 units (December 31, 2021: nil units)	489,508	-
	<b>Habib Bank Limited - Treasury Division</b>		
	Redemption of 681,844 units (December 31, 2021: nil units)	72,507	-
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee's remuneration including Sales Tax thereon	4,550	4,540
	<b>Directors, Executives and Key Management personnel</b>		
	Issue of 9,540 units (December 31, 2021: 23,850 units)	1,015	2,464
	Redemption of 20,504 units (December 31, 2021: 35,208 units)	3,884	3,651
	<b>Fauji Fertilizer Company Limited</b>		
	<b>Connected persons due to holding 10% or more units</b>		
	Issue of units nil (December 31, 2021: 72,931,452 units)	-	7,715,877
	Redemption of nil (December 31, 2021: 46,836,651 unit)	-	4,966,507
	<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan</b>		
	Issue of units nil (December 31, 2021: 12,136 units)	-	1,255
	Redemption of 47,588 (December 31, 2021: 3,891 units)	5,045	400
	<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate</b>		
	Redemption of 11,931 (December 31, 2021: nil units)	1,308	-
	<b>HBL Asset Management Ltd Employees Gratuity Fund - Associate</b>		
	Issue of units 21,159 (December 31, 2021: nil units)	2,300	-

		(Un-audited) Half year ended December 31,	
		2022	2021
		----- (Rupees in '000) -----	
<b>HBL Asset Management Ltd Employees Provident Fund - Associate</b>			
	Issue of units 73,597 (December 31, 2021: nil units)	8,000	-
<b>CDC Trustee HBL Islamic Money Market Fund</b>			
	Purchase of commercial paper KEL - ICP	-	69,557
	Sale of commercial paper KEL - ICP	-	63,839
<b>CDC Trustee HBL Cash Fund</b>			
	Sale of Government securities - T-bills	-	998,181
	Sale of commercial paper LEPCL - ICP	302,555	-
		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
<b>15.2</b>	<b>Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>			
	Remuneration payable to the Management Company	4,981	8,421
	Sindh Sales Tax on remuneration of the Management Company	648	1,095
	Sales load payable	2,740	5,712
	Selling and marketing expense payable	20,515	18,708
	Allocation of expenses related to registrar services, accounting, operation and valuation services payable	7,000	7,863
<b>Habib Bank Limited - Sponsor</b>			
	Bank balances	93,912	6,022,432
	Sales load payable	-	-
	Outstanding: nil units (June 30, 2022: 4,603,276 units)	-	473,343
<b>Habib Bank Limited - Treasury Division</b>			
	Outstanding: nil units (June 30, 2022: 681,844)	-	70,112
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
	Remuneration payable to the Trustee	549	638
	Sindh Sales Tax payable on remuneration of the Trustee	71	83
<b>Directors, Executives and Key Management personnel</b>			
	Investment held in the Fund: 35,680 units (June 30, 2022: 46,644 units)	3,934	4,796
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative</b>			
<b>Allocation Plan - Associate</b>			
	Investment held in the Fund: 12,907 units (June 30, 2022: 60,495 units)	1,422	6,221
<b>MCBFSL Trustee HBL Financial Planning Fund Active</b>			
<b>Allocation Plan - Associate</b>			
	Outstanding: nil units (June 30, 2022: 11,931 units)	-	1,227
<b>HBL Asset Management Ltd Employees Gratuity Fund - Associate</b>			
	Outstanding: 21,159 units (June 30, 2022: nil units)	2,333	-
<b>HBL Asset Management Ltd Employees Provident Fund - Associate</b>			
	Outstanding: 73,597 units (June 30, 2022: nil units)	8,114	-

## 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. 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

## 16.1 FAIR VALUE HIERARCHY

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

		----- (Un-audited) -----			
		----- As at December 31, 2022 -----			
		Level 1	Level 2	Level 3	Total
<b>Financial assets ' at fair value through profit or loss'</b>					
- Government securities -					
Market treasury bills	5.1	-	7,932,841	-	-
- Sukuk certificates	5.2	-	1,671,000	-	-
- Commercial paper *	5.3	-	283,908	-	-
- Letter of Placement	5.4	-	1,100,000	-	-
		-	10,987,749	-	-
		-----	-----	-----	-----
		-----	-----	-----	-----
		----- (Audited) -----			
		----- As at June 30, 2022 -----			
		Level 1	Level 2	Level 3	Total
<b>Financial assets ' at fair value through profit or loss'</b>					
- Sukuk certificates		-	935,000	-	935,000
- Commercial paper *		-	1,050,515	-	1,050,515
		-	1,985,515	-	1,985,515
		-----	-----	-----	-----
		-----	-----	-----	-----

\* The valuation of commercial paper has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 as the residual maturity of this investment is up to 6 months and are placed with counter parties which have high credit rating.

## 17 GENERAL

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

## 18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 13, 2023.

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

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

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

\_\_\_\_\_  
Director

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# **HBL**

## **Cash Fund**

## FUND INFORMATION

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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 Samba Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited Sindh Bank Limited Dubai Islamic Bank of Pakistan National Bank of Pakistan
Fund Rating	'AA+(f)' (JCR-VIS)

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahr-e-Faisal  
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Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL CASH FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Cash Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 23, 2023





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Pakistan

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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL CASH FUND ("the Fund") as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2022 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2022 and December 31, 2021 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED:

23 FEB 2023

UIDIN: RR2022101666MFexCR3w

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Tariq Feroz Khan

**HBL Cash Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at December 31, 2022*

		December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	22,963,220	33,290,444
Investments	5	22,540,780	2,850,342
Profit / mark-up receivable		265,434	514,489
Advances, deposits and prepayments	6	1,442	1,132
<b>TOTAL ASSETS</b>		<u>45,770,876</u>	<u>36,656,407</u>
<b>LIABILITIES</b>			
Payable to the Management Company	7	43,650	16,724
Payable to the Trustee	8	2,002	1,537
Payable to Securities and Exchange Commission of Pakistan	9	3,489	6,139
Payable against purchase of investments - net		-	484,070
Accrued expenses and other liabilities	10	119,630	81,629
<b>TOTAL LIABILITIES</b>		<u>168,771</u>	<u>590,099</u>
<b>NET ASSETS</b>		<u>45,602,105</u>	<u>36,066,308</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>45,602,105</u>	<u>36,066,308</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	----- (Number of Units) -----	
<b>Number of units in issue</b>		<u>444,800,921</u>	<u>355,820,022</u>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<u>102.5225</u>	<u>101.3611</u>

The annexed notes from 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 Cash Fund**  
**Condensed Interim Income Statement (Un-audited)**  
**For The Half Year And Quarter Ended December 31, 2022**

	Half year ended		Quarter ended	
	December 31,		December 31,	
Note	2022	2021	2022	2021
	------(Rupees in '000)-----			
<b>Income</b>				
Capital loss on sale of investments - net	(41,766)	(4,635)	(33,214)	(8,520)
Income from government securities	1,536,294	405,899	956,714	191,865
Income from money market transactions and placements	193,790	102,244	77,324	85,450
Income from corporate sukuk bonds	82,536	-	47,963	-
Mark-up on bank deposits	941,713	850,238	359,030	521,512
	<u>2,712,567</u>	<u>1,353,746</u>	<u>1,407,817</u>	<u>790,307</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	402	4,997	902	4,971
	<u>2,712,969</u>	<u>1,358,743</u>	<u>1,408,719</u>	<u>795,278</u>
<b>Expenses</b>				
Remuneration of the Management Company	81,455	43,947	37,783	24,461
Sindh Sales Tax on remuneration of the Management Company	10,589	5,713	4,912	3,182
Remuneration of the Trustee	9,596	9,404	5,044	4,776
Sindh Sales Tax on remuneration of the Trustee	1,247	1,222	656	621
Annual fee to Securities and Exchange Commission of Pakistan	3,489	3,161	1,834	1,737
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services	36,379	2,766	16,632	1,701
Selling and marketing expense	36,379	2,843	16,632	1,854
Auditors' remuneration	226	222	119	112
Fee and subscription	36	235	36	103
Securities transaction costs and settlement charges	292	388	247	154
Bank charges	476	364	250	218
Printing charges	74	-	60	-
	<u>180,238</u>	<u>70,265</u>	<u>84,205</u>	<u>38,919</u>
<b>Net income for the period from operating activities</b>	<u>2,532,731</u>	<u>1,288,478</u>	<u>1,324,514</u>	<u>756,359</u>
Reversal of provision for Sindh Workers' Welfare Fund	-	98,533	-	105,664
<b>Net income for the period before taxation</b>	<u>2,532,731</u>	<u>1,387,011</u>	<u>1,324,514</u>	<u>862,023</u>
Taxation	12	-	-	-
<b>Net income for the period after taxation</b>	<u>2,532,731</u>	<u>1,387,011</u>	<u>1,324,514</u>	<u>862,023</u>
<b>Allocation of net income for the period</b>				
Income already paid on redemption	258,575	99,058	143,241	70,314
<b>Accounting income available for distribution:</b>				
Relating to capital gains	-	362	-	-
Excluding capital gains	2,274,156	1,287,591	1,181,273	791,709
	<u>2,274,156</u>	<u>1,287,953</u>	<u>1,181,273</u>	<u>791,709</u>
	<u>2,532,731</u>	<u>1,387,011</u>	<u>1,324,514</u>	<u>862,023</u>
Earnings per unit	13			

The annexed notes from 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 Cash Fund

### Condensed Interim Statement Of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2022

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	------(Rupees in '000)-----			
Net income for the period after taxation	2,532,731	1,387,011	1,324,514	862,023
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>2,532,731</u>	<u>1,387,011</u>	<u>1,324,514</u>	<u>862,023</u>

The annexed notes from 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 Cash Fund**  
**Condensed Interim Statement Of Cash Flows (Un-audited)**  
*For The Half Year Ended December 31, 2022*

	Half year ended	
	December 31,	
Note	2022	2021
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	2,532,731	1,387,011
Adjustments for:		
Capital loss on sale of investment - net	41,766	4,635
Income from government securities	(1,536,294)	(405,899)
Income from money market placements	(193,790)	(102,244)
Income from corporate sukuk bonds	(82,536)	-
Mark-up on bank deposits	(941,713)	(850,238)
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(402)	(4,997)
	(180,238)	28,268
<b>(Increase) in assets</b>		
Investments - net	(19,731,802)	(10,220,804)
Advances, deposits and prepayments	(310)	(259)
	(19,732,112)	(10,221,063)
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	27,826	5,521
Payable to the Trustee	465	334
Payable to Securities and Exchange Commission of Pakistan	(2,650)	(1,906)
Payable against purchase of investments - net	(484,070)	9,152,543
Accrued expenses and other liabilities	37,101	(116,741)
	(421,328)	9,039,751
Cash used in operations	(20,333,678)	(1,153,044)
Income received from government securities	1,536,294	405,823
Income received from money market placement	187,096	102,244
Income received from corporate sukuk bonds	75,168	-
Mark-up received on bank deposits	1,204,830	703,914
	3,003,388	1,211,981
Net cash (used in) / generated from operating activities	(17,330,290)	58,937
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	72,479,497	52,092,093
Amount paid on redemption of units	(63,404,130)	(35,362,086)
Dividend paid	(2,072,301)	(1,144,433)
Net cash generated from financing activities	7,003,066	15,585,574
Net (decrease) / increase in cash and cash equivalents during the period	(10,327,224)	15,644,511
Cash and cash equivalents at the beginning of the period	33,290,444	26,522,253
Cash and cash equivalents at the end of the period	4	42,166,764

The annexed notes from 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 Cash Fund

## Condensed Interim Statement Of Movement In Unitholders' Fund (Un-audited)

For The Half Year Ended December 31, 2022

	Half year ended December 31,					
	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)					
<b>Net assets at beginning of the period</b>	35,913,953	152,355	36,066,308	26,431,839	107,572	26,539,411
<b>Issuance of 710,899,134 units (2021: 512,323,299 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	72,057,517	-	72,057,517	51,957,165	-	51,957,165
Element of income	421,980	-	421,980	134,928	-	134,928
<b>Total proceeds on issuance of units</b>	72,479,497	-	72,479,497	52,092,093	-	52,092,093
<b>Redemption of 621,918,235 units (2021: 348,046,684 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(63,038,316)	-	(63,038,316)	(35,230,229)	-	(35,230,229)
Income already paid on redemption of units	-	(258,575)	(258,575)	-	(99,058)	(99,058)
Element of loss	(107,239)	-	(107,239)	(32,799)	-	(32,799)
<b>Total payments on redemption of units</b>	(63,145,555)	(258,575)	(63,404,130)	(35,263,028)	(99,058)	(35,362,086)
<b>Total comprehensive income for the period</b>	-	2,532,731	2,532,731	-	1,387,011	1,387,011
Interim distribution of Rs. 0.7771 per unit declared on August 06, 2021 as cash dividend						
Refund of capital	-	-	-	(6,781)	-	(6,781)
Distribution for the period	-	-	-	-	(181,837)	(181,837)
Interim distribution of Rs. 0.9822 per unit declared on September 03, 2021 as cash dividend						
Refund of capital	-	-	-	(58,263)	-	(58,263)
Distribution for the period	-	-	-	-	(245,317)	(245,317)
Interim distribution of Rs. 0.7675 per unit declared on October 08, 2021 as cash dividend						
Refund of capital	-	-	-	(22,942)	-	(22,942)
Distribution for the period	-	-	-	-	(240,509)	(240,509)
Interim distribution of Rs. 0.5907 per unit declared on November 05, 2021 as cash dividend						
Refund of capital	-	-	-	(8,253)	-	(8,253)
Distribution for the period	-	-	-	-	(193,781)	(193,781)
Interim distribution of Rs. 0.5954 per unit declared on December 03, 2021 as cash dividend						
Refund of capital	-	-	-	(2,178)	-	(2,178)
Distribution for the period	-	-	-	-	(184,572)	(184,572)
Interim distribution of Rs. 1.6445 per unit declared on August 10, 2022 as cash dividend						
Refund of capital	(59,495)	-	(59,495)	-	-	-
Distribution for the period	-	(449,925)	(449,925)	-	-	-
Interim distribution of Rs. 1.0143 per unit declared on September 02, 2022 as cash dividend						
Refund of capital	(21,942)	-	(21,942)	-	-	-
Distribution for the period	-	(297,321)	(297,321)	-	-	-
Interim distribution of Rs. 1.4745 per unit declared on October 10, 2022 as cash dividend						
Refund of capital	(67,187)	-	(67,187)	-	-	-
Distribution for the period	-	(430,915)	(430,915)	-	-	-
Interim distribution of Rs. 1.1493 per unit declared on November 07, 2022 as cash dividend						
Refund of capital	(30,901)	-	(30,901)	-	-	-
Distribution for the period	-	(362,441)	(362,441)	-	-	-
Interim distribution of Rs. 1.0082 per unit declared on December 02, 2022 as cash dividend						
Refund of capital	(22,502)	-	(22,502)	-	-	-
Distribution for the period	-	(329,672)	(329,672)	-	-	-
	(202,027)	662,457	460,430	(98,417)	340,995	242,578
<b>Net assets at end of the period</b>	45,045,868	556,237	45,602,105	43,162,487	349,509	43,511,996
<b>Undistributed income brought forward</b>						
Realised income		151,855			107,572	
Unrealised income		500			-	
		152,355			107,572	
<b>Accounting income available for distribution</b>						
Relating to capital gains		-			362	
Excluding capital gains		2,274,156			1,287,591	
		2,274,156			1,287,953	
<b>Distribution for the period:</b>						
Interim distribution of Rs. 0.7771 per unit declared on August 06, 2021 as cash dividend					(181,837)	
Interim distribution of Rs. 0.9822 per unit declared on September 03, 2021 as cash dividend					(245,317)	
Interim distribution of Rs. 0.7675 per unit declared on October 08, 2021 as cash dividend					(240,509)	
Interim distribution of Rs. 0.5907 per unit declared on November 05, 2021 as cash dividend					(193,781)	
Interim distribution of Rs. 0.5954 per unit declared on December 03, 2021 as cash dividend					(184,572)	
Interim distribution of Rs. 1.6445 per unit declared on August 10, 2022 as cash dividend		(449,925)			-	
Interim distribution of Rs. 1.0143 per unit declared on September 02, 2022 as cash dividend		(297,321)			-	
Interim distribution of Rs. 1.4745 per unit declared on October 10, 2022 as cash dividend		(430,915)			-	
Interim distribution of Rs. 1.1493 per unit declared on November 07, 2022 as cash dividend		(362,441)			-	
Interim distribution of Rs. 1.0082 per unit declared on December 02, 2022 as cash dividend		(329,672)			-	
		(1,870,274)			(1,046,016)	
<b>Undistributed income carried forward</b>		556,237			349,509	
<b>Undistributed income carried forward</b>						
Realised income		555,835			344,512	
Unrealised income		402			4,997	
		556,237			349,509	
				(Rupees)		(Rupees)
<b>Net assets value per unit at beginning of the period</b>			101.3611			101.2227
<b>Net assets value per unit at end of the period</b>			102.5225			102.0295

The annexed notes from 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 Cash Fund**

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

### ***For The Half Year Ended December 31, 2022***

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#### **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.

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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), SA. is the parent company of Habib Bank Limited.

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

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

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company and assigned stability rating of AA+(f) to the Fund as at December 30, 2021 and December 29, 2022, respectively.

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

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

##### **2.1 Statement of compliance**

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

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

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- 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, 2022.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2022, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2021.
- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2022 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.

## **2.2 Basis of measurement**

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

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

## **2.3 Functional and presentation currency**

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

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

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.4 There are certain standards, interpretations and amendments to approved accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2022.

		December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>4</b>	<b>BANK BALANCES</b>		
	Cash at bank		
	In current account	6	6
	In saving accounts	4.1	4.1
		22,963,214	33,290,438
		<u>22,963,220</u>	<u>33,290,444</u>

4.1 This represents bank accounts held with various banks. profit rates on these accounts range between 12% to 19.12% per annum (June 30, 2022: 5.00% to 17.62% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 678.482 million (June 30, 2022: Rs. 33,098.328 million) on which return is earned at the range between 13.50% to 19.12% (June 30, 2022: 5.00% to 17.62% per annum).

## 5 INVESTMENTS

### Financial assets

	At fair value through profit or loss	5.1	16,172,964	1,799,570
	At a mortized cost	5.2	6,367,816	1,050,772
			<u>22,540,780</u>	<u>2,850,342</u>
<b>5.1</b>	<b>Financial assets at fair value through profit or loss</b>			
	Market Treasury Bills	5.1.1	15,122,964	484,570
	Corporate Sukuk Bonds	5.1.2	1,050,000	1,315,000
			<u>16,172,964</u>	<u>1,799,570</u>

### 5.1.1 Market Treasury Bills

Issue date	Tenure	Face Value				Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution) on re-measurement of investment	Market value as percentage of net assets	Market value as percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at December 31, 2022					
----- (Rupees in '000) -----										
April 7, 2022	6 Months	-	4,850,000	4,850,000	-	-	-	-	0.00%	0.00%
April 21, 2022	6 Months	-	4,000,000	4,000,000	-	-	-	-	0.00%	0.00%
April 28, 2022	6 Months	-	500,000	500,000	-	-	-	-	0.00%	0.00%
April 28, 2022	3 Months	-	3,500,000	3,500,000	-	-	-	-	0.00%	0.00%
June 2, 2022	6 Months	-	1,050,000	1,050,000	-	-	-	-	0.00%	0.00%
June 2, 2022	3 Months	-	800,000	800,000	-	-	-	-	0.00%	0.00%
June 16, 2022	3 Months	-	200,000	200,000	-	-	-	-	0.00%	0.00%
June 30, 2022	3 Months	500,000	48,073,000	48,573,000	-	-	-	-	0.00%	0.00%
July 14, 2022	3 Months	-	30,450,000	30,450,000	-	-	-	-	0.00%	0.00%
July 28, 2022	3 Months	-	178,629,200	178,629,200	-	-	-	-	0.00%	0.00%
August 11, 2022	3 Months	-	5,991,700	5,991,700	-	-	-	-	0.00%	0.00%
August 25, 2022	3 Months	-	5,960,000	5,960,000	-	-	-	-	0.00%	0.00%
September 8, 2022	3 Months	-	3,000,000	3,000,000	-	-	-	-	0.00%	0.00%
September 22, 2022	3 Months	-	21,830,000	21,830,000	-	-	-	-	0.00%	0.00%
October 6, 2022	6 Months	-	1,500,000	1,500,000	-	-	-	-	0.00%	0.00%
October 6, 2022	3 Months	-	28,141,110	28,141,110	-	-	-	-	0.00%	0.00%
October 20, 2022	6 Months	-	500,000	500,000	-	-	-	-	0.00%	0.00%
October 20, 2022	3 Months	-	52,343,110	42,341,110	10,002,000	9,956,319	9,956,929	610	21.83%	44.17%
November 3, 2022	3 Months	-	4,000,000	4,000,000	-	-	-	-	0.00%	0.00%
November 17, 2022	3 Months	-	18,931,350	13,680,000	5,251,350	5,166,243	5,166,035	(208)	11.33%	22.92%
December 15, 2022	3 Months	-	950,000	950,000	-	-	-	-	0.00%	0.00%
<b>Total - as at December 31, 2022</b>		500,000	415,199,470	400,446,120	15,253,350	15,122,562	15,122,964	402	33.16%	67.09%
<b>Total - as at June 30, 2022</b>		-	441,223,000	440,723,000	500,000	484,070	484,570	500	1.34%	17.00%

5.1.1.1 As at December 31, 2022, Market Treasury Bill (T-bill) had a face value of Rs. 15,253.350 million (June 30, 2022: Rs. 500 million) carrying effective yield of 14.90% to 16.56% (June 30, 2022: 14.71%) per annum.

## 5.1.2 Corporate Sukuk Bonds

Name of investee company	Tenure	Face value				Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases made during the year	Sales / matured during the year	As at December 31, 2022					
-----Rupees in '000-----										
Hub Power Company Limited	6 Months	450,000	-	450,000	-	-	-	-	0.00%	0.00%
K-Electric Limited	6 Months	450,000	-	450,000	-	-	-	-	0.00%	0.00%
K-Electric Limited	6 Months	150,000	-	150,000	-	-	-	-	0.00%	0.00%
K-Electric Limited	6 Months	265,000	-	265,000	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited	6 Months	-	250,000	-	250,000	250,000	250,000	-	0.55%	1.11%
Lucky Electric Power Company Limited	6 Months	-	500,000	-	500,000	500,000	500,000	-	1.10%	2.22%
Lucky Electric Power Company Limited	6 Months	-	300,000	-	300,000	300,000	300,000	-	0.66%	1.33%
<b>Total - as at December 31, 2022</b>		<b>1,315,000</b>	<b>1,050,000</b>	<b>1,315,000</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>-</b>	<b>2.30%</b>	<b>4.66%</b>
<b>Total - as at June 30, 2022</b>		<b>-</b>	<b>1,315,000</b>	<b>-</b>	<b>1,315,000</b>	<b>1,315,000</b>	<b>1,315,000</b>	<b>-</b>	<b>3.65%</b>	<b>46.13%</b>

5.1.2.1 These Corporate Sukuk Bonds carry mark-up at the rate ranging between 17.07% to 18.45% (June 30, 2022: 11.61% to 15.1%) per annum.

	Note	December 31,	June 30,
		2022	2022
		(Un-Audited)	(Audited)
----- (Rupees in '000) -----			
5.2	<b>Financial assets at amortised cost</b>		
	Commercial papers	567,816	1,050,772
	Letter of placements	5,800,000	-
		<b>6,367,816</b>	<b>1,050,772</b>

### 5.2.1 Commercial papers

Name of investee company	Maturity date	As at July 1, 2022	Placement made during the year	Income accrued	Matured / sold during the year	As at December 31, 2022	Percentage of net assets	Percentage of total of investments
----- (Rupees in '000) -----								
China Power Hub Generation Company (Private) Limited	October 9, 2022	481,719	-	18,281	500,000	-	0.00%	0.00%
Lucky Electric Power Company Limited	November 2, 2022	569,053	-	30,947	600,000	-	0.00%	0.00%
K-Electric Limited	May 2, 2023	-	552,251	15,565	-	567,816	1.25%	2.52%
<b>Total - as at December 31, 2022</b>		<b>1,050,772</b>	<b>552,251</b>	<b>64,793</b>	<b>1,100,000</b>	<b>567,816</b>	<b>1.25%</b>	<b>2.52%</b>
<b>Total - as at June 30, 2022</b>		<b>-</b>	<b>2,493,555</b>	<b>137,850</b>	<b>1,580,633</b>	<b>1,050,772</b>	<b>2.91%</b>	<b>36.86%</b>

5.2.1.1 As at December 31, 2022, commercial papers issued by K-Electric Limited had a carrying value of Rs. 567.816 million (June 30, 2022: Nil) carrying effective yield of 8.65% (June 30, 2022: Nil) per annum.

## 5.2.2 Letter of placements

Particulars	Maturity date	As at July 1, 2022	Placement made during the year	Sold / Matured during the year	As at December 31, 2022	Carrying value as at December 31, 2022	Percentage of net assets	Percentage of total of investments
(Rupees in '000)								
Saudi Pak Industrial And Agricultural Investment Company	July 29, 2022	-	3,500,000	3,500,000	-	-	0.00%	0.00%
Askari Bank Limited	July 20, 2022	-	2,600,000	2,600,000	-	-	0.00%	0.00%
Askari Bank Limited	July 22, 2022	-	2,700,000	2,700,000	-	-	0.00%	0.00%
Askari Bank Limited	July 29, 2022	-	2,900,000	2,900,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	July 29, 2022	-	2,900,000	2,900,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 12, 2022	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 16, 2022	-	1,800,000	1,800,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 17, 2022	-	2,300,747	2,300,747	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 18, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	August 23, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 19, 2022	-	3,201,333	3,201,333	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 23, 2022	-	3,400,000	3,400,000	-	-	0.00%	0.00%
Askari Bank Limited	August 23, 2022	-	3,400,000	3,400,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 25, 2022	-	3,300,000	3,300,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 26, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Askari Bank Limited	August 26, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 1, 2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 2, 2022	-	2,503,123	2,503,123	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 9, 2022	-	3,000,000	3,000,000	-	-	0.00%	0.00%
Askari Bank Limited	September 9, 2022	-	500,000	500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 13, 2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 14, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 15, 2022	-	3,201,324	3,201,324	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 20, 2022	-	400,000	400,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	September 30, 2022	-	600,000	600,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	October 10, 2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	October 10, 2022	-	630,000	630,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	October 10, 2022	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	October 11, 2022	-	3,000,000	3,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 2, 2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 3, 2022	-	2,000,858	2,000,858	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	November 3, 2022	-	450,000	450,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	November 4, 2022	-	450,188	450,188	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 7, 2022	-	450,000	450,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 7, 2022	-	275,000	275,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 15, 2022	-	1,400,000	1,400,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	December 15, 2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 15, 2022	-	1,750,000	1,750,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 15, 2022	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	December 16, 2022	-	3,000,000	3,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 16, 2022	-	850,000	850,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	December 16, 2022	-	2,900,000	2,900,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 21, 2022	-	40,000	40,000	-	-	0.00%	0.00%
Askari Bank Limited	December 21, 2022	-	1,300,000	1,300,000	-	-	0.00%	0.00%
Askari Bank Limited	December 21, 2022	-	2,600,000	2,600,000	-	-	0.00%	0.00%
Askari Bank Limited	December 23, 2022	-	4,400,000	4,400,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	December 23, 2022	-	350,000	350,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	December 26, 2022	-	4,000,000	4,000,000	-	-	0.00%	0.00%
Askari Bank Limited	December 27, 2022	-	2,800,000	2,800,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 29, 2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 29, 2022	-	2,300,000	2,300,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	December 28, 2022	-	1,400,000	1,400,000	-	-	0.00%	0.00%
Meezan Bank Limited	January 6, 2023	-	4,300,000	-	4,300,000	4,300,000	9.43%	19.08%
Pak China Investment Company Limited	January 6, 2023	-	1,500,000	-	1,500,000	1,500,000	3.29%	6.65%
<b>Total - as at December 31, 2022</b>		-	<b>117,352,573</b>	<b>111,552,573</b>	<b>5,800,000</b>	<b>5,800,000</b>	<b>12.72%</b>	<b>25.73%</b>
<b>Total - as at June 30, 2022</b>		-	-	-	-	-	0.00%	0.00%

5.2.2.1 These Letter of Placements carry mark-up at the rate ranging between 14.05% to 16.25% (June 30, 2022: Nil) per annum.

6	ADVANCES, DEPOSITS AND PREPAYMENTS	Note	December 31, 2022	June 30, 2022
			(Un-Audited)	(Audited)
	Security deposit with:			
	Central Depository Company of Pakistan Limited		100	100
	Prepaid expenses		310	-
	Advance tax	6.1	1,032	1,032
			<b>1,442</b>	<b>1,132</b>

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

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

		<b>December 31, 2022</b>	<b>June 30, 2022</b>
		<b>(Un-Audited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	<b>-----</b>
<b>7</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration payable to the Management Company	19,335	5,658
	Sindh sales tax payable on the Management Company's remuneration	2,514	735
	Allocation of expenses related to registrar services, accounting, operation and valuation services	4,834	1,976
	Sales load payable	335	835
	Selling and marketing expenses payable	16,632	7,520
		<u>43,650</u>	<u>16,724</u>
<b>8</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee payable	1,772	1,360
	Sindh sales tax payable on the remuneration of the Trustee	230	177
		<u>2,002</u>	<u>1,537</u>
<b>9</b>	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee payable	3,489	6,139
<b>10</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty	7,528	7,528
	Withholding tax payable	110,419	73,445
	Sales load payable	900	-
	Auditors' remuneration	228	207
	Brokerage payable	354	174
	Other charges payable	36	121
	Zakat payable	165	154
		<u>119,630</u>	<u>81,629</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022. However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 7.528 million (June 30, 2022: Rs. 7.528 million). Had the provision not been made, the net asset value per unit of the Fund as at December 31, 2022 would have been higher by Rs. 0.0169 per unit (June 30, 2022: Rs. 0.0212 per unit).

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**11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2022 (June 30, 2022: Nil).

**12 TAXATION**

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealized) for the period ending June 30, 2022 to its unit holders.

**13 EARNINGS PER UNIT**

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

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

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

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

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

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

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

		Half year ended December 31,	
		2022	2021
		----- (Un-Audited) -----	
		----- (Rupees in '000) -----	

**14.1 Transaction during the period****HBL Asset Management Limited**

Remuneration of the Management Company	81,455	43,947
Sindh Sales Tax on remuneration of the Management Company	10,589	5,713
Allocation of expenses related to registrar services, accounting, operation and valuation services	36,379	2,766
Selling and marketing expense	36,379	2,843
Issuance of 3,328,207 units (2021: 2, 337,804 units)	339,402	236,863
Redemption of 1,763,803 units (2021: 2,438,996 units)	180,000	248,000
Dividend paid	8,773	1,938

	Half year ended December 31,	
	2022	2021
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	9,596	9,404
Sindh Sales Tax on remuneration of the Trustee	1,247	1,222
CDS connection charges	1	12
<b>Habib Bank Limited - Sponsor</b>		
Mark-up on bank deposits	130,363	334,570
Bank charges paid	474	360
<b>Directors and Executives of the Management Company</b>		
Issuance of 340,046 (2021: 116,572) units	34,647	11,855
Redemption of 361,403 (2021: 26,187) units	36,855	2,662
Dividend paid	645	474
<b>DCCL Trustee HBL Financial Planning Fund - Active Allocation Plan - Under Common Management</b>		
Issuance of 646,876 (2021: Nil) units	66,008	-
Redemption of Nil (2021: 14,992) units	-	1,522
Dividend paid	-	-
<b>DCCL Trustee HBL Financial Planning Fund - Conservative Allocation Plan - Under Common Management</b>		
Issuance of 9 (2021: 5) units	1	0
Dividend paid	1	0
<b>HBL Asset Management Limited - Employees Gratuity Fund - Associate</b>		
Issuance of 46,492 (2021: Nil) units	4,746	-
Dividend paid	12	-
<b>HBL Asset Management Limited - Employees Provident Fund - Associate</b>		
Issuance of 158,270 (2021: Nil) units	16,158	-
Dividend paid	42	-
<b>Mutual Fund Association of Pakistan - Due to Common Directorship</b>		
Issuance of 2,777 (2021: Nil) units	282	-
Redemption of 54,336 (2021: Nil) units	5,512	-
Dividend paid	331	-
<b>Pakistan Petroleum Limited - Due to Common Directorship</b>		
Issuance of 9,586,731 (2021: Nil) units	981,442	-
Dividend paid	24,378	-
<b>Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units</b>		
Issuance of 73,562,009 (2021: 56,000,000) units	7,503,200	5,705,381
Redemption of 59,520,216 (2021: Nil) units	6,065,568	-
Dividend paid	-	-
<b>CDC Trustee HBL Money Market Fund - Under Common Management</b>		
Purchase of Corporate Sukuk Bonds	302,555	-
Sale of Market Treasury Bills	1,487,586	-
<b>CDC Trustee HBL Equity Fund - Under Common Management</b>		
Purchase of Market Treasury Bills	14,827	-

	Half year ended December 31,	
	2022	2021
	----- (Un-Audited) ----- ----- (Rupees in '000) -----	
<b>CDC Trustee HBL Multi Asset Fund - Under Common Management</b>		
Purchase of Market Treasury Bills	24,732	-
<b>CDC Trustee HBL Stock Fund - Under Common Management</b>		
Purchase of Market Treasury Bills	24,732	-
<b>CDC Trustee HBL Growth Fund - Under Common Management</b>		
Purchase of Market Treasury Bills	34,625	-
<b>CDC Trustee HBL Islamic Income Fund - Under Common Management</b>		
Purchase of Corporate Sukuk Bonds	259,587	-
	<b>December 31,</b>	<b>June 30,</b>
	<b>2022</b>	<b>2022</b>
	<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>14.2 Balances outstanding as at period / year end</b>	----- (Rupees in '000) -----	
<b>HBL Asset Management Limited</b>		
Units held: 1,564,404 (June 30, 2022: Nil)	160,251	-
Payable to Management Company	19,335	5,658
Sindh sales tax on Management Company's remuneration	2,514	735
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	4,834	1,976
Sales load payable	335	835
Selling and marketing expense payable	16,632	7,520
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	2,002	1,537
Security deposit held	100	100
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	678,482	33,098,328
Mark-up receivable	1,537	351,431
Sales load payable	779	-
<b>Directors and Executives of the Management Company</b>		
Units held: 70,080 (June 30, 2022: 78,211)	7,179	7,928
<b>DCCL Trustee HBL Financial Planning Fund - Active Allocation Plan - Under Common Management</b>		
Units held: 646,876 (June 30, 2022: Nil)	66,263	-
<b>DCCL Trustee HBL Financial Planning Fund - Conservative Allocation Plan - Under Common Management</b>		
Units held: 146 (June 30, 2021: 137)	15	14
<b>HBL Asset Management Limited - Employees Gratuity Fund - Associate</b>		
Units held: 46,492 (June 30, 2022: Nil)	4,762	-



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**15.3 Transfers during the period**

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

**16 TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended December 31, 2022 is 0.48% (June 30, 2022: 0.47%) which includes 0.04% (June 30, 2022: 0.06%) representing Government levy and SECP fee.

**17 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 13, 2023.

**18 GENERAL**

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

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Stock Fund**

## FUND INFORMATION

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Name of Fund	HBL Stock Fund
Name of Auditor	A.F. Ferguson & Co.
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 Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited HBL Micro National Bank of Pakistan Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL STOCK FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Stock Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 23, 2023





A.F. FERGUSON & CO.

