

# HBL

ASSET MANAGEMENT LTD.  
ایسٹٹ مینجمنٹ لمیٹڈ

AMC Rating : AM1 (Stable Outlook) by VIS



## QUARTERLY REPORT 2023

For the period ended September 30, 2023

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 October 27, 2023)

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

### Audit Committee

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

### Human Resource & Remuneration Committee

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

### Risk Management Committee

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

### Technology Committee

Chairman	Mr. Abrar Ahmed Mir	(Non-Executive Director)
Members	Mr. Abid Sattar	(Independent Director)
	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.hblasaset.com](http://www.hblasaset.com)

### Head Office & Registered Office

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

# REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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, HBL Mehfooz Munafa Fund and HBL Total Treasury Exchange Traded Fund (the Funds) for the period ended September 30, 2023.

## ECONOMIC REVIEW

A nine month Standby Arrangement (SBA) of USD 3.0B with IMF, signed at the end of June 2023, provided the much needed breathing space to Pakistan and set the economic path moving forward. In addition to the USD 1.2B inflow under the program, it has helped in unlocking other multilateral and bilateral inflows and stabilize foreign exchange reserves. To recall, Pakistan had not been able to complete 2019 EFF program which was slated to expire in June 2023. Following the SBA program Pakistan received USD 2.0B from Saudi Arabia and USD 1.0B from UAE. China's EXIM Bank also rolled over USD 2.4B for two years. SBP reserves mounted by USD 3.7B to ~USD 8.0B during the month. PKR-USD parity also strengthened from the high of PKR 307/ USD to PKR 288/ USD. The economic reforms set out in the program entails market determined exchange rate, prudent monetary policy, strengthening of energy chain and ensuring fiscal discipline.

The government has set the GDP growth target of 3.5% for FY24; however, IMF/ ADB/ World Bank have estimated growth of 2.5%/ 1.9%/ 1.7% respectively. Monetary tightening along with contractionary fiscal policies will keep the growth rate subdued in FY24. However, expected bumper crops will partially offset the downturn caused by economic slowdown.

Trade deficit in 1QFY23 reached to USD 5.3B vs USD 9.1B in 1QFY22, down 42% YoY. Decline in imports by 25% YoY to USD 12.2B due to administrative measures and lower aggregate demand are prime factors behind shrinkage of trade deficit. On the other hand, export decreased meagerly by ~3.8% YoY. Current account deficit in 2MFY24 clocked in at USD 935M as compared with USD 2.0B in 2MFY23. Although, remittances dropped in 2MFY24 vs 2MFY23, decline in trade deficit was sufficient enough to bring down the CAD on YoY basis.

Headline inflation for Jul/Aug/Sep 2023 recorded at 28.3%/27.4%/31.4% respectively, taking the average to 29.0% in 1QFY24 vs 25.1% in 1QFY23. Higher food inflation along with increasing fuel and energy prices dragged the headline inflation upward. PKR depreciation and floods in FY23 led to higher food inflation which averaged at 38.2% in 1QFY23 vs 29.7% in same period last year (SPLY). Increase in energy tariffs and transportation index led by higher international oil prices and PKR depreciation were the other reasons which led the CPI index northward. To note, petrol prices increased from PKR 262/LT in second fortnight of June 2023 to PKR 331.4/LT in September 2023.

Fiscal deficit in FY23 was 7.75% vs 7.86% in FY22. Primary deficit improved from 3.1% to 0.8%. In July, fiscal deficit was at 0.2% of GDP (flat compared to last year). However, primary balance in July has improved from PKR 142B last year to PKR 311B in 2023. The improvement in primary balance is driven from increase in FBR collections which were provisionally at PKR 2B in 1QFY24 vs PKR 1.6B in 1QFY23, up 24% YoY. Non-tax revenues has also increased driven by higher PDL collection. Non interest spending went down by 48% YoY.

## STOCK MARKET REVIEW

During the first quarter, the benchmark KSE-100 index gained 4,780 points or 11.5% to reach at 46,232 level. IMF program euphoria along with foreign inflows turned the sentiments positive as index gained 13.6% in July. The hysteria was short lived as election uncertainty and high inflation forced investors to do profit taking in August and bringing the index down by 6.3%. In September, market remained range bound and posted a return of 2.7% as clarity emerged on political front.

The sectors that majorly contributed to the performance in 1QFY24 were Banks (+2,208 pts), Oil and Gas Exploration (+870 pts), Power (+611 pts) and Food (+178 pts). Whereas script wise major contribution came from HUBC (+516 pts), UBL (+510 pts), MEBL (+403 pts), HBL (+365 pts) and OGDC (+335 pts).

The average daily volume and value of KSE All share index grew to 280M shares and PKR 9.6B from 152M shares and PKR 4.5B in the previous quarter. Foreigners were net buyers of USD 22M whereas on the local front Banks, Mutual funds and Brokers were net sellers of USD 43M, USD 37.8M and USD 7.9M respectively. However, Insurance and Corporates were net buyers of USD 44.9M and USD 24.8M respectively.

We are bullish on the market as we believe we have reached the trough of the economic cycle. The caretaker government has taken administrative measures to control dollar smuggling and hoarding, and to make the market more transparent. These steps taken by authorities led to currency recovery and reduced the gap between interbank and open market. Furthermore, inflation is likely to ease off from CY24. Interest rates will also see a downward trajectory from here onwards. Along with these measures, formation of SIFC and efforts to privatize SOEs and attract investments will further support the sentiment. The risks to our thesis are the geopolitical environment leading to commodity uproar and election bound political uncertainty.



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## MONEY MARKET REVIEW

During the period under review, SBP maintained policy rate at 22% as it expects inflation to come down and remain on a downward trend particularly in the second half of the outgoing fiscal year, as real interest rates continue to remain positive on a forward-looking basis.

The cut-off yields in the last T-bills auction held during Sep-2023 were 22.79%, 22.80% and 22.90% for 3M, 6M and 12M tenors respectively. The cut-off yields in the last PIBs auction were 19.34%, 16.95% and 15.25% for 3years, 5years and 10 years respectively while no bids were received for 15, 20 and 30 years.

In the last fixed rate GOP Ijara Sukuk auction in Sep-2023, the cut off yields for 1year, 3years and 5years were 22.95%, 18.49% and 16.50% respectively.

Real interest rates remained positive on forward looking basis due to expected sharp decline in inflation from 2H FY24. The historically elevated interest rates have not only slowed down the economic cycle but also added additional burden in the form of debt servicing on the government. As inflation is expected to ease from current levels, possibility of further rate hike is slim.

## FUTURE OUTLOOK

Moving ahead, we believe that government will not be able to achieve the desired economic growth which would likely be recorded at ~2.0 to 2.5% due to slowdown in economic activity led by monetary tightening and fiscal consolidation.

On the fiscal side, the budget deficit will likely be at higher side i.e. in the range of 6.5% to 7.5% due to higher interest payments. Although FBR collections have remained on track in the 1QFY24, the performance in the upcoming period will likely depend on import levels and economic activity. However, increasing the tax incidence on salaried employees have provided support to the FBR efforts of tax collection target of PKR 9.4T. Curtailment of PSDP has landed another help to maintain fiscal discipline.

Current Account Deficit is likely to be in the range of USD 4B to 5B which will still be high than its recent highs. Though, we believe that some administrative measures will remain in force, the slowdown in imports and routing of remittance via formal channels will help in reducing the current account deficit. Risk to our assumption is the movement in international oil prices which could exert pressure on imports.