**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

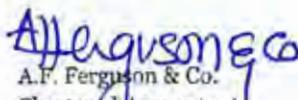
We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Stock Fund** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2022. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

**Scope of Review**

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

**Conclusion**

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



A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 27, 2023

Karachi

UDIN: RR202210061Wk72MPgxd

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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\*KARACHI \*LAHORE \*ISLAMABAD

**HBL Stock Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At December 31, 2022*

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	38,424	47,889
Investments	5	170,152	223,548
Dividend and profit receivable	6	1,161	1,442
Receivable against sale of investments		637	2,278
Advances and deposits	7	3,111	3,111
<b>Total assets</b>		213,485	278,268
<b>LIABILITIES</b>			
Payable to HBL Asset Management Limited - Management Company	8	943	2,333
Payable to Central Depository Company of Pakistan Limited - Trustee	9	34	65
Payable to the Securities and Exchange Commission of Pakistan	10	22	138
Payable against purchase of investments		512	-
Accrued expenses and other liabilities	11	39,809	40,095
<b>Total liabilities</b>		41,320	42,631
<b>NET ASSETS</b>		<u>172,165</u>	<u>235,637</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>172,165</u>	<u>235,637</u>
<b>Contingencies and commitments</b>	12		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<u>2,546,597</u>	<u>3,276,044</u>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<u>67.6059</u>	<u>71.9274</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

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

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

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

**HBL Stock Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For The Half Year And Quarter Ended December 31, 2022*

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
------(Rupees in '000)-----					
<b>INCOME</b>					
Dividend income		9,549	16,139	5,187	9,459
Profit on savings accounts with banks		3,588	2,231	1,941	905
Income on Government securities		138	225	-	225
Loss on sale of investments - net		(6,789)	(127,418)	(4,487)	(129,095)
		6,486	(108,823)	2,641	(118,506)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.4	(12,833)	(68,312)	(6,405)	67,249
<b>Total income</b>		<b>(6,347)</b>	<b>(177,135)</b>	<b>(3,764)</b>	<b>(51,257)</b>
<b>EXPENSES</b>					
Remuneration of HBL Asset Management Limited - Management Company	8.1 & 8.2	2,440	10,084	1,118	4,721
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 & 9.2	244	1,008	97	397
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	22	89	10	42
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.4	594	2,454	272	1,149
Selling and marketing expense	8.3	1,134	4,685	520	2,194
Securities transaction costs		775	2,426	432	1,473
Auditors' remuneration		273	353	152	193
Settlement and bank charges		399	378	259	193
Other expenses		186	149	57	116
		6,067	21,626	2,917	10,478
<b>Net operating loss for the period</b>		<b>(12,414)</b>	<b>(198,761)</b>	<b>(6,681)</b>	<b>(61,735)</b>
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	44,249	-	-
<b>Net loss for the period before taxation</b>		<b>(12,414)</b>	<b>(154,512)</b>	<b>(6,681)</b>	<b>(61,735)</b>
Taxation	15	-	-	-	-
<b>Net loss for the period after taxation</b>		<b>(12,414)</b>	<b>(154,512)</b>	<b>(6,681)</b>	<b>(61,735)</b>
<b>Earning per unit</b>	13				
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		-	-	-	-
Income already paid on redemption of units		-	-	-	-
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

## HBL Stock Fund

### Condensed Interim Statement of Comprehensive Income (Un-Audited)

For The Half Year And Quarter Ended December 31, 2022

	Half year ended		Quarter ended,	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net loss for the period after taxation	(12,414)	(154,512)	(6,681)	(61,735)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(12,414)</b>	<b>(154,512)</b>	<b>(6,681)</b>	<b>(61,735)</b>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**HBL Stock Fund**  
**Statement Of Movement In Unitholders' Fund (Un-Audited)**  
**For The Half Year Ended December 31, 2022**

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	-----Rupees in '000-----					
<b>Net assets as at the beginning of the period (audited)</b>	1,408,880	(1,173,243)	235,637	1,837,991	(886,646)	951,345
Issuance of 738,880 units (2021: 1,796,727 units)						
- Capital value (at net asset value per unit at the beginning of the period)	53,146	-	53,146	201,417	-	201,417
- Element of loss	(449)	-	(449)	(17,286)	-	(17,286)
<b>Total proceeds on issuance of units</b>	52,697	-	52,697	184,131	-	184,131
Redemption of 1,468,327 units (2021: 4,810,489 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(105,613)	-	(105,613)	(539,266)	-	(539,266)
- Element of income	1,858	-	1,858	82,627	-	82,627
<b>Total payments on redemption of units</b>	(103,755)	-	(103,755)	(456,639)	-	(456,639)
Total comprehensive loss for the period	-	(12,414)	(12,414)	-	(154,512)	(154,512)
Distribution during the period	-	-	-	-	-	-
Net loss for the period less distribution	-	(12,414)	(12,414)	-	(154,512)	(154,512)
<b>Net assets at the end of the period (un-audited)</b>	<b>1,357,822</b>	<b>(1,185,657)</b>	<b>172,165</b>	<b>1,565,483</b>	<b>(1,041,158)</b>	<b>524,325</b>
<b>Accumulated loss brought forward :</b>						
- Realised loss	(1,105,204)			(966,283)		
- Unrealised (loss) / income	(68,039)			79,637		
	(1,173,243)			(886,646)		
<b>Accounting income available for distribution:</b>						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	-			-		
Net loss for the period after taxation	(12,414)			(154,512)		
<b>Accumulated loss carried forward</b>	<b>(1,185,657)</b>			<b>(1,041,158)</b>		
<b>Accumulated loss carried forward :</b>						
- Realised loss	(1,172,824)			(972,846)		
- Unrealised loss	(12,833)			(68,312)		
	(1,185,657)			(1,041,158)		
	<b>(Rupees)</b>			<b>(Rupees)</b>		
Net asset value per unit at the beginning of the period	71.9274			112.1021		
Net asset value per unit at end of the period	67.6059			95.8082		

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Stock Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For The Half Year Ended December 31, 2022*

	Note	Half year ended December 31,	
		2022	2021
		----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss for the period before taxation		(12,414)	(154,512)
<b>Adjustments for non-cash items:</b>			
Profit on savings accounts with banks		(3,588)	(2,231)
Dividend income		(9,549)	(16,139)
Income on Government securities		(138)	(225)
Loss on sale of investments - net		6,789	127,418
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.4	12,833	68,312
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(44,249)
		(6,067)	(21,626)
<b>Decrease in assets</b>			
Investments - net		33,912	204,326
Receivable against sale of investments		1,641	515,248
Advances and deposits		-	7,249
		35,553	726,823
<b>(Increase) / decrease in liabilities</b>			
Payable to HBL Asset Management Limited - Management Company		(1,390)	(3,817)
Payable to Central Depository Company of Pakistan Limited - Trustee		(31)	(100)
Payable to the Securities and Exchange Commission of Pakistan		(116)	(311)
Payable against purchase of investments		512	
Accrued expenses and other liabilities		(286)	(1,049)
		(1,311)	(5,277)
Profit received on savings accounts with banks		4,085	2,431
Dividend received		9,333	18,969
		13,418	21,400
<b>Net cash generated from operating activities</b>		41,593	721,320
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		52,697	184,131
Payment against redemption and conversion of units		(103,755)	(956,639)
<b>Net cash used in from financing activities</b>		(51,058)	(772,508)
<b>Net decrease in cash and cash equivalents during the period</b>		(9,465)	(51,188)
Cash and cash equivalents at beginning of the period		47,889	102,568
<b>Cash and cash equivalents at end of the period</b>	4	38,424	51,380

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

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

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

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

# **HBL Stock Fund**

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

### **FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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

HBL Stock Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on August 09, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 21, 2007. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the "Sindh Trust Act, 2020". Accordingly, on September 8, 2021, the above-mentioned Trust Deed has been registered under the "Sindh Trust Act, 2020".

- 1.1 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.
- 1.2 The Fund is an open-ended mutual fund categorised as "Equity Scheme" and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from August 29, 2007 to August 31, 2007.
- 1.3 The principal activity of the Fund is to provide long-term capital growth by investing primarily in a diversified pool of equities and equities related instruments.
- 1.4 VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (December 31, 2021: AM++) and the outlook on the rating has been assigned as 'Stable'
- 1.5 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the trustee of the Fund.

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

##### **2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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, 2022.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking Finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balance used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

### 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these are not expected to have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----			
<b>4</b>			
<b>BANK BALANCES</b>			
Balances with banks in:			
Savings accounts	4.1	38,408	47,871
Current accounts		16	18
		<u>38,424</u>	<u>47,889</u>

4.1 This includes balances of Rs. 7.856 million (June 30, 2022: Rs. 7.92 million) with Habib Bank Limited (a related party) that carries profit at the rate of 8% (June 30, 2022: 10%) and Rs. 14.358 million (June 30, 2022: Rs. 0.009 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 15% (June 30, 2022: 13%). Other profit or loss accounts of the Fund carry profit at the rates of 10% to 17.25% (June 30, 2022: 7.8% to 16.7%) per annum.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
------(Rupees in '000) -----			
<b>5 INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss account</b>			
- Listed equity securities	5.1	170,152	223,548
- Market treasury bills	5.6	-	-
		170,152	223,548

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

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

Name of the investee company	As at July 01, 2022	Purchases during the period	Bonus / Rights issue	Sold during the period	As at December 31, 2022	Carrying Value as at December 31, 2022	Market value as at December 31, 2022	Unrealized appreciation / (diminution) as at December 31, 2022	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
									Total investments	Net assets	
						(Rupees in '000)		%			
<b>CEMENT</b>											
Cherat Cement Company Limited *	-	13,500	-	4,500	9,000	912	917	5	0.54%	0.53%	-
D.G. Khan Cement Company Limited *	-	216,500	-	216,355	145	9	8	(1)	-	-	-
Fauji Cement Company Limited	-	541,000	33,875	345,500	229,375	3,248	2,757	(491)	1.62%	1.60%	0.01%
Kohat Cement Limited	-	12,000	-	-	12,000	1,968	1,772	(196)	1.04%	1.03%	0.01%
Lucky Cement Limited *	-	35,300	-	31,423	3,877	1,973	1,731	(242)	1.02%	1.01%	-
Maple Leaf Cement Factory Limited (note 5.2)	-	361,000	-	28,000	333,000	9,432	7,516	(1,916)	4.42%	4.37%	0.03%
Attock Cement Pakistan Limited	137,200	-	-	137,200	-	-	-	-	-	-	-
Pioneer Cement Limited	-	131,105	-	13,000	118,105	8,370	6,074	(2,296)	3.57%	3.53%	0.05%
	<b>137,200</b>	<b>1,310,405</b>	<b>33,875</b>	<b>775,978</b>	<b>705,502</b>	<b>25,912</b>	<b>20,775</b>	<b>(5,137)</b>	<b>12.20%</b>	<b>12.06%</b>	
<b>CHEMICAL</b>											
Engro Polymer & Chemicals Limited	29,000	83,500	-	112,500	-	-	-	-	-	-	-
Descon Oxychem Limited	-	243,500	-	110,500	133,000	3,333	2,934	(399)	1.72%	1.70%	0.08%
	<b>29,000</b>	<b>327,000</b>	<b>-</b>	<b>223,000</b>	<b>133,000</b>	<b>3,333</b>	<b>2,934</b>	<b>(399)</b>	<b>1.72%</b>	<b>1.70%</b>	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
The Hub Power Company Limited (note 5.2)	113,558	70,000	-	99,500	84,058	5,611	5,302	(309)	3.12%	3.08%	0.01%
Nishat Power Limited	-	139,500	-	40,000	99,500	2,010	1,812	(198)	1.06%	1.05%	0.03%
	<b>113,558</b>	<b>209,500</b>	<b>-</b>	<b>139,500</b>	<b>183,558</b>	<b>7,621</b>	<b>7,114</b>	<b>(507)</b>	<b>4.18%</b>	<b>4.13%</b>	
<b>ENGINEERING</b>											
Mughal Iron & Steel Industries Limited (note 5.3)	20,889	-	-	-	20,889	1,204	1,009	(195)	0.59%	0.59%	0.01%
	<b>20,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,889</b>	<b>1,204</b>	<b>1,009</b>	<b>(195)</b>	<b>0.59%</b>	<b>0.59%</b>	
<b>PHARMACEUTICALS</b>											
The Searle Company Limited * (note 5.3)	9,532	-	2,383	-	11,915	1,039	701	(338)	0.41%	0.41%	-
	<b>9,532</b>	<b>-</b>	<b>2,383</b>	<b>-</b>	<b>11,915</b>	<b>1,039</b>	<b>701</b>	<b>(338)</b>	<b>0.41%</b>	<b>0.41%</b>	
<b>Properties</b>											
TPL Properties Limited	-	220,000	-	128,700	91,300	1,730	1,552	(178)	0.91%	0.90%	0.02%
	<b>-</b>	<b>220,000</b>	<b>-</b>	<b>128,700</b>	<b>91,300</b>	<b>1,730</b>	<b>1,552</b>	<b>(178)</b>	<b>0.91%</b>	<b>0.90%</b>	
<b>MISCELLANEOUS</b>											
Pakistan Aluminium Beverage Cans Limited	-	23,000	-	-	23,000	897	893	(4)	0.52%	0.52%	0.01%
	<b>-</b>	<b>23,000</b>	<b>-</b>	<b>-</b>	<b>23,000</b>	<b>897</b>	<b>893</b>	<b>(4)</b>	<b>0.52%</b>	<b>0.52%</b>	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited *	-	7,500	-	2,235	5,265	8,379	8,145	(234)	4.79%	4.73%	-
Oil & Gas Development Company Limited * (note 5.2)	229,055	84,000	-	200,300	112,755	8,810	8,982	172	5.28%	5.22%	-
Pakistan Oilfields Limited *	17,231	3,650	-	10,535	10,346	4,089	4,064	(25)	2.39%	2.36%	-
Pakistan Petroleum Limited * (note 5.2)	264,619	44,500	-	195,833	113,286	7,699	7,719	20	4.54%	4.48%	-
	<b>510,905</b>	<b>139,650</b>	<b>-</b>	<b>408,903</b>	<b>241,652</b>	<b>28,977</b>	<b>28,910</b>	<b>(67)</b>	<b>16.99%</b>	<b>16.79%</b>	
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Attock Petroleum Limited	-	13,459	-	1,000	12,459	3,545	3,610	65	2.12%	2.10%	0.01%
Sui Northern Gas Pipeline Limited	-	70,500	-	70,500	-	-	-	-	-	-	-
Pakistan State Oil Company Limited (note 5.2 & 5.3)	61,341	9,900	-	33,100	38,141	6,524	5,492	(1,032)	3.23%	3.19%	0.01%
	<b>61,341</b>	<b>93,859</b>	<b>-</b>	<b>104,600</b>	<b>50,600</b>	<b>10,069</b>	<b>9,102</b>	<b>(967)</b>	<b>5.35%</b>	<b>5.29%</b>	
<b>Balance carried forward</b>						<b>80,782</b>	<b>72,990</b>	<b>(7,792)</b>			

Name of the investee company	As at July 01, 2022	Purchases during the period	Bonus / Rights issue	Sold during the period	As at December 31, 2022	Carrying Value as at December 31, 2022	Market value as at December 31, 2022	Unrealized appreciation / (diminution) as at December 31, 2022	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
									Total investments	Net assets	
					(Rupees in '000)					%	
<b>Balance brought forward</b>						<b>80,782</b>	<b>72,990</b>	<b>(7,792)</b>			
<b>REFINERY</b>											
Attock Refinery Limited	51,500	15,500	-	53,500	13,500	2,135	1,938	(197)	1.14%	1.13%	0.01%
National Refinery Limited	21,400	9,960	-	15,575	15,785	3,836	2,779	(1,057)	1.63%	1.61%	0.02%
	<b>72,900</b>	<b>25,460</b>	<b>-</b>	<b>69,075</b>	<b>29,285</b>	<b>5,971</b>	<b>4,717</b>	<b>(1,254)</b>	<b>2.77%</b>	<b>2.74%</b>	
<b>COMMERCIAL BANKS</b>											
Bank Alfalah Limited *	172,100	215,000	-	358,900	28,200	922	850	(72)	0.50%	0.49%	-
Bank Al Habib Limited *	5	-	-	-	5	-	-	-	-	-	-
BankIslami Pakistan Limited	-	100,000	-	41,500	58,500	848	782	(66)	0.46%	0.45%	0.01%
Faysal Bank Limited * (note 5.3)	104,018	35,500	-	88,000	51,518	1,319	1,331	12	0.78%	0.77%	-
Habib Bank Limited (note 5.2)	97,158	251,500	-	211,158	137,500	9,583	8,763	(820)	5.15%	5.09%	0.01%
Habib Metropolitan Bank Limited (note 5.2)	125,000	-	-	-	125,000	4,881	4,244	(637)	2.49%	2.47%	0.01%
Standard Chartered Bank (Pak) Ltd	677,000	-	-	677,000	-	-	-	-	-	-	-
MCB Bank Limited * (note 5.2)	56,389	-	-	-	56,389	6,935	6,550	(385)	3.85%	3.80%	-
Meezan Bank Limited (note 5.2)	42,296	74,500	3,729	23,300	97,225	10,718	9,678	(1,040)	5.69%	5.62%	0.01%
United Bank Limited (note 5.2)	137,907	91,980	-	144,821	85,066	9,474	8,570	(904)	5.04%	4.98%	0.01%
	<b>1,411,873</b>	<b>768,480</b>	<b>3,729</b>	<b>1,544,679</b>	<b>639,403</b>	<b>44,680</b>	<b>40,768</b>	<b>(3,912)</b>	<b>23.96%</b>	<b>23.68%</b>	
<b>FERTILIZER</b>											
Engro Corporation Limited * (note 5.2)	64,010	38,700	-	78,685	24,025	5,909	6,295	386	3.70%	3.66%	-
Engro Fertilizers Limited *	101,439	102,003	-	141,442	62,000	4,901	4,767	(134)	2.80%	2.77%	-
Fauji Fertilizer Company Limited *	143,704	-	-	121,700	22,004	2,425	2,172	(253)	1.28%	1.26%	-
	<b>309,153</b>	<b>140,703</b>	<b>-</b>	<b>341,827</b>	<b>108,029</b>	<b>13,235</b>	<b>13,234</b>	<b>(1)</b>	<b>6.50%</b>	<b>6.43%</b>	
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Octopus Digital Limited	-	45,000	-	15,000	30,000	1,979	1,700	(279)	1.00%	0.99%	0.02%
Avanceon Limited	-	138,682	-	55,500	83,182	6,448	5,493	(955)	3.23%	3.19%	0.03%
TRG Pakistan Limited *	-	72,700	-	63,700	9,000	1,039	976	(63)	0.57%	0.57%	-
Hum Network Limited	200,000	125,000	-	325,000	-	-	-	-	-	-	-
NetSol Technologies Limited	-	106,300	-	76,175	30,125	3,357	2,586	(771)	1.52%	1.50%	0.03%
Systems Limited	-	19,500	-	2,500	17,000	8,280	8,227	(53)	4.84%	4.78%	0.01%
TPL Trakker Limited	1,546,500	5,000	-	-	1,551,500	13,418	16,415	2,997	9.65%	9.53%	0.83%
	<b>1,746,500</b>	<b>512,182</b>	<b>-</b>	<b>537,875</b>	<b>1,720,807</b>	<b>34,521</b>	<b>35,397</b>	<b>876</b>	<b>20.80%</b>	<b>20.56%</b>	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>											
Unity Foods Limited	236,900	240,000	-	476,900	-	-	-	-	-	-	-
The Organic Meat Company Limited	277,449	81,000	-	282,449	76,000	1,916	1,570	(346)	0.92%	0.91%	0.06%
At-Tahur Limited	-	78,500	7,850	-	86,350	1,880	1,476	(404)	0.87%	0.86%	0.04%
	<b>514,349</b>	<b>399,500</b>	<b>7,850</b>	<b>759,349</b>	<b>162,350</b>	<b>3,796</b>	<b>3,046</b>	<b>(750)</b>	<b>1.79%</b>	<b>1.77%</b>	
<b>TEXTILE COMPOSITE</b>											
Gul Ahmed Textile Mills Limited	86,800	-	-	86,800	-	-	-	-	-	-	-
	<b>86,800</b>	<b>-</b>	<b>-</b>	<b>86,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>INSURANCE</b>											
TPL Insurance Limited	35,500	-	-	35,500	-	-	-	-	-	-	-
IGI Life Insurance Limited	77,000	-	-	77,000	-	-	-	-	-	-	-
	<b>112,500</b>	<b>-</b>	<b>-</b>	<b>112,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>AUTOMOBILE ASSEMBLER</b>											
Millat Tractors Limited	-	5,500	-	5,500	-	-	-	-	-	-	-
	<b>-</b>	<b>5,500</b>	<b>-</b>	<b>5,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total as at December 31, 2022</b>	<b>5,136,500</b>	<b>4,175,239</b>	<b>47,837</b>	<b>5,238,286</b>	<b>4,121,290</b>	<b>182,985</b>	<b>170,152</b>	<b>(12,833)</b>			
<b>Total as at June 30, 2022</b>	<b>14,659,974</b>	<b>19,892,197</b>	<b>159,882</b>	<b>29,575,553</b>	<b>5,136,500</b>	<b>291,587</b>	<b>223,548</b>	<b>(68,039)</b>			

5.2 The above investments include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particular	(Un-audited)		(Audited)	
	December 31, 2022		June 30, 2022	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
The Hub Power Company Limited	80,010	5,047	100,010	6,818
MCB Bank Limited	45,264	5,258	45,264	5,567
Habib Metropolitan Bank Limited	100,000	3,395	-	-
Oil and Gas Development Company Limited	110,300	8,786	195,000	15,341
Pakistan Petroleum Limited	111,600	7,604	235,000	15,865
Pakistan State Oil Company Limited	33,500	4,824	47,000	8,076
United Bank Limited	83,000	8,362	110,000	12,444
Attock Cement Pakistan Limited	-	-	136,800	9,097
Engro Corporation Limited	21,200	5,555	50,000	12,855
Faysal Bank Limited	-	-	70,000	1,614
Habib Bank Limited	100,000	6,373	88,500	8,084
Standard Chartered Bank (Pak) Limited	-	-	650,000	12,422
TPL Trakker Limited	-	-	1,507,000	13,036
Meezan Bank Limited	70,000	6,968	-	-
Maple Leaf Cement Factory Limited	200,000	4,514	-	-
	<u>954,874</u>	<u>66,686</u>	<u>3,234,574</u>	<u>121,219</u>

5.3 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which were already pending or to be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at December 31, 2022, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

Name of the Investee Company	(Un-audited)		(Audited)	
	December 31, 2022		June 30, 2022	
	Bonus shares			
	Number of shares withheld	Rupees in '000	Number of shares withheld	Rupees in '000
Mughal Iron & Steel Industries Limited	20,889	1,009	20,889	1,204
The Searle Company Limited	11,915	701	9,532	1,039
Pakistan State Oil Company Limited	3,503	504	3,503	602
Faysal Bank Limited	26,018	672	26,018	600
	<u>62,325</u>	<u>2,886</u>	<u>59,942</u>	<u>3,445</u>

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----			
<b>5.4 Net unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss'</b>			
Market value of investments	5.1	170,152	223,548
Less: carrying value of investments	5.1	(182,985)	(291,587)
		<u>(12,833)</u>	<u>(68,039)</u>

**5.5 Disclosure Under Circular 16 Of 2010 Issued By The Securities And Exchange Commission Of Pakistan - Categorisation Of Open End Scheme**

The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. HBL Asset Management Limited (Management Company) classified HBL Stock Fund (the Fund) as 'Equity Scheme' in accordance with the said circular. As at December 31, 2022, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	% of net assets	% of total investments
----- (Rupees in '000) -----				----- (%) -----		
Dewan Cement Limited	TFC	25,000	25,000	-	-	-

## 5.6 Market treasury bills - 'at fair value through profit or loss'

Particulars	Issue date	Face value				Balance as at December 31, 2022			Market value as a percentage of	
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets	Total investments
					(Rupees)			(%)		
<b>Market treasury bills- 3-months</b>										
Market treasury bills	June 2, 2022	-	25,000	25,000	-	-	-	-	-	
<b>Total as at December 31, 2022</b>										
<b>Total as at June 30, 2022</b>										

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>6 DIVIDEND AND PROFIT RECEIVABLE</b>	----- (Rupees in '000) -----	
Dividend receivable	635	419
Profit receivable on bank balances	526	1,023
	<u>1,161</u>	<u>1,442</u>
	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>7 ADVANCES AND DEPOSITS</b>	----- (Rupees in '000) -----	
Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited	100	100
Advance tax	511	511
Advance against subscription of Term Finance Certificates (TFC)	7.1 25,000	25,000
	<u>28,111</u>	<u>28,111</u>
Less: Provision in respect of advance against subscription of term finance certificates	7.1 (25,000)	(25,000)
	<u>3,111</u>	<u>3,111</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 December 31, 2022. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at December 31, 2022, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

8	<b>PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
			----- (Rupees in '000) -----	
	Remuneration payable	8.1	302	409
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	39	53
	Selling and marketing expenses payable	8.3	519	877
	Allocation of expenses related to registrar services, accounting, operation and valuation services	8.4	83	105
	Sales load payable		-	889
			943	2,333

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 30, 2022: 2%) per annum of the average net assets of the Fund during the period ended December 31, 2022. The remuneration is payable to the Management Company monthly in arrears.

8.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

8.3 'The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company has charged selling and marketing expenses based on its discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the rate of 1.05% of average annual net assets of the Fund (June 30, 2022: 0.8% to 1.05%).

8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged 0.55% of the average annual net assets of the Fund during the period ended December 31, 2022 (June 30, 2022: 0.55%).

9	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
			----- (Rupees in '000) -----	
	Remuneration payable to the Trustee	9.1	30	58
	Sindh Sales Tax payable on remuneration of the Trustee	9.2	4	7
			34	65

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the tariff structure is as follows:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.20% p.a. of Net Assets
- From Rs 1,000 million to Rs 5,000 million	Rs. 2.0 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs.1,000 million.

- 9.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>10</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	----- (Rupees in '000) -----	
	Annual fee payable	10.1	22
			138

- 10.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (June 30, 2022: 0.02%) per annum of average annual net assets of the Fund.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>11</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	----- (Rupees in '000) -----	
	Provision for Federal Excise Duty	11.1	37,838
	Withholding tax payable		764
	Auditors' remuneration payable		311
	Brokerage payable		102
	Other payable		794
			39,809
			40,095

- 11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 37.838 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 14.86 (June 30, 2022: Rs 11.55)

## 12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

## 13 EARNINGS PER UNIT

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

## 14 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at December 31, 2022 based on current period results is 5.66% (December 31, 2021: 2.44%), which includes 0.40% (December 31, 2021: 0.15%) representing government levies on the fund and annual fee to SECP. The maximum ratio limit as prescribed under the NBFC Regulation for a collective Investment Scheme categorised as an 'Equity Scheme' is 4.5% which is required to be complied on an annual basis by the fund.

## 15 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 available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Fund has incurred net loss during the current period, therefore no provision for taxation has been made in these condensed interim financial statements.

16.1 Transactions during the period	(Un-audited) Half year ended December 31,	
	2022	2021
	----- (Rupees in '000) -----	
<b>HBL Asset Management Limited - Management Company</b>		
Management Fee including sales tax thereon	2,440	10,084
Allocation of expenses related to registrar services, accounting, operation and valuation services	594	2,454
Selling and marketing expense	1,134	4,685
<b>Habib Bank Limited - Sponsor</b>		
Bank charges	5	5
Bank profit	620	865
Dividend income	200	720
Redemption of nil units (December 31, 2021: 1,601,828)	-	150,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration including sales tax thereon	244	1,008
Central Depository service charges	146	106

		(Un-audited) Half year ended December 31,	
		2022	2021
		----- (Rupees in '000) -----	
<b>HBL Equity Fund</b>			
	Sale of equity securities	-	1,090
<b>MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>			
	Issuance of 9,404 units (December 31, 2021: nil units)	644	-
	Redemption of 103,540 units (December 31, 2021: nil units)	7,136	-
<b>HBL Micro Finance Bank (Formerly First Micro Finance Bank) - an associate</b>			
	Bank profit	1,315	-
<b>16.2</b>	<b>Balances outstanding as at period / year end</b>	<b>(Un-audited) December 31, 2022</b>	<b>(Audited) June 30, 2022</b>
		----- (Rupees in '000) -----	
<b>HBL Asset Management Limited - Management Company</b>			
	Management fee payable including sales tax thereon	341	462
	Sales load payable	-	889
	Selling and marketing expenses payable	519	877
	Allocation of expenses related to registrar services, accounting, operation and valuation services payable	83	105
<b>Habib Bank Limited - Sponsor</b>			
	Bank balances	7,856	7,920
	Profit receivable	49	34
<b>HBL Micro Finance Bank (Formerly First Micro Finance Bank) - an associate</b>			
	Bank balance	14,358	9
	Profit receivable	280	-

Balances outstanding as at period / year end	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
<b>Directors and Executives of the Management Company and their relatives</b>		
Outstanding 1,579 (June 30, 2022: 1,579) units	107	114
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - an associate</b>		
Outstanding 48,324 (June 30, 2022: 142,460) units	3,267	10,247
<b>Jaffer Brothers (Private) Limited and Associated Companies Staff Provident Fund - an associate</b>		
Outstanding 715,854 (June 30, 2022: 715,854) units	48,396	51,490
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable including sales tax thereon	34	65
Security deposit	100	100

## 17 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

------(Un-audited)-----			
----- As at December 31, 2022 -----			
Level 1	Level 2	Level 3	Total
<b>Financial assets ' at fair value through profit or loss'</b>			
- Quoted equity securities			
170,152	-	-	170,152
<b>------(Audited)-----</b>			
<b>----- As at June 30, 2022 -----</b>			
Level 1	Level 2	Level 3	Total
<b>Financial assets ' at fair value through profit or loss'</b>			
- Quoted equity securities			
223,548	-	-	223,548

**18 GENERAL**

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

**19 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 13, 2023.

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

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

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

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

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# **HBL**

## **Equity Fund**

## FUND INFORMATION

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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 Khushhali Bank Limited HBL Microfinance Bank Limited Mobilink Microfinance Bank Limited National Bank Limited Zarai Taraqati Bank Limited Allied Bank Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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Email: info@cdcpak.com



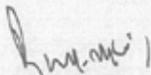
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL EQUITY FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Equity Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 24, 2023





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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL EQUITY FUND ("the Fund") as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2022 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

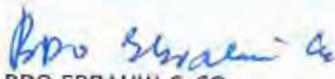
### Other matter

The figures for the quarter ended December 31, 2022 and December 31, 2021 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2023

UDIN: RR202210166nW9VMg4PL

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Tariq Feroz Khan

**HBL Equity Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
**AS AT DECEMBER 31, 2022**

	December 31, 2022	June 30, 2022
Note	----- Rupees in '000 -----	
<b>ASSETS</b>		
Bank balances	4	8,801
Investments	5	406,352
Dividend and mark-up receivable		243
Receivable against sale of investments - net		17,035
Advances, deposits and prepayments	6	2,929
<b>TOTAL ASSETS</b>		<b>435,360</b>
<b>LIABILITIES</b>		
Payable to the Management Company	7	2,255
Payable to the Trustee	8	98
Payable to Securities and Exchange Commission of Pakistan	9	61
Accrued expenses and other liabilities	10	6,881
<b>TOTAL LIABILITIES</b>		<b>9,295</b>
<b>NET ASSETS</b>		<b>426,065</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>426,065</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	11	
	-----Number of units-----	
Number of units in issue	6,021,803	10,643,257
	-----Rupees-----	
Net assets value per unit	70.7537	76.8634

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

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

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

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

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

**HBL Equity Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
(Rupees in '000)					
<b>Income</b>					
Capital loss on sale of investments - net		(18,007)	(120,724)	(8,461)	(122,187)
Dividend income		20,909	28,561	9,131	16,838
Mark-up on bank deposits		2,021	1,309	643	782
Income from Government securities		71	20	-	-
		4,994	(90,834)	1,313	(104,567)
Unrealized diminution on re-measurement of investments classified as financial asset at 'fair value through profit or loss'- net	5.1	(27,856)	(329,562)	(22,918)	(10,495)
		(22,862)	(420,396)	(21,604)	(115,062)
<b>Expenses</b>					
Remuneration of the Management Company		6,133	18,533	2,368	8,006
Sindh Sales Tax on remuneration of the Management Company		797	2,409	308	1,041
Remuneration of the Trustee		613	1,431	237	551
Sindh Sales Tax on remuneration of the Trustee		80	186	31	186
Annual fee to Securities and Exchange Commission of Pakistan		61	185	23	80
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,687	4,976	652	2,202
Selling and marketing expenses		3,220	9,643	1,243	4,203
Auditors' remuneration		258	262	146	155
Fees and subscription		14	98	7	60
Securities transaction cost and settlement charges		4,167	5,693	2,362	2,217
Bank charges		38	102	16	56
Printing charges		126	-	33	-
		17,194	43,518	7,426	18,757
<b>Net loss for the period from operating activities</b>		(40,056)	(463,914)	(29,030)	(133,819)
Reversal of provision for Sindh Workers' Welfare Fund		-	8,197	-	-
<b>Net loss for the period before taxation</b>		(40,056)	(455,717)	(29,030)	(133,819)
Taxation	12	-	-	-	-
<b>Net loss for the period after taxation</b>		(40,056)	(455,717)	(29,030)	(133,819)
<b>Allocation of net income for the period</b>					
Income already paid on redemption of units		-	-	-	-
Accounting income available for distribution:					
Relating to capital gains		-	-	-	-
Excluding capital gains		-	-	-	-
		-	-	-	-
		-	-	-	-
<b>Earnings per unit</b>	13				

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Equity Fund****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

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	<u>Half year ended</u> <u>December 31,</u>		<u>Quarter ended,</u> <u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	----- (Rupees in '000) -----			
Net loss for the period after taxation	(40,056)	(455,717)	(29,030)	(133,819)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(40,056)</u>	<u>(455,717)</u>	<u>(29,030)</u>	<u>(133,819)</u>

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

# HBL Equity Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half year ended December 31,					
	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	1,525,280	(707,203)	818,077	2,106,739	163,627	2,270,366
Issuance of 297,189 units (2021: 5,259,257 units)						
Capital value (at net asset value per unit at the beginning of the period)	22,843	-	22,843	736,009	-	736,009
Element of loss	(511)	-	(511)	(112,057)	-	(112,057)
<b>Total proceeds on issuance of units</b>	<b>22,332</b>	<b>-</b>	<b>22,332</b>	<b>623,952</b>	<b>-</b>	<b>623,952</b>
Redemption of 4,918,643 units (2021: 7,063,141 units)						
Capital value (at net asset value per unit at the beginning of the period)	(378,064)	-	(378,064)	(988,454)	-	(988,454)
Income already paid on redemption of units	-	-	-	-	-	-
Element of income	3,776	-	3,776	123,021	-	123,021
<b>Total payments on redemption of units</b>	<b>(374,288)</b>	<b>-</b>	<b>(374,288)</b>	<b>(865,433)</b>	<b>-</b>	<b>(865,433)</b>
Total comprehensive loss for the period	-	(40,056)	(40,056)	-	(455,717)	(455,717)
<b>Net assets at end of the period</b>	<b>1,173,324</b>	<b>(747,259)</b>	<b>426,065</b>	<b>1,865,258</b>	<b>(292,090)</b>	<b>1,573,168</b>
<b>Undistributed accumulated (loss)/ income brought forward</b>						
Realised (loss) / income		(340,374)			108,165	
Unrealised (loss) / income		(366,829)			55,462	
		(707,203)			163,627	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		-			-	
Total comprehensive loss for the period		(40,056)			(455,717)	
Accumulated loss carried forward		(747,259)			(292,090)	
<b>Accumulated Loss carried forward</b>						
Realised (loss) / income		(719,403)			37,472	
Unrealised loss		(27,856)			(329,562)	
		(747,259)			(292,090)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			76.8634			139.9454
Net assets value per unit at end of the period			70.7537			109.1012

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

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

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

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

\_\_\_\_\_  
Director

**HBL Equity Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	2022	2021
Note	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Loss for the year before taxation	(40,056)	(455,717)
Adjustments for:		
Capital loss on sale of investments - net	18,007	120,724
Dividend income	(20,909)	(28,561)
Mark-up on bank deposits	(2,021)	(1,309)
Income from Government Securities	(71)	(20)
Unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit	27,856	329,562
	(17,194)	(35,321)
<b>Decrease / (increase) in assets</b>		
Investments - net	339,061	131,835
Advances, deposits and prepayments	(14)	(97)
Advance for purchase of investment	-	8,563
Receivable against sale of investments - net	(11,681)	-
	327,366	140,301
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	(4,846)	3,177
Payable to the Trustee	(82)	(13)
Payable to Securities and Exchange Commission of Pakistan	(248)	(51)
Payable against purchase of investments - net	-	(549,013)
Accrued expenses and other liabilities	124	(13,190)
	(5,052)	(559,090)
Cash generated from / (used in) operations	305,120	(454,110)
Dividend received	20,898	34,311
Income received from Government securities	71	20
Mark-up received on bank deposits	3,306	1,458
	24,275	35,789
Net Cash generated from / (used in) operating activities	329,395	(418,321)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	22,332	623,952
Payment against redemption of units	(374,288)	(800,612)
Net cash used in financing activities	(351,956)	(176,660)
Net decrease in cash and cash equivalents during the year	(22,561)	(594,981)
Cash and cash equivalents at the beginning of the year	31,362	701,869
Cash and cash equivalents at the end of the year	4 8,801	106,888

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

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

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

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

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

# **HBL Equity Fund**

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

### **FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

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

HBL Equity Fund ("the Fund") was established under a Trust Deed executed between HBL Asset Company 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.

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

The Fund is an open-ended mutual fund 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 September 24, 2011 to September 26, 2011. 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 an equity scheme as per the criteria laid down by the SECP for categorisation of the Collective Investment Schemes (CISs).

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company as at December 30, 2022.

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

##### **2.1 Statement of compliance**

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

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2022.

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- 2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2022, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2021.
- 2.1.4 This condensed interim financial information is unaudited but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.

## **2.2 Basis of measurement**

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

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

## **2.3 Functional and presentation currency**

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

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

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2022.

4	BANK BALANCES	Note	December 31,	June 30,
			2022	2022
			(Un-Audited)	(Audited)
			----- (Rupees in '000) -----	
	Cash at bank			
	In savings accounts	4.1	8,097	30,658
	In current accounts		704	704
			8,801	31,362

4.1 These accounts carry mark-up ranges from 13.00% to 17.00% (2022: 5.00% to 17.00%) per annum. This includes an amount held with Habib Bank Limited (a related party) amounting to Rs. 1.318 million (2022: Rs. 2.916 million) on which return is earned at 14.50% (2022: 10%) per annum. and HBL Microfinance Bank Limited (a related party) amounting to Rs. 0.411 million (2022: Rs. 0.01 million) on which returned earned is 17.00% (2022: 17.25%).

5	INVESTMENTS	Note	December 31,	June 30,
			2022	2022
			(Un-Audited)	(Audited)
			----- (Rupees in '000) -----	
	Financial assets at fair value through profit or loss			
	Listed equity securities	5.1	406,352	791,276

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

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

Name of the investee Companies (Sector wise)	Notes	As at July 1, 2022	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2022	Carrying Amount as at December 31, 2022	Market Value as at December 31, 2022	Unrealised appreciation/ (diminution) on re- measurement of investments	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
<b>Automobile Assembler</b>												
Miltat Tractors Limited		-	4,539	-	4,539	-	-	-	-	0.00%	0.00%	0.00%
		-	4,539	-	4,539	-	-	-	-	0.00%	0.00%	0.00%
<b>CEMENT</b>												
DG Khan Cement Limited		-	1,079,500	-	829,500	250,000	15,129	12,910	(2,219)	3.18%	3.03%	0.06%
Lucky Cement Limited		-	27,000	-	27,000	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited		-	1,561,250	-	811,250	750,000	21,313	16,928	(4,385)	4.17%	3.97%	0.07%
Cherat Cement Company Limited.		-	235,952	-	165,952	70,000	8,701	7,133	(1,567)	1.76%	1.67%	0.04%
Attock Cement Pakistan Limited	653,800	-	22,500	-	412,800	263,500	17,685	14,901	(2,784)	3.67%	3.50%	0.19%
Fauji Cement Co. Limited		-	1,348,500	-	1,348,500	-	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited		-	355,000	-	105,000	250,000	18,349	12,858	(5,491)	3.16%	3.02%	0.11%
Kohat Cement Limited		-	29,000	-	29,000	-	-	-	-	0.00%	0.00%	0.00%
		653,800	4,658,702	-	3,729,002	1,583,500	81,177	64,730	(16,445)	15.94%	15.19%	0.46%
<b>CHEMICAL</b>												
Engro Polymer & Chemicals Limited		97,500	150,000	-	247,500	-	-	-	-	0.00%	0.00%	0.00%
		97,500	150,000	-	247,500	-	-	-	-	0.00%	0.00%	0.00%
<b>COMMERCIAL BANKS</b>												
Bank Al-Falah Limited		269,125	249,391	-	168,516	350,000	11,665	10,549	(1,116)	2.60%	2.48%	0.02%
Faysal Bank Limited		422,440	655,000	-	827,940	249,500	6,802	6,445	(357)	1.59%	1.51%	0.02%
MCB Bank Limited		170,000	-	-	170,000	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited		-	361,300	-	186,300	175,000	19,530	17,420	(2,110)	4.29%	4.09%	0.01%
United Bank Limited		560,486	38,784	-	429,270	170,000	19,258	17,128	(2,130)	4.21%	4.02%	0.01%
Habib Bank Limited*		439,880	350,000	-	789,880	-	-	-	-	0.00%	0.00%	0.00%
Standard Chartered Bank (Pakistan) Limited		2,955,500	58,500	-	3,014,000	-	-	-	-	0.00%	0.00%	0.00%
		4,817,431	1,712,975	-	5,585,906	944,500	57,255	51,542	(5,713)	12.69%	12.10%	0.06%
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>												
Unity Foods Limited		636,379	1,212,463	-	1,848,842	-	-	-	-	0.00%	0.00%	0.00%
		636,379	1,212,463	-	1,848,842	-	-	-	-	0.00%	0.00%	0.00%
<b>ENGINEERING</b>												
Mughal Iron & Steel Inds Limited		215,781	-	-	215,781	-	-	-	-	0.00%	0.00%	0.00%
		215,781	-	-	215,781	-	-	-	-	0.00%	0.00%	0.00%
<b>FERTILIZER</b>												
Engro Corporation Limited		177,750	182,353	-	340,103	20,000	4,803	5,240	437	1.29%	1.23%	0.00%
Fauji Fertilizer Co Limited		547,404	203,396	-	750,800	-	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizers Limited		50,402	50,835	-	101,237	-	-	-	-	0.00%	0.00%	0.00%
		775,556	436,584	-	1,192,140	20,000	4,803	5,240	437	1.29%	1.23%	0.00%
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>												
Pakistan Oilfields Limited		31,425	7,575	-	39,000	-	-	-	-	0.00%	0.00%	0.00%
Oil & Gas Development Co Limited		559,500	623,000	-	682,500	500,000	38,494	39,830	1,336	9.80%	9.35%	0.01%
Pakistan Petroleum Limited		616,861	845,205	-	777,066	685,000	41,357	46,676	5,319	11.49%	10.96%	0.03%
Mari Petroleum Company Limited		3,500	6,050	-	9,550	-	-	-	-	0.00%	0.00%	0.00%
		1,211,286	1,481,830	-	1,508,116	1,185,000	79,851	86,506	6,655	21.29%	20.31%	0.04%

Name of the investee Companies (sector wise)	Notes	As at July 1, 2022	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2022	Carrying Amount as at December 31, 2022	Market Value as at December 31, 2022	Unrealised appreciation/ (diminution) on re-measurement of investments	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
----- Number of Shares -----						----- (Rupees in '000) -----						
<b>OIL &amp; GAS MARKETING COMPANIES</b>												
Pakistan State Oil Company Limited		242,846	151,079	-	328,925	65,000	8,943	9,359	416	2.30%	2.20%	0.01%
Sui Northern Gas pipeline Limited		-	851,519	-	836,470	15,049	558	565	7	0.14%	0.13%	0.00%
		242,846	1,002,598	-	1,165,395	80,049	9,501	9,924	423	2.44%	2.33%	0.02%
<b>INSURANCE</b>												
TPL Insurance Limited		1,036,500	-	75,250	910,000	201,750	5,042	3,379	(1,663)	0.83%	0.79%	0.10%
IGI Holdings Limited		219,500	-	-	219,500	-	-	-	-	0.00%	0.00%	0.00%
IGI Life Insurance Limited		934,500	7,500	-	744,000	198,000	3,361	1,881	(1,480)	0.46%	0.44%	0.12%
		2,190,500	7,500	75,250	1,873,500	399,750	8,403	5,260	(3,143)	1.29%	1.23%	0.22%
<b>PHARMACEUTICALS</b>												
The Searle Company Limited		356	-	89	-	445	39	26	(13)	0.01%	0.01%	0.00%
Ferozsons Laboratories Limited		43,900	-	-	43,900	-	-	-	-	0.00%	0.00%	0.00%
		44,256	-	89	43,900	445	39	26	(13)	0.01%	0.01%	0.00%
<b>REFINERY</b>												
Attock Refinery Limited		151,400	272,737	-	248,237	175,900	29,341	25,252	(4,089)	6.21%	5.93%	0.16%
National Refinery Limited		129,135	25,000	-	104,135	50,000	12,198	8,803	(3,395)	2.17%	2.07%	0.06%
		280,535	297,737	-	352,372	225,900	41,539	34,055	(7,484)	8.38%	8.00%	0.23%
<b>POWER GENERATION &amp; DISTRIBUTION</b>												
Hub Power Company Limited		-	1,368,606	-	1,183,606	185,000	11,685	11,670	(15)	2.87%	2.74%	0.01%
Nishat Power Limited		-	137,000	-	137,000	-	-	-	-	0.00%	0.00%	0.00%
		-	1,505,606	-	1,320,606	185,000	11,685	11,670	(15)	2.87%	2.74%	0.01%
<b>TECHNOLOGY &amp; COMMUNICATION</b>												
Hum Network Limited		900,000	225,000	-	1,125,000	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited		5,142	62,400	-	17,542	50,000	24,482	24,197	(285)	5.95%	5.68%	0.02%
Avanceon Limited		-	604,500	-	586,060	18,440	1,467	1,218	(250)	0.30%	0.29%	0.01%
TPL Trakker Limited		8,140,500	-	-	2,598,500	5,542,000	47,938	58,634	10,696	14.43%	13.76%	2.96%
Netsol Technologies Limited		-	573,500	-	151,000	422,500	46,568	36,265	(10,303)	8.92%	8.51%	0.47%
		9,045,642	1,465,400	-	4,478,102	6,032,940	120,455	120,314	(142)	29.60%	28.24%	3.45%
<b>TEXTILE COMPOSITE</b>												
Gul Ahmed Textile Mills Limited		227,800	-	-	227,800	-	-	-	-	0.00%	0.00%	0.00%
Interloop Limited		91,133	-	-	91,133	-	-	-	-	0.00%	0.00%	0.00%
Azgard Nine Limited		820,500	-	-	820,500	-	-	-	-	0.00%	0.00%	0.00%
		1,139,433	-	-	1,139,433	-	-	-	-	0.00%	0.00%	0.00%
<b>Properties</b>												
TPL Properties Limited		612,000	2,604,493	-	2,211,493	1,005,000	19,500	17,085	(2,415)	4.20%	4.01%	0.18%
		612,000	2,604,493	-	2,211,493	1,005,000	19,500	17,085	(2,416)	4.20%	4%	0%
<b>Total - As at December 31, 2022</b>		21,962,945	16,540,427	75,339	26,916,627	11,662,084	434,208	406,352	(27,856)	100%	95%	
<b>Total - As at June 30, 2022</b>		39,389,154	35,252,593	279,997	52,958,799	21,962,945	1,158,105	791,276	(366,829)	100%	96%	

\* Sponsor of the management company

5.1.1 As at December 31, 2022 the Fund has pledged shares with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11, dated October 23, 2007, issued by the SECP, of following companies:

- Attock Cement Pakistan Limited (100,000 shares having market value of Rs. 5.655 million )
- Attock Refinery Limited (30,000 shares having market value of Rs. 4.307 million )
- Bank Al Falah Limited (150,000 shares having market value of Rs. 4.521 million )
- D.G. Khan Cement Company Limited (100,000 shares having market value of Rs. 5.164 million)
- Engro Corporation Limited (20,000 shares having market value of Rs. 5.240 million)
- Faysal Bank Limited (30,000 shares having market value of Rs. 0.775 million)
- Meezan Bank Limited (10,000 shares having market value of Rs. 0.995 million)
- Maple Leaf Cement Company Limited (230,000 shares having market value of Rs. 5.191 million)
- National Refinery Limited (5,000 shares having market value of Rs. 0.880 million)
- Oil & Gas Development Company Limited (140,000 shares having market value of Rs. 11.152 million)
- Pakistan Petroleum Limited (30,000 shares having market value of Rs. 2.044 million)
- TPL Trakker Limited (200,000 shares having market value of Rs. 2.116 million)
- United Bank Limited (130,000 shares having market value of Rs. 13.098 million)

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other Asset Management Companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 2.584 million at December 31, 2022 (June 30, 2022: Rs. 1.806 million) and not yet deposited on CDC account of department of Income Tax. Management is of the view that the decision will be in favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value of its investments.

## 5.2 Financial assets at 'fair value through profit or loss' - Market treasury bills

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2022	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at December 31, 2022					
----- Rupees in '000 -----										
2-Jun-22	3 Months	-	15,000,000	15,000,000	-	-	-	-	0.00%	0.00%
<b>Total - As at December 31, 2022</b>		-	15,000,000	15,000,000	-	-	-	-	0.00%	0.00%
<b>Total - As at June 30, 2022</b>		-	-	-	-	-	-	-	0.00%	0.00%

**December 31,**  
**2022**  
**(Un-Audited)**  
**Note ----- (Rupees in '000) -----**  
**June 30,**  
**2022**  
**(Audited)**

## 6 ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with:

National Clearing Company of Pakistan Limited	2,500	2,500
Central Depository Company of Pakistan Limited	100	100
	<u>2,600</u>	<u>2,600</u>
Prepaid listing fee	14	-
Advance tax	6.1 315	315
	<u>2,929</u>	<u>2,915</u>

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

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

		December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>7</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration payable to the Management Company	720	1,572
	Sindh Sales Tax payable on the Management Company's remuneration	94	204
	Allocation of expenses related to registrar services, accounting, operation and valuation services	198	1,013
	Selling and marketing expense payable	1,243	4,312
		<u>2,255</u>	<u>7,101</u>
<b>8</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee payable	72	156
	Sindh Sales Tax payable on Trustee Fee	9	20
	CDS charges payable	17	4
		<u>98</u>	<u>180</u>
<b>9</b>	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee payable	61	309
		<u>61</u>	<u>309</u>
<b>10</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty	5,685	5,685
	Withholding tax payable	167	325
	Brokerage payable	430	489
	Auditors' remuneration	220	125
	Printing charges	77	9
	Others	302	124
		<u>6,881</u>	<u>6,757</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) 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, 2022, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2022 would have been higher by Rs. 0.944 per unit (June 30, 2022: Rs. 0.5341 per unit).

#### 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2022 (June 30, 2022: Nil).

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**12 TAXATION**

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

**13 EARNINGS PER UNIT**

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

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

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

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

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

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

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

14.1	Transactions during the period	Half year ended	
		December 31,	
		2022	2021
		(Un-Audited)	(Un-Audited)
		----- (Rupees in '000) -----	
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	6,133	18,533
	Sindh Sales Tax on remuneration of the Management Company	797	2,409
	Selling and marketing expenses	3,220	9,643
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,687	4,976
	Sales load paid	-	1,271
	Redemption of Nil (2021: 345,975) units	-	36,666
	<b>Habib Bank Limited - Sponsor</b>		
	Issue of Nil (2021:1,413,425) units	-	150,000
	Bank charges	18	100
	Mark-up on bank deposits	206	289
	Dividend Income	660	1,548
	<b>HBL Microfinance Bank - Associate</b>		
	Profit / mark-up on deposits accounts	96	-
	<b>CDC Trustee- Punjab Pension Fund Trust- connected person holding 10% or more units</b>		
	Issue of Nil (2021: 271,771) units	-	32,300
	Redemption of 985,523 (2021: Nil ) units	75,000	-
	<b>DCCL Trustee HBL Financial Planning Fund Active Allocation Plan - Under Common Management</b>		
	Issue of Nil (2021: 22,606) units	-	2,383
	Redemption of 256,101 (2021: 96,586 ) units	19,116	12,479
	<b>HBL Money Market Fund - Under Common Management</b>		
	Sale of Market Treasury Bill	14,827	-
	<b>DCCL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management</b>		
	Issue of Nil (2021: 63,948) units	-	7,161
	Redemption of 60,518 (2021: Nil ) units	4,463	-
	<b>Directors and Executives of the Management Company</b>		
	Issue of 2,534 (2021: 32,002) units	200	3,831
	Redemption of 2,534 (2021: 46,691 ) units	191	5,867
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration of the Trustee	613	1,431
	Sindh Sales Tax on remuneration of the Trustee	80	186
	Central Depository service charges	108	198
	<b>HBL Stock Fund Under Common Management</b>		
	Purchase of equity securities	-	57,259

	December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	----- (Rupees in '000) -----	
<b>14.2 Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration payable of the Management Company	720	1,572
Sindh Sales Tax payable on the Management Company's remuneration	94	204
Selling and marketing expenses	1,243	4,312
Allocation of expenses related to registrar services, accounting, operation and valuation services	198	1,013
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	1,319	2,916
Units held: Nil units (June 30, 2022: 2,990,876 units)	-	229,889
<b>HBL Microfinance Bank - Associate</b>		
Bank balances	411	10
Profit / mark-up receivable	20	-
<b>DCCL Trustee HBL Financial Planning Fund Active Allocation Plan - Under Common Management</b>		
Units held: Nil units (June 30, 2022: 256,101 units)	-	19,685
<b>DCCL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management</b>		
Units held: Nil units (June 30, 2022: 60,518 units)	-	4,652
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	81	176
Central Depository Charges payable	17	4
Security deposit	100	100
<b>CDC Trustee- Punjab Pension Fund Trust- connected person holding 10% or more units</b>		
Units held: 706,836 units (June 30, 2022: 1,692,360 units)	50,014	130,081
<b>The Citizens Foundation- connected person * holding 10% or more units</b>		
Units held: 754,236 units (June 30, 2022: Nil units) *	53,368	-

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

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

- 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).

		Level 1	Level 2	Level 3	Total
	Note	----- (Rupees in '000) -----			
<b>December 31, 2022 (Un-audited)</b>					
<b>At fair value through profit or loss</b>					
Investments in equity securities	15.1	406,352	-	-	406,352
		<u>406,352</u>	<u>-</u>	<u>-</u>	<u>406,352</u>

		Level 1	Level 2	Level 3	Total
	Note	----- (Rupees in '000) -----			
<b>June 30, 2022 (Audited)</b>					
<b>At fair value through profit or loss</b>					
Investments in equity securities	15.1	791,276	-	-	791,276
		<u>791,276</u>	<u>-</u>	<u>-</u>	<u>791,276</u>

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**15.1 Valuation techniques**

For level 1 investments at fair value through profit or loss investment in respect of equity securities, Fund uses daily quotation shares which are taken from Pakistan Stock Exchange Limited at reporting date.

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 Transfers during the period**

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

**16 TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2022 is 2.83% (2021: 2.18%) which includes 0.21% (2021: 0.19%) representing Government levy and SECP fee.

**17 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 13, 2023.

**18 GENERAL**

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Energy Fund**

## FUND INFORMATION

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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 Allied Bank Limited Khushali Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited National Bank Limited HBL Micro Finance Bank Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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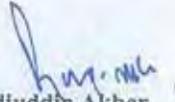
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL ENERGY FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Energy Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 23, 2023





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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL ENERGY FUND ("the Fund") as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2022 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2022 and December 31, 2021 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2023

UDIN: RR202210166tLAsVwimNb

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Tariq Feroz Khan

**HBL Energy Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at December 31, 2022*

	December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note----- (Rupees in '000) -----	
<b>ASSETS</b>		
Bank balances	4 29,741	24,197
Investments	5 243,797	427,791
Dividend and mark-up receivable	381	664
Advances and deposits	6 3,074	3,074
Receivable against sale of investment	11,082	-
<b>TOTAL ASSETS</b>	<u>288,075</u>	<u>455,726</u>
<b>LIABILITIES</b>		
Payable to the Management Company	7 1,491	3,558
Payable to the Trustee	8 75	91
Payable to Securities and Exchange Commission of Pakistan	9 36	128
Unclaimed dividend	5,382	5,382
Payable against purchase of investment	9,722	-
Accrued expenses and other liabilities	10 15,712	15,385
<b>TOTAL LIABILITIES</b>	<u>32,418</u>	<u>24,544</u>
<b>NET ASSETS</b>	<u>255,657</u>	<u>431,182</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<u>255,657</u>	<u>431,182</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	11	
	----- (Number of units) -----	
<b>Number of units in issue</b>	<u>26,051,295</u>	<u>43,714,002</u>
	----- (Rupees) -----	
<b>Net assets value per unit</b>	<u>9.8136</u>	<u>9.8637</u>

The annexed notes from 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 Energy Fund**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
*For The Half Year And Quarter Ended December 31, 2022*

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	(Rupees in '000)			
<b>Income</b>				
Capital loss on sale of investments - net	(14,674)	(29,931)	(14,865)	(23,347)
Dividend income	25,995	35,944	17,953	19,523
Mark-up on bank deposits	2,443	1,096	1,394	522
	13,764	7,109	4,482	(3,302)
Unrealized diminution on re-measurement of investments classified as financial asset at 'fair value through profit or loss'- net	(9,555)	(103,312)	(7,687)	(655)
	4,209	(96,203)	(3,205)	(3,957)
<b>Expenses</b>				
Remuneration of the Management Company	3,531	7,023	1,532	3,275
Sindh Sales Tax on remuneration of the Management Company	459	913	199	426
Remuneration of the Trustee	382	702	182	328
Sindh Sales Tax on remuneration of the Trustee	50	92	24	43
Annual fee to Securities and Exchange Commission of Pakistan	35	70	15	33
Allocation of expenses related to registrar services, accounting, operation and valuation services	971	1,931	421	900
Selling and marketing expenses	1,854	3,687	805	1,719
Auditors' remuneration	-	223	-	223
Fees and subscription	85	219	43	191
Securities transaction cost	1,454	704	1,009	324
Settlement and bank charges	298	224	191	109
	9,119	15,788	4,421	7,571
<b>Net loss for the period from operating activities</b>	(4,910)	(111,991)	(7,626)	(11,528)
Reversal of provision for Sindh Workers' Welfare Fund	-	7,320	-	-
<b>Net loss for the period before taxation</b>	(4,910)	(104,671)	(7,626)	(11,528)
Taxation	-	-	-	-
<b>Net loss for the period after taxation</b>	(4,910)	(104,671)	(7,626)	(11,528)
<b>Allocation of net income for the period</b>				
Income already paid on redemption of units	-	-	-	-
<b>Accounting income available for distribution:</b>				
Relating to capital gains	-	-	-	-
Excluding capital gains	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Earnings per unit</b>				

The annexed notes from 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 Energy Fund****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)***For The Half Year And Quarter Ended December 31, 2022*

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net loss for the period after taxation	(4,910)	(104,671)	(7,626)	(11,528)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(4,910)</u>	<u>(104,671)</u>	<u>(7,626)</u>	<u>(11,528)</u>

The annexed notes from 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 Energy Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-audited)**  
**For The Half Year And Quarter Ended December 31, 2022**

	Half year ended December 31,					
	2022			2021		
	Capital value	Undistributed loss	Total	Capital value	Undistributed income / (loss)	Total
(Rupees in '000)						
Net assets at beginning of the period	547,836	(116,654)	431,182	756,966	17,557	774,523
Issuance of 2,949,838 (2021: 4,732,355 units)						
Capital value (at net asset value per unit at the beginning of the period)	29,096	-	29,096	56,720	-	56,720
Element of loss	(211)	-	(211)	(4,845)	-	(4,845)
<b>Total proceeds on issuance of units</b>	<b>28,885</b>	<b>-</b>	<b>28,885</b>	<b>51,875</b>	<b>-</b>	<b>51,875</b>
Redemption of 20,612,545 (2021: 10,988,958 units)						
Capital value (at net asset value per unit at the beginning of the period)	(203,316)	-	(203,316)	(131,708)	-	(131,708)
Income already paid on redemption of units	-	-	-	-	-	-
Element of Income	3,816	-	3,816	15,625	-	15,625
<b>Total payable on redemption of units</b>	<b>(199,500)</b>	<b>-</b>	<b>(199,500)</b>	<b>(116,083)</b>	<b>-</b>	<b>(116,083)</b>
Total comprehensive loss for the period		(4,910)	(4,910)	-	(104,672)	(104,672)
<b>Net assets at end of the period</b>	<b>377,221</b>	<b>(121,564)</b>	<b>255,657</b>	<b>692,758</b>	<b>(87,115)</b>	<b>605,643</b>
<b>Undistributed (loss) / income brought forward</b>						
Realised (loss) / income		(47,215)			1,772	
Unrealized (loss) / income		(69,439)			15,785	
		(116,654)			17,557	
<b>Accounting income available for distribution</b>						
Relating to capital gains		-			-	
Excluding capital gains		-			-	
		-			-	
Total comprehensive loss for the period		(4,910)			(104,671)	
<b>Accumulated loss carried forward</b>		<b>(121,564)</b>			<b>(87,114)</b>	
<b>Accumulated loss carried forward</b>						
Realised (loss) / income		(112,009)			16,198	
Unrealized loss		(9,555)			(103,312)	
		(121,564)			(87,114)	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			9.8637			11.9855
Net assets value per unit at end of the period			9.8136			10.3768

The annexed notes from 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 Energy Fund**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
*For The Half Year Ended December 31, 2022*

	Half year ended	
	December 31,	
Note	2022	2021
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(4,910)	(104,671)
Adjustments for:		
Capital loss on sale of investments - net	14,674	29,931
Dividend income	(25,995)	(35,944)
Mark-up on bank deposits	(2,443)	(1,096)
Unrealized diminution on re-measurement of investments classified at 'fair value through profit or loss' - net	9,555	103,312
	<u>(9,119)</u>	<u>(8,468)</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	159,765	35,022
Receivable against sale of investment	(11,082)	-
Advances and deposits	-	36,065
	<u>148,683</u>	<u>71,087</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(2,067)	(797)
Payable to the Trustee	(16)	(34)
Payable to Securities and Exchange Commission of Pakistan	(92)	(86)
Accrued expenses and other liabilities	10,049	(25,018)
	<u>7,874</u>	<u>(25,935)</u>
Cash generated from operations	147,438	36,684
Dividend received	25,971	35,920
Mark-up received on bank deposits	2,750	1,103
	<u>28,721</u>	<u>37,023</u>
Net cash flows generated from operating activities	176,159	73,707
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	28,885	51,875
Amount paid on redemption of units	(199,500)	(116,083)
Net cash flows from financing activities	(170,615)	(64,208)
Net increase in cash and cash equivalents	5,544	9,499
Cash and cash equivalents at beginning of the period	24,197	13,030
Cash and cash equivalents at end of the period	4 <u>29,741</u>	<u>22,529</u>

The annexed notes from 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 Energy Fund**

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

*For The Half Year Ended December 31, 2022*

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

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

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

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

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

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

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

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

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

VIS Credit Rating Company has assigned an asset manager rating of 'AM1 (Stable Outlook)' to the HBL Asset Management Company Limited as at December 30, 2022.

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

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

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

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Where the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2022, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2021.
- 2.1.4 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2022 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

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

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, standards effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 3.6 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

**December 31,**  
**2022**  
**(Un-Audited)**  
----- (Rupees in '000) -----

**June 30,**  
**2022**  
**(Audited)**

**4 BANK BALANCES**

	<b>Note</b>			
In savings accounts	4.1	29,730		24,186
In current accounts		11		11
		29,741		24,197

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 9% to 17 % per annum (June 30, 2022: 5.5% to 17% per annum). This includes balance held with Habib Bank Limited and MCB Bank limited (a related party) amounting to Rs. 2.981 million (June 30, 2022: Rs. 1.297 million) and 1.026 million (June 30, 2022: 0.968 million) on which return is earned at 14.5% (June 30, 2022: 10.7%) and 14.5% (June 30, 2022: 8%) respectively.

**5 INVESTMENTS**

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

Listed equity securities	5.1	243,797		427,791
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**5.1 Investment in listed equity securities - Financial Assets at 'fair value through profit or loss'**

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

Name of the Investee Company	Notes	As at July 1, 2022	Purchases during the period	Bonus Issue	Sales during the period	As at December 31, 2022	Carrying Amount as at December 31, 2022	Market Value as at December 31, 2022	Unrealized appreciation / (diminution) on re-measurement of investments	Market value as percentage of total investments	Market value as percentage of net assets	Par value as a percentage of issued capital of the Investee company
-----Number of shares-----						----- (Rupees in '000) -----						
<b>Oil and Gas Exploration Companies</b>												
Pakistan Petroleum Limited	5.1.1	980,994	721,878	-	1,216,602	486,270	29,371	33,134	3,764	13.59%	12.96%	0.02%
Oil and Gas Development Company Limited	5.1.1	835,691	589,000	-	938,000	486,691	37,030	38,770	1,740	15.90%	15.16%	0.01%
Mari Petroleum Company Limited		29,439	23,670	-	23,831	29,278	49,578	45,292	(4,286)	18.58%	17.72%	0.02%
Pakistan Oilfields Limited		123,940	55,300	-	149,049	30,191	11,900	11,861	(40)	4.86%	4.64%	0.01%
		1,970,064	1,389,848	-	2,327,482	1,032,430	127,879	129,057	1,178	52.94%	50.48%	
<b>Oil and Gas Marketing Companies</b>												
Pakistan State Oil Company Limited	5.1.1 & 5.1.2	408,437	154,100	-	435,951	126,586	20,741	18,228	(2,513)	7.48%	7.13%	0.03%
Sui Northern Gas Pipeline Limited		-	1,613,490	-	1,111,990	501,500	18,705	18,831	127	7.72%	7.37%	0.08%
Attock Petroleum Limited		24,300	72,089	12,325	64,065	44,649	12,946	12,935	(11)	5.31%	5.06%	0.04%
		432,737	1,839,679	12,325	1,612,006	672,735	52,392	49,994	(2,397)	20.51%	19.56%	
<b>Power Generation &amp; Distribution</b>												
The Hub Power Company Limited	5.1.1	887,119	279,591	-	902,591	264,119	17,357	16,661	(697)	6.83%	6.52%	0.02%
Nishat Power Limited		-	1,193,050	-	364,193	828,857	16,705	15,093	(1,612)	6.19%	5.90%	0.23%
Engro Powergen Qadirpur Ltd		-	238,000	-	36,000	202,000	5,460	5,006	(454)	2.05%	1.96%	0.06%
Kot Addu Power Company Ltd		-	424,784	-	114,000	310,784	8,752	8,282	(470)	3.40%	3.24%	0.04%
		887,119	2,135,425	-	1,416,784	1,605,760	48,274	45,042	(3,233)	18.48%	17.62%	
<b>Refinery</b>												
Attock Refinery Limited		120,500	246,616	-	303,616	63,500	10,988	9,116	(1,872)	3.74%	3.57%	0.06%
National Refinery Limited		137,222	51,300	-	128,378	60,144	13,819	10,588	(3,231)	4.34%	4.14%	0.34%
		257,722	297,916	-	431,994	123,644	24,807	19,704	(5,103)	8.08%	7.71%	
<b>Total - As at December 31, 2022</b>		<b>3,547,642</b>	<b>5,662,868</b>	<b>12,325</b>	<b>5,788,266</b>	<b>3,434,569</b>	<b>253,352</b>	<b>243,797</b>	<b>(9,555)</b>	<b>100.00%</b>	<b>95.36%</b>	
<b>Total - As at June 30, 2022</b>		<b>7,360,670</b>	<b>2,372,187</b>	<b>-</b>	<b>6,185,215</b>	<b>3,547,642</b>	<b>497,230</b>	<b>427,791</b>	<b>(69,439)</b>	<b>100.00%</b>	<b>99.21%</b>	

5.1.1 As at December 31, 2022, the Fund has pledged shares with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11, dated October 23, 2007, issued by the SECP of following companies:

- Oil and Gas Development Company (300,000 shares having market value of Rs. 23.898 million)
- Pakistan Petroleum Limited (200,000 shares having market value of Rs. 13.628 million)
- Pakistan State Oil Company Limited (100,000 shares having market value of Rs. 14.399 million)
- The Hub Power Company Limited (100,000 shares having market value of Rs. 6.308 million)

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.3440 million at December 31, 2022 (June 30, 2022: Rs. 0.411 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		December 31, 2022	June 30, 2022
		(Un-Audited)	(Audited)
6	ADVANCES AND DEPOSITS	Note	----- (Rupees in '000) -----
	Security deposit with:		
	National Clearing Company of Pakistan Limited		2,500
	Central Depository Company of Pakistan Limited		300
			<u>2,800</u>
	Advance tax	6.1	274
	Prepaid Annual Fee- CDC		-
			<u>3,074</u>

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

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

		December 31, 2022	June 30, 2022
		(Un-Audited)	(Audited)
	Note	----- (Rupees in '000) -----	
<b>7</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration to the Management Company	485	778
	Sindh Sales Tax payable on the Management Company's remuneration	63	101
	Allocation of expenses related to registrar services, accounting, operation and valuation services	133	501
	Selling and marketing expense payable	805	2,174
	Sale load payable	5	4
		<u>1,491</u>	<u>3,558</u>
<b>8</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee payable	65	78
	Sindh Sales Tax payable on remuneration of Trustee	9	10
	CDS charges payable	1	3
		<u>75</u>	<u>91</u>
<b>9</b>	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee payable	<u>36</u>	<u>128</u>
<b>10</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty	10.1 13,921	13,921
	Withholding tax payable	384	389
	Brokerage payable	639	112
	Auditors' remuneration	442	646
	Zakat payable	251	251
	Other	75	67
		<u>15,712</u>	<u>15,385</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.921 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2022 would have been higher by Rs. 0.5344 per unit (June 30, 2022: Rs. 0.3185 per unit).

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**11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2022 (June 30, 2022: Nil).

**12 TAXATION**

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains whether realised or unrealized for the year ending June 30, 2022 to its unit holders.

**13 EARNINGS PER UNIT**

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

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

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

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

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

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

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

		Half year ended	
		December 31,	
		2022	2021
		(Un-Audited)	(Un-Audited)
		----- (Rupees in '000) -----	
<b>14.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	3,531	7,023
	Sindh Sales Tax on remuneration of the Management Company	459	913
	Allocation of expenses related to registrar services, accounting, operation and valuation services	971	1,931
	Selling and marketing expenses	1,854	3,687
	<b>Habib Bank Limited - Sponsor</b>		
	Bank charges	9	13
	Mark-up on bank deposits	133	193
	Redemption of 12,419,913 (2021: Nil) units	123,232	-
	<b>DCCL Trustee HBL Financial Planning Fund Conservative Allocation Plan</b>		
	Issue of 359,468 (2021: Nil) units	3,485	-
	<b>Executives of the Management Company</b>		
	Issue of 1,164,502 (2021: 26,380) units	11,197	270
	Redemption of 5,121 (2021: 432,357) units	50	4,377
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee remuneration	382	702
	Sindh Sales Tax on remuneration of the Trustee	50	92
	CDS charges	30	27
	Annual CDC charges	-	105
<b>14.2</b>	<b>Balances outstanding as at period / year end</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	485	778
	Sindh Sales Tax on Management Company's remuneration	63	101
	Allocation of expenses related to registrar services, accounting, operation and valuation services	133	501
	Selling and marketing expenses	805	2,174
	Sale load payable	5	4

	Half year ended December 31,	
	2022 (Un-Audited) ----- (Rupees in '000) -----	2021 (Un-Audited)
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	2,982	1,297
Units held: Nil (June 30, 2022: 12,419,913)	-	122,506
<b>DCCL Trustee HBL Financial Planning Fund Conservative Allocation Plan</b>		
Units held: 359,468 (June 30, 2022: Nil)	3,528	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	65	78
Sindh Sales Tax on remuneration of the Trustee	9	10
CDS charges payable	1	3
Security deposit	300	300
<b>Directors and Executives of the Management Company</b>		
Units held: 1,159,381 (June 30, 2022: Nil)	11,379	-
<b>HBL Micro Finance Bank - Associate</b>		
Bank balances	799	9
<b>MCB Bank Limited- Connected person due to holding more than 10% units:</b>		
Bank balance	12,983	12,289
Units held: 6,468,400 (June 30, 2022: 6,468,400)	63,485	63,802
<b>Rohtas Associates Private Limited- Connected person due to holding more than 10% units:</b>		
Units held: 6,277,914 (June 30, 2022: 6,277,914)	61,615	61,923

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

- 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).

As at December 31, 2022 and June 30, 2022, the Fund held the following instruments measured at fair values:

		Fair Value			
		Level 1	Level 2	Level 3	Total
<b>December 31, 2022 (Un-audited)</b>					
<b>At fair value through profit or loss</b>					
Investments in Equity securities	15.1	243,797	-	-	243,797
		<u>243,797</u>	<u>-</u>	<u>-</u>	<u>243,797</u>
<b>June 30, 2022 (Audited)</b>					
<b>At fair value through profit or loss</b>					
Investments in Equity securities	15.1	427,791	-	-	427,791
		<u>427,791</u>	<u>-</u>	<u>-</u>	<u>427,791</u>

### 15.1 Valuation techniques

For level 1 investments at fair value through profit or loss investment in respect of equity securities, Fund uses daily quotation shares which are taken from Pakistan Stock Exchange Limited at reporting date.

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

### 15.3 Transfers during the period

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

### 16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2022 is 2.60% (2021: 2.27%) which includes 0.20% (2021: 0.17%) representing Government levy and SECP fee.

### 17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 13, 2023.

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**18 GENERAL**

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

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

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

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**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

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# **HBL**

## **Multi Asset Fund**

## FUND INFORMATION

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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 National Bank of Pakistan

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL MULTI ASSET FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Multi Asset Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 24, 2023





KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

**Independent Auditors' Review Report to the unit holders of HBL Multi Asset Fund**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Multi Asset Fund** ("the Fund") as at 31 December 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cashflow and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

**Scope of Review**

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

**Conclusion**

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

**Other Matter**

The figures for the quarters ended 31 December 2022 and 31 December 2021 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 24 February 2023

Karachi

UDIN: RR2022101884vzBUDyIG

A handwritten signature in blue ink, appearing to read 'Zeeshan Rashid'.