Pakistan has been witnessing higher inflation in the last few years. This is primarily driven by increase in international oil prices, floods, supply chain disruption, increase in taxes and PKR depreciation. Although our FY24 average inflation estimate is 24%-25%, we expect CPI to come down drastically from Feb'24 onwards and will gradually ease towards 12% - 13% long term average.

Our medium to long term view on Pakistan equities is positive due to cheap valuations and likely upward turn in economic cycle. The market is trading at a historic low P/E multiple of 3.7x compared to regional average of 13.4x, and offers an attractive dividend yield of 8.4%, compared to regional average of 3.1%. To note, the spread between KSE-100 index earnings yield and 10Y PKRV is ~11%, compared to 5-year historical average spread of 5.8%, which implies upside of ~25%. Hence, Pakistan equities offer a good opportunity for long-term investors.

## FUND'S PERFORMANCE AND PAYOUTS

### HBL Income Fund

The total income and net income of the Fund was Rs. 199.78 million and Rs. 179.65 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 119.0996 per unit as on September 30, 2023 as compared to Rs. 112.4509 per unit as on June 30, 2023 thereby giving an annualized return of 23.46%. During the period the benchmark (6 Month KIBOR) return was 23.17%. The size of Fund was Rs. 3.15 billion as on September 30, 2023 as compared to Rs. 2.11 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. 77.58 million and Rs. 73.18 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 119.6880 per unit as on September 30, 2023 as compared to Rs. 112.9464 per unit as on June 30, 2023 thereby giving an annualized return of 23.68%. During the same period the benchmark (6 Month PKRV Rates) return was 23.10%. The size of Fund was Rs. 4.53 billion as on September 30, 2023 as compared to Rs. 0.78 billion at the start of the year.

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

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

The total income and net income of the Fund was Rs. 0.90 billion and Rs. 0.81 billion respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 108.4230 per unit as on September 30, 2023 as compared to Rs. 103.0279 per unit as on June 30, 2023 thereby giving an annualized return of 20.78%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 21.92%. The size of Fund was Rs. 16.60 billion as on September 30, 2023 as compared to Rs.13.23 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. 3.05 billion and Rs. 2.84 billion respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs 102.7848 per unit as on September 30, 2023 as compared to Rs 101.9926 per unit as on June 30, 2023, after incorporating dividends of Rs. 4.5700 per unit, thereby giving an annualized return of 21.20%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 21.92%. The size of Fund was Rs 49.10 billion as on September 30, 2023 as compared to Rs. 50.34 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 Stock Fund**

The total income and net income of the Fund was Rs. 21.65 million and Rs. 19.13 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs 78.1294 per unit as on September 30, 2023 as compared to Rs 65.6597 per unit as on June 30, 2023 thereby giving a return of 12.16%. During the same period the benchmark KSE 30 index yielded a return of 12.48%. The size of Fund was Rs 0.10 billion as on September 30, 2023 as compared to Rs. 0.16 billion at the start of the year.

#### **HBL Equity Fund**

The total and net income of the Fund was Rs. 56.37 million and Rs. 49.32 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 81.3285 per unit as on September 30, 2023 as compared to Rs. 70.3636 per unit as on June 30, 2023 thereby giving a return of 15.58%. During the period the benchmark KSE 100 index yielded a return of 11.53%. The size of Fund was Rs. 0.30 billion as on September 30, 2023 as compared to Rs. 0.32 billion at the start of the year.

#### **HBL Energy Fund**

The total income and net income of the Fund was Rs. 56.23 million and Rs. 51.60 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 11.8940 per unit as on September 30, 2023 as compared to Rs. 9.8261 per unit as on June 30, 2023, thereby giving a return of 21.04%. During the same period the benchmark KSE 30 index yielded a return of 12.48%. The size of Fund was Rs. 0.29 billion as on September 30, 2023 as compared to Rs. 0.24 billion at the start of the year.

#### **HBL Multi Asset Fund**

The total and net income of the Fund was Rs. 10.31 million and Rs. 8.55 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs 101.3789 per unit as on September 30, 2023 as compared to Rs 92.3983 per unit as on June 30, 2023, thereby giving a return of 9.72%. During the same period the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a return of 9.77%. The size of Fund was Rs 0.06 billion as on September 30, 2023 as compared to Rs. 0.10 billion at the start of the year.

#### **HBL Financial Planning Fund**

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

The Fund as a whole earned a total and net income of Rs. 7.97 million and Rs. 7.60 million respectively during the period under review. The fund size of the fund stood at Rs. 0.14 billion as on September 30, 2023.



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**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. 4.46 million and Rs. 4.26 million respectively. The net assets of the Active allocation plan stood at Rs. 0.09 billion representing Net Asset Value (NAV) of Rs. 82.4507 per unit as at September 30, 2023 as compared to Rs. 78.1189 per unit as at June 30, 2023. The plan earned a return of 5.55% for the period under review against the benchmark return of 5.93%. The plan is invested to the extent of 100% in fixed income funds.

**Conservative Allocation Plan**

During the period under review, the Conservative allocation plan earned a total and net income of Rs. 3.51 million and Rs. 3.34 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.05 billion representing Net Asset Value (NAV) of Rs. 121.9047 per unit as at September 30, 2023 as compared to Rs. 112.9070 per unit as at June 30, 2023. The plan earned a return of 7.97% for the period under review against the benchmark return of 6.88%. The plan is invested to the extent of 20% in equity funds & 80% in fixed income funds.

**Special Income Plan**

The Special income plan matured on September 13, 2021 and all the proceeds were redeemed to the investors of the plan.

**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 note 1.3 of the financial statements of the Fund.

The Fund as a whole earned a total and net income of Rs. 224.25 million and Rs. 176.75 million respectively during the period under review. The fund size of the fund stood at Rs. 5.37 billion as on September 30, 2023.

**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. 51.92 million and Rs. 24.79 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 15.2333 per unit as on September 30, 2023 as compared to Rs. 13.7476 as at June 30, 2023, thereby giving a return of 10.27%. During the period the benchmark KSE 100 index yielded a return of 11.53%. The size of Class ‘A’ was Rs. 4.32 billion as on September 30, 2023 as compared to Rs. 3.90 billion at the start of the year.

**HBL Growth Fund – Class ‘B’**

HBL Growth Fund – Class ‘B’ earned a total and net income of Rs. 172.33 million and Rs. 151.96 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 14.3056 per unit as on September 30, 2023 as compared to Rs. 12.2463 as at June 30, 2023, thereby giving a return of 16.82%. During the period the benchmark KSE 100 index yielded a return of 11.53%. The size of Class ‘B’ was Rs. 1.05 billion as on September 30, 2023 as compared to Rs. 0.91 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 note 1.4 of the financial statements of the Fund.

The Fund as a whole earned a total and net income of Rs. 69.53 million and Rs. 51.81 million respectively during the period under review. The fund size of the fund stood at Rs. 2.03 billion as on September 30, 2023.

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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. 15.60 million and Rs. 5.66 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 5.4086 per unit as on September 30, 2023 as compared to Rs. 4.8996 as at June 30, 2023, thereby giving a return of 9.89%. During the period the benchmark KSE 100 index yielded a return of 11.53%. The size of Class ‘A’ was Rs. 1.54 billion as on September 30, 2023 as compared to Rs. 1.39 billion at the start of the year.

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

HBL Investment Fund – Class ‘B’ earned a total and net income of Rs. 53.93 million and Rs. 46.15 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 6.6892 per unit as on September 30, 2023 as compared to Rs. 6.0678 as at June 30, 2023, thereby giving a return of 10.24%. During the period the benchmark KSE 100 index yielded a return of 11.53%. The size of Class ‘B’ was Rs. 0.49 billion as on September 30, 2023 as compared to Rs. 0.45 billion at the start of the year.

#### **HBL Financial Sector Income Fund – Plan-1**

The total income and net income of the Fund was Rs. 1.69 billion and Rs. 1.58 billion respectively during the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 101.9733 per unit as on September 30, 2023 (after incorporating dividends of Rs. 4.5583 per unit), as compared to Rs. 100.8692 per unit as on June 30, 2023, thereby giving an annualized return of 22.67%. During the same period, the benchmark (6 Month KIBOR) return was 23.17%. The size of Fund was Rs. 29.83 billion as on September 30, 2023 as compared to Rs. 27.43 billion as at start of the year.

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

The total income and net income of the Fund was Rs. 29.38 million and Rs. 27.96 million respectively for the period ended September 30, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 10.5857 per unit as on September 30, 2023 as compared to Rs. 10.0265 per unit as on June 30, 2023, thereby giving an annualized return of 21.96%. During the same period, the benchmark return was 20.73%. The size of Fund was Rs. 529 million as on September 30, 2023 as compared to 501 million as at June 30, 2023.

#### **HBL Mehfooz Munafa Fund**

The HBL Mehfooz Munafa Fund launched its plan-II on May 18, 2023 and marked its maturity on August 09, 2023.

The total income and net income of the Fund was Rs. 69.07 million and Rs. 64.28 million respectively for the period from July 01, 2023 to August 09, 2023. All the proceeds were settled upon the maturity of the plan.

#### **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’ (AM-One) 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**

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## مینجمنٹ کمپنی ریٹرننگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے HBL Asset Management Limited کے انتظامی معیار کی درجہ بندی کو AM2++ (AM Two Plus Plus) سے AM-One (AM-I) میں اپ گریڈ کر دیا ہے اور تفویض کردہ درجہ بندی پر آؤٹ لک کو تبدیل کر دیا گیا ہے۔

### اعتراف

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

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

### از طرف

بورڈ آف ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

### ایچ بی ایل انویسٹمنٹ فنڈ کلاس ”بی“

ایچ بی ایل گروتھ فنڈ - کلاس ”بی“، 30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 53.93 ملین روپے اور 46.15 ملین روپے تھا۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 6.6892 روپے فی یونٹ کلاس بی تھی جو کہ 30 جون 2023 کو 6.0678 روپے فی یونٹ تھا۔ اس طرح 10.24 فیصد کارپیرن دیتا ہے۔ اسی مدت کے دوران بینچ مارک KSE 100 انڈیکس کی واپسی 11.53 فیصد رہی۔ کلاس ”بی“ کا حجم 30 ستمبر 2023 تک 0.49 ملین روپے تھا جو سال کے آغاز میں 0.45 ملین روپے تھا۔

### ایچ بی ایل فنانشل سیکٹر انکم فنڈ - پلان ون

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 1.69 ملین روپے اور 1.58 ملین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 101.9733 روپے فی یونٹ تھی (4.5583 روپے فی یونٹ کے منافع کو شامل کرنے کے بعد) این اے وی فی یونٹ 30 جون 2023 کو 100.8692 فی یونٹ تھا۔ اسی مدت کے دوران بینچ مارک (6 ماہ KIBOR) واپسی 23.17 فیصد رہی۔ فنڈ کا حجم 30 ستمبر 2023 تک 29.83 ملین روپے تھا جو سال کے آغاز میں 27.43 ملین روپے تھا۔

### ایچ بی ایل ٹول ٹریڈری ایکسیج ٹریڈ فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 29.38 ملین روپے اور 27.96 ملین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 10.5857 روپے فی یونٹ تھی جبکہ 30 جون 2023 کو یہ قیمت 10.0265 روپے فی یونٹ تھی۔ اس طرح 21.96 فیصد کا سالانہ منافع ملتا ہے۔ اسی مدت کے دوران بینچ مارک کی واپسی 20.73 فیصد تھی۔ فنڈ کا حجم 30 ستمبر 2023 تک 529 ملین روپے تھا جبکہ 30 جون 2023 کو یہ 501 ملین روپے تھا۔

### ایچ بی ایل محفوظ منافع فنڈ

ایچ بی ایل محفوظ منافع فنڈ نے اپنا پلان II 18 مئی 2023 کو شروع کیا اور 09 اگست 2023 کو اپنی چھٹی کانٹینر لگایا۔

01 جولائی 2023 تا 09 اگست 2023 کی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 69.07 ملین روپے اور 64.28 ملین روپے تھی۔ تمام رقم منصوبہ کی چھٹی پر طے کی گئی۔

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

ایچ بی ایل گروتھ فنڈ - کلاس ”اے“

ایچ بی ایل گروتھ فنڈ - کلاس ”اے“، 30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 51.92 ملین روپے اور 24.79 ملین روپے تھا۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 15.2333 روپے فی یونٹ کلاس اے تھی جو کہ 30 جون 2023 کو 13.7476 فی یونٹ تھا۔ اس طرح 10.27 فیصد کارپریٹن ملتا ہے۔ سال کے دوران بینچ مارک KSE 100 انڈیکس نے 11.53 فیصد کارپریٹن حاصل کیا۔ کلاس ”اے“ کا حجم 30 ستمبر 2023 تک 4.32 بلین روپے تھا جو سال کے آغاز میں 3.90 بلین روپے تھا۔

ایچ بی ایل گروتھ فنڈ - کلاس ”بی“

ایچ بی ایل گروتھ فنڈ - کلاس ”بی“، 30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 172.33 ملین روپے اور 151.96 ملین روپے تھا۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 14.3056 روپے فی یونٹ کلاس بی تھی جو کہ 30 جون 2023 کو 12.2463 فی یونٹ تھا۔ اس طرح 16.82 فیصد کارپریٹن دیتا ہے۔ اسی مدت کے دوران بینچ مارک KSE 100 انڈیکس کی واپسی 11.53 فیصد رہی۔ کلاس ”بی“ کا حجم 30 ستمبر 2023 تک 1.05 بلین روپے تھا جو سال کے آغاز میں 0.91 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 نوٹ 1.4 میں مکمل طور پر ظاہر کیا گیا ہے۔

زیر جائزہ مدت کے دوران فنڈ نے مجموعی کل اور خالص آمدن بالترتیب 69.53 ملین روپے اور 51.81 ملین روپے حاصل کی۔ 30 ستمبر 2023 تک فنڈ کا حجم 2.03 بلین روپے رہا۔

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

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس ”اے“

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس ”اے“، 30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 15.60 ملین روپے اور 5.66 ملین روپے تھا۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 5.4086 روپے فی یونٹ کلاس اے تھی جو کہ 30 جون 2023 کو 4.8996 روپے فی یونٹ تھا۔ اس طرح 9.89 فیصد کارپریٹن دیتا ہے۔ اسی مدت کے دوران بینچ مارک KSE 100 انڈیکس کی واپسی 11.53 فیصد رہی۔ کلاس ”اے“ کا حجم 30 ستمبر 2023 تک 1.54 بلین روپے تھا جو سال کے آغاز میں 1.39 بلین روپے تھا۔

## ایچ بی ایل فنانشل پلاننگ فنڈ

فنڈ تین ذیلی فنڈز (پلاز) پر مشتمل ہے یعنی ایکٹو ایلوکیشن پلان، کنزرویٹو ایلوکیشن پلان اور اسپیشل انکم پلان۔ خصوصی آمدنی کے پلان نے 13 ستمبر 2021 کو اپنی پینتگی کا آغاز کیا۔