KPMG Taseer Hadi & Co.  
Chartered Accountants

**HBL Multi Asset Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at December 31, 2022*

	<b>December 31,</b>	June 30,
	<b>2022</b>	2022
	<b>(Un-Audited)</b>	(Audited)
<i>Note</i>	----- (Rupees in '000') -----	
<b>Assets</b>		
Bank balances	6 <b>52,123</b>	29,527
Investments	7 <b>53,229</b>	78,651
Dividend receivable and accrued mark-up	<b>1,211</b>	769
Advances and deposits	8 <b>3,692</b>	2,976
Receivable against sales of Investments	<b>3</b>	10
<b>Total assets</b>	<b>110,258</b>	111,933
<b>Liabilities</b>		
Payable to the Management Company	9 <b>305</b>	480
Payable to the Trustee	<b>18</b>	25
Payable to Securities and Exchange Commission of Pakistan	<b>9</b>	37
Accrued expenses and other liabilities	10 <b>7,260</b>	7,168
<b>Total liabilities</b>	<b>7,592</b>	7,710
<b>Net assets</b>	<b>102,666</b>	104,223
<b>Unit holders' fund (as per statement attached)</b>	<b>102,666</b>	104,223
<b>Contingencies and Commitments</b>	11	
	-----Number of units-----	
<b>Number of units in issue</b>	<b>1,112,722</b>	1,120,780
	----- (Rupees) -----	
<b>Net assets value per unit</b>	<b>92.2656</b>	92.9902

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 Multi Asset Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the six and three months period ended December 31, 2022*

	For six months period ended		For three months period ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000') -----			
<b>Income</b>				
Net realised loss on sale of investments	(1,458)	(6,022)	(686)	(6,350)
Dividend income	2,849	2,923	1,411	1,715
Return on investments calculated using effective interest method	966	1,298	393	788
Profit on deposits with banks calculated using effective interest method	1,678	1,613	1,121	776
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial asset at fair value through profit or loss'	(1,685)	(11,058)	(517)	3,005
	<b>2,350</b>	<b>(11,246)</b>	<b>1,722</b>	<b>(66)</b>
<b>Expenses</b>				
Remuneration of the Management Company	989	2,279	444	1,133
Remuneration of the Trustee	99	228	44	113
Annual fee to Securities and Exchange Commission of Pakistan	9	20	4	10
Allocation of expenses related to registrar services, accounting, operation and valuation services	153	354	69	177
Selling and marketing expense	212	489	95	243
Auditors' remuneration	240	279	140	179
Securities transaction costs	332	310	192	258
Settlement and bank charges	219	181	122	94
Printing Charges	52	-	35	-
Fee and subscription	12	142	7	85
	<b>2,317</b>	<b>4,282</b>	<b>1,152</b>	<b>2,292</b>
<b>Net income / (loss) from operating activities</b>	<b>33</b>	<b>(15,528)</b>	<b>570</b>	<b>(2,358)</b>
Reversal of provision for Sindh Workers' Welfare Fund		5,562	-	-
<b>Net income / (loss) for the period before taxation</b>	<b>33</b>	<b>(9,966)</b>	<b>570</b>	<b>(2,358)</b>
Taxation	12	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>33</b>	<b>(9,966)</b>	<b>570</b>	<b>(2,358)</b>
<b>Allocation of net income / (loss) for the period after taxation</b>				
Net income for the period after taxation	33	(9,966)	33	(9,966)
Income already paid on redemption of units	-	-	-	-
Accounting income available for distribution	<b>33</b>	<b>(9,966)</b>	<b>33</b>	<b>(9,966)</b>
<b>Accounting income available for distribution:</b>				
- Relating to capital gains / (loss)	-	-	-	-
- Excluding capital gains / (loss)	33	-	33	-
	<b>33</b>	<b>-</b>	<b>33</b>	<b>-</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 Multi Asset Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the six months period ended December 31, 2022*

	For six months period ended		For three months period ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000') -----			
Net income / (loss) for the period after taxation	33	(9,966)	570	(2,358)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>33</b>	<b>(9,966)</b>	<b>570</b>	<b>(2,358)</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 Multi Asset Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)**  
*For the six and three months period ended December 31, 2022*

	2022			2021		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
----- (Rupees in '000') -----						
<b>Net assets at beginning of the period</b>	155,539	(51,316)	104,223	220,838	(18,401)	202,437
<b>Issuance of 385,233 units (2021:183,565 units)</b>						
- Capital value	35,823	-	35,823	20,696	-	20,696
- Element of (loss)	(779)	-	(779)	(571)	-	(571)
Total proceeds on issuance of units	35,044	-	35,044	20,125	-	20,125
<b>Redemption of 393,291 units (2021: 123,328 units)</b>						
- Capital value	(36,570)	-	(36,570)	(13,905)	-	(13,905)
- Element of income / (loss)	(66)	-	(66)	146	-	146
Total payments on redemption of units	(36,636)	-	(36,636)	(13,759)	-	(13,759)
Total comprehensive income / (loss) for the period	-	35	35	-	(9,966)	(9,966)
<b>Net assets at end of the period</b>	<b>153,947</b>	<b>(51,281)</b>	<b>102,666</b>	<b>227,204</b>	<b>(28,367)</b>	<b>198,837</b>
<b>Undistributed loss brought forward</b>						
- Realised (loss) / gain		(36,538)			713	
- Unrealised loss		(14,778)			(19,114)	
		(51,316)			(18,401)	
<b>Accounting income available for distribution</b>						
- Relating to capital gains / (loss)		-			-	
- Excluding capital gains / (loss)		35			-	
		35			-	
Total comprehensive loss for the period		-			(9,966)	
<b>Accumulated loss carried forward</b>		<b>(51,281)</b>			<b>(28,367)</b>	
Accumulated loss carried forward						
-Realised loss		(49,596)			(17,309)	
-Un-realised gain / (loss)		(1,685)			(11,058)	
		(51,281)			(28,367)	
				(Rupees)		(Rupees)
<b>Net assets value per unit at beginning of the period</b>			<b>92.9902</b>			<b>112.7464</b>
<b>Net assets value per unit at end of the period</b>			<b>92.2656</b>			<b>107.1465</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 Multi Asset Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the six months period ended December 31, 2022*

	2022	2021
	----- (Rupees in '000') -----	
<b>Cash flows from operating activities</b>		
Net income / (loss) for the period before taxation	33	(9,966)
<b>Adjustments</b>		
Net realised gain on sale of investments	1,458	6,022
Profit on deposits with banks calculated using effective yield method	(1,678)	(1,613)
Return on investments calculated using effective yield method	(966)	(1,298)
Dividend income	(2,849)	(2,923)
Net unrealised diminution on remeasurement of investments classified as 'financial asset at fair value through profit or loss'	1,685	11,058
	(2,317)	1,280
<b>Decrease / (increase) in assets</b>		
Investments	22,279	(22,508)
Advances, deposits and other receivables	(716)	(108)
Receivable against sale of investments	7	(44)
	21,570	(22,660)
<b>(Decrease) in liabilities</b>		
Payable to the Management Company	(175)	(26)
Payable to the Trustee	(7)	-
Payable to Securities and Exchange Commission of Pakistan	(28)	(21)
Payable against redemption of units	-	(4,003)
Accrued expenses and other liabilities	92	(5,903)
	(118)	(9,953)
<b>Net cash generated from / (used in) operations</b>	19,135	(31,333)
Profit received on bank deposits	1,647	1,650
Markup received on investments	836	1,322
Dividend income received	2,570	2,930
	5,053	5,902
<b>Net cash generated from / (used in) operating activities</b>	24,188	(25,431)
<b>Cash flows from financing activities</b>		
Amount received on issuance of units	35,044	20,125
Payment against redemption of units	(36,636)	(13,759)
<b>Net cash (used in) / generated from financing activities</b>	(1,592)	6,366
<b>Net increase / (decrease) in cash and cash equivalents</b>	22,596	(19,065)
Cash and cash equivalents at beginning of the period	29,527	54,922
<b>Cash and cash equivalents at end of the period</b>	52,123	35,857

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 Multi Asset Fund**

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

*For the six months period ended December 31, 2022*

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- 1.1 HBL Multi Asset Fund (the Fund) was established under a Trust Deed, dated October 08, 2007, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on September 28, 2007.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Fund has been categorised as a balanced fund as per the criteria laid down by SECP for categorization of open-end Collective Investment Scheme (CISs).
- 1.5 The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes, such as equity securities, government securities, fixed income securities, continuous funding system, derivatives, money market instruments and other asset classes / securities / instruments.
- 1.6 VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable) to the Management Company.
- 1.7 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

- 2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.
- 2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.

### **2.2 Basis of measurement**

This condensed interim financial information has been prepared under going concern basis and under the historical cost convention except for the investments which are stated at fair value.

### 2.3 Functional and presentation currency

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

### 4. USE OF ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2022.

### 5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2022.

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
<b>6</b>	<b>BANK BALANCES</b>	<b>(Rupees in '000)</b>	
		<i>Note</i>	
	Savings accounts	<u>6.1</u> <u>52,123</u>	<u>29,527</u>
<b>6.1</b>	This represents bank accounts held with different banks. Profit rates on these accounts ranges between 14% - 17% (June 30, 2022: 4.00% - 17.56%) per annum.		
<b>7</b>	<b>INVESTMENTS</b>	<b>(Rupees in '000)</b>	
		<i>Note</i>	
	<b>Investments by category</b>		
	<b>At fair value through profit or loss</b>		
	Listed equity securities	7.1 45,281	70,473
	Term finance certificates and sukuk bonds	7.2 7,948	3,350
	Market Treasury Bills	7.3 -	-
		<u>53,229</u>	<u>73,823</u>
	<b>Financial assets at amortised Cost</b>		
	Sukuk certificates	<u>-</u>	<u>4,828</u>
		<u>53,229</u>	<u>78,651</u>

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

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

Name of Investee Company	As at July 01, 2022	Purchases during the period	Bonus / Rights issue (Note 7.1.2)	Sales during the period	As at December 31, 2022	Cost of Holdings as at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
	----- (Number of shares) -----					---- (Rupees in '000') ----		----- (%) -----		
<b>Cement</b>										
Attock Cement Pakistan Limited	-	15,000	-	1,000	14,000	1,064	792	1.49	0.77	0.01
D. G. Khan Cement Company Limited	-	73,500	-	43,500	30,000	1,834	1,549	2.91	1.51	0.01
Fauji Cement Company Limited	-	114,500	-	114,500	-	-	-	-	-	-
Lucky Cement Limited	-	12,702	-	12,702	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	57,812	95,188	-	92,060	60,940	1,721	1,375	2.58	1.34	0.01
Cherat Cement Company Limited	-	32,000	-	32,000	-	-	-	-	-	-
Pioneer Cement Limited	-	24,600	-	14,600	10,000	732	514	0.97	0.50	-
	<u>57,812</u>	<u>367,490</u>	<u>-</u>	<u>310,362</u>	<u>114,940</u>	<u>5,351</u>	<u>4,230</u>	<u>7.95</u>	<u>4.12</u>	<u>0.03</u>
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>										
Unity Foods Limited	67,500	32,500	-	100,000	-	-	-	-	-	-
The Organic Meat Company Limited	96,347	-	-	96,347	-	-	-	-	-	-
	<u>163,847</u>	<u>32,500</u>	<u>-</u>	<u>196,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Commercial Banks</b>										
Bank Al-Falah Limited	78,100	35,000	-	83,100	30,000	971	904	1.70	0.88	-
Faysal Bank Limited	72,750	82,000	-	29,750	125,000	3,382	3,229	6.07	3.15	0.01
Habib Bank Limited	37,071	50,000	-	87,071	-	-	-	-	-	-
MCB Bank Limited	24,400	-	-	24,400	-	-	-	-	-	-
Meezan Bank Limited	13,000	34,476	1,300	48,776	-	-	-	-	-	-
Standard Chartered Bank (Pakistan) Limited	140,000	-	-	140,000	-	-	-	-	-	-
United Bank Limited	60,900	6,500	-	47,400	20,000	2,267	2,015	3.79	1.96	-
	<u>426,221</u>	<u>207,976</u>	<u>1,300</u>	<u>460,497</u>	<u>175,000</u>	<u>6,620</u>	<u>6,148</u>	<u>11.56</u>	<u>5.99</u>	<u>0.01</u>
<b>Engineering</b>										
Mughal Iron & Steel Industries Limited	16,613	2,169	-	16,000	2,782	177	134	0.25	0.13	-
	<u>16,613</u>	<u>2,169</u>	<u>-</u>	<u>16,000</u>	<u>2,782</u>	<u>177</u>	<u>134</u>	<u>0.25</u>	<u>0.13</u>	<u>-</u>
<b>Fertilizers</b>										
Fauji Fertilizer Company Limited	56,312	-	-	56,312	-	-	-	-	-	-
Engro Corporation Limited	25,850	23,500	-	49,350	-	-	-	-	-	-
Engro Fertilizers Limited	3,000	-	-	3,000	-	-	-	-	-	-
	<u>85,162</u>	<u>23,500</u>	<u>-</u>	<u>108,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Insurance</b>										
IGI Holdings Limited	9,200	-	-	9,200	-	-	-	-	-	-
	<u>9,200</u>	<u>-</u>	<u>-</u>	<u>9,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Refinery</b>										
Attock Refinery Limited	8,500	30,140	-	18,640	20,000	3,468	2,871	5.39	2.80	0.02
National Refinery Limited	6,980	2,000	-	3,980	5,000	1,229	880	1.65	0.86	0.01
	<u>15,480</u>	<u>32,140</u>	<u>-</u>	<u>22,620</u>	<u>25,000</u>	<u>4,697</u>	<u>3,751</u>	<u>7.04</u>	<u>3.66</u>	<u>0.03</u>
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	755	1,550	-	2,305	-	-	-	-	-	-
Oil & Gas Development Company Limited	50,600	78,900	-	34,500	95,000	7,198	7,568	14.22	7.37	-
Pakistan Oilfields Limited	2,900	-	-	2,900	-	-	-	-	-	-
Pakistan Petroleum Limited	58,900	141,785	-	55,685	145,000	8,547	9,880	18.56	9.62	0.01
	<u>113,155</u>	<u>222,235</u>	<u>-</u>	<u>95,390</u>	<u>240,000</u>	<u>15,745</u>	<u>17,448</u>	<u>32.78</u>	<u>16.99</u>	<u>0.01</u>

Name of Investee Company	As at July 01, 2022	Purchases during the period	Bonus / Rights issue (Note 7.1.2)	Sales during the period	As at December 31, 2022	Cost of Holdings as at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
	----- (Number of shares) -----					--- (Rupees in '000') ---		----- (%) -----		
<b>Oil &amp; Gas Marketing Companies</b>										
Attock Petroleum Limited	-	2,000	-	2,000	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	52,200	-	52,200	-	-	-	-	-	-
Pakistan State Oil Company Limited	18,004	14,500	-	17,584	14,920	2,050	2,148	4.04	2.09	-
	18,004	68,700	-	71,784	14,920	2,050	2,148	4.04	2.09	-
<b>Pharmaceuticals</b>										
The Searle Company Limited	1,169	-	280	49	1,400	122	82	0.15	0.08	-
	1,169	-	280	49	1,400	122	82	0.15	0.08	-
<b>Power Generation and Distribution</b>										
The Hub Power Company Limited	39,483	29,517	-	69,000	-	-	-	-	-	-
	39,483	29,517	-	69,000	-	-	-	-	-	-
<b>Property</b>										
TPL Properties Limited	57,000	64,000	-	121,000	-	-	-	-	-	-
	57,000	64,000	-	121,000	-	-	-	-	-	-
<b>Textile Composite</b>										
Gul Ahmed Textile Mills Limited	13,600	-	-	13,600	-	-	-	-	-	-
Interloop Limited	9,000	-	-	9,000	-	-	-	-	-	-
Kohinoor Textile Mills Limited	10,500	-	-	10,500	-	-	-	-	-	-
Nishat Mills Limited	8,000	-	-	8,000	-	-	-	-	-	-
	41,100	-	-	41,100	-	-	-	-	-	-
<b>CHEMICAL</b>										
ICI Pakistan Limited	-	1,000	-	1,000	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	12,500	25,000	-	37,500	-	-	-	-	-	-
	12,500	26,000	-	38,500	-	-	-	-	-	-
<b>AUTOMOBILE ASSEMBLER</b>										
Millat Tractors Limited	-	1,200	-	1,200	-	-	-	-	-	-
	-	1,200	-	1,200	-	-	-	-	-	-
<b>Technology and Communication</b>										
Air Link Communication Limited	-	5,000	-	5,000	-	-	-	-	-	-
Avanceon Limited	24,925	69,075	-	64,000	30,000	2,448	1,981	3.72	1.93	0.01
Hum Network Limited	150,000	-	-	150,000	-	-	-	-	-	-
Netsol Technologies Limited	-	20,000	-	-	20,000	2,291	1,717	3.23	1.67	0.02
Systems Limited	-	11,200	-	-	11,200	5,691	5,420	10.18	5.28	-
TPL Trakker Limited	213,000	8,500	-	11,500	210,000	1,819	2,222	4.17	2.16	0.11
	387,925	113,775	-	230,500	271,200	12,249	11,340	21.30	11.04	0.14
<b>Total as at December 31, 2022</b>	<b>1,444,671</b>	<b>1,191,202</b>	<b>1,580</b>	<b>1,792,211</b>	<b>845,242</b>	<b>47,011</b>	<b>45,281</b>	<b>85.07</b>	<b>44.10</b>	<b>0.22</b>

7.1.1 Investments include shares having market value aggregating to Rs. 16.495 million (June 30, 2022: Rs. 30.695 million) that have been pledged with National Clearing Company of Pakistan Limited (NCCPL) for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

7.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 280,181 as at December 31, 2022 (June 30, 2022: Rs 371,924) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

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

Name of the Investee Company	As at July 01, 2022	Purchases during the period	Sales / Matured during the period	As at December 31, 2022	Carrying Value as at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of	
							Total Investments	Net Assets
----- (Number of certificates) -----				----- (Rupees in '000') -----		----- % -----		
<b>Technology &amp; Communication</b>								
TPL Trakker Limited	4	-	-	4	2,903	2,903	5.45	2.83
<b>Power Generation &amp; Distribution</b>								
The Hub Power Company Limited	50	-	-	50	5,000	5,045	9.48	4.91
	54	-	-	54	7,903	7,948	14.93	7.74
<b>Total</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>7,903</b>	<b>7,948</b>	<b>14.93</b>	<b>7.74</b>

Significant terms and conditions of term finance certificates and sukuk bonds outstanding as at December 31, 2022 are as follows:

Name of Security	Remaining Principal (Rupees per Sukuk / TFC)	Mark-up rate (per annum)	Issue date	Maturity date
TPL Trakker Limited	722,222	3 month KIBOR + 3%	30-Mar-21	30-Mar-26
The Hub Power Company Limited	100,000	6 month KIBOR + 2.5%	12-Nov-20	12-Nov-25

### 7.3 Market Treasury Bills - At fair value through profit or loss

	Maturity date	As at July 01, 2022	Purchases made during the period	Matured / sold during the period	Amortised cost as at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of	
							Total Investment	Net Assets
------(Rupees in '000)-----							-----%	
United Bank Limited	25-Aug-22	-	25,000	25,000	-	-	-	-
Bank Al-Falah Limited	8-Sep-22	-	20,000	20,000	-	-	-	-
Bank Al-Falah Limited	22-Sep-22	-	20,000	20,000	-	-	-	-
Bank Al-Falah Limited	6-Oct-22	-	13,000	13,000	-	-	-	-
Bank Al-Falah Limited	29-Dec-22	-	5,000	5,000	-	-	-	-
Bank Al-Falah Limited	17-Nov-22	-	10,000	10,000	-	-	-	-
		-	<b>93,000</b>	<b>93,000</b>	-	-	-	-

### 8 ADVANCES AND DEPOSITS

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
(Rupees in '000')			
Security deposit with National Clearing Company of Pakistan Limited (NCCPL)		2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited (CDC)		100	100
Advance tax	8.1	376	376
Other pre-payments		16	-
Other receivables		700	-
		<b>3,692</b>	<b>2,976</b>

8.1 This pertains to tax collected by bank due to non-availability of Withholding tax exemption certificate of certain months on markup on bank deposits which will all be claimed on filing of tax return of fund.

		<b>December 31, 2022 (Un-audited)</b>	June 30, 2022 (Audited)
<b>9</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>	<b>(Rupees in '000')</b>	
	Management fee	<b>161</b>	219
	Sindh Sales Tax	<b>21</b>	28
	Sales load payable	-	2
	Allocation of expenses related to registrar services accounting, operation and valuation services	<b>28</b>	38
	Selling and marketing payable	<b>95</b>	193
		<b>305</b>	<b>480</b>

		<b>December 31, 2022 (Un-audited)</b>	June 30, 2022 (Audited)
<b>10</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>(Rupees in '000')</b>	
	Auditors' remuneration	<b>232</b>	374
	Federal Excise Duty	<b>6,610</b>	6,610
	Payable to brokers	<b>119</b>	115
	Dividend Payable	<b>3</b>	3
	Other payables	<b>296</b>	66
		<b>7,260</b>	<b>7,168</b>

10.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022.

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2019 aggregating to Rs. 6.610 million. Had the provision not been retained, the Net Assets Value per unit of the Fund as on December 31, 2022 would have been higher by Rs. 5.9404 per unit (June 30, 2022: Rs. 5.8977 per unit).

## 11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2022 except those disclosed in the note 12 of the annual audited financial statements for the year ended June 30, 2022.

## 12 TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11 of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2023 to its unit holders.

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**13 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS**

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

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

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

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

	<u>Half year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
	<b>(Un-Audited)</b>	
	<b>(Rupees in '000)</b>	
<b>13.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	875	2,017
Sales tax on management fee	114	262
Allocation of expenses related to registrar services, accounting, operation and valuation services	153	353
Selling and marketing cost payable	212	489
Issuance of 384,754 units (2021: Nil Units)	35,000	-
<b>Habib Bank Limited - Sponsor</b>		
Redemption of 315,978 units (2021: 14,771 units)	29,443	48,000
Bank charges paid during the period	22	3
Mark-up earned during the period	123	184
Dividend income earned during the period	56	213
Purchase of 50,000 shares (2021: 97,800 shares)	3,500	11,857
Sale of 87,071 shares (2021: 4,000 shares)	6,644	511
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	88	202
Sales tax on remuneration	11	26
Central Depository service charges	14	12
<b>Executive and Key management personnel</b>		
Redemption of 16,856 units (2021: Nil units)	1,550	-
<b>HBL Income Fund</b>		
Sale of Bank of Punjab Term Finance Certificate	-	13,500
<b>HBL Cash Fund</b>		
Sale of T-Bill	25,000	-

	<b>December 31, 2022 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>13.2 Amounts outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee payable	161	219
Sales tax payable	21	28
Sales load Payable	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	28	38
Selling and Marketing Cost	95	193
Investment held in the Fund: 384,754 units (June, 30 2022: Nil Units)	<b>35,500</b>	-
<b>Habib Bank Limited - Sponsor</b>		
Investment held in the Fund: Nil units (June, 30 2022: 315,978 units)	-	29,383
Bank balances	1,799	28,221
Profit receivable on bank deposits	29	322
Outstanding balance of Shares: Nil shares (June, 30 2022: 37,071shares)	-	3,386
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	16	22
Sales tax payable	2	3
Security Deposit	100	100
<b>Mr. Rafiuddin Zakir Mahmood - Connected Persons due to 10% and more</b>		
Investment held in the Fund: 312,940 units (June, 30 2022: 312, 940 units)	<b>28,874</b>	29,100
<b>Executive and Key management personnel</b>		
Investment held in the Fund: 4,652 units (June 30, 2022: 21,508 units)	<b>429</b>	2,000

#### **14 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

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

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

		December 31, 2022 (Un-Audited)						
		Carrying amount			Fair value			
		At fair value through profit or loss	At amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>		<i>Note</i> ----- (Rupees in '000') -----						
<b>Financial assets measured at fair value</b>								
<i>Investments</i>								
	Listed equity securities	45,281	-	45,281	45,281	-	-	45,281
	Term Finance Certificates and sukuk bonds	7,948	-	7,948	-	7,948	-	7,948
		<u>53,229</u>	<u>-</u>	<u>53,229</u>				
<b>Financial assets not measured at fair value</b>		14.2						
	Bank balances	-	52,123	52,123				
	Dividend receivable and accrued mark-up	-	1,211	1,211				
	Advances and deposits	-	2,992	2,992				
		<u>-</u>	<u>56,789</u>	<u>56,789</u>				
<b>Financial liabilities not measured at fair value</b>		14.2						
	Payable to the Management Company	-	305	305				
	Payable to the Trustee	-	18	18				
	Accrued expenses and other liabilities	-	413	413				
		<u>-</u>	<u>736</u>	<u>736</u>				
		June 30, 2022 (Audited)						
		Carrying amount			Fair Value			
		At Fair value through profit or loss	At amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>		<i>Note</i> ----- (Rupees in '000') -----						
<b>Financial assets measured at fair value</b>								
<i>Investments</i>								
	- Listed equity securities	70,473	-	70,473	70,473	-	-	70,473
	- Term Finance Certificates and sukuk bonds	3,350	-	3,350	-	3,350	-	3,350
		<u>73,823</u>	<u>-</u>	<u>73,823</u>				
<b>Financial assets not measured at fair value</b>		14.2						
	Bank balances	-	29,527	29,527				
	Dividend receivable and accrued mark-up	-	769	769				
	Advances and deposits	-	2,976	2,976				
			10	10				
	Term Finance Certificates and sukuk bonds	-	4,828	4,828				
		<u>-</u>	<u>38,110</u>	<u>38,110</u>				
<b>Financial liabilities not measured at fair value</b>		14.2						
	Payable to the Management Company	-	480	480				
	Payable to the Trustee	-	25	25				
	Accrued expenses and other liabilities	-	558	558				
		<u>-</u>	<u>1,063</u>	<u>1,063</u>				

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**14.1 Valuation techniques used in determination of fair values within level 2**

Investments in Term Finance Certificates are valued on the basis of the market rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

14.2 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.

14.3 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption and issuance respectively, calculated on a basis consistent with that used in this condensed interim financial information. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorised into level 2 of fair value hierarchy.

**15 TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio of the Fund for the half year ended December 31, 2022 is 2.67% (December 31, 2021: 2.14%) which includes 0.15% (December 31, 2021: 0.15%) representing government levy, Worker's Welfare Fund and SECP fee.

**16 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 13, 2023.

**17 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Financial Planning Fund**

## FUND INFORMATION

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Name of Fund	HBL Financial Planning Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Digital Custodian Company Limited (DCCL) Formerly: MCB Financial Services Limited (MCBFSL)
Bankers	Habib Bank Limited JS Bank Limited



## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

### HBL FINANCIAL PLANNING FUND

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

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

1. HBL Asset Management Company Limited, the Management Company of HBL Financial Planning Fund has, in all material respects, managed HBL Financial Planning Fund during the period ended 31<sup>st</sup> December, 2022 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement.

  
Faisal Amin  
Authorize Signatory  
Digital Custodian Company Limited

Karachi: February 27, 2023

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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL FINANCIAL PLANNING FUND ("the Fund") as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2022 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2022 and December 31, 2021 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2023

UDIN: RR202210166fkSJBNTQ9

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Tariq Feroz Khan

**HBL Financial Planning Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
**AS AT DECEMBER 31, 2022**

	December 31, 2022 (Un-Audited)				June 30, 2022 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	
Note ..... Rupees in '000 .....									
<b>ASSETS</b>									
Bank balances	4	740	391	-	1,131	62,479	1,278	12	63,769
Investments	5	66,263	34,566	-	100,829	24,375	77,306	-	101,681
Preliminary expenses and flotation costs		-	24	-	24	110	141	-	251
Advances and prepayments	6	47	18	-	65	45	16	-	61
<b>TOTAL ASSETS</b>		<b>67,050</b>	<b>34,999</b>	<b>-</b>	<b>102,049</b>	<b>87,009</b>	<b>78,741</b>	<b>12</b>	<b>165,762</b>
<b>LIABILITIES</b>									
Payable to the Management Company	7	10	6	-	16	918	13	-	931
Payable to the Trustee	8	3	3	-	6	2	6	-	8
Payable to Securities and Exchange - Commission of Pakistan	9	3	6	-	9	7	13	3	23
Accrued expenses and other liabilities	10	216	90	-	306	203	89	9	301
<b>TOTAL LIABILITIES</b>		<b>232</b>	<b>105</b>	<b>-</b>	<b>337</b>	<b>1,130</b>	<b>121</b>	<b>12</b>	<b>1,263</b>
<b>NET ASSETS</b>		<b>66,818</b>	<b>34,894</b>	<b>-</b>	<b>101,712</b>	<b>85,879</b>	<b>78,620</b>	<b>-</b>	<b>164,499</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>									
		<b>66,818</b>	<b>34,894</b>	<b>-</b>	<b>101,712</b>	<b>85,879</b>	<b>78,620</b>	<b>-</b>	<b>164,499</b>
<b>CONTINGENCIES AND COMMITMENTS</b>									
11 ..... Number of units .....									
<b>Number of units in issue</b>		<b>860,318</b>	<b>299,376</b>	<b>-</b>	<b>1,158,847</b>	<b>703,824</b>	<b>-</b>	<b>-</b>	<b>1,862,671</b>
..... Rupees .....									
<b>Net assets value per unit</b>		<b>77.6660</b>	<b>116.5518</b>	<b>-</b>	<b>74.1068</b>	<b>111.7040</b>	<b>-</b>	<b>-</b>	<b>-</b>

The annexed notes from 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 Financial Planning Fund**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND PERIOD ENDED DECEMBER 31, 2022**

	For the half year ended December 31, 2022				For the half year ended December 31, 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 -----								
<b>Income</b>								
Capital gain / (loss) on sale of investments - net	904	686	-	1,590	(891)	20	176	(695)
Dividend income	-	1	-	1	-	-	1,358	1,358
Mark-up on bank deposits	181	146	-	327	31	23	21	75
	1,085	833	-	1,918	(860)	43	1,555	738
Unrealised appreciation/(diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	5.1 255	1,644	-	1,899	(6,808)	(481)	-	(7,289)
	1,340	2,477	-	3,817	(7,668)	(438)	1,555	(6,551)
<b>Expenses</b>								
Remuneration of the Management Company	6	6	-	12	3	4	4	11
Sindh Sales Tax on remuneration of the Management Company	1	1	-	2	-	1	1	2
Remuneration of the Trustee	15	25	-	40	19	26	15	60
Sindh Sales Tax on remuneration of the Trustee	2	3	-	5	2	3	2	7
Annual fee to the Securities and Exchange Commission of Pakistan	3	6	-	9	4	6	3	13
Allocation of expenses related to registrar services, accounting, operation and valuation services	34	55	-	89	42	58	34	134
Amortisation of preliminary expenses and flotation costs	108	117	-	225	135	118	-	253
Auditors' remuneration	90	83	-	173	67	59	49	175
Fees and subscription	13	12	-	25	48	49	11	108
Bank charges	-	-	-	-	6	3	79	88
Printing charges	9	-	-	9	25	25	4	54
	281	308	-	589	351	352	202	905
<b>Net income/ (loss) from operating activities</b>	1,059	2,169	-	3,228	(8,019)	(790)	1,353	(7,456)
Reversal of provision for Sindh Workers' Welfare Fund	-	-	-	-	406	332	466	1,204
<b>Net income/ (loss) for the period before taxation</b>	1,059	2,169	-	3,228	(7,613)	(458)	1,819	(6,252)
Taxation	-	-	-	-	-	-	-	-
<b>Net income/(loss) for the period after taxation</b>	1,059	2,169	-	3,228	(7,613)	(458)	1,819	(6,252)
<b>Allocation of net income for the period</b>								
Income already paid on redemption of units	63	718	-	-	-	-	162	-
Accounting income available for distribution								
Relating to capital gains	841	1,451	-	-	-	-	176	-
Excluding capital gains	155	-	-	-	-	-	1,481	-
	996	1,451	-	-	-	-	1,657	-
	1,059	2,169	-	-	-	-	1,819	-

Earnings per unit

13

The annexed notes from 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 Financial Planning Fund**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2022 (CONTINUED)**

	For the quarter ended December 31, 2022				For the quarter ended December 31, 2021			
	Active	Conservative	Special	Total	Active	Conservative	Special	Total
	Allocation	Allocation	Income		Allocation	Allocation	Income	
	Plan	Plan	Plan		Plan	Plan	Plan	
Note ..... (Rupees in '000) .....								
<b>Income</b>								
Capital gain/(loss) on sale of investments - net	985	(80)	-	905	(844)	19	-	(825)
Dividend income	-	1	-	1	-	-	-	-
Mark-up on bank deposits	11	100	-	111	9	13	-	22
	996	21	-	1,017	(835)	32	-	(803)
Unrealised appreciation/(diminution) on re-measurement of investments classified as 'fair value through profit or loss' - net	5.1 (184)	915	-	731	(1,410)	209	-	(1,201)
	812	936	-	1,748	(2,245)	241	-	(2,004)
<b>Expenses</b>								
Remuneration of the Management Company	2	3	-	5	2	2	-	4
Sindh Sales Tax on remuneration of the Management Company	-	1	-	1	-	1	-	1
Remuneration of the Trustee	6	8	-	14	8	14	-	22
Sindh Sales Tax on remuneration of the Trustee	1	1	-	2	1	2	-	3
Annual fee to the Securities and Exchange Commission of Pakistan	1	2	-	3	2	3	-	5
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	13	17	-	30	18	32	-	50
Amortisation of preliminary expenses and flotation costs	41	59	-	100	67	60	-	127
Auditors' remuneration	57	54	-	111	35	31	-	66
Fees and subscription	4	4	-	8	28	29	-	57
Bank charges	-	-	-	-	2	(1)	-	1
Printing charges	-	-	-	-	8	4	-	12
	126	149	-	275	171	177	-	348
<b>Net income/ (loss) from operating activities</b>	686	787	-	1,473	(2,416)	64	-	(2,352)
Reversal provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-	-	-
<b>Net income/ (loss) for the period before taxation</b>	686	787	-	1,473	(2,416)	64	-	(2,352)
Taxation	12 -	-	-	-	-	-	-	-
<b>Net income/(loss) for the period after taxation</b>	686	787	-	1,473	(2,416)	64	-	(2,352)
<b>Allocation of net income for the period</b>								
Income already paid on redemption of units	47	515	-		-	-	-	
Accounting income available for distribution								
Relating to capital gains	639	272	-		-	-	-	
Excluding capital gains	-	-	-		-	-	-	
	639	272	-		-	-	-	
	686	787	-		-	-	-	
<b>Earnings per unit</b>				13				

The annexed notes from 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 Financial Planning Fund**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND PERIOD ENDED DECEMBER 31, 2022**

	For the half year ended December 31, 2022				For the half year ended December 31, 2021			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	----- Rupees in '000 -----							
Net income/(loss) for the period after taxation	1,059	2,169	-	3,228	(7,613)	(458)	1,819	(6,252)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	<u>1,059</u>	<u>2,169</u>	<u>-</u>	<u>3,228</u>	<u>(7,613)</u>	<u>(458)</u>	<u>1,819</u>	<u>(6,252)</u>

The annexed notes from 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 Financial Planning Fund**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2022 (CONTINUED)**

	For the quarter ended December 31, 2022				For the quarter ended December 31, 2021			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	----- (Rupees in '000) -----							
Net income/(loss) for the period after taxation	686	787	-	1,473	(2,416)	64	-	(2,352)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	<u>686</u>	<u>787</u>	<u>-</u>	<u>1,473</u>	<u>(2,416)</u>	<u>64</u>	<u>-</u>	<u>(2,352)</u>

The annexed notes from 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 Financial Planning Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Active Allocation Plan					
	For the half year ended December 31, 2022			For the half year ended December 31, 2021		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	Rupees in '000					
Net assets at beginning of the period	100,204	(14,325)	85,879	56,275	1,525	57,800
Issuance of 592,860 units (2021: 9,210 units)						
Capital value (at net asset value per unit at the beginning of the period)	43,935	-	43,935	1,066	-	1,066
Element of income / (loss)	1,943	-	1,943	(76)	-	(76)
Total proceeds on issuance of units	45,878	-	45,878	990	-	990
Redemption of 891,389 units (2021: 148,862 units)						
Capital value (at net asset value per unit at the beginning of the period)	(66,058)	-	(66,058)	(17,232)	-	(17,232)
Income already paid on redemption of units	-	(63)	(63)	-	-	-
Element of income	123	-	123	967	-	967
Total payments on redemption of units	(65,935)	(63)	(65,998)	(16,265)	-	(16,265)
Total comprehensive income / (loss) for the period	-	1,059	1,059	-	(7,613)	(7,613)
Net assets at end of the period	80,147	(13,329)	66,818	41,000	(6,088)	34,912
Accumulated loss brought forward						
Realised income/ (loss)		1,032			(2,360)	
Unrealised (loss) / income		(15,357)			3,885	
		(14,325)			1,525	
Accounting income available for distribution						
Relating to capital gains		841			-	
Excluding capital gains		155			-	
		996			-	
Total comprehensive income / (loss) for the period		1,059			(7,613)	
Accumulated loss carried forward		(13,329)			(6,088)	
Accumulated (loss) carried forward						
Realised (loss) / income		(13,584)			720	
Unrealised income / (loss)		255			(6,808)	
		(13,329)			(6,088)	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period				74.1068		115.7579
Net assets value per unit at end of the period				77.6660		97.0723