زیر جائزہ مدت کے دوران فنڈ کی مجموعی کل اور خالص آمدن بالترتیب 7.97 ملین روپے اور 7.60 ملین روپے حاصل کی۔ 30 ستمبر 2023 تک فنڈ کا حجم 0.14 بلین روپے رہا۔

منصوبوں کی کارکردگی کا جائزہ ذیل میں دیا گیا ہے:

### ایکٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران، ایکٹو ایلوکیشن پلان کی کل اور خالص آمدن بالترتیب 4.46 ملین اور 4.26 ملین روپے رہی۔ ایکٹو ایلوکیشن پلان کے خالص اثاثے 0.09 بلین روپے خالص اثاثہ قیمت (NAV) کی نمائندگی کرتا ہے۔ 30 ستمبر 2023 تک فی یونٹ 82.4507 روپے کے مقابلے میں 30 جون 2023 تک 78.1189 روپے تھا۔ پلان نے 5.93 فیصد کے بیچ مارک ریٹرن کے مقابلے میں زیر جائزہ مدت کے لیے 5.55 فیصد کار ریٹرن حاصل کیا۔ یہ پلان مقررہ آمدنی والے فنڈز میں 100 فیصد کی حد تک سرمایہ کاری کرتا ہے۔

### کنزرویٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران، ایکٹو ایلوکیشن پلان نے کل اور خالص آمدن بالترتیب 3.51 ملین اور 3.34 ملین روپے رہی۔ کنزرویٹو ایلوکیشن پلان کے خالص اثاثے 0.05 بلین روپے خالص اثاثہ قیمت (NAV) کی نمائندگی کرتا ہے۔ 30 ستمبر 2023 تک فی یونٹ 121.9047 روپے کے مقابلے میں 30 جون 2023 تک 112.9070 روپے تھا۔ اس پلان نے 6.88 فیصد کے بیچ مارک ریٹرن کے مقابلے میں زیر جائزہ مدت کے لیے 7.79 فیصد کار ریٹرن حاصل کیا۔ پلان ایکویٹی فنڈز میں 20 فیصد اور فکسڈ انکم فنڈز میں 80 فیصد کی حد تک سرمایہ کاری کرتا ہے۔

### اسپیشل انکم پلان

اسپیشل انکم پلان 13 ستمبر 2021 کو شروع ہوا اور تمام آمدنی اس منصوبے کے سرمایہ کاروں کو واپس کر دی گئی۔

## 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 نوٹ 1.3 میں مکمل طور پر ظاہر کیا گیا ہے۔

زیر جائزہ مدت کے دوران فنڈ کی مجموعی کل اور خالص آمدن بالترتیب 224.25 ملین روپے اور 176.75 ملین روپے حاصل کی۔ 30 ستمبر 2023 تک فنڈ کا حجم 5.37 بلین روپے رہا۔



## ایچ بی ایل اسٹاک فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 21.65 ملین روپے اور 19.13 ملین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 78.1294 روپے فی یونٹ تھی جو کہ 30 جون 2023 کو 65.6579 فی یونٹ تھا۔ اس طرح 12.16 کارپرن دیا گیا۔ اسی سال کے دوران بینچ مارک KSE 30 انڈیکس نے 12.48 فیصد کارپرن حاصل کی۔ فنڈ کا حجم 30 ستمبر 2023 تک 0.10 بلین روپے تھا جو سال کے آغاز میں 0.16 بلین روپے تھا۔

## ایچ بی ایل ایکویٹی فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 56.37 ملین روپے اور 49.32 ملین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 81.3285 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 70.3636 فی یونٹ تھا۔ اس طرح 15.58 فیصد کارپرن دیا گیا۔ سال کے دوران بینچ مارک KSE 100 انڈیکس نے 11.53 فیصد کارپرن حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2023 تک 0.30 بلین روپے تھا جو سال کے آغاز میں 0.32 بلین روپے تھا۔

## ایچ بی ایل انرجی فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 56.23 ملین روپے اور 51.60 ملین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 11.8940 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 9.8261 فی یونٹ تھا۔ اس طرح 21.04 فیصد کارپرن دیتا ہے۔ اسی مدت کے دوران بینچ مارک KSE 30 انڈیکس نے 12.48 فیصد کارپرن حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2023 تک 0.29 بلین روپے تھا جو سال کے آغاز میں 0.24 بلین روپے تھا۔

## ایچ بی ایل ملٹی ایسٹ فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 10.31 ملین روپے اور 8.55 ملین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 101.3789 روپے فی یونٹ تھی جو کہ 30 جون 2023 کو 92.3983 فی یونٹ تھا۔ اس طرح 9.72 فیصد کارپرن ملتا ہے۔ اسی سال کے دوران بینچ مارک انڈیکس (ویٹڈ اوسط پومیہ ریٹرن KSE 100 اور 6 ماہ PKRV ریٹس) نے 9.77 فیصد ریٹرن حاصل کیا۔ 30 ستمبر 2023 تک فنڈ کا حجم 0.06 بلین روپے تھا جبکہ 30 جون 2023 تک سال کے آغاز میں 0.10 بلین روپے تھا۔

## ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 77.58 ملین روپے اور 73.18 ملین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 119.6880 روپے فی یونٹ تھی جو کہ 30 جون 2023 کو 112.9464 فی یونٹ تھا۔ اس طرح سے سالانہ ریٹرن 23.68 فیصد رہا۔ سال کے دوران بینچ مارک (6 ماہ KIBOR) کی واپسی 23.10 فیصد تھی۔ 30 ستمبر 2023 تک فنڈ کا حجم 4.53 بلین روپے رہا جو کہ سال کے آغاز میں 0.78 بلین روپے تھا۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی استحکام کی درجہ بندی کو گھٹا کر AA-(f) کر دیا ہے۔

## ایچ بی ایل منی مارکیٹ فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 0.90 بلین روپے اور 0.81 بلین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 108.4230 روپے فی یونٹ تھی جو کہ 30 جون 2023 کو 103.0279 فی یونٹ تھا۔ اس طرح 20.78 فیصد کا سالانہ ریٹرن دیتا ہے۔ اس مدت کے دوران بینچ مارک (70 فیصد 3M PKRV اور 30 فیصد 3M ڈپازٹ کی شرح) 21.92 فیصد تھا۔ 30 ستمبر 2023 تک فنڈ کا حجم 16.60 بلین روپے رہا جو کہ سال کے آغاز میں 13.23 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 کیسٹ فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 3.05 بلین روپے اور 2.84 بلین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 102.7848 روپے فی یونٹ تھی جو کہ 30 جون 2023 کو 101.9926 فی یونٹ تھا۔ 4.5700 روپے فی یونٹ کے منافع کو شامل کرنے کے بعد سالانہ منافع 21.20 فیصد رہا۔ اس مدت کے دوران بینچ مارک (70 فیصد 3M PKRV اور 30 فیصد 3M ڈپازٹ ریٹس) کا ریٹرن 21.92 فیصد تھی۔ فنڈ کا حجم 30 ستمبر 2023 تک 49.10 بلین روپے تھا جو سال کے آغاز میں 50.34 بلین روپے تھا۔

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

کرنٹ اکاؤنٹ خسارہ 4 بلین سے 5 بلین امریکی ڈالر کی حد میں ہونے کا امکان ہے۔ جواب بھی اس کی حالیہ بلندیوں سے زیادہ ہوگا۔ اگرچہ، ہم سمجھتے ہیں کہ کچھ انتظامی اقدامات نافذ رہیں گے، درآمدات میں سست روی اور رسمی ذرائع سے ترسیلات زر کی روٹنگ کرنٹ اکاؤنٹ خسارے کو کم کرنے میں مددگار ثابت ہوگی۔ ہمارے مفروضے کے لیے خطرہ تیل کی بین الاقوامی قیمتوں میں ردوبدل ہے جو درآمدات پر دباؤ ڈال سکتا ہے۔

پاکستان میں گزشتہ چند سالوں میں مہنگائی میں اضافہ دیکھا جا رہا ہے۔ یہ بنیادی طور پر تیل کی بین الاقوامی قیمتوں میں اضافے، سیلاب، سپلائی چین میں خلل، ٹیکسوں میں اضافہ اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہے۔ اگرچہ ہمارا مالی سال 24 کا اوسط افراط زر کا تخمینہ 24 فیصد تا 25 فیصد ہے، ہم توقع کرتے ہیں کہ CPI فروری 24 سے کافی نیچے آئے گا اور بتدریج 12 فیصد تا 13 فیصد تک پہنچ جائے گا۔

پاکستانی ایکویٹیز پر ہمارا درمیانی سے طویل مدتی نقطہ نظر سستی قیمتوں اور اقتصادی سائیکل میں ممکنہ طور پر اوپر کی طرف موڑ کی وجہ سے مثبت ہے۔ مارکیٹ 13.4x کی علاقائی اوسط کے مقابلے 3.7x کے تاریخی کم P/E ملٹی پل پر ٹریڈ کر رہی ہے اور 3.1 فیصد کی علاقائی اوسط کے مقابلے میں 8.4 فیصد کی پرکشش ڈیویڈنڈ پیداوار پیش کرتی ہے۔ یاد رہے KSE-100 انڈیکس کی آمدنی کی پیداوار اور 10Y PKRV کے درمیان پھیلاؤ 11 فیصد ہے، اس کے مقابلے میں 5 سالہ تاریخی اوسط اسپریڈ 5.8 فیصد ہے، جس کا مطلب ہے 25 فیصد مخالف۔ لہذا پاکستان کی ایکویٹی طویل مدتی سرمایہ کاروں کے لیے ایک اچھا موقع پیش کرتی ہے۔

فنڈ کی کارکردگی اور ادائیگیاں

ایچ بی ایل انکم فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 199.78 ملین روپے اور 179.65 ملین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 119.0996 روپے فی یونٹ تھی جو کہ 30 جون 2023 کو 112.4509 فی یونٹ تھا۔ 17.80 روپے فی یونٹ کے منافع کو شامل کرنے کے بعد سالانہ منافع 17.3 فیصد رہا۔ سال کے دوران بینچ مارک (6 ماہ KIBOR) کی واپسی 18.33 فیصد تھی۔ 30 جون 2023 تک فنڈ کا حجم 2.11 ملین روپے رہا جو کہ سال کے آغاز میں 25.4 ملین روپے تھا۔ اس طرح 23.46 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک (6 ماہ KIBOR) کا ریٹرن 23.17 فیصد تھا۔ 30 ستمبر 2023 تک فنڈ کا حجم 3.15 ملین روپے کے مقابلے میں سال کے آغاز میں 2.11 ملین روپے تھا۔

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

ہم مارکیٹ کی تیزی سے مطمئن ہیں کیونکہ یقین ہے کہ ہم اقتصادی سائیکل تک پہنچ چکے ہیں۔ نگران حکومت نے ڈالر کی اسمگلنگ اور ذخیرہ اندوزی پر قابو پانے اور مارکیٹ کو مزید شفاف بنانے کے لیے انتظامی اقدامات کیے ہیں۔ حکام کی طرف سے کیے گئے اقدامات سے کرنسی کی بحالی ہوئی، انٹر بینک اور اوپن مارکیٹ کے درمیان فرق کم ہوا۔ مزید برآں، مہنگائی CY24 سے کم ہونے کا امکان ہے۔ یہاں سے سود کی شرحیں بھی نیچے کی طرف نظر آئیں گی۔ ان اقدامات کے ساتھ ساتھ، SIFC کی تشکیل اور SOEs کی نجکاری اور سرمایہ کاری کو راغب کرنے کی کوششیں بہتری کے عندیہ کو مزید تقویت دیں گی۔ جغرافیائی سیاسی ماحول پر ہمیشہ تحفظات رہے ہیں کیونکہ یہ اجناس کی قلت اور قیمتوں میں اضافے اور انتخابی سیاسی غیر یقینی صورتحال کا باعث بنتے ہیں۔

### منی مارکیٹ کا جائزہ

زیر نظر مدت کے دوران، SBP نے پالیسی ریٹ کو 22 فیصد پر برقرار رکھا کیونکہ اسے توقع ہے کہ افراط زر نیچے آئے گا اور خاص طور پر مالی سال کی دوسری ششماہی میں نیچے کی طرف رہے گا، کیونکہ حقیقی سود کی شرح مستقبل کی بنیاد پر مثبت رہتی ہے۔

ستمبر 2023 کے دوران منعقدہ آخری ٹی بلز کی نیلامی میں کٹ آف پیداوار بالترتیب 6M، 3M اور 12M ٹینرز کے لیے 22.79 فیصد، 22.80 فیصد اور 22.90 فیصد تھی۔ گزشتہ پی آئی بی کی نیلامی میں کٹ آف پیداوار بالترتیب 3 سال، 5 سال اور 10 سال کے لیے 19.34 فیصد، 16.95 فیصد اور 15.25 فیصد تھی جبکہ 15، 20 اور 30 سال کے لیے کوئی بولی موصول نہیں ہوئی۔

ستمبر 2023 میں GOP اجارا سکوٹ کی آخری مقررہ شرح نیلامی میں، 1 سال، 3 سال اور 5 سالوں کے لیے کٹ آف پیداوار بالترتیب 22.95 فیصد، 18.49 فیصد اور 16.50 فیصد تھی۔

2HFY24 سے افراط زر میں تیزی سے کمی کی وجہ سے حقیقی سود کی شرحیں مستقبل کی بنیاد پر مثبت رہیں۔ تاریخی طور پر بلند ہوئی شرح سود نے نہ صرف معاشی سائیکل کو سست کیا ہے بلکہ حکومت پر قرضوں کی فراہمی کی صورت میں اضافی بوجھ بھی ڈالا ہے۔ چونکہ مہنگائی موجودہ سطح سے کم ہونے کی توقع ہے اس لیے شرح میں مزید اضافے کا امکان کم ہے۔

### مستقبل کا آؤٹ لک

موجودہ صورتحال کے تناظر میں حکومت مطلوبہ اقتصادی ترقی حاصل نہیں کر سکے گی جو کہ مالیاتی سختی اور مالی استحکام کی وجہ سے معاشی سرگرمیوں میں سست روی کی وجہ سے ممکنہ طور پر 2.0 سے 2.5 فیصد تک ریکارڈ کی جائیگی۔

مالیاتی پہلو کے لحاظ سے بجٹ خسارہ ممکنہ طور پر بلندی پر ہوگا یعنی زیادہ سود کی ادائیگی کی وجہ سے 6.5 فیصد سے 7.5 فیصد کی حد میں رہنے کا امکان ہے۔ اگرچہ FBR کی وصولیاں 1QFY24 میں ٹریک پر رہی ہیں، تاہم آنے والے عرصے میں کارکردگی کا انحصار درآمدی سطحوں اور اقتصادی سرگرمیوں پر ہوگا۔ تاہم تنخواہ دار ملازمین پر ٹیکس میں اضافے نے 9.4 ٹریلین پاکستانی روپے کے ٹیکس وصولی کے ہدف کی ایف بی آر کی کوششوں کو مدد فراہم کی ہے۔ PSDP کی کٹوتی نے مالیاتی نظم و ضبط کو برقرار رکھنے میں ایک اہم کردار ادا کیا۔