The annexed notes from 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 Financial Planning Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (CONTINUED)

	Conservative Allocation Plan					
	For the half year ended December 31, 2022			For the half year ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- Rupees in '000 -----					
<b>Net assets at beginning of the period</b>	71,779	6,841	78,620	42,154	8,966	51,120
<b>Issuance of 2,429 units (2021: 190,458 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	273	-	273	21,942	-	21,942
Element of income / (loss)	7	-	7	(62)	-	(62)
<b>Total proceeds on issuance of units</b>	280	-	280	21,880	-	21,880
<b>Redemption of 406,877 units (2021: 2,620 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(45,450)	-	(45,450)	(302)	-	(302)
Income already paid on redemption of units	-	(718)	(718)	-	-	-
Element of (loss) / income	(7)	-	(7)	2	-	2
<b>Total payments on redemption of units</b>	(45,457)	(718)	(46,175)	(300)	-	(300)
Total comprehensive income / (loss) for the period	-	2,169	2,169	-	(458)	(458)
<b>Net assets at end of the period</b>	<b>26,602</b>	<b>8,292</b>	<b>34,894</b>	<b>63,734</b>	<b>8,508</b>	<b>72,242</b>
<b>Undistributed income brought forward</b>						
Realised income		11,138			7,975	
Unrealised (loss) / income		(4,297)			991	
		6,841			8,966	
<b>Accounting income available for distribution</b>						
Relating to capital gains		1,451			-	
Excluding capital gains		-			-	
		1,451			-	
Total comprehensive income / (loss) for the period		2,169			(458)	
Undistributed income carried forward		8,292			8,508	
<b>Undistributed income carried forward</b>						
Realised income		6,648			8,989	
Unrealised income / (loss)		1,644			(481)	
		8,292			8,508	
			(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the period</b>			111.7040			115.2069
<b>Net assets value per unit at end of the period</b>			116.5518			114.3882

The annexed notes from 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 Financial Planning Fund

## Condensed Interim Cash Flow Statement (unaudited)

### FOR THE HALF YEAR AND PERIOD ENDED DECEMBER 31, 2022

Note	For the half year ended December 31, 2022				For the half year ended December 31, 2021			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000							
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income / (loss) for the period before taxation	1,059	2,169	-	3,228	(7,613)	(458)	1,819	(6,252)
Adjustments for:								
Capital (gain) / loss on sale of investment - net	(904)	(686)	-	(1,590)	891	(20)	(176)	695
Dividend income	-	(1)	-	(1)	-	-	(1,358)	(1,358)
Mark-up on bank deposits	(181)	(146)	-	(327)	(31)	(23)	(21)	(75)
Amortisation of preliminary expenses and flotation costs	108	117	-	225	135	118	-	253
Unrealised (appreciation) / diminution re-measurement of investments classified as 'fair value through profit or loss' - net	(255)	(1,644)	-	(1,899)	6,808	481	-	7,289
	(173)	(191)	-	(364)	190	98	264	552
<b>Decrease/(increase) in assets</b>								
Investments - net	(40,729)	45,070	-	4,341	15,565	(21,054)	88,325	82,836
Preliminary expenses and flotation cost	2	-	-	2	2	(2)	-	-
Advances and prepayments	(2)	(2)	-	(4)	(39)	(52)	-	(91)
	(40,729)	45,068	-	4,339	15,528	(21,108)	88,325	82,745
<b>(Decrease)/increase in liabilities</b>								
Payable to the Management Company	(908)	(7)	-	(915)	(3)	4	(15)	(14)
Payable to the Trustee	1	(3)	-	(2)	(2)	1	(8)	(9)
Payable to Securities and Exchange Commission of Pakistan	(4)	(7)	-	(11)	(8)	(6)	(21)	(35)
Accrued expenses and other liabilities	13	1	-	14	(487)	(1,885)	(1,209)	(3,581)
	(898)	(16)	-	(914)	(500)	(1,886)	(1,253)	(3,639)
Cash generated from operations	(41,800)	44,861	-	3,061	15,218	(22,896)	87,336	79,658
Dividend received	-	1	-	1	-	-	1,358	1,358
Mark-up received on bank deposits	181	146	-	327	31	23	21	75
Net cash generated from operating activities	(41,619)	45,008	-	3,389	15,249	(22,873)	88,715	81,091
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts from issue of units	45,878	280	-	46,158	990	21,880	2,552	25,422
Payment against redemption of units	(65,998)	(46,175)	-	(112,173)	(16,265)	(300)	(90,880)	(107,445)
Dividend paid	-	-	-	-	-	-	(1,416)	(1,416)
Net cash used in financing activities	(20,120)	(45,895)	-	(66,015)	(15,275)	21,580	(89,744)	(83,439)
Net decrease in cash and cash equivalents during the period	(61,739)	(887)	-	(62,626)	(26)	(1,293)	(1,029)	(2,348)
Cash and cash equivalents at the beginning of the period	62,479	1,278	-	63,757	237	1,598	1,089	2,924
Cash and cash equivalents at the end of the period	4	740	391	1,131	211	305	60	576

The annexed notes from 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 Financial Planning Fund**

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

### **FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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#### **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 Digital Custodian Comapany Limited (DCCL) [formerly, 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 the (NBFC Rules). The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

Effective from March 22, 2017, 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 Fund is an open ended fund of fund scheme and the Fund is listed on Pakistan Stock Exchange Limited. The Fund currently has three different plans; namely, Active Allocation Plan, Conservative Allocation Plan and Special Income Plan (collectively referred as 'Plans'). The units of Conservative Allocation Plan and Active Allocation Plan were initially offered to public (IPO) from September 11, 2017 to October 10, 2017 and the units of Special Income Plan were offered from June 11, 2019 to September 13, 2019. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund is perpetual, however, the Allocation Plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans may be offered for a limited subscription period.

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

- The "Active Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active asset allocation between equity scheme(s), income scheme(s) and money market scheme(s) based on the Fund Manager's outlook on the asset classes.
- The "Conservative Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of investments in equity scheme(s), income scheme(s) and money market scheme(s). This Allocation Plan is suitable for investors who have moderate risk tolerance and have a short to medium term investment horizon.
- The "Special Income Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between income scheme(s) and money market scheme(s) based on fundamental analysis of economic indicators, interest rate environment, market liquidity conditions and a strategy of minimizing risk and volatility. The plan commenced on 15 September, 2019 for the duration of 24 month (two years) and matured on 13 September, 2021.

VIS Credit Rating Agency has assigned management quality rating of 'AM1' (Stable Outlook) to the HBL Asset Management Company Limited as at December 30, 2022.

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

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

##### **2.1 Statement of compliance**

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

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Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

- 2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2022, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2022.
- 2.1.4 This condensed interim financial information is unaudited but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

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

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.



## 6 ADVANCES AND PREPAYMENTS

Note	December 31, 2022 (Un-Audited)				June 30, 2022 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Advance tax	37	9	-	46	37	9	-	46
Prepaid Legal fee	-	-	-	-	-	-	-	-
Prepaid listing fee	10	9	-	19	8	7	-	15
	<u>47</u>	<u>18</u>	<u>-</u>	<u>65</u>	<u>45</u>	<u>16</u>	<u>-</u>	<u>61</u>

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

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

## 7 PAYABLE TO THE MANAGEMENT COMPANY

	December 31, 2022 (Un-Audited)				June 30, 2022 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Remuneration payable to the Management Company	1	-	-	1	1	2	-	3
Sindh Sales Tax payable on Management Company's remuneration	0	-	-	0	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6	6	-	12	4	11	-	15
Sales load payable	3	-	-	3	913	-	-	913
	<u>10</u>	<u>6</u>	<u>-</u>	<u>16</u>	<u>918</u>	<u>13</u>	<u>-</u>	<u>931</u>

## 8 PAYABLE TO THE TRUSTEE

	December 31, 2022 (Un-Audited)				June 30, 2022 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Trustee fee payable	3	3	0	6	2	5	0	7
Sindh Sales Tax payable on remuneration of the Trustee	-	-	-	-	-	1	0	1
	<u>3</u>	<u>3</u>	<u>-</u>	<u>6</u>	<u>2</u>	<u>6</u>	<u>-</u>	<u>8</u>

## 9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	December 31, 2022 (Un-Audited)				June 30, 2022 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Annual fee payable	3	6	3	12	7	13	3	23

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2022 (Un-Audited)				June 30, 2022 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	----- Rupees in '000 -----				----- Rupees in '000 -----			
Note								
Withholding tax payable	-	-	-	-	-	-	-	-
Auditors' remuneration	91	81	-	172	57	50	-	107
Others	125	9	-	134	146	39	9	194
	<u>216</u>	<u>90</u>	<u>-</u>	<u>306</u>	<u>203</u>	<u>89</u>	<u>9</u>	<u>301</u>

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2022 (June 30, 2022: Nil).

## 12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains, whether realised or unrealized, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute at least 90% of the Fund's accounting income, as reduced by the capital gains, whether realised or unrealized, for the year ending June 30, 2022, to its unit holders.

## 13 EARNINGS PER UNIT

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

## 14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Digital Custodian Company Limited (DCCL) [formerly MCB Financial Services Limited (MCBFSL)] being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

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

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

14.1	Transactions during the year / period	For the half year ended December 31, 2022				For the half year ended December 31, 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>									
	Remuneration of the Management Company	6	6	-	12	3	4	4	11
	Sindh Sales Tax on remuneration of the Management Company	1	1	-	2	-	1	1	2
	Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	34	55	-	89	42	58	34	134
	Issue of 581,329 (2021: 174,164) units	45,000	-	-	45,000	-	20,000	-	20,000
<b>Digital Custodian Company Limited (DCCL) [formerly MCB Financial Services Limited (MCFSL)] - Trustee</b>									
	Remuneration of the Trustee	15	25	0	40	19	26	15	60
	Sindh Sales Tax on remuneration of the Trustee	2	3	0	5	2	3	2	7
<b>Habib Bank Limited - Sponsor</b>									
	Bank charges	0	0	-	0	6	3	79	88
	Mark-up on bank deposits	180	139	-	319	30	20	20	70
<b>HBL Cash Fund - CIS managed by the Management Company</b>									
	Purchase of 646,877 (2021: Nil) units	66,008	-	-	66,008	-	-	-	-
	Purchase of 9 (2021: 137) units	-	1	-	1	-	-	-	-
	Purchase of n/L (2021: 13,422) units	-	-	-	-	-	-	1,359	1,359
	Redemption of Nil (2021: 14,995) units	-	-	-	-	1,522	-	-	1,522
	Redemption of Nil (2021: 884,451 ) units	-	-	-	-	-	-	89,683	89,683
	Dividend Income	-	-	-	-	-	-	1,359	1,359
<b>HBL Income Fund - CIS managed by the Management Company</b>									
	Purchase of 587,211 (2021: 132,074 ) units	65,752	-	-	65,752	-	15,200	-	15,200
	Purchase of 13,926 (2021: Nil ) units	-	1,641	-	1,641	-	-	-	-
	Redemption of 618,300 (2021: 34,429) units	70,608	-	-	70,608	3,946	-	-	3,946
	Redemption of 297,681 (2021: 18,617) units	-	34,197	-	34,197	-	2,161	-	2,161
<b>HBL Money Market Fund - CIS managed by the Management Company</b>									
	Purchase of Nil (2021: 12,137) units	-	-	-	-	-	1,255	-	1,255
	Redemption of 11,931 (2021: 3,891) units	1,308	-	-	1,308	-	400	-	400
	Redemption of 47,588 (2021: Nil) units	-	5,045	-	5,045	-	-	-	-
<b>HBL Equity Fund -CIS managed by the Management company</b>									
	Purchase of Nil (2021: 22,606) units	-	-	-	-	2,383	-	-	2,383
	Purchase of Nil (2021: 63,948) units	-	-	-	-	-	32,659	-	32,659
	Redemption of 256,101 (2021: 96,586) units	19,116	-	-	19,116	12,479	-	-	12,479
	Redemption of 60,519 (2021: Nil) units	-	4,463	-	4,463	-	-	-	-
<b>HBL Stock Fund -CIS managed by the Management company</b>									
	Purchase of 9,404 (2021: Nil) units	0	644	-	644	0	0	0	-
	Redemption of 103,540 (2021: Nil) units	0	7,136	-	7,136	0	0	0	-
<b>HBL Energy Fund -CIS managed by the Management company</b>									
	Purchase of 359,468 (2021: Nil) units	-	3,485	-	3,485	0	0	0	-
<b>Asif Nadeem Minhas - Connected person due to 10% holding</b>									
	Issue of Nil (2021: 1,173 ) units	-	-	-	-	-	-	124	124
	Redemption of Nil (2021: 99,593 ) units	-	-	-	-	-	-	17,531	17,531
	Dividend income	-	-	-	-	-	-	124	124
<b>Shazia Afshan Minhas - Connected person due to 10% holding</b>									
	Issue of Nil (2021: 2,971) units	-	-	-	-	-	-	314	314
	Redemption of Nil(2021: 206,900) units	-	-	-	-	-	-	21,870	21,870
	Dividend Income	-	-	-	-	-	-	314	314
<b>Anwar Ahmad Syed - Connected person due to 10% holding</b>									
	Issue of Nil (2021: 2,971) units	-	-	-	-	-	-	172	172
	Redemption of Nil (2021: 206,900) units	-	-	-	-	-	-	9,900	9,900
	Dividend Income	-	-	-	-	-	-	172	172

	For the half year ended December 31, 2022				June 30, 2022			
	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>14.2 Balances outstanding as at period / year end</b>								
<b>HBL Asset Management Limited - Management Company</b>								
Remuneration payable to the Management Company	1	-	-	1	1	2	-	3
Sindh Sales Tax payable on remuneration of the Management Company	0	-	-	0	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6	6	-	12	4	11	-	15
Sales load payable	3	-	-	3	913	-	-	913
Units held: 581,329 (June 30, 2022: Nil)	45,150	-	-	45,150	-	29,451	-	29,451
<b>Habib Bank Limited - Sponsor</b>								
Bank balances	726	293	-	1,019	62,466	1,187	11	63,664
<b>Digital Custodian Company Limited (DCCL) [formerly MCB Financial Services Limited (MCBFSL)] - Trustee</b>								
Trustee fee payable	3	3	-	6	2	5	-	7
Sindh Sales Tax payable on remuneration of the Trustee	-	-	-	-	-	1	-	1
<b>HBL Cash Fund - CIS managed by the Management Company</b>								
Units held: 646,877 (June 30, 2022: Nil)	50,241	-	-	50,241	-	-	-	-
Units held: 145 (June 30, 2022: 137)	-	17	-	17	-	14	-	14
<b>HBL Stock Fund - CIS managed by the Management Company</b>								
Units held: 48,324 (June 30, 2022: 142,460)	-	5,632	-	5,632	-	10,247	-	10,247
<b>HBL Income Fund - CIS managed by the Management Company</b>								
Units held: Nil (June 30, 2022: 31,089)	-	-	-	-	3,464	-	-	3,464
Units held: 220,370 (June 30, 2022: 504,125)	-	25,686	-	25,686	-	56,175	-	56,175
<b>HBL Money Market Fund - CIS managed by the Management Company</b>								
Units held: Nil (June 30, 2022: 11,931)	-	-	-	-	1,226	-	-	1,226
Units held: 12,907 (June 30, 2022: 60,495)	-	1,504	-	1,504	-	6,218	-	6,218
<b>HBL Equity Fund - CIS managed by the Management Company</b>								
Units held: Nil (June 30, 2022: 256,101)	-	-	-	-	19,685	-	-	19,685
Units held: Nil (June 30, 2022: 60,519)	-	-	-	-	-	4,652	-	4,652
<b>HBL Energy Fund - CIS managed by the Management Company</b>								
Units held: 359,468 (June 30, 2022: Nil)	-	41,898	-	41,898	-	-	-	-
<b>Patient Welfare Association - Connected Person due to 10% holding</b>								
Units held: Nil (June 30, 2022: 400,000)	-	-	-	-	-	44,682	-	44,682
<b>Rahim Ali Charania - Connected Person due to 10% holding</b>								
Units held: Nil (June 30, 2022: 827,696)	-	-	-	-	61,339	-	-	61,339

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

- 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).

As at December 31, 2022 and June 30, 2022, the Fund held the following instruments measured at fair values:

Particulars	Active Allocation plan			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
	Note			
<b>December 31, 2022 (Un-audited)</b>				
<b>At fair through profit or loss</b>	15.1			
Investments	66,263	-	-	66,263
	<u>66,263</u>	<u>-</u>	<u>-</u>	<u>66,263</u>

Particulars	Active Allocation plan			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
	Note			
<b>June 30, 2022 (Audited)</b>				
<b>At fair through profit or loss</b>	15.1			
Investments	24,375	-	-	24,375
	<u>24,375</u>	<u>-</u>	<u>-</u>	<u>24,375</u>

Particulars	Conservative Allocation plan			
	Level 1	Level 2	Level 3	Total
	Note ----- (Rupees in '000) -----			
<b>December 31, 2022 (Un-audited)</b>				
<b>At fair through profit or loss</b>	15.1			
Investments	34,566	-	-	34,566
	<u>34,566</u>	<u>-</u>	<u>-</u>	<u>34,566</u>

Particulars	Conservative Allocation plan			
	Level 1	Level 2	Level 3	Total
	Note			
<b>June 30, 2022 (Audited)</b>				
<b>At fair through profit or loss</b>	15.1			
Investments	77,306	-	-	77,306
	<u>77,306</u>	<u>-</u>	<u>-</u>	<u>77,306</u>

#### 15.1 Valuation techniques

For level 1 investments at fair value through profit or loss in units of mutual funds, Fund uses daily NAVs which are taken from MUFAP at reporting date.

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

#### 15.3 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

#### 16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016, dated July 20, 2016, issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the period ended December 31, 2022 is 0.84%, and 0.56% (December 31, 2021 0.61% and 0.84%) which includes 0.02% and 0.01% (December 31, 2021 0.02% and 0.02%) representing Government levy and SECP fee of the Active Allocation Plan and Conservative Allocation Plan respectively.

#### 17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorized for issue on February 13, 2023 by the Board of Directors of the Management Company.

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**18 GENERAL**

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

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Growth Fund**

## FUND INFORMATION

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Name of Fund	HBL Growth Fund
Name of Auditor	A.F. Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Allied Bank limited Bank Alfalah Limited Habib Bank Limited Habib Metro Bank Limited HBL Micro Finance Bank JS Bank Limited Khushali Micro Finance Bank MCB Bank Limited Mobillink Micro Finance Bank National Bank Limited Soneri Bank limited U Micro Finance Bank Limited Zarai Taraqati Bank Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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Karachi - 74400, Pakistan.  
Tel : (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL GROWTH FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Growth Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 23, 2023





**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Growth Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

**Scope of Review**

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

**Conclusion**

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

**Other matter**

The condensed interim financial statements of the Fund for the half year ended December 31, 2020 were reviewed and the financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 22, 2021 and September 27, 2021 respectively.

*A.F. Ferguson & Co*

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 24, 2022

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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**HBL Growth Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At December 31, 2022*

	Note	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)							
<b>ASSETS</b>							
Bank balances	4	774,071	269,576	1,043,647	455,453	275,981	731,434
Investments	5	4,312,440	845,744	5,158,184	5,041,449	1,024,391	6,065,840
Dividend and profit receivable		21,077	3,150	24,227	14,076	2,536	16,612
Deposits and other receivables		1,679	4,125	5,804	1,206	4,127	5,333
Receivable against sale of investments		-	94,864	94,864	-	10,444	10,444
<b>Total assets</b>		<b>5,109,267</b>	<b>1,217,459</b>	<b>6,326,726</b>	<b>5,512,184</b>	<b>1,317,479</b>	<b>6,829,663</b>
<b>LIABILITIES</b>							
Payable to HBL Asset Management Limited - Management Company	6	9,548	4,658	14,206	9,832	8,998	18,830
Payable to Central Depository Company of Pakistan Limited - Trustee	7	577	273	850	588	276	864
Annual fee payable to the Securities and Exchange Commission of Pakistan	8	544	99	643	1,179	302	1,481
Payable against purchase of investments		-	35,553	35,553	-	1,614	1,614
Accrued expenses and other liabilities	9	654	129,454	130,108	442	126,824	127,266
Unclaimed dividend		-	131,958	131,958	-	131,967	131,967
<b>Total liabilities</b>		<b>11,323</b>	<b>301,995</b>	<b>313,318</b>	<b>12,041</b>	<b>269,981</b>	<b>282,022</b>
<b>NET ASSETS</b>		<b>5,097,944</b>	<b>915,464</b>	<b>6,013,408</b>	<b>5,500,143</b>	<b>1,047,498</b>	<b>6,547,641</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>5,097,944</b>	<b>915,464</b>	<b>6,013,408</b>	<b>5,500,143</b>	<b>1,047,498</b>	<b>6,547,641</b>
<b>Contingencies and commitments</b>	10	----- Number of units -----			----- Number of units -----		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>283,500,000</b>	<b>75,370,233</b>		<b>283,500,000</b>	<b>81,232,399</b>	
		----- (Rupees) -----			----- (Rupees) -----		
<b>NET ASSET VALUE PER UNIT</b>		<b>17.9822</b>	<b>12.1462</b>		<b>19.4009</b>	<b>12.8951</b>	

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

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

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

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

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

# HBL Growth Fund

## Condensed Interim Income Statement (Un-Audited)

### For The Half Year And Quarter Ended December 31, 2022

	Half year ended December 31, 2022			Half year ended December 31, 2021			Quarter ended December 31, 2022			Quarter ended December 31, 2021			
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	
<b>Note</b> (Rupees in '000)													
<b>INCOME</b>													
Loss on sale of investments - net	(97)	(32,016)	(32,113)	(34)	(88,475)	(88,509)	(17)	(24,012)	(24,029)	(34)	(89,613)	(89,647)	
Dividend income	347,983	39,747	387,730	333,117	54,210	387,327	298,427	22,829	321,256	293,472	41,422	334,894	
Profit on savings accounts with banks	34,677	16,742	51,419	6,692	8,792	15,484	24,545	7,633	32,178	3,256	4,217	7,473	
Income on Government securities	10,890	193	11,083	4,871	406	5,277	-	-	-	4,871	406	5,277	
	393,453	24,666	418,119	344,646	(25,067)	319,579	322,955	6,450	329,405	301,565	(43,568)	257,997	
Net unrealised (diminution)/ appreciation on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	-	(56,224)	(56,224)	-	(244,893)	(244,893)	-	(38,518)	(38,518)	-	10,843	10,843	
<b>Total income / (loss)</b>	393,453	(31,558)	361,895	344,646	(269,960)	74,686	322,955	(32,068)	290,887	301,565	(32,725)	268,840	
<b>EXPENSES</b>													
Remuneration of HBL Asset Management Limited - Management Company	6.1 & 6.2	46,094	11,187	57,281	53,791	19,013	72,804	22,150	5,405	27,555	25,221	8,862	34,083
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	7.1 & 7.2	3,557	643	4,200	4,037	1,073	5,110	1,721	310	2,031	1,908	505	2,413
Annual fee to the Securities and Exchange Commission of Pakistan	8.1	544	99	643	635	168	803	261	48	309	298	78	376
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	14,957	2,723	17,680	17,454	4,627	22,081	7,188	1,316	8,504	8,183	2,157	10,340
Selling and marketing expense	6.4	-	5,198	5,198	-	8,834	8,834	-	2,512	2,512	-	4,118	4,118
Settlement and bank charges		21	202	223	-	185	185	14	59	73	-	4	4
Auditors' remuneration		253	30	283	292	77	369	127	16	143	166	63	229
Fees and subscription		1,142	555	1,697	1,688	429	2,117	1,139	371	1,510	1,688	325	2,013
Printing and postage		75	9	84	36	-	36	64	9	73	36	-	36
Securities transaction charges		-	5,246	5,246	-	3,398	3,398	-	3,884	3,884	-	1,631	1,631
<b>Total operating expenses</b>		66,643	25,891	92,534	77,933	37,804	115,737	32,664	13,929	46,593	37,500	17,743	55,243
<b>Net income / (loss) operating activities</b>		326,810	(57,449)	269,361	266,713	(307,764)	(41,051)	290,291	(45,997)	244,294	264,065	(50,468)	213,597
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	-	-	-	-	-	-	-	-	-	-	-
Reversal of provision for Sindh Workers' Welfare fund (SWWF)		-	-	-	2,065	50,977	53,042	-	-	-	-	-	-
<b>Net income / (loss) for the period before taxation</b>		326,810	(57,449)	269,361	268,778	(256,787)	11,991	290,291	(45,997)	244,294	264,065	(50,468)	213,597
Taxation	13	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		326,810	(57,449)	269,361	268,778	(256,787)	11,991	290,291	(45,997)	244,294	264,065	(50,468)	213,597
<b>Earning per unit</b>													
<b>Allocation of net income for the period:</b>	11												
Net income for the period after taxation		326,810	-		268,778	-							
Income already paid on redemption of units		-	-		-	-							
		326,810	-		268,778	-							
Accounting income available for distribution:													
- Relating to capital gains		-	-		-	-							
- Excluding capital gains		326,810	-		268,778	-							
		326,810	-		268,778	-							

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Growth Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For The Half Year And Quarter Ended December 31, 2022*

	Half year ended December 31, 2022			Half year ended December 31, 2021			Quarter ended December 31, 2022			Quarter ended December 31, 2021		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)											
Net income / (loss) for the period after taxation	326,810	(57,449)	269,361	268,778	(256,787)	11,991	290,291	(45,997)	244,294	264,065	(50,468)	213,597
Items that will not be reclassified to income statement												
Unrealised diminution on re-measurement of investments classified as at fair value through other comprehensive income	(729,009)	-	(729,009)	(1,309,135)	-	(1,309,135)	(465,657)	-	(465,657)	(641,902)	-	(641,902)
<b>Total comprehensive loss for the period</b>	<b>(402,199)</b>	<b>(57,449)</b>	<b>(459,648)</b>	<b>(1,040,357)</b>	<b>(256,787)</b>	<b>(1,297,144)</b>	<b>(175,366)</b>	<b>(45,997)</b>	<b>(221,363)</b>	<b>(377,837)</b>	<b>(50,468)</b>	<b>(428,305)</b>

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

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

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

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

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



**HBL Growth Fund**  
**Condensed Interim Statement Of Movement In Unitholders' Fund**  
*For the half year ended December 31, 2022*

Half year ended December 31, 2021								
Class A					Class B			
Capital value	Accumulated loss	Unrealised income / (loss) on investment	Premium on issue of certificates	Total	Capital value	Undistributed income	Total	
(Rupees in '000)								
<b>Net assets at beginning of the period (audited)</b>	2,835,000	(3,196,781)	5,197,693	2,007,812	6,843,724	(319,699)	2,180,577	1,860,878
Issuance of Class A: nil units (2021: nil units) and Class B: 2,769,880 units (2020: 354,492 units)								
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	55,137	-	55,137
- Element of loss	-	-	-	-	-	(7,437)	-	(7,437)
Total proceeds on issuance of units	-	-	-	-	-	47,700	-	47,700
Redemption of Class A: nil units (2021: nil units) and Class B: 7,301,000 units (2020 2,980,876 units)								
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	(145,333)	-	(145,333)
- Element of income	-	-	-	-	-	15,471	-	15,471
- Income already paid on redemption	-	-	-	-	-	-	-	-
Total payment on redemption of units	-	-	-	-	-	(129,862)	-	(129,862)
Total comprehensive income / (loss) for the period	-	268,778	(1,309,135)	-	(1,040,357)	-	(256,787)	(256,787)
Net (loss) / income for the period	-	268,778	(1,309,135)	-	(1,040,357)	-	(256,787)	(256,787)
<b>Net assets at end of the period (un-audited)</b>	<u>2,835,000</u>	<u>(2,928,003)</u>	<u>3,888,558</u>	<u>2,007,812</u>	<u>5,803,367</u>	<u>(401,861)</u>	<u>1,923,790</u>	<u>1,521,929</u>
<b>(Accumulated loss) / undistributed income brought forward:</b>								
- Realised (loss) / income		(3,196,781)					2,014,667	
- Unrealised Income		-					165,910	
		<u>(3,196,781)</u>					<u>2,180,577</u>	
<b>Accounting income available for distribution:</b>								
- Relating to capital gains		-					-	
- Excluding capital gains		268,778					-	
Net income / (loss) available for distribution		<u>268,778</u>					<u>(256,787)</u>	
		<u>(2,928,003)</u>					<u>1,923,790</u>	
<b>(Accumulated loss) / undistributed income carried forward:</b>								
- Realised (loss) / income		(2,928,003)					2,168,683	
- Unrealised loss		-					(244,893)	
		<u>(2,928,003)</u>					<u>1,923,790</u>	
		<b>(Rupees)</b>					<b>(Rupees)</b>	
Net asset value per unit at beginning of the period		<u>24.1401</u>					<u>19.9059</u>	
Net asset value per unit at end of the period		<u>20.4704</u>					<u>17.1094</u>	

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Growth Fund**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
**For The Half Year Ended December 31, 2022**

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Class A	Class B	Total	Class A	Class B	Total
	Note ----- (Rupees in '000) -----					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income / (loss) for the period before taxation	326,810	(57,449)	269,361	268,778	(256,787)	11,991
<b>Adjustments</b>						
Loss on sale of investments - net	97	32,016	32,113	34	88,475	88,509
Net unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss	-	56,224	56,224	-	244,893	244,893
Dividend income	(347,983)	(39,747)	(387,730)	(333,117)	(54,210)	(387,327)
Discount income on Market treasury bills	(10,890)	(193)	(11,083)	(4,871)	(406)	(5,277)
Profit on savings accounts with banks	(34,677)	(16,742)	(51,419)	(6,692)	(8,792)	(15,484)
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	(2,065)	(50,977)	(53,042)
	(66,643)	(25,891)	(92,534)	(77,933)	(37,804)	(115,737)
<b>(Increase) / decrease in assets</b>						
Investments - net	(97)	90,407	90,310	(34)	(54,607)	(54,641)
Deposits and other receivables	(473)	2	(471)	(448)	9,273	8,825
Receivable against sale of investments	-	(84,420)	(84,420)	-	45,633	45,633
	(570)	5,989	5,419	(482)	299	(183)
<b>(Decrease) / increase in liabilities</b>						
Payable to Management Company	(284)	(4,340)	(4,624)	(2,092)	(1,355)	(3,447)
Payable to Central Depository Company of Pakistan Limited - Trustee	(11)	(3)	(14)	(103)	(28)	(131)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(635)	(203)	(838)	(675)	(182)	(857)
Payable against purchase of investment	-	33,939	33,939	-	(48,749)	(48,749)
Accrued expenses and other liabilities	212	2,630	2,842	(59)	(1,040)	(1,099)
Unclaimed dividend	-	(9)	(9)	-	(839)	(839)
	(718)	32,014	31,296	(2,929)	(52,193)	(55,122)
Dividend received	345,702	38,244	383,946	330,837	54,196	385,033
Mark-up / return received on bank deposit and T-bills	40,847	17,824	58,671	11,269	9,565	20,834
	386,549	56,068	442,617	342,106	63,761	405,867
<b>Net cash generated from / (used in) operating activities</b>	<b>318,618</b>	<b>68,180</b>	<b>386,798</b>	<b>260,762</b>	<b>(25,937)</b>	<b>234,825</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Amount received on issue of units	-	476	476	-	47,700	47,700
Amount paid on redemption of units	-	(75,061)	(75,061)	-	(129,862)	(129,862)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(74,585)</b>	<b>(74,585)</b>	<b>-</b>	<b>(82,162)</b>	<b>(82,162)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>318,618</b>	<b>(6,405)</b>	<b>312,213</b>	<b>260,762</b>	<b>(108,099)</b>	<b>152,663</b>
Cash and cash equivalents at beginning of the period	455,453	275,981	731,434	236,374	381,491	617,865
<b>Cash and cash equivalents at end of the period</b>	<b>774,071</b>	<b>269,576</b>	<b>1,043,647</b>	<b>497,136</b>	<b>273,392</b>	<b>770,528</b>

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

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

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Growth Fund**

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

*For the half year ended December 31, 2022*

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

- 1.1 HBL Growth Fund (The Fund), an Open End Scheme that was initially constituted as a Closed End Fund under the name of PICIC Investment Fund vide a registered Trust Deed 'Initial Trust Deed' dated April 02, 2004 , as amended vide First Supplemental Trust Deed dated June 28, 2004. The Fund has been converted into an Open End Scheme through a registered Restated Trust Deed (the Deed) dated April 24, 2018 under the Trusts Act, 1882 entered into and between HBL Asset Management Limited ("the Management Company") and Central Depository Company of Pakistan Limited ("the Trustee"). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under "Sindh Trust Act, 2020" (the Sindh Trust Act). Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 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 Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has frozen portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.
- 1.5 The Board of the Management Company of the Fund in its meeting held on November 23, 2017 approved the conversion 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 SECP on February 16, 2018.
- 1.6 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 holders of the 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 the Fund for each certificate held representing unfrozen portfolio and related assets and liabilities.
- 1.7 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.
- 1.8 VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (December 31, 2021: AM++) and the outlook on the rating has been assigned as 'Stable'
- 1.9 The title to the assets of the Fund is held in the name of Central Depository Company Limited as the trustee of the Fund.

### **2 BASIS OF PREPARATION**

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## 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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, 2022.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking Finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2022.

### 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these will have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					

#### 4 BANK BALANCES

Balances with banks in:

Savings accounts	4.1	774,071	269,576	1,043,647	455,453	275,981	731,434
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4.1 These include balance of Rs. 1.822 million (June 30, 2022: 1.691 million) with Habib Bank Limited (a related party) carrying profit at the rate of 14.5% (June 30, 2022: 10%) per annum and Rs. 734.798 million (June 30, 2022: Rs. 0.941 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 17% (June 30, 2022: 11.25%). Other saving accounts of the Fund carry profit at the rates ranging from 5% to 17% (June 30, 2022: 5% to 17%) per annum.