جولائی، اگست، ستمبر 2023 کے لیے ہیڈ لائن افراط زر بالترتیب 28.3 فیصد، 27.4 فیصد، 31.4 فیصد ریکارڈ کیا گیا۔ جو 1QFY24 میں اوسطاً 29.0 فیصد رہی جو کہ 1QFY23 میں 25.1 فیصد رہی تھی۔ ایندھن اور توانائی کی قیمتوں میں اضافے کے ساتھ خوراک کی قیمتوں میں اضافے نے مہنگائی میں اضافہ کیا۔ پاکستانی روپے کی قدر میں کمی اور FY23 میں سیلاب کی وجہ سے اشیائے خورد و نوش کی مہنگائی میں اضافہ ہوا جو کہ 1QFY23 میں اوسطاً 38.2 فیصد رہی جبکہ گزشتہ سال اسی مدت میں 29.7 فیصد تھی۔ توانائی کے نرخوں میں اضافہ اور نقل و حمل کے اشاریہ میں تیل کی بین الاقوامی قیمتوں میں اضافہ اور پاکستانی روپے کی قدر میں کمی دیگر وجوہات تھیں جنہوں نے CPI انڈیکس کو متاثر کیا۔ یاد رہے کہ پیٹرول کی قیمتیں جون 2023 کے دوسرے پندرہ دن میں 262 روپے فی لیٹر سے ستمبر 2023 تک 331.4 فی لیٹر تک بڑھ گئیں۔

مالی سال 2023 میں مالیاتی خسارہ 7.75 فیصد تھا جبکہ یہی مالی سال 2022 میں 7.86 ریکارڈ کیا گیا۔ بنیادی خسارہ میں 1.3 فیصد سے 0.8 فیصد تک بہتری ہوئی۔ جولائی میں مالیاتی خسارہ جی ڈی پی کے 0.2 فیصد پر تھا (گزشتہ سال کے مقابلے میں) تاہم، جولائی میں پرائمری بیلنس میں 142 بلین روپے کی بہتری دیکھی گئی جو کہ 2023 میں 311 بلین روپے تھا۔ بنیادی توازن میں بہتری FBR کی وصولیوں میں اضافے کی وجہ سے ہے جو کہ عارضی طور پر 1QFY24 میں 2 بلین روپے رہا بمقابلہ 1.61QFY23 بلین روپے جو 24 فیصد زیادہ رہا۔ پی ڈی ایل کی زیادہ وصولی کی وجہ سے غیر ٹیکس محصولات میں بھی اضافہ ہوا ہے۔ غیر سودی اخراجات میں 48 فیصد سالانہ کمی واقع ہوئی۔

## اسٹاک مارکیٹ کا جائزہ

پہلی سہ ماہی کے دوران، بینچ مارک KSE-100 انڈیکس 4,780 پوائنٹس یا 11.5 فیصد اضافے سے 46,232 کی سطح پر پہنچ گیا۔ آئی ایم ایف پروگرام کی وجہ غیر ملکی سرمایہ کاری کی آمد کے ساتھ مارکیٹ کو مثبت زون میں داخل کر دیا اور جولائی میں انڈیکس میں 13.6 فیصد کا اضافہ ہوا۔ جو کہ قلیل مدتی رہا کیونکہ انتخابی غیر یقینی صورتحال اور بلند افراط زر نے سرمایہ کاروں کو اگست میں منافع لینے پر مجبور کیا اور ستمبر میں انڈیکس 6.3 فیصد نیچے آ گیا۔ مارکیٹ ریٹخ کی پابندی اور سیاسی منظر نامہ واضح ہونے کے بعد 2.7 فیصد کی واپسی ہوئی۔

جن شعبوں نے 1QFY24 میں کارکردگی میں بڑا حصہ ڈالا وہ تھے بینک (+2,208 پوائنٹس)، تیل اور گیس کی تلاش (+870 پوائنٹس)، پاور (+611 پوائنٹس) اور خوراک (+178 پوائنٹس) جبکہ اسکرپٹ کے لحاظ سے بڑا حصہ HUBC (+516 پوائنٹس)، UBL (+510 پوائنٹس)، MEBL (+403 پوائنٹس)، HBL (+365 پوائنٹس) اور OGDC (+335 پوائنٹس) سے آیا۔

KSE آل شیئر انڈیکس کا یومیہ اوسط حجم اور قدر بڑھ کر 280 ملین شیئرز اور 9.6 بلین پاکستانی روپے ہو گیا جو کہ گزشتہ سہ ماہی میں 152 ملین شیئرز اور 4.5 بلین پاکستانی روپے تھا۔ غیر ملکی 22 ملین امریکی ڈالر کے خالص خریدار تھے جبکہ مقامی محاذ پر بینک، میوچل فنڈز اور بروکرز بالترتیب 43 ملین امریکی ڈالر، 37.8 ملین امریکی ڈالر اور 7.9 ملین امریکی ڈالر کے خالص فروخت کنندگان تھے جبکہ انشورنس اور کارپوریٹس بالترتیب 44.9 ملین امریکی ڈالر اور 24.8 ملین امریکی ڈالر کے خالص خریدار تھے۔

## میںجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسٹ میںجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی مدت کے لئے ایچ بی ایل انکم 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 انویسمنٹ فنڈ، ایچ بی ایل فنانشل سکیورٹیز انکم فنڈ، پلان 1، ایچ بی ایل محفوظ منافع فنڈ اور ایچ بی ایل ٹول ٹریڈری ایکس چینج ٹریڈٹ فنڈ (دی فنڈز) کے مالی بیانات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

## اقتصادی جائزہ

جون 2023 کے آخر میں آئی ایم ایف کے ساتھ 3.0 بلین امریکی ڈالر کے 9 ماہ کے اسٹینڈ بائی اریجمنٹ (SBA) پر دستخط کیے گئے، جس نے پاکستان کے لئے انتہائی اہم کردار ادا کیا اور آگے بڑھنے کا معاشی راستہ طے کیا۔ پروگرام کے تحت 1.2 بلین امریکی ڈالر کے بہاؤ کے علاوہ، اس نے دیگر کثیر جہتی اور دوطرفہ آمد کو کھولنے اور زرمبادلہ کے ذخائر کو مستحکم کرنے میں مدد کی ہے۔ یاد رہے کہ پاکستان EEF 2019 پروگرام مکمل نہیں کر سکا تھا جس کی میعاد جون 2023 میں ختم ہونے والی تھی۔ SBA پروگرام کے بعد پاکستان کو سعودی عرب سے 2.0 بلین امریکی ڈالر اور UAE سے 1.0 امریکی ڈالر موصول ہوئے۔ چین کے ایگزیم بینک نے بھی دوسالوں کے لیے 2.4 بلین امریکی ڈالر سے زیادہ کارول کیا۔ SBP کے ذخائر مہینے کے دوران 3.7 بلین امریکی ڈالر سے 8.0 بلین امریکی ڈالر تک بڑھ گئے۔ پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں اضافہ ریکارڈ کیا گیا۔ امریکی ڈالر 307 روپے سے 288 روپے تک مضبوط ہوا۔ پروگرام میں دی گئی اقتصادی اصلاحات میں مارکیٹ کا تعین شدہ شرح مبادلہ، دانشمندانہ مالیاتی پالیسی، توانائی کے سلسلے کو مضبوط بنانا اور مالیاتی نظم و ضبط کو یقینی بنانا شامل ہے۔

حکومت نے مالی سال 24 کے لیے جی ڈی پی کی شرح نمو کا ہدف 3.5 فیصد مقرر کیا ہے تاہم آئی ایم ایف، اے ڈی بی، ورلڈ بینک نے بالترتیب 2.5 فیصد، 1.9 فیصد اور 1.7 فیصد کی شرح نمو کا تخمینہ لگایا ہے۔ مالی پالیسیوں کے ساتھ مالیاتی سختی مالی سال 24 میں شرح نمو کو کم رکھے گی۔ تاہم متوقع بمپر فضیلیں معاشی سست روی کی وجہ سے ہونے والی بد حالی کو جزوی طور پر دور کرنے میں مددگار ثابت ہوں گی۔

1QFY23 میں تجارتی خسارہ کم ہو کر 5.3 بلین امریکی ڈالر ہو گیا جبکہ تجارتی خسارہ 1QFY22 میں 9.1 بلین امریکی ڈالر تھا۔ جس میں سالانہ بنیاد پر 42 فیصد کمی آئی۔ انتظامی اقدامات اور کم مجموعی طلب کی وجہ سے درآمدات سالانہ بنیاد پر 25 فیصد کمی کے ساتھ 12.2 بلین امریکی ڈالر تک ہو گئی جو تجارتی خسارے کے سکڑنے کے اہم عوامل میں شامل ہے۔ دوسری طرف، برآمدات میں 3.8 فیصد سالانہ کمی واقع ہوئی۔ 2MFY24 میں کرنٹ اکاؤنٹ خسارہ کم ہو کر 935 ملین امریکی ڈالر ہو گیا جو کہ 2MFY23 میں 2.0 بلین امریکی ڈالر تک پہنچ گیا تھا۔ اگرچہ، 2MFY24 بمقابلہ 2MFY23 میں ترسیلات زر میں کمی آئی، تجارتی خسارے میں کمی سال کی بنیاد پر CAD کو نیچے لانے کے لیے کافی تھی۔



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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 Falah Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Faysal Bank Limited Dubai Islamic Bank Allied Bank Limited JS Bank Limited Bank Islami Pakistan Limited Samba Bank Limited MCB Bank Limited Askari Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited National Bank Of Pakistan Sindh Bank Limited Telenor Microfinance Bank Limited Meezan Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance Bank Limited Industrial & Commercial Bank of China Limited HBL Microfinance Bank Limited U Microfinance Bank Limited Khushhali Microfinance Bank Limited Finca Microfinance Bank Limited
Rating	A+(f) (VIS)

**HBL Income Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at September 30, 2023*

	Note	September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
(Rupees in '000)			
<b>Assets</b>			
Bank balances	4	1,781,918	980,061
Investments	5	1,627,111	669,877
Receivable against margin trading system		341,732	465,148
Accrued mark-up		125,147	30,926
Advances, deposits and other receivables		60,844	55,941
Receivable against sale of investments		-	-
<b>Total assets</b>		<b>3,936,751</b>	<b>2,201,953</b>
<b>Liabilities</b>			
Payable to Management Company	6	8,507	5,983
Payable to Central Depository Company of Pakistan Limited - Trustee	7	827	525
Payable to Securities and Exchange Commission of Pakistan	8	198	564
Payable against purchase of investments		692,265	-
Unclaimed dividend		-	3,802
Accrued expenses and other liabilities	9	81,950	83,287
<b>Total liabilities</b>		<b>783,746</b>	<b>94,161</b>
<b>Net assets</b>		<b>3,153,005</b>	<b>2,107,792</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>3,153,005</b>	<b>2,107,792</b>
<b>Contingencies and commitments</b>	10		
(Number of units)			
<b>Number of units in issue</b>		<b>26,473,686</b>	<b>18,744,108</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>119.0996</b>	<b>112.4509</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Income Fund**  
**Condensed Interim Income Statement (Un- Audited)**  
*For the quarter ended September 30, 2023*

	Note	Quarter ended September 30,	
		2023	2022
		------(Rupees in '000)-----	
<b>Income</b>			
Mark-up on deposits with banks		75,303	61,310
Mark-up / return on investments		111,326	97,881
Capital gain on sale of investments - net		3,678	2,573
Dividend Income		-	-
Unrealised gain/(loss) on revaluation of investments carried at fair value through profit or loss - held-for-trading		9,473	(2,610)
Other Income		-	-
		199,781	159,154
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds		-	-
<b>Total Income</b>		199,781	159,154
<b>Expenses</b>			
Remuneration of HBL Asset Management Limited - Management Company		8,919	16,558
Remuneration of Central Depository Company of Pakistan Limited - Trustee		669	874
fee to Securities and Exchange Commission of Pakistan		591	206
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	3,947	2,579
Selling and marketing expenses		3,947	2,579
Settlement and bank charges		1,674	1,408
Auditors' remuneration		117	117
Other expenses		273	432
<b>Total Expenses</b>		20,135	24,753
<b>Net income from operating activities</b>		179,645	134,401
<b>Net income for the period before taxation</b>		179,645	134,401
<b>Taxation</b>	11	-	-
<b>Net income for the period after taxation</b>		179,645	134,401
<b>Allocation of net income for the period:</b>			
Income already paid on redemption of units		33,121	26,036
Accounting income available for distribution:			
-Relating to capital gains		10,727	-
-Excluding capital gains		135,797	108,365
		146,524	108,365
<b>Net income for the period after taxation</b>		179,645	134,401

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Income Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the quarter ended September 30, 2023*

	Quarter ended September 30,	
	2023	2022
	----- (Rupees in '000) -----	
Net income for the period	179,645	134,401
<b>Other comprehensive income for the period</b>		
<i>Items to be reclassified to income statement in subsequent periods:</i>		
Net unrealised appreciation/(diminution) on remeasurement of investments classified as available for sale		-
<b>Total comprehensive income for the period</b>	<b>179,645</b>	<b>134,401</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Income Fund

## Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)

For the quarter ended September 30, 2023

	Quarter ended September 30,					
	2023			2022		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	1,907,939	199,853	2,107,792	4,090,685	155,400	4,246,085
Issuance of 22,445,548 units (2022: 3,226,337 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,524,025	-	2,524,025	359,502	-	359,502
- Element of income	53,741	-	53,741	4,736	-	4,736
Total proceeds on issuance of units	2,577,766	-	2,577,766	364,238	-	364,238
Redemption of 14,715,987 units (2022: 16,055,599 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,654,826)	-	(1,654,826)	(1,789,092)	-	(1,789,092)
- Amount relating to element of (loss)	(24,252)	(33,121)	(57,373)	(18,885)	(26,036)	(44,921)
- Relating to net income for the period after taxation		-	-		-	-
Total payment on redemption of units	(1,679,078)	(33,121)	(1,712,199)	(1,807,977)	(26,036)	(1,834,013)
Total comprehensive income for the period	-	179,645	179,645	-	134,401	134,401
Refund of Capital	-	-	-	-	-	-
Distribution during the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	179,645	179,645	-	134,401	134,401
Net assets at the end of the period	2,806,627	346,377	3,153,005	2,646,946	263,765	2,910,711
Undistributed income brought forward						
- Realised		201,428			156,975	
- Unrealised		(1,575)			(1,575)	
		199,853			155,400	
Accounting income available for distribution		146,524			108,365	
Distribution during the period		-			-	
Undistributed income carried forward		346,377			263,765	
Undistributed income carried forward						
- Realised		336,904			266,375	
- Unrealised		9,473			(2,610)	
		346,377			263,765	
				(Rupees)		
Net assets value per unit at beginning of the period		112.4509				111.431
Net assets value per unit at end of the period		119.0996				115.1581