	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					

#### 5 INVESTMENTS

**At fair value through profit or loss**

- Listed equity securities	5.1.1	-	845,744	845,744	-	1,024,391	1,024,391
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**At fair value through other comprehensive income**

- Listed equity securities	5.1.2	4,312,440	-	4,312,440	5,041,449	-	5,041,449
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**At fair value through profit or loss**

- Market treasury bills	5.2	-	-	-	-	-	-
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		<u>4,312,440</u>	<u>845,744</u>	<u>5,158,184</u>	<u>5,041,449</u>	<u>1,024,391</u>	<u>6,065,840</u>
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#### 5.1 Listed equity securities

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

### 5.1.1 Listed equity securities Class B - At fair value through profit or loss

Name of the Investee Company	As at July 1, 2022	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2022	Balance as at December 31, 2022			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Total investments	Net assets	
	(Number of shares)					(Rupees in '000)			(%)		
<b>Chemical</b>											
Engro Polymer & Chemicals Limited	145,500	400,000	-	545,500	-	-	-	-	-	-	-
Descon Oxychem Limited	-	857,500	-	407,500	450,000	10,963	9,927	(1,036)	1.17%	1.08%	0.26%
	145,500	1,257,500	-	953,000	450,000	10,963	9,927	(1,036)	1.17%	1.08%	
<b>Insurance</b>											
TPL Insurance Limited (5.1.4)	756,695	6,000	206,675	561,195	408,175	10,161	6,837	(3,324)	0.81%	0.75%	0.21%
IGI Holdings Limited	295,400	2,000	-	297,400	-	-	-	-	-	-	-
IGI Life Insurance Limited	434,500	125,000	-	559,500	-	-	-	-	-	-	-
	1,486,595	133,000	206,675	1,418,095	408,175	10,161	6,837	(3,324)	0.81%	0.75%	
<b>Cement</b>											
Attock Cement Pakistan Limited (5.1.3)	778,000	93,000	-	273,000	598,000	39,917	33,817	(6,100)	4.00%	3.69%	0.44%
Cherat Cement Company Limited (5.1.3)	-	658,400	-	549,520	108,880	13,686	11,095	(2,591)	1.31%	1.21%	0.06%
D.G. Khan Cement Company Limited (5.1.3)	-	1,440,628	-	858,128	582,500	35,527	30,080	(5,447)	3.56%	3.29%	0.13%
Maple Leaf Cement Factory Limited (5.1.3)	228,096	2,371,474	-	1,299,570	1,300,000	36,333	29,341	(6,992)	3.47%	3.21%	0.12%
Kohat Cement Limited	43,800	39,100	-	82,900	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	1,240,000	-	1,240,000	-	-	-	-	-	-	-
Lucky Cement Limited	26,424	15,000	-	41,424	-	-	-	-	-	-	-
Pioneer Cement Limited	-	1,081,402	-	436,402	645,000	47,425	33,172	(14,253)	3.92%	3.62%	0.28%
	1,076,320	6,939,004	-	4,780,944	3,234,380	172,888	137,505	(35,383)	16.26%	15.02%	
<b>Pharmaceuticals</b>											
The Searle Company Limited (5.1.4) *	3,926	-	981	-	4,907	428	289	(139)	0.03%	0.03%	-
Ferozsons Laboratories Limited	40,300	-	-	40,300	-	-	-	-	-	-	-
Highnoon Laboratories Limited	18,440	-	-	18,440	-	-	-	-	-	-	-
	62,666	-	981	58,740	4,907	428	289	(139)	0.03%	0.03%	
<b>Property</b>											
TPL Properties Limited	783,000	2,979,629	-	2,762,629	1,000,000	19,349	17,000	(2,349)	2.01%	1.86%	0.18%
	783,000	2,979,629	-	2,762,629	1,000,000	19,349	17,000	(2,349)	2.01%	1.86%	
<b>Oil &amp; gas exploration companies</b>											
Oil & Gas Development Company Limited (5.1.3)	397,729	1,124,171	-	596,900	925,000	72,079	73,686	1,607	8.71%	8.05%	0.02%
Pakistan Petroleum Limited (5.1.3)	312,800	1,775,200	-	638,000	1,450,000	88,984	98,803	9,819	11.68%	10.79%	0.05%
Pakistan Oilfields Limited	48,125	3,350	-	51,475	-	-	-	-	-	-	-
Mari Petroleum Company Limited	18,353	10,107	-	28,460	-	-	-	-	-	-	-
	777,007	2,912,828	-	1,314,835	2,375,000	161,063	172,489	11,426	20.39%	18.84%	
<b>Refinery</b>											
Attock Refinery Limited (5.1.3)	130,000	739,641	-	461,441	408,200	67,852	58,601	(9,251)	6.93%	6.40%	0.38%
National Refinery Limited	113,000	25,000	-	58,000	80,000	19,755	14,084	(5,671)	1.67%	1.54%	0.10%
	243,000	764,641	-	519,441	488,200	87,607	72,685	(14,922)	8.59%	7.94%	
<b>Commercial banks</b>											
Bank Alfalah Limited (5.1.3)	762,000	686,124	-	748,124	700,000	22,734	21,098	(1,636)	2.49%	2.30%	0.04%
Faysal Bank Limited (5.1.3 & 5.1.4)	1,228,250	2,003,093	-	2,531,343	700,000	19,452	18,081	(1,371)	2.14%	1.98%	0.05%
MCB Bank Limited	263,004	-	-	263,004	-	-	-	-	-	-	-
Bank Al-Habib Limited	367,317	-	-	367,317	-	-	-	-	-	-	-
Standard Chartered Bank (Pak) Ltd	2,481,000	46,000	-	2,527,000	-	-	-	-	-	-	-
Habib Bank Limited	729,924	600,000	-	1,329,924	-	-	-	-	-	-	-
Meezan Bank Limited (5.1.3)	-	642,725	-	242,725	400,000	45,355	39,816	(5,539)	4.71%	4.35%	0.02%
United Bank Limited (5.1.3)	649,455	45,000	-	294,455	400,000	45,332	40,300	(5,032)	4.77%	4.40%	0.03%
	6,480,950	4,022,942	-	8,303,892	2,200,000	132,873	119,295	(13,578)	14.11%	13.03%	
<b>Fertilizer</b>											
Engro Corporation Limited (5.1.3)	151,488	299,000	-	360,488	90,000	21,586	23,581	1,995	2.79%	2.58%	0.02%
Engro Fertilizers Limited	-	45,000	-	45,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited *	503,485	148,907	-	650,818	1,574	170	155	(15)	0.02%	0.02%	-
	654,973	492,907	-	1,056,306	91,574	21,756	23,736	1,980	2.81%	2.59%	
<b>Technology &amp; communication</b>											
Avanceon Limited	135,975	700,556	-	586,531	250,000	20,008	16,507	(3,501)	1.95%	1.80%	0.08%
Netsol Technologies Limited	-	1,116,515	-	512,515	604,000	67,607	51,847	(15,760)	6.13%	5.66%	0.67%
Systems Limited	-	164,053	-	30,053	134,000	66,760	64,847	(1,913)	7.67%	7.08%	0.05%
TPL Trakker Limited (5.1.3)	9,431,000	1,732,000	-	225,000	10,938,000	94,253	115,724	21,471	13.68%	12.64%	5.84%
	9,566,975	3,713,124	-	1,354,099	11,926,000	248,628	248,925	297	27.48%	25.39%	
<b>Textile composite</b>											
Azgard Nine Limited	1,486,000	-	-	1,486,000	-	-	-	-	-	-	-
Gul Ahmed Textile Mills Limited	620,327	-	-	620,327	-	-	-	-	-	-	-
Interloop Limited	184,172	-	-	184,172	-	-	-	-	-	-	-
	2,290,499	-	-	2,290,499	-	-	-	-	-	-	-
<b>Power generation &amp; distribution</b>											
Hub Power Company Limited	473,956	1,130,185	-	1,354,141	250,000	15,878	15,770	(108)	1.86%	1.72%	0.02%
Nishat Power Limited	-	173,000	-	173,000	-	-	-	-	-	-	-
	473,956	1,303,185	-	1,527,141	250,000	15,878	15,770	(108)	1.86%	1.72%	
<b>Engineering</b>											
Mughal Iron & Steel Inds Limited	383,490	-	-	383,490	-	-	-	-	-	-	-
	383,490	-	-	383,490	-	-	-	-	-	-	-
<b>Automobile assembler</b>											
Millat Tractors Limited	-	2,900	-	2,900	-	-	-	-	-	-	-
	-	2,900	-	2,900	-	-	-	-	-	-	-

Name of the Investee Company	As at July 1, 2022	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2022	Balance as at December 31, 2022			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Total investments	Net assets	
						(Rupees in '000)			(%)		
<b>Oil &amp; gas marketing companies</b>											
Pakistan State Oil Company Limited	267,244	297,500	-	424,744	140,000	19,261	20,159	898	2.38%	2.20%	0.03%
Sui Northern Gas Pipeline Limited *	-	1,016,500	-	986,500	30,000	1,113	1,127	14	0.13%	0.12%	-
	267,244	1,314,000	-	1,411,244	170,000	20,374	21,286	912	2.52%	2.33%	
<b>Food &amp; personal care products</b>											
Unity Foods Limited	915,007	1,065,200	-	1,980,207	-	-	-	-	-	-	-
The Organic Meat Company Limited	1,491,283	10,000	-	1,501,283	-	-	-	-	-	-	-
	2,406,290	1,075,200	-	3,481,490	-	-	-	-	-	-	-
<b>Total as at December 31, 2022</b>	<b>27,098,465</b>	<b>26,910,860</b>	<b>207,656</b>	<b>31,618,745</b>	<b>22,598,236</b>	<b>901,968</b>	<b>845,744</b>	<b>(56,224)</b>			
<b>Total as at June 30, 2022 (Audited)</b>	<b>27,563,139</b>	<b>34,457,033</b>	<b>320,488</b>	<b>35,242,195</b>	<b>27,098,465</b>	<b>1,468,552</b>	<b>1,024,391</b>	<b>(444,162)</b>			

\* Nil figures due to rounding off

### 5.1.2 Listed equity securities Class A - At fair value through other comprehensive income

Name of the Investee Company	As at July 1, 2022	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2022	Balance as at December 31, 2022			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation	Total investments	Net assets	
						(Rupees in '000)			(%)		
<b>CLASS A</b>											
<b>Oil and Gas Marketing Companies</b>											
Pakistan State Oil Company Limited (5.1.4)	27,364,904	-	-	-	27,364,904	1,307,980	3,940,273	2,632,293	91.37%	77.29%	5.83%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	112,395	372,167	259,772	8.63%	7.30%	1.56%
	37,276,150	-	-	-	37,276,150	1,420,375	4,312,440	2,892,065	100%	85%	
<b>Total as at Dec 31, 2022</b>	<b>37,276,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,276,150</b>	<b>1,420,375</b>	<b>4,312,440</b>	<b>2,892,065</b>			
<b>Total as at June 30, 2022</b>	<b>37,276,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,276,150</b>	<b>1,420,377</b>	<b>5,041,449</b>	<b>3,621,072</b>			

5.1.2.1 The above mentioned Class A shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, does not apply to the above frozen shares.

5.1.3 The above investments in Class B include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particular	(Un-audited)		(Audited)	
	December 31, 2022		June 30, 2022	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Habib Bank Limited	-	-	50,000	4,567
The Hub Power Company Limited	-	-	250,000	17,043
IGI Life Insurance Limited	-	-	100,000	1,697
Interloop Limited	-	-	100,000	6,100
Oil and Gas Development Company Limited	50,000	3,983	50,000	3,934
Pakistan State Oil Company Limited	-	-	165,000	28,354
TPL Trakker Limited	40,000	423	100,000	865
United Bank Limited	400,000	40,300	559,000	63,240
Unity Foods Limited	-	-	100,000	2,007
Pakistan Petroleum Limited	200,000	13,628	-	-
Cherat Cement Company Limited	50,000	5,095	-	-
Attock Cement Pakistan Limited	50,000	2,828	-	-
D.G. Khan Cement Company Limited	250,000	12,910	-	-
Maple Leaf Cement Factory Limited	200,000	4,514	-	-
Attock Refinery Limited	10,000	1,436	-	-
Bank AlFalah Limited	350,000	10,549	-	-
Faysal Bank Limited	150,000	3,875	-	-
Meezan Bank Limited	200,000	19,908	-	-
Engro Corporation Limited	10,000	2,620	-	-
	<u>1,960,000</u>	<u>122,069</u>	<u>1,474,000</u>	<u>127,807</u>

5.1.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at December 31, 2022, the following bonus shares of sub fund A and sub fund B have been withheld by certain companies at the time of declaration of bonus shares respectively.

Name of the Company	(Un-audited)		(Audited)	
	December 31, 2022		June 30, 2022	
	Bonus shares			
	Number of shares withheld	Rupees in '000	Number of shares withheld	Rupees in '000
<b>Class A</b>				
Pakistan State Oil Company Limited	228,041	32,836	228,041	39,187
<b>Class B</b>				
The Searle Company Limited	4,907	289	3,926	428
TPL Insurance Limited	1,637	27	1,212	41
Faysal Bank Limited	17,250	446	17,250	398
	23,794	762	22,388	867

## 5.2 Market treasury bills - 'at fair value through profit or loss'

Particulars	Issue date	Class 'A'							Market value as a percentage of	
		Face value				Balance as at December 31, 2022			Net assets	Total investments
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
(Rupees in '000) ----- (%)										
<b>Market treasury bills - 3-months</b>										
Market treasury bills	June 2, 2022	-	400,000	400,000	-	-	-	-	-	-
Market treasury bills	August 25, 2022	-	410,000	410,000	-	-	-	-	-	-
Market treasury bills	October 6, 2022	-	400,000	400,000	-	-	-	-	-	-
<b>Total as at December 31, 2022</b>										
<b>Total as at June 30, 2022</b>										

Particulars	Issue date	Class 'B'							Market value as a percentage of	
		Face value				Balance as at December 31, 2022			Net assets	Total investments
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
(Rupees in '000) ----- (%)										
<b>Market treasury bills - 3-months</b>										
Market treasury bills	June 2, 2022	-	35,000	35,000	-	-	-	-	-	-
Market treasury bills	October 6, 2022	-	50,000	50,000	-	-	-	-	-	-
<b>Total as at December 31, 2022</b>										
<b>Total as at June 30, 2022</b>										

## 6 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000) -----							
Management fee payable	6.1	6,380	1,528	7,908	6,569	1,809	8,378
Sindh Sales Tax payable on management fee	6.2	829	199	1,028	854	235	1,089
Allocated expenses payable relating to registrar services, accounting, operation and valuation services	6.3	2,339	420	2,759	2,409	1,245	3,654
Selling and marketing expenses payable	6.4	-	2,511	2,511	-	5,709	5,709
		9,548	4,658	14,206	9,832	8,998	18,830

6.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. As per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, it was advised to HBL AMC to take up the matter at their Board level for lowering the rate of management fee keeping in view the passive nature of investments in Class A units of HBL Growth Fund and in the best interest of the certificate holders. Subsequently, management of HBL AMC in its 83rd Board meeting held on February 10, 2021 has approved the reduction in rate of Class A from 2% to 1.5% effective from February 10, 2021. Currently, the management fee is charged at the rate of 1.5% and 2% (June 30, 2022: 1.5% and 2%) of average annual net assets of the Fund for Class A and Class B, respectively.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 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 is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has charged 0.55% (for both Class A and Class B) of the average annual net assets of the Fund during the year ended December 31, 2022 (June 30, 2022: 0.55% for Class A and 0.55% to 1.60% for Class B).

6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company has charged selling and marketing expenses based on its discretion while keeping in view the overall return, the annual plan and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008, at the rates nil (June 30, 2022: nil) for Class A and 1.05% (June 30, 2022: 1.05% to 2.10%) for Class B.

## 7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
Trustee fee payable	7.1	511	153	664	520	173	693
Sindh Sales Tax payable on Trustee fee	7.2	66	20	86	68	22	90
CDS charges payable		-	100	100	-	81	81
		<u>577</u>	<u>273</u>	<u>850</u>	<u>588</u>	<u>276</u>	<u>864</u>

7.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

The tariff structure applicable to the Fund is as follows:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.02% of the net assets or Rs. 700,000 per annum whichever is higher
- From Rs 1,000 million to Rs 5,000 million	Rs. 2.0 million plus 0.10% exceeding Rs. 1,000 million

7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

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

	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total

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

Annual fee	8.1	544	99	643	1,179	302	1,481
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8.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (June 30, 2022: 0.02%) per annum of average annual net assets of the Fund.

## 9 ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total

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

Provision for Federal Excise Duty on management company's remuneration	9.1	-	125,303	125,303	-	125,303	125,303
Brokerage		-	2,593	2,593	-	287	287
Auditors' remuneration payable		650	180	830	396	150	546
National Clearing Company Pakistan Limited charges payable		-	31	31	-	30	30
Withholding tax payable		4	368	372	46	74	120
Other payable		-	979	979	-	980	980
		654	129,454	130,108	442	126,824	127,266

9.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 55.961 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund for Class B would have been higher by Rs 1.662 (June 30, 2022: Rs 1.543)

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**10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies or commitments outstanding as at December 31, 2022 and as at June 30, 2022.

**11 EARNINGS PER UNIT**

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

**12 TOTAL EXPENSES RATIO**

The total expense ratio (TER) of the Fund as at December 31, 2022 based on current period results is 2.48% and 5.28% (2021: 1.24% and 2.27%) which includes 0.24% & 0.42% (2021: 0.12% & 0.18%) representing government levies on the Fund and annual fee to SECP for Class A and B respectively. This maximum ratio limit as prescribed under the NBFC Regulation for a collective investment scheme categorised as an 'Equity scheme' is 4.5% which is required to be complied on an annual basis by the Fund.

**13 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% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year in cash derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

**14 TRANSACTION AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES.**

Connected persons/related parties include HBL Asset Management Limited (HBL-AML) being the Management Company of the Fund, Habib Bank Limited (HBL) being the Sponsor (holding 100% shares of HBL Asset Management Limited), Central Depository Company of Pakistan Limited being the Trustee of the Fund, other associated companies of HBL, HBL-AML and its subsidiaries, other collective investment schemes managed by the Management Company, directors, their close family members and the trustee and key 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 essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

14.1	Transactions during the period	December 31, 2022 (Un-audited)			December 31, 2021 (Un-audited)		
		Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----							
<b>HBL Asset Management Limited - Management Company</b>							
	Remuneration of the Management Company	40,791	9,900	50,691	47,603	16,826	64,429
	Sindh Sales Tax on remuneration of the Management Company	5,303	1,287	6,590	6,188	2,187	8,375
	Allocation of expenses related to registrar services, accounting, operation and valuation services	14,957	2,723	17,680	17,454	4,627	22,081
	Selling and marketing expense	-	5,198	5,198	-	8,834	8,834
<b>Habib Bank Limited - Sponsor</b>							
	Bank profit	-	131	131	-	45	45
	Dividend income	-	1,083	1,083	-	1,391	1,391
<b>Central Depository Company of Pakistan Limited-Trustee</b>							
	Remuneration of Trustee	3,148	569	3,716	3,573	950	4,523
	Sindh Sales Tax payable on Trustee fee	409	74	483	464	124	588
	Annual listing fee	904	76	980	885	76	961
	CDS charges	-	264	264	-	181	181
<b>Directors and Executives of the Management Company</b>							
	Redemption of nil (December 31, 2021: 123,052) units	-	-	-	-	2,363	2,363
14.2	<b>Balances at period / year end</b>						
<b>HBL Asset Management Company Limited - Management Company</b>							
	Management fee payable	6,380	1,528	7,908	6,569	1,809	8,378
	Sindh Sales Tax payable on management fee	829	199	1,028	854	235	1,089
	Allocated expenses payable relating to registrar services, accounting, operation and valuation services	2,339	420	2,759	2,409	1245	3,654
	Selling and marketing expense payable	-	2,511	2,511	-	5709	5,709
<b>Habib Bank Limited - Sponsor</b>							
	Banks balances	-	1,822	1,822	-	1,691	1,691

	December 31, 2022 (Un-audited)			December 31, 2021 (Un-audited)		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
<b>HBL Microfinance Bank Limited (formerly: The First Microfinance Bank) - Associate</b>						
Banks balances	734,387	411	734,798	932	9	941
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee payable	511	153	664	520	173	693
Sales tax payable on trustee fee	66	20	86	68	22	90
Security deposit with trustee	-	175	175	-	175	175
CDS charges payable	-	100	100	-	81	81

	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
<b>State Life Insurance Corporation of Pakistan- Connected person - due to holding more than 10% units</b>						
Outstanding 12,384,663 (June 30, 2022: 12,384,663) units	-	150,435	150,435	-	159,701	159,701
<b>Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% certificate</b>						
Outstanding 30,406,721 (June 30, 2022: 30,406,721 units) at par value	304,067	-	304,067	304,067	-	304,067
Outstanding 15,000,000 (June 30, 2022: 15,000,000) units	-	182,204	182,204	-	193,427	193,427
<b>MCB Bank Limited - Treasury - connected person due to holding more than 10% units</b>						
Outstanding 43,482,858 (2022: 43,482,858 units) at par value	434,829	-	434,829	434,829	-	434,829
<b>CDC - Trustee National Investment (Unit) Trust - associate</b>						
Outstanding 6,646,800 (2022: 6,646,800 units) at par value	66,468	-	66,468	66,468	-	66,468
<b>Jubilee General Insurance Company Limited - associate</b>						
Outstanding 146,124 (June 30, 2022: 146,124) units	-	1,775	1,775	-	1,884	1,884
<b>Directors and Executives of the Management Company</b>						
Outstanding 18,000 (June 30, 2022: 18,000) units at par value	180	-	180	180	-	180
Outstanding 18,000 (June 30, 2022: 18,000) units	-	219	219	-	232	232

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 15.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	------(Un-audited)-----			
	----- As at December 31, 2022 -----			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
<b>Class A</b>				
<b>At fair value through profit or loss</b>				
- Listed equity securities	4,312,440	-	-	4,312,440
<b>Class B</b>				
<b>At fair value through other comprehensive income</b>				
- Listed equity securities	845,744	-	-	845,744
	------(Audited)-----			
	----- As at June 30, 2022 -----			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
<b>Class A</b>				
<b>At fair value through profit or loss</b>				
- Listed equity securities	5,041,449	-	-	5,041,449
<b>Class B</b>				
<b>At fair value through other comprehensive income</b>				
- Listed equity securities	1,024,391	-	-	1,024,391

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Investment Fund**

## FUND INFORMATION

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Name of Fund	HBL Investment Fund
Name of Auditor	A.F. Ferguson & Co.
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 National Bank Limited Allied Bank Limited Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited HBL Micro Finance Bank Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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



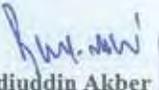
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL INVESTMENT FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Investment Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 23, 2023





A.F. FERGUSON & CO.

**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Investment Fund** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2022. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

**Scope of Review**

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

**Conclusion**

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 27, 2023

Karachi

UDIN: RR202210061eDFRBdHng

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**HBL Investment Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At December 31, 2022*

	Note	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)							
<b>ASSETS</b>							
Bank balances	4	262,035	152,381	414,416	154,016	148,160	302,176
Investments	5	1,566,943	450,828	2,017,771	1,843,635	701,672	2,545,307
Dividend and profit receivable	7	7,329	2,158	9,487	4,967	5,441	10,408
Receivable against sale of investment		-	4,899	4,899	-	4,384	4,384
Advance and deposits	8	751	3,819	4,570	111	3,819	3,930
<b>Total assets</b>		<b>1,837,058</b>	<b>614,085</b>	<b>2,451,143</b>	<b>2,002,729</b>	<b>863,476</b>	<b>2,866,205</b>
<b>LIABILITIES</b>							
Payable to HBL Asset Management Limited - Management Company	6	3,432	2,404	5,836	3,574	6,694	10,268
Payable to Central Depository Company of Pakistan Limited - Trustee	9	270	125	395	273	187	460
Payable to the Securities and Exchange Commission of Pakistan	10	196	58	254	428	227	655
Payable against purchase of investment		-	5,220	5,220	-	-	-
Accrued expenses and other liabilities	11	690	58,442	59,132	352	57,707	58,059
Unclaimed dividend		-	85,360	85,360	-	85,372	85,372
<b>Total liabilities</b>		<b>4,588</b>	<b>151,609</b>	<b>156,197</b>	<b>4,627</b>	<b>150,187</b>	<b>154,814</b>
<b>NET ASSETS</b>		<b>1,832,470</b>	<b>462,476</b>	<b>2,294,946</b>	<b>1,998,102</b>	<b>713,289</b>	<b>2,711,391</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,832,470</b>	<b>462,476</b>	<b>2,294,946</b>	<b>1,998,102</b>	<b>713,289</b>	<b>2,711,391</b>
<b>Contingencies and commitments</b>	12	----- Number of units -----			----- Number of units -----		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>284,125,000</b>	<b>76,938,708</b>		<b>284,125,000</b>	<b>110,303,664</b>	
		----- (Rupees) -----			----- (Rupees) -----		
<b>NET ASSET VALUE PER UNIT</b>		<b>6.4495</b>	<b>6.0110</b>		<b>7.0325</b>	<b>6.4666</b>	

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

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

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

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

**HBL Investment Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
**For The Half Year And Quarter Ended December 31, 2022**

	Half year ended December 31, 2022			Half year ended December 31, 2021			Quarter ended December 31, 2022			Quarter ended December 31, 2021			
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	
Note (Rupees in '000)													
<b>INCOME</b>													
(Loss) / gain on sale of investments - net	(30)	(10,255)	(10,285)	(7)	(59,601)	(59,608)	6	(6,267)	(6,261)	(7)	(56,168)	(56,175)	
Dividend income	120,994	21,094	142,088	117,263	38,300	155,563	108,554	11,005	119,559	107,311	28,809	136,120	
Profit on savings accounts with banks	11,550	9,631	21,181	2,499	5,113	7,612	9,615	4,241	13,856	1,423	2,338	3,761	
Income on Government securities - Market treasury bill	3,504	-	3,504	1,331	28	1,359	-	-	-	1,331	28	1,359	
	136,018	20,470	156,488	121,086	(16,160)	104,926	118,175	8,979	127,154	110,058	(24,993)	85,065	
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	5.1.1	-	(40,133)	(40,133)	-	(184,516)	(184,516)	-	(32,801)	(32,801)	-	3,379	3,379
<b>Total income / (loss)</b>	136,018	(19,663)	116,355	121,086	(200,676)	(79,590)	118,175	(23,822)	94,353	110,058	(21,614)	88,444	
<b>EXPENSES</b>													
Remuneration of HBL Asset Management Limited - Management Company	6.1 & 6.2	16,655	6,564	23,219	19,542	14,266	33,808	7,975	2,776	10,751	9,161	6,692	15,853
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 & 9.2	1,543	435	1,978	1,672	917	2,589	731	190	921	796	438	1,234
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	197	58	255	231	126	357	95	24	119	109	59	168
Selling & marketing expense	6.4	-	3,050	3,050	-	6,628	6,628	-	1,290	1,290	-	3,109	3,109
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	5,404	1,598	7,002	6,341	3,472	9,813	2,588	676	3,264	2,972	1,629	4,601
Securities transaction costs		904	2,602	3,506	-	2,633	904	1,314	2,218	(219)	971	752	
Auditors' remuneration		194	119	313	230	126	356	98	157	134	65	199	
Printing charges		53	15	68	28	-	28	44	15	59	28	-	28
Fee and subscription charges		-	345	345	746	43	789	-	317	317	604	36	640
Settlement & bank charges		9	169	178	-	435	435	6	169	175	-	418	418
<b>Total operating expenses</b>		24,959	14,955	39,914	28,790	28,646	57,436	12,441	6,830	19,271	13,585	13,417	27,002
<b>Net income / (loss) from operating activities</b>		111,059	(34,618)	76,441	92,296	(229,322)	(137,026)	105,734	(30,652)	75,082	96,473	(35,031)	61,442
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	-	-	634	29,166	29,800	-	-	-	-	-	-
<b>Net income / (loss) for the period before taxation</b>		111,059	(34,618)	76,441	92,930	(200,156)	(107,226)	105,734	(30,652)	75,082	96,473	(35,031)	61,442
Taxation	15	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		111,059	(34,618)	76,441	92,930	(200,156)	(107,226)	105,734	(30,652)	75,082	96,473	(35,031)	61,442
<b>Earning per unit</b>	13												
<b>Allocation of net income / (loss) for the period:</b>													
Net income for the period after taxation		111,059	-	92,930	-								
Income already paid on redemption of units		-	-	-	-								
		111,059	-	92,930	-								
Accounting income available for distribution:													
- Relating to capital gains		-	-	-	-								
- Excluding capital gains		111,059	-	92,930	-								
		111,059	-	92,930	-								

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Investment Fund**  
**Condensed Interim Statement Of Comprehensive Income (Un-Audited)**  
*For The Half Year And Quarter Ended December 31, 2022*

	Half year ended December 31, 2022			Half year ended December 31, 2021			Quarter ended December 31, 2022			Quarter ended December 31, 2021		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----											
<b>Net income / (loss) for the period after taxation</b>	111,059	(34,618)	76,441	92,930	(200,156)	(107,226)	105,734	(30,652)	75,082	96,473	(35,031)	61,442
<b>Items that will not be reclassified to income statement</b>												
Unrealised loss on re- measurement of investments classified as fair value through other comprehensive income	(276,692)	-	(276,692)	(471,134)	-	(471,134)	(178,927)	-	(178,927)	(225,391)	-	(225,391)
<b>Total comprehensive loss for the period</b>	<u>(165,633)</u>	<u>(34,618)</u>	<u>(200,251)</u>	<u>(378,204)</u>	<u>(200,156)</u>	<u>(578,360)</u>	<u>(73,193)</u>	<u>(30,652)</u>	<u>(103,845)</u>	<u>(128,918)</u>	<u>(35,031)</u>	<u>(163,949)</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

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

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

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

**HBL Investment Fund**  
**Condensed Interim Statement Of Movement In Unitholders' Fund (Un-audited)**  
*For The Half Year Ended December 31, 2022*

	For the half year ended December 31, 2022						
	Class A				Class B		
	Capital value	Accumulated loss	Unrealised income on investment	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)						
<b>Net assets at the beginning of the period (audited)</b>	2,841,250	(2,169,291)	1,326,143	1,998,102	1,311,779	(598,490)	713,289
Issuance of Class A: nil units (2021: nil units) and Class B: 104,172 units (2021: 4,111,920 units)							
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	674	-	674
- Element of loss	-	-	-	-	(3)	-	(3)
<b>Total proceeds on issuance of units</b>	-	-	-	-	671	-	671
Redemption of Class A: nil units (2021: nil units) and Class B: 33,469,128 units (2021: 7,510,560 units)							
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	(216,431)	-	(216,431)
- Element of loss	-	-	-	-	(435)	-	(435)
<b>Total payment on redemption of units</b>	-	-	-	-	(216,866)	-	(216,866)
Total comprehensive income / (loss) for the period	-	111,059	(276,692)	(165,632)	-	(34,618)	(34,618)
<b>Net assets at the end of the period (un-audited)</b>	<b>2,841,250</b>	<b>(2,058,232)</b>	<b>1,049,451</b>	<b>1,832,470</b>	<b>1,095,584</b>	<b>(633,108)</b>	<b>462,476</b>
<b>Accumulated loss brought forward comprising of:</b>							
- Realised loss		(2,169,291)				(303,315)	
- Unrealised loss		-				(295,175)	
		<u>(2,169,291)</u>				<u>(598,490)</u>	
Accounting income available for distribution							
- Relating to capital gains		-				-	
- Excluding capital gains		111,059				-	
Net income / (loss) for the period after taxation		111,059				(34,618)	
Accumulated loss carried forward		<u><u>(2,058,232)</u></u>				<u><u>(633,108)</u></u>	
<b>Accumulated loss carried forward comprising of:</b>							
- Realised loss		(2,058,232)				(633,108)	
- Unrealised loss		-				-	
		<u><u>(2,058,232)</u></u>				<u><u>(633,108)</u></u>	
		<b>(Rupees)</b>				<b>(Rupees)</b>	
Net asset value per unit at the beginning of the period		<u>7.0325</u>				<u>6.4666</u>	
Net asset value per unit at the end of the period		<u><u>6.4495</u></u>				<u><u>6.0110</u></u>	

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



**HBL Investment Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
**For The Half Year Ended December 31, 2022**

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Class A	Class B	Total	Class A	Class B	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	(Rupees in '000)					
Net income / (loss) for the period before taxation	111,059	(34,618)	76,441	92,930	(200,156)	(107,226)
<b>Adjustments of non-cash items</b>						
Loss on sale of investment - net	30	10,255	10,285	7	59,601	59,608
Income from Government securities - Market treasury bill	(3,504)	-	(3,504)	(2,637)	(22)	(2,659)
Net appreciation on remeasurement of investments classified as financial asset at fair value through profit or loss	-	40,133	40,133	-	184,516	184,516
Dividend income	(120,994)	(21,094)	(142,088)	(117,263)	(38,300)	(155,563)
Profit on savings accounts with banks	(11,550)	(9,631)	(21,181)	(2,499)	(5,113)	(7,612)
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	(634)	(29,166)	(29,800)
	(24,959)	(14,955)	(39,914)	(30,096)	(28,640)	(58,736)
<b>Decrease / (increase) in assets</b>						
Investments	3,474	200,456	203,930	2,630	(57,807)	2,652
Receivable against sale of investments	-	(515)	(515)	-	33,792	33,792
Advance and deposits	(640)	-	(640)	(752)	6,857	6,105
	2,834	199,941	202,775	1,878	(17,158)	(15,280)
<b>(Decrease) / increase in liabilities</b>						
Payable to the HBL Asset Management Limited - Management Company	(142)	(4,290)	(4,432)	(773)	(931)	(1,704)
Payable to Central Depository Company of Pakistan Limited - Trustee	(3)	(62)	(65)	(36)	(54)	(90)
Payable to the Securities and Exchange Commission of Pakistan	(232)	(169)	(401)	(245)	(140)	(385)
Payable against purchase of investment	-	5,220	5,220	-	(33,610)	(33,610)
Unclaimed dividend	-	(12)	(12)	-	(48)	(48)
Accrued expenses and other liabilities	338	735	1,073	(105)	(751)	(856)
	(39)	1,422	1,383	(1,159)	(35,534)	(36,693)
Dividend received	120,141	23,193	143,334	116,410	38,281	154,691
Profit received on bank balances	10,041	10,816	20,857	2,215	5,069	7,284
	130,182	34,009	164,191	118,625	43,350	161,975
<b>Net cash generated from / used in operating activities</b>	108,019	220,417	328,436	89,248	(37,982)	51,266
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts on issue of units	-	671	671	-	36,032	36,032
Payment against redemption of units	-	(216,867)	(216,867)	-	(66,845)	(66,845)
<b>Net cash used in financing activities</b>	-	(216,196)	(216,196)	-	(30,813)	(30,813)
Net decrease / (increase) in cash and cash equivalents during the period	108,019	4,221	112,240	89,248	(68,795)	20,453
<b>Cash and cash equivalents at beginning of the period</b>	154,016	148,160	302,176	80,798	216,276	297,074
<b>Cash and cash equivalents at end of the period</b>	4 262,035	152,381	414,416	170,046	147,481	317,527

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

## **HBL Investment Fund**

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

*For The Half Year Ended December 31, 2022*

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

- 1.1 HBL Investment Fund (The Fund), an Open End Scheme that was initially constituted as a Closed End Fund under the name of PICIC Investment Fund vide a registered Trust Deed 'Initial Trust Deed' dated April 02, 2004 , as amended vide First Supplemental Trust Deed dated June 28, 2004. The Fund has been converted into an Open End Scheme through a registered Restated Trust Deed (the Deed) dated April 24, 2018 under the Trusts Act, 1882 entered into and between HBL Asset Management Limited ("the Management Company") and Central Depository Company of Pakistan Limited ("the Trustee"). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the "Sindh Trust Act 2020". Accordingly, on 17 August 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act 2020.
- 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 Securities and Exchange Commission of Pakistan. (SECP) to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has frozen portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.
- 1.5 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 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 (SECP) on February 16, 2018.
- 1.6 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.
- 1.7 The plan also envisages that Class-A units would not be redeemable and would be traded on the Pakistan Stock Exchange Limited. Whereas Class-B units can be redeemed at the redemption price.
- 1.8 VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (December 31, 2021: AM++) and the outlook on the rating has been assigned as 'Stable'
- 1.9 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

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## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IAS 34, Interim Financial Reporting the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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, 2022.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking Finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

### **2.2 Basis of measurement**

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

### **2.3 Functional and presentation currency**

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

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES**

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2022.

**3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

**3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these are not expected to have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4	BANK BALANCES	December 31, 2022 (Unaudited)			June 30, 2022 (Audited)			
		Class A	Class B	Total	Class A	Class B	Total	
		Note ----- (Rupees in '000) -----						
	Balances with banks in:							
	Savings accounts	4.1	262,035	152,381	414,416	154,016	148,160	302,176

4.1 These include balance of Rs. 0.536 million (June 30, 2022: 0.507 million) with Habib Bank Limited (a related party) carrying profit at the rate of 14.5% (June 30, 2022: 5%) per annum, Rs. 242.465 million (June 30, 2022: Rs. 0.0096 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 16.25% (June 30, 2022: 11.25%) and Rs. 140.420 million (June 30, 2022: Rs. 0.152 million) with MCB Bank Limited (a related party) carrying profit at the rate of 8% (June 30, 2022: 8%). Other saving accounts of the Fund carry profit at the rates ranging from 8% to 17.25% (June 30, 2022: 5.35% to 17.4%) per annum.

5	INVESTMENTS	December 31, 2022 (Unaudited)			June 30, 2022 (Audited)			
		Class A	Class B	Total	Class A	Class B	Total	
		Note ----- (Rupees in '000) -----						
	<b>At fair value through profit or loss</b>							
	- Listed equity securities	5.1.1	-	450,828	450,828	-	701,672	701,672
	<b>At fair value through other comprehensive income</b>							
	- Listed equity securities	5.1.2	1,566,943	-	1,566,943	1,843,635	-	1,843,635
	<b>At fair value through profit or loss</b>							
	- Market treasury bills	5.2	-	-	-	-	-	-
			<u>1,566,943</u>	<u>450,828</u>	<u>2,017,771</u>	<u>1,843,635</u>	<u>701,672</u>	<u>2,545,307</u>

5.1 Listed equity securities

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

## 5.1.1 Listed equity securities Class B - At fair value through profit or loss

Name of the Investee Company	As at July 01, 2022	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2022	Balance as at December 31, 2022			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Total investments	Net assets	
	(Number of shares)					(Rupees in '000)			(%)		
<b>Insurance</b>											
IGI Holdings Limited	189,400	-	-	189,400	-	-	-	-	-	-	-
IGI Life Insurance Limited	307,500	-	-	307,500	-	-	-	-	-	-	-
TPL Insurance Limited (note 5.1.4)	538,189	-	109,791	420,500	227,480	5,671	3,810	(1,861)	0.85%	0.82%	0.11%
	<b>1,035,089</b>	<b>-</b>	<b>109,791</b>	<b>917,400</b>	<b>227,480</b>	<b>5,671</b>	<b>3,810</b>	<b>(1,861)</b>	<b>0.85%</b>	<b>0.82%</b>	
<b>Textile composite</b>											
Gul Ahmed Textile Mills Limited	387,900	-	-	387,900	-	-	-	-	-	-	-
Azgard Nine Limited	921,500	-	-	921,500	-	-	-	-	-	-	-
Interloop Limited	139,576	-	-	139,576	-	-	-	-	-	-	-
	<b>1,448,976</b>	<b>-</b>	<b>-</b>	<b>1,448,976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Textile Spinning</b>											
Sunshine Cotton Mills Limited	50,000	-	-	-	50,000	-	-	-	-	-	-
	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Textile Weaving</b>											
Mohib Exports Limited*	40,820	-	-	-	40,820	6	6	-	-	-	-
	<b>40,820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,820</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cement &amp; material</b>											
Attock Cement Pakistan Limited	552,600	-	-	552,600	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	119,500	-	50,000	69,500	7,105	7,082	(23)	1.57%	1.53%	0.04%
D.G. Khan Cement Company Limited*	-	475,000	-	474,016	984	62	51	(11)	0.01%	0.01%	-
Kohat Cement Limited	32,300	58,000	-	36,000	54,300	8,809	8,020	(789)	1.78%	1.73%	0.03%
Lucky Cement Limited*	20,000	62,547	-	82,327	220	108	98	(10)	0.02%	0.02%	-
Fauji Cement Company Limited	-	2,636,500	69,125	820,000	1,885,625	25,875	22,665	(3,210)	5.03%	4.90%	0.08%
Maple Leaf Cement Factory Limited (note 5.1.3)	177,900	944,100	-	52,000	1,070,000	29,681	24,150	(5,531)	5.36%	5.22%	0.10%
Pioneer Cement Limited	-	684,200	-	111,000	573,200	41,176	29,480	(11,696)	6.54%	6.37%	0.25%
	<b>782,800</b>	<b>4,979,847</b>	<b>69,125</b>	<b>2,177,943</b>	<b>3,653,829</b>	<b>112,816</b>	<b>91,546</b>	<b>(21,270)</b>	<b>20.31%</b>	<b>19.79%</b>	
<b>Power generation &amp; Distribution</b>											
The Hub Power Company Limited (note 5.1.3)	302,307	200,000	-	321,937	180,370	11,836	11,378	(458)	2.52%	2.46%	0.01%
Nishat Power Limited (note 5.1.3)	-	456,000	-	150,629	305,371	6,049	5,561	(488)	1.23%	1.20%	0.09%
	<b>302,307</b>	<b>656,000</b>	<b>-</b>	<b>472,566</b>	<b>485,741</b>	<b>17,885</b>	<b>16,939</b>	<b>(946)</b>	<b>3.76%</b>	<b>3.66%</b>	
<b>Engineering</b>											
Mughal Iron & Steel Industries Limited	188,251	-	-	188,251	-	-	-	-	-	-	-
	<b>188,251</b>	<b>-</b>	<b>-</b>	<b>188,251</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Automobile Assembler</b>											
Millat Tractors Limited	-	7,890	-	7,890	-	-	-	-	-	-	-
	<b>-</b>	<b>7,890</b>	<b>-</b>	<b>7,890</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pharmaceuticals</b>											
The Searle Company Limited* (note 5.1.4)	1,901	-	475	-	2,376	207	140	(67)	0.03%	0.03%	-
Ferozsons Laboratories Limited	27,900	-	-	27,900	-	-	-	-	-	-	-
Highnoon Laboratories Limited	8,730	-	-	8,730	-	-	-	-	-	-	-
	<b>38,531</b>	<b>-</b>	<b>475</b>	<b>36,630</b>	<b>2,376</b>	<b>207</b>	<b>140</b>	<b>(67)</b>	<b>0.03%</b>	<b>0.03%</b>	
<b>Property</b>											
TPL Properties Limited	505,000	1,533,235	-	1,410,322	627,913	12,059	10,675	(1,384)	2.37%	2.31%	0.11%
	<b>505,000</b>	<b>1,533,235</b>	<b>-</b>	<b>1,410,322</b>	<b>627,913</b>	<b>12,059</b>	<b>10,675</b>	<b>(1,384)</b>	<b>2.37%</b>	<b>2.31%</b>	
<b>Miscellaneous</b>											
Pakistan Aluminium Beverage Cans Limited	-	120,000	-	-	120,000	4,715	4,660	(55)	1.03%	1.01%	0.03%
	<b>-</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>4,715</b>	<b>4,660</b>	<b>(55)</b>	<b>1.03%</b>	<b>1.01%</b>	
<b>Refinery</b>											
Attock Refinery Limited	82,000	89,500	-	137,186	34,314	4,852	4,926	74	1.09%	1.07%	0.03%
National Refinery Limited (note 5.1.3)	76,797	29,700	-	54,176	52,321	12,614	9,211	(3,403)	2.04%	1.99%	0.07%
	<b>158,797</b>	<b>119,200</b>	<b>-</b>	<b>191,362</b>	<b>86,635</b>	<b>17,466</b>	<b>14,137</b>	<b>(3,329)</b>	<b>3.14%</b>	<b>3.06%</b>	
<b>Oil &amp; gas exploration companies</b>											
Mari Petroleum Company Limited (note 5.1.3)	13,966	2,500	-	5,464	11,002	18,840	17,020	(1,820)	3.78%	3.68%	0.01%
Oil & Gas Development Company Limited* (note 5.1.3)	406,500	178,000	-	435,965	148,535	11,463	11,832	369	2.62%	2.56%	-
Pakistan Oilfields Limited (note 5.1.3)	36,375	5,000	-	22,200	19,175	7,654	7,533	(121)	1.67%	1.63%	0.01%
Pakistan Petroleum Limited (note 5.1.3)	306,200	173,500	-	326,200	153,500	10,510	10,459	(51)	2.32%	2.26%	0.01%
	<b>763,041</b>	<b>359,000</b>	<b>-</b>	<b>789,829</b>	<b>332,212</b>	<b>48,467</b>	<b>46,844</b>	<b>(1,623)</b>	<b>10.39%</b>	<b>10.13%</b>	
<b>Oil &amp; gas marketing companies</b>											
Pakistan State Oil Company Limited (note 5.1.3)	174,992	49,500	-	163,174	61,318	10,225	8,829	(1,396)	1.96%	1.91%	0.01%
Attock Petroleum Limited	-	23,650	-	-	23,650	7,183	6,852	(331)	1.52%	1.48%	0.02%
Sui Northern Gas Pipeline Limited	-	474,000	-	353,000	121,000	4,536	4,543	7	1.01%	0.98%	0.02%
	<b>174,992</b>	<b>547,150</b>	<b>-</b>	<b>516,174</b>	<b>205,968</b>	<b>21,944</b>	<b>20,224</b>	<b>(1,720)</b>	<b>4.49%</b>	<b>4.37%</b>	

Name of the Investee Company	As at July 01, 2022	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2022	Balance as at December 31, 2022			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Total investments	Net assets	
						(Number of shares)			(Rupees in '000)		(%)
<b>Commercial banks</b>											
Faysal Bank Limited (note 5.1.4 & 5.1.3)	400,500	98,500	-	330,000	169,000	4,258	4,365	107	0.97%	0.94%	0.01%
Habib Bank Limited	573,391	537,737	-	937,130	173,998	11,563	11,089	(474)	2.46%	2.40%	0.01%
MCB Bank Limited* (note 5.1.3)	198,753	-	-	139,523	59,230	7,284	6,880	(404)	1.53%	1.49%	-
Standard Chartered Bank (Pak) Ltd	1,848,500	-	-	1,848,500	-	-	-	-	-	-	-
BankIslami Pakistan Limited	-	430,500	-	116,000	314,500	4,567	4,202	(365)	0.93%	0.91%	0.03%
United Bank Limited	431,433	142,300	-	359,500	214,233	23,761	21,584	(2,177)	4.79%	4.67%	0.02%
Bank Alfalah Limited (note 5.1.3)	345,000	238,231	-	252,297	330,934	10,377	9,974	(403)	2.21%	2.16%	0.02%
Habib Metropolitan Bank Limited	-	285,000	-	-	285,000	10,167	9,676	(491)	2.15%	2.09%	0.03%
Meezan Bank Limited	-	256,000	-	77,000	179,000	20,263	17,818	(2,445)	3.95%	3.85%	0.01%
Bank AL Habib Limited	252,000	-	-	180,601	71,399	4,145	3,947	(198)	0.88%	0.85%	0.01%
	<b>4,049,577</b>	<b>1,988,268</b>	<b>-</b>	<b>4,240,551</b>	<b>1,797,294</b>	<b>96,385</b>	<b>89,535</b>	<b>(6,850)</b>	<b>19.86%</b>	<b>19.36%</b>	
<b>Fertilizer</b>											
Engro Corporation Limited	68,394	132,000	-	165,107	35,287	9,172	9,245	73	2.05%	2.00%	0.01%
Engro Fertilizers Limited	48,363	11,034	-	59,397	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited*	394,063	-	-	371,600	22,463	2,476	2,217	(259)	0.49%	0.48%	-
	<b>510,820</b>	<b>143,034</b>	<b>-</b>	<b>596,104</b>	<b>57,750</b>	<b>11,648</b>	<b>11,462</b>	<b>(186)</b>	<b>2.54%</b>	<b>2.48%</b>	
<b>Chemical</b>											
Descor Oxychem Limited	-	926,000	-	267,000	659,000	16,719	14,537	(2,182)	3.22%	3.14%	0.38%
Engro Polymer & Chemical Limited	91,500	132,500	-	224,000	-	-	-	-	-	-	-
	<b>91,500</b>	<b>1,058,500</b>	<b>-</b>	<b>491,000</b>	<b>659,000</b>	<b>16,719</b>	<b>14,537</b>	<b>(2,182)</b>	<b>3.22%</b>	<b>3.14%</b>	
<b>Technology &amp; communication</b>											
Avanceon Limited	87,225	502,160	-	197,800	391,585	30,387	25,856	(4,531)	5.74%	5.59%	0.12%
NetSol Technologies Limited	-	321,136	-	227,500	93,636	10,236	8,038	(2,198)	1.78%	1.74%	0.10%
Systems Limited	-	72,233	-	42,000	30,233	15,191	14,631	(560)	3.25%	3.16%	0.01%
TPL Trakker Limited (note 5.1.3)	5,981,500	50,500	-	-	6,032,000	52,214	63,819	11,605	14.16%	13.80%	3.22%
TRG Pakistan Limited	-	95,400	-	95,400	-	-	-	-	-	-	-
Octopus Digital Limited	-	97,000	-	16,000	81,000	5,525	4,589	(936)	1.02%	0.99%	0.06%
	<b>6,068,725</b>	<b>1,138,429</b>	<b>-</b>	<b>578,700</b>	<b>6,628,454</b>	<b>113,553</b>	<b>116,933</b>	<b>3,380</b>	<b>25.94%</b>	<b>25.28%</b>	
<b>Foods &amp; personal care products</b>											
At-Tahur Limited	-	92,500	7,850	-	100,350	2,259	1,715	(544)	0.38%	0.37%	0.05%
The Organic Meat Company Limited (note 5.1.3)	1,174,729	371,000	-	1,174,729	371,000	9,161	7,665	(1,496)	1.70%	1.66%	0.27%
Unity Foods Limited	448,816	764,108	-	1,212,924	-	-	-	-	-	-	-
	<b>1,623,545</b>	<b>1,227,608</b>	<b>7,850</b>	<b>2,387,653</b>	<b>471,350</b>	<b>11,420</b>	<b>9,380</b>	<b>(2,040)</b>	<b>2.08%</b>	<b>2.03%</b>	
<b>Total as at December 31, 2022</b>	<b>17,832,771</b>	<b>13,878,161</b>	<b>187,241</b>	<b>16,451,351</b>	<b>15,446,822</b>	<b>490,961</b>	<b>450,828</b>	<b>(40,133)</b>			
<b>Total as at June 30, 2022</b>	<b>20,714,241</b>	<b>24,086,088</b>	<b>1,451,479</b>	<b>28,419,037</b>	<b>17,832,771</b>	<b>996,847</b>	<b>701,672</b>	<b>(295,175)</b>			

\* Nil due to Rounding off

## 5.1.2 Listed equity securities Class A - At fair value through other comprehensive income

Name of investee company	As at July 1, 2022	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
									Total investments	Net assets	
						(Number of shares)		(Rupees in '000)		(%)	
<b>Class A</b>											
<b>Oil and Gas Marketing Companies</b>											
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	33,053	93,425	60,372	0.01%	0.01%	0.39%
Pakistan State Oil Company Limited (note 5.1.4)	10,233,471	-	-	-	10,233,471	484,439	1,473,518	989,079	0.09%	0.08%	2.18%
	<b>12,721,495</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,721,495</b>	<b>517,492</b>	<b>1,566,943</b>	<b>1,049,451</b>	<b>0.10%</b>	<b>0.09%</b>	
<b>Total as at December 31, 2022</b>						<b>12,721,495</b>	<b>517,492</b>	<b>1,566,943</b>	<b>1,049,451</b>		
<b>Total as at June 30, 2022</b>						<b>12,721,495</b>	<b>517,491</b>	<b>1,843,635</b>	<b>(1,326,144)</b>		

5.1.2.1 The above mentioned shares of Sui Northern Gas Pipelines Limited and Pakistan State Oil Company Limited are frozen / blocked by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.1.3 The above investments in Class B include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particular	(Un-audited)		(Audited)	
	December 31, 2022		June 30, 2022	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
The Hub Power Company Limited	107,000	6,750	300,000	20,451
Bank AlFalah Limited	230,203	6,938	100,000	3,200
Bank Al Habib Limited	70,000	3,870	100,000	5,806
Mari Petroleum Company Limited	3,000	4,641	-	-
MCB Bank Limited	20,000	2,323	-	-
Maple Leaf Cement Company Limited	50,000	1,129	-	-
Nishat Power Limited	6,000	109	-	-
Faysal Bank Limited	100,000	2,583	-	-
National Refinery Limited	10,000	1,761	-	-
Oil & Gas Development Company Limited	130,000	10,356	-	-
Pakistan Oilfields Limited	10,000	3,929	-	-
Pakistan Petroleum Limited	66,000	4,497	-	-
Pakistan State Oil Company Limited	40,000	5,760	135,000	23,198
The Organic Meat Company Limited	30,000	620	-	-
Tpl Trakker Limited	100,000	1,058	100,000	865
United Bank Limited	100,000	10,075	390,000	44,121
Attock Cement Pakistan Limited	-	-	100,000	6,650
Habib Bank Limited	-	-	90,000	8,221
Unity Foods Limited	-	-	100,000	2,007
Mughal Iron & Steel Industries Limited	-	-	20,000	1,153
	<b>1,072,203</b>	<b>66,399</b>	<b>1,435,000</b>	<b>115,672</b>

5.1.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at December 31, 2022, the following bonus shares of Class A and Class B have been withheld by certain companies at the time of declaration of bonus shares respectively.

Name of the Investee Company	(Un-audited)		(Audited)	
	December 31, 2022		June 30, 2022	
	Bonus shares			
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
<b>Class A</b>				
Pakistan State Oil Company Limited	85,273	12,278	85,273	14,653
<b>Class B</b>				
TPL Insurance Limited	768	13	569	19
The Searle Company Limited	2,376	140	1,901	207
Faysal Bank Limited	8,764	226	8,764	202
	<u>11,908</u>	<u>379</u>	<u>11,234</u>	<u>428</u>

## 5.2 Market treasury bills - 'at fair value through profit or loss'

Particulars	Issue date	Face value				Balance as at December 31, 2022			Market value as a percentage of	
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets	Total investments
		(Rupees)						(%)		
<b>Market treasury bills- 3-months</b>										
Market treasury bills	June 2, 2022	-	130,000,000	130,000,000	-	-	-	-	-	
Market treasury bills	August 25, 2022	-	130,000,000	130,000,000	-	-	-	-	-	
Market treasury bills	October 6, 2022	-	135,000,000	135,000,000	-	-	-	-	-	
<b>Total as at December 31, 2022</b>										
<b>Total as at June 30, 2022</b>										

## 6 PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		----- (Rupees in '000) -----					
Remuneration Payable	6.1	2,292	793	3,085	2,388	1,333	3,721
Sindh Sales Tax on remuneration of the Management Company	6.2	298	103	401	310	173	483
Allocated expenses	6.3	842	218	1,060	876	918	1,794
Selling & marketing expense payable	6.4	-	1,290	1,290	-	4,270	4,270
		<u>3,432</u>	<u>2,404</u>	<u>5,836</u>	<u>3,574</u>	<u>6,694</u>	<u>10,268</u>

6.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. As per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, it was advised to HBL AMC to take up the matter at their Board level for lowering the rate of management fee keeping in view the passive nature of investments in Class A units of HBL Investment Fund and in the best interest of the certificate holders. Subsequently, management of HBL AMC in its 83rd Board meeting held on February 10, 2021 has approved the reduction in rate of Class A from 2% to 1.5% effective from February 10, 2021. Currently, the management fee is charged at the rate of 1.5% to 2% (June 30, 2022: 1.5% and 2%) of average annual net assets of the fund for Class A and Class B, respectively.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 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 is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged 0.55% of the average annual net assets of the Fund during the period ended December 31, 2022 (June 30, 2022: 0.55% for Class A and 0.55% to 1.35% for Class B) for Class A and Class B.

6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company has charged selling and marketing expenses based on its discretion while keeping in view the overall return, the annual plan and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008, at the rates nil (June 30, 2022: nil) for Class A and 1.05% (June 30, 2022: 1.05% to 1.85%) for Class B.

Note	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total

-----Rupees in '000-----

#### 7 DIVIDEND AND PROFIT RECEIVABLE

Profit receivable on bank balances	3,598	1,144	4,742	2,089	2,330	4,419
Dividend receivable	3,731	1,014	4,745	2,878	3,111	5,989
	<u>7,329</u>	<u>2,158</u>	<u>9,487</u>	<u>4,967</u>	<u>5,441</u>	<u>10,408</u>

#### 8 ADVANCE AND DEPOSITS

Security deposits with:

- National Clearing Company of Pakistan Limited	-	2,500	2,500	-	2,500	2,500
- Central Depository Company of Pakistan Limited	100	200	300	100	200	300
- Karachi Stock Exchange Limited	640	-	640	-	-	-
Advance tax	11	1,119	1,130	11	1,119	1,130
	<u>751</u>	<u>3,819</u>	<u>4,570</u>	<u>111</u>	<u>3,819</u>	<u>3,930</u>

#### 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

Remuneration payable to the Trustee	9.1	239	80	319	241	134	375
Sindh Sales Tax payable on remuneration of the Trustee	9.2	31	10	41	31	17	49
CDS charges payable		-	35	35	-	36	36
		<u>270</u>	<u>125</u>	<u>395</u>	<u>273</u>	<u>187</u>	<u>460</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the tariff structure is as follows:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.20% of the net assets or Rs. 700,000 per annum whichever is higher
- From Rs 1,000 million to Rs 5,000 million	Rs. 2.0 million plus 0.10% exceeding Rs. 1,000 million

Accordingly the Fund has charged trustee fee at the above rates during the period.

9.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2022 : 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

**10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					
Annual fee	196	58,067	58,263	428	227	655

10.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP. As per the guideline issued by SECP vide its SRO no. 685(1)/2019 dated June 28, 2019, The Fund has recognized SECP Fee at the rate of 0.02% (June 30, 2022: 0.02%).

**11 ACCRUED EXPENSES AND OTHER LIABILITIES**

	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					
Auditors remuneration	683	302	985	326	182	508
Withholding tax payable	7	120	127	26	89	115
Security transaction charges	-	35	35	-	362	362
Payable to Broker	-	914	914	-	-	-
Provision for Federal Excise Duty	-	55,961	55,961	-	55,961	55,961
Other payable	-	1,110	1,110	-	1,113	1,113
	690	58,442	59,132	352	57,707	58,059

**11.1 Federal Excise Duty**

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 55.961 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.73 (June 30, 2022: Re. 0.51)

**12 CONTINGENCIES & COMMITMENTS**

There are no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

**13 EARNINGS PER UNIT**

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

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**14 TOTAL EXPENSES RATIO**

The annualized total expense ratio (TER) of the Fund as at December 31, 2022 based on current period results is 2.66% and 5.20% (2021: 1.26% and 2.29%) which includes 0.24% and 0.42% (2021: 0.12% and 0.18%) representing government levies on the Fund and annual fee to SECP of Class A and Class B respectively. The maximum ratio limit as prescribed under the NBFC Regulation for a collective Investment Scheme categorized as an 'Equity Scheme' is 4.5% which is required to be complied on an annual basis by the fund.

**15 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% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

**16 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**

Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

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

Accounting and operational charges and selling and marketing charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

16.1	Transactions during the period	December 31, 2022 (Un-audited)			December 31, 2021 (Un-audited)		
		Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----							
	<b>HBL Asset Management Limited</b>						
	Remuneration of Management Company	14,739	5,809	20,548	17,294	12,625	29,919
	Sindh Sales Tax on remuneration of Management Company	1,916	755	2,671	2,248	1,641	3,889
	Reimbursement of fund operations, accounting and related costs	5,404	1,598	7,002	6,341	3,472	9,813
	Selling and marketing	-	3,050	3,050	-	6,628	6,628
	<b>Habib Bank Limited - Sponsor</b>						
	Dividend income	-	787	787	-	921	921
	Bank profit	-	29	29	-	16	16
	Redemption of 31,371,161 (December 31, 2021: Nil) units	-	203,605	203,605	-	-	-
	<b>MCB Bank Limited</b>						
	<b>Connected Person (Due to holding more than 10% units)</b>						
	Dividend Income	-	1,281	1,281	-	1,638	1,638
	Bank profit	8	7,412	7,420	4	4,253	4,257
	<b>Central Depository Company of Pakistan Limited - Trustee</b>						
	Trustee fee	1,365	385	1,750	1,480	812	2,292
	Sindh Sales Tax payable on Trustee fee	178	50	228	192	105	297
	CDC connection charges	904	162	1,066	439	171	610
	<b>Executives and their relatives</b>						
	Redemption of nil (December 31, 2021: 205,885) units	-	-	-	-	2,030	2,030
16.2	<b>Balances outstanding at the year end</b>						
	<b>HBL Asset Management Limited</b>						
	Payable to the Management Company	2,292	793	3,085	2,388	1,333	3,721
	Sindh Sales Tax payable on remuneration to management company	298	103	401	310	173	483
	Allocation of expenses related to registrar services, accounting, operation and valuation services	842	218	1,060	876	918	1,794
	Selling and marketing expense	-	1,290	1,290	-	4,270	4,270
	<b>Central Depository Company of Pakistan Limited - Trustee</b>						
	Trustee fee payable	239	80	319	241	134	375
	Sindh Sales Tax payable on Trustee Fee	31	10	41	31	17	49
	Security deposit held	100	200	300	100	200	300
	CDS charges payable	-	35	35	-	36	36
	<b>MCB Bank Limited</b>						
	<b>Connected Person (Due to holding more than 10% units)</b>						
	Bank balance	161	140,259	140,420	152	132,084	132,236
	Outstanding: 66,090,021 (June 30, 2022: 66,090,021) units	660,900	-	660,900	660,900	-	660,900
	<b>Habib Bank Limited - Sponsor</b>						
	Outstanding: 48,662,161 (June 30, 2022: 48,662,161) units	486,622	-	486,622	486,622	-	486,622
	Outstanding: 373 (June 30, 2022: 31,371,534) units	-	2	2	-	202,867	202,867
	Bank balance	-	536	536	-	507	507

	December 31, 2022 (Un-audited)			December 31, 2021 (Un-audited)		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
<b>Jubilee General Insurance Company Limited - Associate</b>						
Outstanding: 103,333 (June 30, 2022: 103,333) units	-	621	621	-	668	668
<b>Jubilee General Insurance Company Limited Staff Provident Fund Trust - Associate</b>						
Outstanding: 118,454 (June 30, 2022: 118,454) units	1,184	-	1,184	1,184	-	1,184
Outstanding: 121,940 (June 30, 2022: 121,940) units	-	733	733	-	789	789
<b>Jubilee General Insurance Company Limited Gratuity Fund Trust - Associate</b>						
Outstanding: 224,000 (June 30, 2022: 224,000) units	2,240	-	2,240	2,240	-	2,240
Outstanding: 230,592 (June 30, 2022: 230,592) units	-	1,386	1,386	-	1,491	1,491
<b>Aga Khan University Employees Provident Fund Trust</b>						
Outstanding: 588,000 (June 30, 2022: 588,000) units	5,880	-	5,880	5,880	-	5,880
<b>Aga Khan University Employees Gratuity Fund Trust</b>						
Outstanding: 138,000 (June 30, 2022: 138,000) units	1,380	-	1,380	1,380	-	1,380
----- (Rupees in '000) -----						
	December 31, 2022 (Un-audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
<b>National Investment Trust Limited - Administration Fund</b>						
Outstanding 60,720 (June 30, 2022: 60,720) units	607	-	607	607	-	607
Outstanding (June 30, 2022: 62,507) units	-	376	376	-	404	404
<b>Directors and Executives of the Management Company</b>						
Outstanding: 26,195 (June 30, 2022: 26,195) units	262	-	262	262	-	262
Outstanding units: 26,813 (June 30, 2022: 26,813) units	-	161	161	-	173	173
<b>HBL Micro Finance Bank - Associate</b>						
Bank balance	242,019	446	242,465	9	8	17
<b>CDC - Trustee National Investment (Unit) Trust</b>						
Outstanding: 10,108,128 (June 30, 2022: 10,108,128) units	101,081	-	101,081	101,081	-	101,081
<b>Humera Iqbal Connected Person (Due to holding more than 10% units)</b>						
Outstanding: 9,679,667 (June 30, 2022: 9,679,667) units	-	58,186	58,186	-	62,595	62,595

## 17 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	----- (Un-audited) -----			
	----- As at December 31, 2022 -----			
	Class A			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>Financial assets ' at fair value through other comprehensive income'</b>				
- Listed equity securities	1,566,943	-	-	1,566,943
	----- (Un-audited) -----			
	----- As at December 31, 2022 -----			
	Class B			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>Financial assets ' at fair value through profit or loss'</b>				
- Listed equity securities	450,828	-	-	450,828
	----- (Audited) -----			
	----- As at June 30, 2022 -----			
	Class A			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>Financial assets ' at fair value through other comprehensive income'</b>				
- Listed equity securities	1,843,635	-	-	1,843,635
	----- (Audited) -----			
	----- As at June 30, 2022 -----			
	Class B			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>Financial assets ' at fair value through profit or loss'</b>				
- Listed equity securities	701,672	-	-	701,672

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**18 GENERAL**

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

**19 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on February 13, 2023 by the Board of Directors of the Management Company.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **FINANCIAL SECTOR INCOME FUND**

## FUND INFORMATION

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Name of Fund HBL FINANCIAL SECTOR INCOME FUND

Name of Auditor Yousuf Adil & Co. Chartered Accountants

Bankers

- Habib Bank Limited
- Soneri Bank Limited
- Allied Bank Limited
- HBL Micro Finance Bank
- U Micro Finance Bank
- Bank Al falah Limited
- Khushhali Micro Finance Bank
- Mobilink Micro Finance Bank
- Finca Micro Finance Bank

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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

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

Fax: (92-21) 34326021 - 23

URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)

Email: [info@cdcpak.com](mailto:info@cdcpak.com)



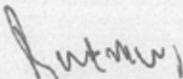
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL FINANCIAL SECTOR INCOME FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Financial Sector Income Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 24, 2023



## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **TO THE ASSET MANAGEMENT COMPANY OF HBL FINANCIAL SECTOR INCOME FUND**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Financial Sector Income Fund** (the "Fund") as at December 31, 2022, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the six months period ended December 31, 2022 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

#### **Scope of Review**

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

#### **Conclusion**

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

#### **Other matter**

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the three months period ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.

  
Chartered Accountants

**Place:** Karachi  
**Date:** February 24, 2023  
**UDIN:** RR2022100570yeCLFkXv

**Financial Sector Income Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
**AS AT DECEMBER 31, 2022**

	Note	December 31, 2022 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
<b>ASSETS</b>			
Bank balances	4	25,881,837	43,918,633
Investments	5	5,947,338	2,047,101
Receivable against margin trading system		311,197	123,160
Profit / markup receivable	6	540,610	251,794
Deposits and prepayments	7	4,137	4,229
<b>Total Assets</b>		<b>32,685,119</b>	<b>46,344,917</b>
<b>LIABILITIES</b>			
Payable to the Management Company	8	42,107	38,439
Payable to the Trustee	9	2,196	3,063
Payable to Securities and Exchange Commission of Pakistan	10	3,167	2,776
Payable against purchase of investments		2,863,994	351,029
Accrued expenses and other liabilities	11	113,533	119,526
<b>Total Liabilities</b>		<b>3,024,997</b>	<b>514,833</b>
<b>NET ASSETS</b>		<b>29,660,122</b>	<b>45,830,084</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)</b>		<b>29,660,122</b>	<b>45,830,084</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>	13	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>292,907,886</b>	<b>458,092,829</b>
<b>NET ASSETS VALUE PER UNIT</b>		<b>101.2609</b>	<b>100.0454</b>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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

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

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

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

**Financial Sector Income Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Note	Six months period ended December 31, 2022 ----- (Rupees in '000) -----	Three months period ended December 31, 2022
<b>INCOME</b>			
Capital loss on sale of investments - net		(24,972)	(20,699)
Markup income on government securities		180,396	58,415
Markup from corporate sukuk bonds		58,288	51,111
Markup from commercial papers and term deposit receipts		85,380	26,478
Markup from margin trading system		63,873	21,621
Profit on bank deposit		2,175,110	1,096,996
		<u>2,538,075</u>	<u>1,233,922</u>
Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	5.2	21,627	18,479
		<u>2,559,702</u>	<u>1,252,401</u>
<b>EXPENSES</b>			
Remuneration of the Management Company	8.1	77,142	38,003
Sindh Sales Tax on remuneration of the Management Company	8.2	10,028	4,940
Remuneration of the Trustee	9.1	11,876	5,730
Sindh Sales Tax on remuneration of the Trustee	9.2	1,544	745
Annual fee to Securities and Exchange Commission of Pakistan	10.1	3,167	1,528
Selling and marketing expenses	8.4	34,891	16,673
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	34,891	16,673
Securities transaction costs and settlement charges		5,564	2,549
Fees and Subscription		604	230
Auditor's remuneration	12	253	49
Bank charges		361	182
Formation Cost		79	40
		<u>180,400</u>	<u>87,342</u>
<b>Net income for the period before taxation</b>		<u>2,379,302</u>	<u>1,165,059</u>
Taxation	14	-	-
<b>Net income for the period after taxation</b>		<u>2,379,302</u>	<u>1,165,059</u>
<b>Allocation of net income for the period</b>			
Income already paid on redemption of units		324,042	-
Accounting income available for distribution:			
Relating to capital gains		-	-
Excluding capital gains		2,055,260	1,126,622
		<u>2,055,260</u>	<u>1,126,622</u>
		<u>2,379,302</u>	<u>1,126,622</u>
<b>Earnings per unit</b>	15		

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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

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

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

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

**Financial Sector Income Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Six months ended December 31, 2022 ----- (Rupees in '000) -----	Three months period ended December 31, 2022 -----
Net income for the period after taxation	2,379,302	1,165,059
Other comprehensive income for the period	-	
<b>Total comprehensive income for the period</b>	<b>2,379,302</b>	<b>1,165,059</b>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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

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

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

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

**Financial Sector Income Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Six months period ended December 31, 2022		
	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----		
<b>Net assets at beginning of the period</b>	45,819,471	10,612	45,830,083
<b>Issue of 878,259,112 units</b>			
Capital value (at net asset value per unit at the beginning of the period)	87,865,784	-	87,865,784
Element of loss	(36,370,731)	-	(36,370,731)
<b>Total proceeds on issue of units</b>	51,495,053	-	51,495,053
<b>Redemption of 1,043,444,055 units</b>			
Capital value (at net asset value per unit at the beginning of the period)	(104,391,778)	-	(104,391,778)
Income already paid on redemption of units	-	(324,042)	-
Element of income	36,587,263	-	36,263,221
<b>Total payments on redemption of units</b>	(67,804,515)	(324,042)	(68,128,557)
Total comprehensive income for the period	-	2,379,302	2,379,302
Distribution during the period	-	(1,652,839)	(1,652,839)
Refund of capital	(262,920)	-	(262,920)
	(262,920)	726,463	463,543
<b>Net assets at end of the period</b>	<b>29,247,089</b>	<b>413,033</b>	<b>29,660,122</b>
<b>Undistributed income brought forward</b>			
Realised income		10,183	
Unrealised income		429	
		<u>10,612</u>	
<b>Accounting income available for distribution</b>			
Relating to capital gains		-	
Excluding capital gains		2,055,260	
		<u>2,055,260</u>	
Distribution during the period		(1,652,839)	
<b>Undistributed income carried forward</b>		<u>413,033</u>	
<b>Undistributed income carried forward</b>			
Realised income		391,406	
Unrealised income		21,627	
		<u>413,033</u>	
			Rupees
<b>Net assets value per unit at end of the period</b>			<u>101</u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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

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

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

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

**Financial Sector Income Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Note	Six months period ended December 31, 2022 (Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation		2,379,302
Adjustments for:		
Capital loss on sale of investments - net		24,972
Markup income on government securities		(180,396)
Markup from corporate sukuk bonds		(58,288)
Markup from commercial papers and term deposit receipts		(85,380)
Markup from margin trading system		(63,873)
Profit on bank deposit		(2,175,110)
Unrealised gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net		(21,627)
		(180,400)
<b>Increase in assets</b>		
Investments - net		(3,903,582)
Receivable against margin trading system		(188,037)
Deposits and prepayments		(42,953)
		(4,134,572)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company		3,668
Payable to the Trustee		(867)
Payable to the Securities and Exchange Commission of Pakistan		391
Payable against purchase of investment		2,512,965
Accrued expenses and other liabilities		(5,993)
		2,510,164
<b>Cash used from operations</b>		(1,804,808)
Income received from market treasury bills		86,137
Income received from corporate sukuk bonds		77,805
Income received from commercial papers and term deposit receipts		85,380
Income received from margin trading system		60,444
Profit received on bank deposits		2,007,508
		2,317,274
<b>Net cash generated from operating activities</b>		512,466
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units		51,495,053
Payment against redemption of units		(68,128,557)
Dividend paid		(1,915,759)
<b>Net cash used in financing activities</b>		(18,549,263)
<b>Net decrease in cash and cash equivalents</b>		(18,036,796)
Cash and cash equivalents at beginning of the period		43,918,633
<b>Cash and cash equivalents at end of the period</b>	4	25,881,837

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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

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

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

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

# Financial Sector Income Fund

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

### FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

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

- 1.1 HBL Financial Sector Income Fund Plan 1 ("the Fund") was established under a Trust Deed, dated November 16, 2021, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on December 14, 2021. The Fund is registered on December 06, 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. The fund commenced operations from January 18, 2022.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4 The Fund has been categorised as a Compliant Income Scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. The units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 The objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs / Sukuks, bank deposits and short-term money market instruments.
- 1.6 Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.
- 1.7 VIS Credit Rating Company has assigned a management quality rating of AM1 (Stable Outlook) to the Management Company on December 30, 2022.

#### 2. BASIS OF PREPARATION

##### 2.1 Statement of compliance

2.1.1 This condensed interim financial information of the Fund has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

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

2.1.2 This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the audited financial statements of the Fund for the period ended June 30, 2022.

- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the audited financial statements of the Fund for the period ended June 30, 2022. The period from January 18, 2022 to June 30, 2022 was the first set of financial statements of the Fund. Therefore, condensed interim income statement, condensed interim statement of comprehensive income and condensed interim statement of cash flows are not comparable.
- 2.1.4 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2022 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.
- 2.1.6 This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.
- 3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**
- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2022, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 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 audited financial statements as at and for the year ended June 30, 2022.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that became effective during the period under review and are mandatory for the Fund's accounting period. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Fund for the year ended June 30, 2022.

	<b>Note</b>	<b>December 31, 2022 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
		----- <b>(Rupees in '000)</b> -----	
<b>4 BANK BALANCES</b>			
Savings accounts	4.1	<u><u>25,881,837</u></u>	<u><u>43,918,633</u></u>
4.1			
These carry profits at the rates ranging between 8% to 19.10% (June 30, 2022: 6% to 18%) per annum and include Rs.14,329 (June 30: 29,607.99) million maintained with Habib Bank Limited and HBL Micro Finance Bank Limited (related parties) which carries profit at the rates ranging between 8% to 17.50% (June 30, 2022: 17.25% to 17.62%).			

	Note	December 31, 2022 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
<b>5 INVESTMENTS</b>			
Financial asset at fair value through profit or loss	5.1	<b>5,380,236</b>	901,012
Financial asset at amortised cost	5.3	<b>567,102</b>	1,146,089
		<b>5,947,338</b>	2,047,101

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

Corporate sukuk bonds	5.1.1	<b>1,949,880</b>	450,000
GoP Ijarah sukuk certificates	5.1.2	<b>2,877,711</b>	-
Pakistan Investments Bonds (PIBs)	5.1.3	<b>133,353</b>	-
Market treasury bills	5.1.4	-	438,724
Investments in ETF	5.1.5	<b>419,292</b>	-
Future stock contracts		-	246
Listed equity securities (spread transactions)		-	12,042
		<b>5,380,236</b>	901,012

#### 5.1.1 Corporate sukuk bond

Name of the investee company	As at July 01, 2022	Purchases made during the period	Sales during the period	As at December 31, 2022	Market value as at December 31, 2022	Carrying value as at December 31, 2022	Un-realised gain / (loss)	Market value as a percentage of	
								Total investments	Net assets
----- (Rupees in '000) ----- % -----									
<b>Corporate sukuk bond - unlisted</b>									
K-electric Limited	450,000	-	450,000	-	-	-	-	0.00%	0.00%
K-electric Limited	-	5,000	-	5,000	500,000	500,000	-	8.41%	1.69%
BOP/TFC/231216	-	500	-	500	49,880	50,080	(200)	0.84%	0.17%
BAHL TFC 23-DEC-22	-	500	-	500	500,000	500,000	-	8.41%	1.69%
SNBL 23-Dec-22	-	4,000	-	4,000	400,000	400,000	-	6.73%	1.35%
Lucky Electric STS -4	-	500	-	500	500,000	500,000	-	8.41%	1.69%
<b>Total - as at December 31, 2022</b>	<b>450,000</b>	<b>10,500</b>	<b>450,000</b>	<b>10,500</b>	<b>1,949,880</b>	<b>1,950,080</b>	<b>(200)</b>	<b>32.79%</b>	<b>6.57%</b>
Total - as at June 30, 2022	-	450	-	450	450,000	450,000	-	22.00%	1.00%

5.1.1.1 These corporate sukuk bonds carry profit ranging between 17.51% to 18.77% (June 30, 2022: 11.65%) per annum.

5.1.1.2 Significant terms and conditions of corporate sukuk bonds as at December 31, 2022 is as follows:

	Payment term	Remaining principal (per sukuk bond)	Profit rate (per annum)	Issue date	Maturity date
K-electric Limited	Quarterly	100,000	3M K + 1.7%	November 23, 2022	September 7, 2029
BOP/TFC/231216	Semi annually	99,760	6M K + 1%	December 23, 2016	December 23, 2026
BAHL TFC 23-DEC-22	Semi annually	5,000	6M K + 1.35%	December 23, 2022	December 23, 2032
SNBL 23-Dec-22	Semi annually	100,000	6M K + 1.70%	December 26, 2022	December 26, 2032
Lucky Electric STS -4	Semi annually	1,000,000	6M K + 1.52%	September 29, 2022	March 28, 2023

#### 5.1.2 GoP Ijarah sukuk certificates

Issue details	Issue Date	Face Value				Market value as at December 31, 2022	Carrying value as at December 31, 2022	Un-realised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 01, 2022	Purchases during the period	Sales during the period	As at December 31, 2022					
----- (Rupees in '000) ----- % -----										
GOP Ijarah Sukuk -26	26-Oct-22	-	500,000	500,000	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	49,890	49,890	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	5,254,000	5,252,700	1,300	1,294	6	0.02%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	500,000	500,000	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	1,100,000	1,100,000	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	1,150,000	1,150,000	-	-	-	0.00%	0.00%	
Where the provisions of and	26-Oct-22	-	1,750,000	1,750,000	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	1,750,000	1,750,000	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	1,750,000	1,750,000	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	500,000	500,000	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	400,000	400,000	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk -26	26-Oct-22	-	1,750,000	-	1,750,000	1,741,775	1,737,435	(4,340)	29.29%	
This condensed interim financial	26-Oct-22	-	1,140,000	-	1,140,000	1,134,642	1,131,815	(2,827)	19.08%	
<b>Total - as at December 31, 2022</b>			<b>17,593,890</b>	<b>14,702,590</b>	<b>2,891,300</b>	<b>2,877,711</b>	<b>2,870,550</b>	<b>(7,161)</b>	<b>48.39%</b>	
Total - as at June 30, 2022			-	-	-	-	-	-	9.70%	

### 5.1.3 Pakistan Investments Bonds (PIBs)

This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income	Tenor	Issue date	Face value				Market value as at December 31, 2022	Carrying value as at December 31, 2022	Un-realised gain / (loss)	Market value as a percentage of	
			As at July 01, 2022	Purchases during the period	Sales during the period	As at December 31, 2022				Total investments	Net assets
(Rupees in '000)											
Pakistan Investment Bond	5Y	6-May-21	-	125,000	125,000	-	-	-	0.00%	0.0000%	
Pakistan Investment Bond	5Y	29-Apr-22	-	600,000	600,000	-	-	-	0.00%	0.0000%	
Pakistan Investment Bond	5Y	13-Oct-22	-	3,860,000	3,860,000	-	-	-	0.00%	0.0000%	
Pakistan Investment Bond	3Y	8-Sep-22	-	175,000	175,000	-	-	-	0.00%	0.0000%	
Pakistan Investment Bond	3Y	4-Aug-22	-	860,000	860,000	-	-	-	0.00%	0.0000%	
Pakistan Investment Bond	3Y	22-Oct-22	-	2,200,000	2,200,000	-	-	-	0.00%	0.0000%	
Pakistan Investment Bond	3Y	22-Oct-22	-	76,659,000	76,659,000	-	-	-	0.00%	0.0000%	
Pakistan Investment Bond	2Y	30-Dec-21	-	1,850,000	1,850,000	-	-	-	0.00%	0.0000%	
Pakistan Investment Bond	2Y	26-Aug-21	-	57,531,000	57,531,000	-	-	-	0.00%	0.0000%	
Pakistan Investment Bond	10Y	22-Aug-19	-	135,000	-	135,000	133,353	133,772	(419)	2.24%	0.4496%
<b>Total - as at December 31, 2022</b>			-	<b>143,995,000</b>	<b>143,860,000</b>	<b>135,000</b>	<b>133,353</b>	<b>133,772</b>	<b>(419)</b>	<b>2.24%</b>	<b>0.4496%</b>

The preparation of this condensed interim financial information

### 5.1.4 Market treasury bills

Particulars	Issue Date	Face value			Balance as at December 31, 2022			Market value as a percentage of		
		As at July 01, 2022	Purchased during the period	Sale / matured during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Un-realised gain / (loss)	Total investments	Net assets
(Rupees in '000)										
<b>Market Treasury Bills - 3 months</b>										
There are certain standards, interpretations and	100,000	-	100,000	-	-	-	-	-	-	-
Market treasury bills	350,000	-	350,000	-	-	-	-	-	-	-
Market treasury bills	-	500,000	500,000	-	-	-	-	-	-	-
Market treasury bills	-	2,000,000	2,000,000	-	-	-	-	-	-	-
Market treasury bills	-	2,000,000	2,000,000	-	-	-	-	-	-	-
Market treasury bills	-	400,000	400,000	-	-	-	-	-	-	-
Market treasury bills	-	100,000	100,000	-	-	-	-	-	-	-
Market treasury bills	-	100,000	100,000	-	-	-	-	-	-	-
Market treasury bills	-	100,000	100,000	-	-	-	-	-	-	-
<b>Market Treasury Bills - 12 months</b>										
Market treasury bills	-	500,000	500,000	-	-	-	-	-	-	-
<b>Total as at December 31, 2022</b>	<b>450,000</b>	<b>5,700,000</b>	<b>6,150,000</b>	-	-	-	-	-	<b>0.00%</b>	<b>0.00%</b>
Total as at June 30, 2022	-	-	-	-	-	-	-	-	-	-

### 5.1.5 Investments in ETF

Sectors / Companies	As at July 01, 2022	Purchases during the Period	Disposal during the Period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of		Paid up value of shares held as a percentage of total paid up capital of the Investee Company
							Total investments	Net assets	
(Number of shares)									
(Rupees in '000)									
<b>Mutual Funds</b>									
HBL Total Treasury Exchange Traded Fund	-	45,179,500	4,012,000	41,167,500	404,209	419,292	7.05	1.41%	0.08%
<b>Total as at December 31, 2022</b>	-	<b>45,179,500</b>	<b>4,012,000</b>	<b>41,167,500</b>	<b>404,209</b>	<b>419,292</b>	<b>7.05</b>	<b>1.41%</b>	<b>0.08%</b>
Total as June 30, 2022	-	-	-	-	-	-	-	-	-

### 5.2 Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net

Market value of investments	5,380,236
Carrying value of investments	5,358,609
	<b>21,627</b>

December 31, 2022  
(Rupees in '000)

### 5.3 Financial assets at amortised cost

Commercial papers	5.3.1	<b>567,102</b>	1,146,089
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Note

December 31, 2022  
June 30, 2022  
(Rupees in '000)

#### 5.3.1 Commercial papers

This condensed interim financial information of th	Issue date	As at July 01, 2022	Placement made during the period	Income accrued	Sales / matured during the period	As at December 31, 2022	Percentage of total of investments	Percentage of net assets
(Rupees '000)								
Pak Elektron Limited	February 01, 2022	96,108	-	3,892	100,000	-	0%	0.00
China Power Hub Generation Company	April 12, 2022	481,654	-	18,346	500,000	-	0%	0.00
Lucky Electric Power Company	May 06, 2022	568,327	-	31,673	600,000	-	0%	0.00
Lucky Electric Power Company	November 01, 2022	-	552,251	14,851	-	567,102	9.05%	1.91
<b>Total as at December 31, 2022</b>		<b>1,146,089</b>	<b>552,251</b>	<b>68,762</b>	-	<b>567,102</b>	<b>9.05%</b>	<b>1.91</b>
Total as at June 30, 2022		-	-	-	-	-	-	0.00

5.3.1.1 These commercial papers carry profit rates ranging from 6.93% to 9.34%. The maturity date for commercial papers of Pak Elektron Limited, China Power Hub Generation Company and Lucky Electric Power Limited is October 29, 2022, October 09, 2022 and November 02, 2022 respectively. Management believes that fair value of the commercial paper is equal to its amortised cost

		December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>6</b>	<b>PROFIT / MARK UP RECEIVABLE</b>		
	HBL Financial Sector Income Fund Plan 1		
	Bank deposits	6.1 398,411	230,811
	Margin trading system income	4,895	1,466
	Corporate sukuk bonds	43,045	19,517
	GOP Ijara Sukuk	94,259	-
	The Management Company of the Fund has been registered as a Non-Banking Finance	<u>540,610</u>	<u>251,794</u>
<b>6.1</b>	This includes Rs. 203.72 & 2.15 million receivable from HBL Micro Finance Habib Bank Limited which are related parties.		
		December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
		----- (Rupees in '000) -----	
<b>7</b>	<b>DEPOSITS AND PREPAYMENTS</b>		
	Security deposits with:		
	Central Depository Company of Pakistan Limited	100	100
	National Clearing Company of Pakistan Limited	3,100	2,990
	Margin trading system security deposit	250	250
		<u>3,450</u>	<u>3,340</u>
	Preliminary cost	649	728
	Prepaid MTS fee	38	161
		<u>4,137</u>	<u>4,229</u>
<b>8</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration payable to the Management Company	8.1 15,334	13,621
	Sindh Sales Tax payable on Management Company's remuneration	8.2 1,993	1,771
	Sales load payable	1,630	174
	Formation cost payable	-	800
	Allocation of expenses related to registrar services, This condensed interim financial information of the Fund has been	8.3 6,477	2,664
	Selling and marketing expense payable	8.4 16,673	19,409
		<u>42,107</u>	<u>38,439</u>

- 8.1 'As per Regulation 61 of the amended 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. During the period, the fee is being charged at the rate ranging from 0.2% to 0.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.
- 8.2 These commercial papers carry profit rates ranging from 6.93% to 9.34%. The maturity date for commercial papers of Pak Elektron Limited, China Power Hub Generation Company and Lucky Electric Power Limited is October 29, 2022 , October 09, 2022 and November 02, 2022 respectively. Management believes that fair value of the commercial paper is equal to its amortised cost.
- 8.3 'As per Regulation 60(3)(s) of the amended NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. During the period, the fee is being charged at the rate ranging from 0.2% to 0.5% of the average annual net assets accordingly.
- 8.4 As per Regulation 60(3)(v) of the amended NBFC Regulations, selling and marketing expenses is allowed on all categories of open end mutual funds, except fund of funds with no cap. During the period, the fee is being charged at the rate ranging from 0.2% to 0.5% of the average annual net assets accordingly.

		December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>9</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee payable	1,943	2,711
	Sindh Sales Tax payable on remuneration of the Trustee	253	352
		<u>2,196</u>	<u>3,063</u>

- 9.1 As per CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, Trustee fee shall be charged at the rate of 0.075% of the average annual net assets of the Fund. During the period, Management Company has charged the Trustee fee accordingly.
- 9.2 Sindh Sales Tax at the rate of 13% is applicable on Trustee fee as per Sindh Sales Tax on Services Act, 2011.

		December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>10</b>	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee payable to SECP	3,167	2,776

- 10.1 'As per Regulation 62 of the amended NBFC Regulations, a Collective Investment Scheme (CIS) categorised as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% of the average net assets of the Scheme. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that became effective during the period under review and are mandatory for the Fund's accounting period. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

	December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
	----- (Rupees in '000) -----	
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Withholding tax payable	87,697	118,999
Auditor's remuneration	212	297
Brokerage payable	165	22
Margin trading system charges payable	1,318	78
Capital gain tax payable	23,306	-
Legal fee	505	-
Listing fee payable	72	-
Other payables	258	130
	<b>113,533</b>	<b>119,526</b>
<b>12 AUDITOR'S REMUNERATION</b>		
Annual audit fee	213	310
Out of pocket expenses	21	31
Sindh sales tax on services	19	27
	<b>253</b>	<b>368</b>
<b>13 CONTINGENCIES AND COMMITMENTS</b>		
There were no contingencies and commitments as at December 31, 2022 and June 30, 2022.		
<b>14 TAXATION</b>		
The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains, whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealized) for the year ending June 30, 2023 to its unit holders.		
<b>15 EARNINGS PER UNIT</b>		
Earnings per unit (EPU) has not been disclosed in this condensed interim financial information as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.		
<b>16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES</b>		
Connected persons / related parties include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.		
Transactions with connected persons / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.		
Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.		

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

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

	Six months period ended December 31, 2022 (Un-Audited) (Rupees in '000)
<b>16.1 Transactions during the period</b>	
<b>HBL Asset Management Limited - Management Company</b>	
Remuneration of Management Company	77,142
Sindh Sales Tax on remuneration of Management Company	10,028
Allocation of expenses related to registrar services, accounting, operation and valuation services	34,891
Selling and Marketing expenses	34,891
<b>HBL Asset Management Limited - Management Company</b>	
Issue of 1,638,936 units	165,000
Redemption of 2,425,734 units	245,000
Dividend paid 89,743 units	6,883
Refund of capital 9,905 units	991
<b>Habib Bank Limited - Sponsors</b>	
Bank Charges	361
Profit on bank deposit earned	1,121,383
<b>Directors and Executives of the Management Company</b>	
Issue of 562,858	56,845
Redemption of 556,387 units	56,248
Dividend paid 4,890 units	489
Refund of capital 4,987 units	499
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Trustee remuneration	11,876
Sindh Sales Tax payable on the Trustee fee	1,544
<b>HBL Asset Management Limited - Employees Gratuity Fund</b>	
Issue of 51,441 units	5,200
Redemption of 990 units	100
Dividend paid 69 units	6,872
Refund of capital 535 units	54
<b>HBL Asset Management Limited - Employees Provident Fund</b>	
Issue of 163,227 units	16,500
Dividend paid 218 units	21,807
Refund of capital 1,698 units	170
<b>Ibrahim Holdings (Private) Limited</b>	
<b>Connected person due to holding more than 10%</b>	
Issue of 50,350,048 units	5,061,002
Dividend paid 3,933,080	393,487
Refund of capital 237,006 units	23,711
<b>Riaz Textile Mills (Private) Limited</b>	
<b>Connected person due to holding more than 10%</b>	
Issue of 41,603,975 units	4,200,970
Redemption of 71,636,340 units	7,212,380
Dividend paid 3,495,140	349,673
Refund of capital 285,650 units	28,578

16.2	Balances outstanding as at period / year end	Six months period ended	
		December 31,	
		2022 (Un-Audited)	2021 (Un-Audited)
		----- (Rupees in '000) -----	
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	15,334	13,621
	Sindh Sales Tax payable on remuneration of the Management Company	1,993	1,771
	Sales load payable	1,630	174
	Allocation of expenses related to registrar services, accounting, operation and valuation services	6,477	2,664
	Selling and marketing expenses	16,673	19,409
	Formation cost payable		800
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	1943	2,711
	Sindh Sales Tax payable on remuneration of the trustee	253	352
	Security deposit	100	100
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balances	63,577	9,757,407
	Profit Receivable	2,147	31,145
	<b>HBL Micro Finance Bank</b>		
	Bank Balances	14,265,524	19,850,586
	Profit Receivable	203,719	4,613
	<b>HBL Asset Management Limited</b>		
	Units held: 708,787 (June 30, 2022: 1,395,938) units	71,772	139,657
	<b>Ibrahim Fibres Limited</b>		
	<b>Connected person due to holding more than 10%</b>		
	Units held: 94,985,912 (June 30, 2022: 55,802,802)	9,618,359	5,582,814
	<b>Riaz Textile Mills (Private) Limited</b>		
	<b>Connected person due to holding more than 10%</b>		
	Units held: 51,286,296 (June 30, 2022: 52,200,893)	5,193,297	5,222,459
	<b>Directors and executives of the Management Company</b>		
	Units held: 131,158 (June 30, 2022: 171,415) units	13,281	17,149
	<b>Fauji Fertilizers limited</b>		
	Units held: Nil (June 30, 2022: 103,023,431) units	-	10,307,020

17 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.

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).

December 31, 2022 (Un-Audited)								
Particulars	Carrying amount			Fair value				
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
Note	(Rupees in '000)							
<b>Financial assets measured at fair value</b>								
	17.1							
Corporate sukuk bonds		1,949,880	-	1,949,880	-	1,949,880	-	1,949,880
GoP Ijara sukuk certificates		2,877,711	-	2,877,711	2,877,711	-	-	2,877,711
Pakistan Investments Bonds (PIBs)		133,353		133,353	133,353	-	-	133,353
Investments in ETF		419,292		419,292	419,292	-	-	419,292
		<u>5,380,236</u>	-	<u>5,380,236</u>	<u>3,430,356</u>	<u>1,949,880</u>	-	<u>5,380,236</u>
<b>Financial assets not measured at fair value</b>								
	17.2							
Bank balance		-	25,881,837	25,881,837				
Commercial Paper		-	567,102	567,102				
Profit / markup receivable		-	540,610	540,610				
Receivable against margin trading system		-	311,197	311,197				
Deposits		-	3,450	3,450				
			<u>27,304,196</u>	<u>27,304,196</u>				
<b>Financial liabilities not measured at fair value</b>								
	17.1							
Payable to the Management Company		-	42,107	42,107				
Payable to the Trustee		-	2,196	2,196				
Payable against purchase of investment		-	2,863,994	2,863,994				
Accrued expenses and other liabilities		-	2,530	2,530				
			<u>2,910,827</u>	<u>2,910,827</u>				

Particulars	June 30, 2022 (Audited)						
	Carrying amount			Fair Value			
	At fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
Financial assets measured at fair value							
Corporate sukuk bonds	450,000	-	450,000	-	450,000	-	450,000
Market treasury bills	438,724	-	438,724	-	438,724	-	438,724
Listed equity securities (spread transactions)	12,042	-	12,042	12,288	-	-	12,288
	<u>900,766</u>	<u>-</u>	<u>900,766</u>	<u>12,288</u>	<u>888,724</u>	<u>-</u>	<u>901,012</u>
Financial assets not measured at fair value							
Bank balance	-	43,918,633	43,918,633				
Commercial Paper	-	1,146,089	1,146,089				
Profit / markup receivable	-	251,794	251,794				
Receivable against margin trading system	-	123,160	123,160				
Deposits	-	3,340	3,340				
		<u>45,443,016</u>	<u>45,443,016</u>				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	36,668	36,668				
Payable to the Trustee	-	2,711	2,711				
Payable against purchase of investment	-	351,029	351,029				
Accrued expenses and other liabilities	-	527	527				
		<u>390,935</u>	<u>390,935</u>				

17.1 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.

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

## 18 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 six months period ended December 31, 2022 is 1.14% which includes 0.09% representing Government levy, Sindh Worker's Welfare Fund and SECP fee.

## 19 GENERAL

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

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

## 20 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Management Company on February 13, 2023.

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

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

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

\_\_\_\_\_  
Director

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# **HBL**

## **Total Treasury Exchange Traded Fund**

## FUND INFORMATION

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Name of Fund	HBL Total Treasury Exchange Traded Fund
Name of Auditor	Yousuf Adil & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Soneri Bank Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL TOTAL TREASURY EXCHANGE TRADED FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Total Treasury Exchange Traded Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 24, 2023



## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE ASSET MANAGEMENT COMPANY OF HBL TOTAL TREASURY EXCHANGE TRADED FUND

#### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Total Treasury Exchange Traded Fund** (the "Fund") as at December 31, 2022, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the period from September 12, 2022 to December 31, 2022 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

#### Scope of Review

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

#### Conclusion

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

#### Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the three months period ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the period from September 12, 2022 to December 31, 2022.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.

  
Chartered Accountants

Place: Karachi  
Date: February 24, 2023  
UDIN: RR202210057lysU7L01v

**HBL Total Treasury Exchange Traded Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at December 31, 2022*

	Note	(Un-Audited) December 31, 2022 (Rupees in '000)
<b>ASSETS</b>		
Bank balances	5	28,129
Investments	6	494,763
Profit / markup receivable		305
Deposits and prepayments	7	518
<b>Total assets</b>		<b>523,715</b>
<b>LIABILITIES</b>		
Payable to the Management Company	8	892
Payable to the Trustee	9	50
Payable to Securities and Exchange Commission of Pakistan	10	31
Accrued expenses and other liabilities	11	283
<b>Total liabilities</b>		<b>1,256</b>
<b>NET ASSETS</b>		<b>522,459</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)</b>		<b>522,459</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	(Number of units)
<b>NUMBER OF UNITS IN ISSUE</b>		<b>50,000,000</b>
		----- (Rupees) -----
<b>NET ASSETS VALUE PER UNIT</b>		<b>10.4492</b>

The annexed notes 1 to 19 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 Total Treasury Exchange Traded Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

		For the period from September 12, 2022 to December 31, 2022	Three months period ended December 31, 2022
	Note	----- (Rupees in '000)-----	
<b>INCOME</b>			
Capital loss on sale of investments - net		(67)	(83)
Markup income on government securities		23,239	19,295
Profit on bank deposit		844	797
		<u>24,016</u>	<u>20,009</u>
Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	6.1	196	55
		<u>24,212</u>	<u>20,064</u>
<b>Total income</b>			
<b>EXPENSES</b>			
Remuneration of the Management Company	8.1	777	646
Sindh Sales Tax on remuneration of the Management Company	8.2	101	84
Remuneration of the Trustee	9.1	156	129
Sindh Sales Tax on remuneration of the Trustee	9.2	20	17
Annual fee to Securities and Exchange Commission of Pakistan	10.1	31	26
Allocation of expenses related to registrar services, accounting, operation and valuation services		311	259
Brokerage and transaction charges	8.3	16	15
Printing & stationery		28	28
Fees and subscription		45	45
Auditor's remuneration		198	172
Bank charges		43	41
Formation cost		27	21
		<u>1,753</u>	<u>1,483</u>
<b>Net income for the period before taxation</b>		<u>22,459</u>	<u>18,581</u>
Taxation	13	-	-
<b>Net income for the period after taxation</b>		<u>22,459</u>	<u>18,581</u>
<b>Allocation of net income for the period</b>			
Income already paid on units redeemed		-	-
Accounting income available for distribution:			
Relating to capital gains		129	-
Excluding capital gains		22,330	18,609
		<u>22,459</u>	<u>18,609</u>
		<u>22,459</u>	<u>18,609</u>
<b>Earnings per unit</b>	14		

The annexed notes 1 to 19 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 Total Treasury Exchange Traded Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

	For the period from September 12, 2022 to December 31, 2022	Three months period ended December 31, 2022
	----- (Rupees '000) -----	
Net income for the period after taxation	22,459	18,581
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>22,459</b>	<b>18,581</b>

The annexed notes 1 to 19 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 Total Treasury Exchange Traded Fund**  
**Condensed Interim Statement of Movement In Unitholders' Fund (Un-Audited)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

For the period from September 12, to December 31,  
2022

	Capital value	Undistributed income	Total
	(Rupees in '000)		
<b>Net assets at beginning of the period</b>	-	-	-
Issue of 50,000,000 units			
Capital value	500,000	-	500,000
Total proceeds on issue of units	500,000	-	500,000
Total comprehensive income for the period	-	22,459	22,459
Distribution during the period	-	-	-
	-	22,459	22,459
<b>Net assets at end of the period</b>	<b>500,000</b>	<b>22,459</b>	<b>522,459</b>

**Accounting income available for distribution**

Relating to capital gains	129
Excluding capital gains	22,330
	22,459
Distribution during the period	-
	-
<b>Undistributed income carried forward</b>	<b>22,459</b>
<b>Undistributed income carried forward</b>	
Realised income	22,263
Unrealised income	196
	22,459

Rupees

**Net assets value per unit at end of the period**

**10.4492**

The annexed notes 1 to 19 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 Total Treasury Exchange Traded Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

For the period from  
September 12, 2022  
to December 31,  
2022  
(Rupees in '000)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before taxation	22,459
Adjustments for:	
Capital loss on sale of investments - net	67
Markup income on government securities	(23,239)
Profit on bank deposit	(844)
Unrealised gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(196)
	(1,753)
<b>Increase in assets</b>	
Investments - net	(494,634)
Deposits and prepayments	(518)
	(495,152)
<b>Increase in liabilities</b>	
Payable to the Management Company	892
Payable to the Trustee	50
Payable to the Securities and Exchange Commission of Pakistan	31
Accrued expenses and other liabilities	283
	1,256
<b>Cash used from operations</b>	(495,649)
Markup income received on government securities	23,239
Profit received on bank deposits	539
	23,778
<b>Net cash used in operating activities</b>	(471,871)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Amount received on issuance of units	500,000
<b>Net cash generated from financing activities</b>	500,000
<b>Net increase in cash and cash equivalents</b>	28,129
Cash and cash equivalents at beginning of the period	-
<b>Cash and cash equivalents at end of the period</b>	28,129

The annexed notes 1 to 19 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 Total Treasury Exchange Traded Fund**

## **Notes to the condensed interim financial information (Un-Audited)**

### **FOR THE PERIOD ENDED DECEMBER 31, 2022**

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

- 1.1 HBL Total Treasury Exchange Traded Fund (the Fund) was established under a Trust Deed, dated August 16, 2021, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on November 30, 2021. The Fund is registered on December 06, 2021 with Assistant Director of industries and commerce (Trust Wing) Government of Sindh under Section 12A of the Sindh Trusts Act, 2020.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules, 2003) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4 The Fund has been categorised as Exchange Traded Fund as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited.
- 1.5 The objective of the Fund is to invest in a particular basket of Government Securities to track the performance of component securities of the Benchmark Index which is constituted and managed by the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.
- 1.7 VIS Credit Rating Company has assigned a management quality rating of AM1 (Stable Outlook) to the Management Company on December 30, 2022.

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

##### **2.1 Statement of compliance**

2.1.1 This condensed interim financial information of the Fund has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

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

2.1.2 The disclosures made in this condensed interim financial information has, however, been limited based on the requirements of the IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements.

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- 2.1.3 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 true and fair view of the state of the Fund's affairs as at December 31, 2022.
- 2.1.4 This condensed financial information has been prepared from the date of incorporation of the Fund. i.e. from September 12, 2022 to December 31, 2022 (the period), therefore these are the first set of financial information of the Fund, and there are no corresponding numbers in financial information.
- 2.1.5 This condensed interim financial information of the Fund is unaudited and has been reviewed by the auditors. Furthermore, the figures of the three months period ended December 31, 2022 in this condensed interim financial information, has not been subject to limited scope review by the auditors.

## 2.2 Basis of measurement

This condensed interim financial information is prepared under the historical cost convention except where investments that are required to be carried at fair value.

## 2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani Rupees, which is the functional and presentation currency of the Fund and is rounded off to the nearest rupees, unless otherwise specified.

## 3 AMENDMENTS TO ACCOUNTING STANDARDS

Amendments to accounting standards that are not yet effective

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

	<b>Effective from accounting year beginning on or after:</b>
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 16 ' Leases' -Lease Liability in a Sale and Leaseback	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

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## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are stated below:

### 4.1 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities, with the exception of bank balances, are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

#### Classification

##### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

##### Debt instruments

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

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

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

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

A debt instrument held for trading purposes or which does not meet the solely payments of principal and interest (SPPI) criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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## **Business model assessment**

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as: the objectives for the portfolio; how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed etc.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial assets to identify whether they pass the SPPI criteria.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

## **Subsequent Measurement**

### **Debt investments at FVTPL**

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

### **Debt instruments at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

### **Debt instruments at FVOCI**

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. The Fund has not used this classification for its investment portfolio.

### **Equity investments at FVTPL**

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

### **Equity instruments at FVOCI**

Upon initial recognition, the Fund can elect to irrevocably classify an equity investment as FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

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Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### **Impairment of financial assets**

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

### **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Determination of fair value**

The fair value of financial assets are determined as follows:

#### **a) Debt securities (other than Government securities)**

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

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**b) Debt securities (Government securities)**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

**c) Equity securities**

The equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange (PSX).

**4.2 Cash and cash equivalents**

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

**4.3 Provisions**

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

**4.4 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% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend

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

The Fund does not account for deferred tax in this condensed interim financial information as the Fund intends to avail the tax exemption by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

**4.5 Unit holder's Fund**

"Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

**4.6 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

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#### **4.7 Distribution to unit holders**

Distribution to unit holders is recognised upon declaring and approval by the Management under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

Regulation 63 of the NBFC Regulations requires the Fund to distribute at least 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

#### **4.8 Element of income / (loss) included in prices of units issued less those in units redeemed**

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to income statement.

#### **4.9 Net asset value per unit**

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

#### **4.10 Revenue recognition**

- Realised capital gains / (losses) arising on sale of investments are included operating income in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on remeasurement of investments and future spread transactions are classified as 'fair value through profit or loss' is included in the income statement in the period in which it arises.
- Profit on bank deposits is recognised on time proportionate basis using effective yield method.
- Profit / mark-up on debt and government securities, term finance certificates, sukuk certificates and income from Margin Trading System (MTS) is recognised on a time proportionate basis using effective interest method.

#### **4.11 Expenses**

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

		Note	(Un-Audited) December 31, 2022 (Rupees in '000)
5	<b>BANK BALANCES</b>		
	Savings account	5.1	<u>28,129</u>

5.1 This carries profit at the rates ranging between 14.75% to 16.1%.

		Note	(Un-Audited) December 31, 2022 (Rupees in '000)
6	<b>INVESTMENTS</b>		
	<b>At fair value through profit or loss</b>		
	Market treasury bills	6.1	<u>494,763</u>

#### 6.1 Market treasury bills

Particulars	Issue Date	Face value				Balance as at December 31, 2022			Market value as a percentage of	
		As at September 12, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value	Market value	Un-realised gain / (loss)	total investments	net assets
(Rupees '000')										
<b>Market Treasury Bills - 3 -months</b>										
Market treasury bills	July 14, 2022	-	300,000	300,000	-	-	-	-	-	
Market treasury bills	July 28, 2022	-	50,000	50,000	-	-	-	-	-	
Market treasury bills	August 25, 2022	-	250,000	250,000	-	-	-	-	-	
Market treasury bills	September 8, 2022	-	250,000	250,000	-	-	-	-	-	
Market treasury bills	October 6, 2022	-	300,000	300,000	-	-	-	-	-	
Market treasury bills	September 22, 2022	-	300,000	300,000	-	-	-	-	-	
Market treasury bills	October 20, 2022	-	300,000	-	300,000	298,574	298,648	74	60.40%	57.20%
Market treasury bills	November 3, 2022	-	50,000	-	50,000	49,484	49,486	2	10.00%	9.50%
Market treasury bills	November 17, 2022	-	50,000	-	50,000	49,190	49,188	(2)	9.90%	9.40%
Market treasury bills	December 1, 2022	-	50,000	-	50,000	48,820	48,879	59	9.90%	9.40%
Market treasury bills	December 15, 2022	-	50,000	-	50,000	48,499	48,562	63	9.80%	9.30%
<b>Total as at December 31, 2022</b>		-	<b>1,950,000</b>	<b>1,450,000</b>	<b>500,000</b>	<b>494,567</b>	<b>494,763</b>	<b>196</b>	<b>100.00%</b>	<b>94.80%</b>

6.1.1 These market treasury bills carry profit at the rate ranging from 14.3% to 15% per annum.

		(Un-Audited) December 31, 2022 - (Rupees in '000) -
7	<b>DEPOSITS AND PREPAYMENTS</b>	
	Security deposits with Central Depository Company of Pakistan Limited	<u>100</u>
	Preliminary cost	<u>418</u>
		<u>518</u>

		(Un-Audited) December 31, 2022
		---- (Rupees in '000) ----
<b>8</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>	
	Remuneration payable to the Management Company	8.1 220
	Sindh Sales Tax payable on Management Company's remuneration	8.2 29
	Formation cost payable	555
	Allocation of expenses	8.3 88
		<u>892</u>

8.1 'As per Regulation 61 of the amended 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. During the period, the fee is being charged at the rate of 0.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.

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

8.3 'As per Regulation 60(3)(s) of the amended NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. During the period, the fee is being charged at the rate of 0.2% of the average annual net assets accordingly.

		(Un-Audited) December 31, 2022
		---- (Rupees in '000) ----
<b>9</b>	<b>PAYABLE TO THE TRUSTEE</b>	
	Trustee fee payable	9.1 44
	Sindh Sales Tax payable on remuneration of the Trustee	9.2 6
		<u>50</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund. As per the offering document of the Fund the maximum limit of trustee fee is 0.1% per annum of average annual net assets. Therefore trustee fee have been charged as 0.1% per annum of net assets calculated on daily basis. The remuneration is paid to the trustee monthly in arrears

9.2 Sindh Sales Tax at the rate of 13% is applicable on Trustee fee as per Sindh Sales Tax on Services Act, 2011.

		(Un-Audited) December 31, 2022
		---- (Rupees in '000) ----
<b>10</b>	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	
	Annual fee payable to SECP	10.1 31

10.1 'As per Regulation 62 of the amended NBFC Regulations, a Collective Investment Scheme (CIS) categorised as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% of the average net assets of the Scheme. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

**(Un-Audited)**  
**December 31,**  
**2022**  
--- (Rupees in '000) ---

**11 ACCRUED EXPENSES AND OTHER LIABILITIES**

Auditor's remuneration	198
Brokerage payable	2
Printing & Stationery payable	12
Share registrar fee payable	45
Withholding tax payable	3
Other payables	23
	<b>283</b>

**12 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2022.

**13 TAXATION**

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains, whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2023 to its unit holders.

**14 EARNINGS PER UNIT**

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

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

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

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

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

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

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

		(Un-Audited) For the period from September 12, 2022 to December 31, 2022 ---- (Rupees in '000) ----
<b>15.1</b>	<b>Transactions during the period</b>	
	<b>HBL Asset Management Limited - Management Company</b>	
	Remuneration of Management Company	777
	Sindh Sales Tax on remuneration of Management Company	101
	Allocation of expenses related to registrar services, accounting, operation and valuation services	311
	<b>Habib Bank Limited - Sponsor</b>	
	Issue of 50,000,000 units	500,000
	<b>Central Depository Company of Pakistan Limited - Trustee</b>	
	Trustee remuneration	156
	Sindh Sales Tax payable on the Trustee fee	20
<b>15.2</b>	<b>Balances outstanding as at period end</b>	
	<b>HBL Asset Management Limited - Management Company</b>	
	Remuneration of the Management Company	220
	Sindh Sales Tax payable on remuneration of the Management Company	29
	Formation cost payable	555
	Allocation of expenses related to registrar services, accounting, operation and valuation services	88
	<b>Habib Bank Limited - Sponsor</b>	
	Units held 50,000,000	522,459

## 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

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

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

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

December 31, 2022 (Un-Audited)

Particulars	Carrying amount			Fair value				
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
	(Rupees in '000)							
<b>Financial assets measured at fair value</b>	<b>16.1</b>							
Market treasury bills		494,763	-	494,763	-	494,763	-	494,763
<b>Financial assets not measured at fair value</b>	<b>16.2</b>							
Bank balance		-	28,129	28,129				
Profit / markup receivable		-	305	305				
		-	28,434	28,434				
<b>Financial liabilities not measured at fair value</b>	<b>16.1</b>							
Payable to the Management Company		-	892	892				
Payable to the Trustee		-	50	50				
Accrued expenses and other liabilities		-	283	283				
		-	1,225	1,225				

16.1 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.

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

## 17 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 six months period ended December 31, 2022 is 1.13% which includes 0.10% representing Government levy and SECP fee.

## 18 GENERAL

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

## 19 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 13, 2023.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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