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



**HBL Income Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the quarter ended September 30, 2023*

	Quarter ended September 30,	
	2023	2022
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period	179,645	134,401
<b>Adjustments</b>		
Capital (gain) on sale of investments - net	(3,678)	(2,573)
Unrealised gain/(loss) on revaluation of investments carried at fair value through profit or loss	(9,473)	2,610
	166,494	134,438
<b>Decrease in assets</b>		
Investments - net	(944,081)	787,545
Receivable against margin trading system	123,416	(17,785)
Accrued mark-up	(94,221)	(32,515)
Advances, deposits, and other receivables	(4,903)	64
Receivable against sale of investments	-	(9,900)
	(919,789)	727,409
<b>(Decrease) / Increase in liabilities</b>		
Payable to HBL Asset Management Limited - Management Company	2,524	69
Payable to Central Depository Company of Pakistan Limited - Trustee	302	(218)
Payable to Securities and Exchange Commission of Pakistan	(366)	(611)
Accrued expenses and other liabilities	(5,139)	(35,581)
Payable against purchase of investments	692,265	(386,791)
	689,585	(423,132)
<b>Net cash generated from operating activities</b>	(63,710)	438,715
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	2,577,766	364,238
Payment against redemption of units	(1,712,199)	(1,834,013)
<b>Net cash (used in) / generated from financing activities</b>	865,567	(1,469,775)
<b>Net (decrease) / increase in cash and cash equivalents</b>	801,857	(1,031,060)
Cash and cash equivalents at beginning of the period	980,061	1,758,049
<b>Cash and cash equivalents at end of the period</b>	<b>1,781,918</b>	<b>726,989</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Income Fund**

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

*For the quarter ended September 30, 2023*

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

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

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

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

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

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

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

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

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

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

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2022.

#### **2.2 Basis of measurement**

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

#### **2.3 Functional and presentation currency**

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

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

- 3.1** The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2023.
- 3.2** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3** "The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023."
- 3.4** Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5** The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2023.

### 4 BANK BALANCES

	Note	(Unaudited) September 30, 2023 (Rupees in '000)	(Audited) June 30, 2023
Balances with bank in:			
- Saving accounts	4.1	1,781,918	980,061
		<u>1,781,918</u>	<u>980,061</u>

- 4.1** This includes a balance of Rs. 752.30 million (2023: Rs. 0.125 million) with Habib Bank Limited (a related party) that carries profit at the rates of 19.51% (2023: 19.51%) and Rs. 785.63 million (2023: Rs. 507.805 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 22.95% (2023: 17.25%). Other savings accounts of the Fund carry profit at the rates ranging from 11.50% to 22.50% (2023: 11.50% to 21.85%) per annum.

	Note	(Unaudited) September 30, 2023 (Rupees in '000)	(Audited) June 30, 2023
<b>5 INVESTMENTS</b>			
Financial assets at Fair value through profit or loss			
- Corporate sukuk certificates	5.1	54,020	54,285
- Term finance certificates	5.2	609,080	380,682
Investment in government securities			
- Treasury bills		-	9,760
- Pakistan investment bonds		-	225,150
- GOP Ijara Sukuk bonds	5.4	731,682	
		<u>1,394,782</u>	<u>669,877</u>
Financial assets at amortised cost			
- Letter of Placement	5.5	232,329	-
		<u>1,627,111</u>	<u>669,877</u>

## 5.1 Corporate Sukuk Certificates

Name of Investee Company	Profit rate	Maturity date	As at July 1, 2022	Purchased during the year	Disposed of / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Percentage in relation to	
										Total market value of investment	Net assets of the fund
			-----Number of certificates-----			(Rupees in '000')			-----Percentage-----		
<b>Technology &amp; Communication</b>											
TPL Trakker Limited (1st Issue) (March 30, 2021) Face value: Rs. 611,111	25.91%	March 30, 2026	47	-	-	47	28,627	28,567	(59)	1.76%	0.91%
<b>Power generation &amp; distribution</b>											
Hub Power Holdings Limited (November 12, 2020) Face Value: Rs. 100,000	24.58%	November 12, 2025	250	-	-	250	25,658	25,452	(206)	1.56%	0.81%
<b>Others</b>											
New Allied Electronics Industries (Private) Limited * - sukuk (note 5.1.1) (December 3, 2007)		December 3, 2012	9,000	-	-	9,000	-	-	-	-	-
<b>Total as at September 30, 2023</b>							<b>54,284</b>	<b>54,020</b>	<b>(265)</b>		
<b>Total as at June 30, 2023</b>							<b>53,866</b>	<b>54,285</b>	<b>419</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 These represent investments in privately placed Sukuk bonds of the investee company. This investment has been fully provided.

## 5.2 Term Finance Certificates

Name of Investee Company	Profit rate	Maturity date	As at July 1, 2022	Purchased during the year	Disposed of / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution)	Percentage in relation to	
										Total market value of investment	Net assets of the fund
			-----Number of certificates-----			(Rupees in '000')			-----Percentage-----		
<b>Technology &amp; Communication</b>											
TPL Corporation Limited (3rd Issue) (June 28, 2022) Face value: Rs. 100,000	25.41%	June 28, 2027	1,000	-	-	1,000	102,843	104,027	1,184	6.39%	3.30%
Worldcall Telecom Limited * (note 5.2.1) (October 7, 2008)			23,750	-	-	23,750	-	-	-	0.00%	0.00%
<b>Chemicals</b>											
Agritech Limited * (note 5.2.2 & 5.2.3)			2,000	-	-	2,000	-	-	-	0.00%	0.00%
Agritech Limited * - TFC 4th issue (note 5.2.2)			430	-	-	430	-	-	-	0.00%	0.00%
<b>Commercial Banks</b>											
JS Bank Limited (1st Issue) (December 29, 2017) Face value: Rs. 99,780	24.37%	December 29, 2024	1,264	-	-	1,264	126,142	125,757	(386)	7.73%	3.99%
Soneri Bank Limited (4th Issue) (December 26, 2022) Face Value: Rs 99,800	23.83%	December 23, 2032	1,000	-	-	1,000	97,945	98,826	881	6.07%	3.13%
Bank Alfalah Limited (7th Issue) (January 15, 2021) Face Value: Rs 5,000	9.03%	January 15, 2024	7,600	-	-	7,600	35,911	36,719	808	2.26%	1.16%
Askari Bank Limited (March 17, 2020) Face Value: Rs 1,000,000	24.00%	March 17, 2030	250	-	-	250	238,750	243,750	5,000	14.98%	7.73%
<b>Others</b>											
New Allied Electronics Industries (Private) Limited * - TFC (note 5.2.5) (May 15, 2007)		May 15, 2011	9,000	-	-	9,000	-	-	-	0.00%	0.00%
Total as at June 30, 2023							601,592	609,080	7,488		
Total as at June 30, 2022							380,097	380,682	585		

\* 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.

\* Face value of Rs 100,000

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

**5.2.1** 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 June 30, 2023 Rs. 10.440 million has been received leaving an outstanding balance as at June 30, 2023 of Rs. 37.33 million, which is fully provided.

**5.2.2** The Term finance and corporate sukuk certificates 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 (2022: Rs. 1.998 million) became due for payment on Term finance certificates have been fully provided and are reflected in note 7.

**5.2.4** The Term finance certificates have face value of Rs. 99,760 each and are issued on December 23, 2016 carried interest rate at the rate of 6 months KIBOR plus 1%. The original maturities of the Term finance certificates were on December 23, 2026, however, were matured earlier during the year.

**5.2.5** These represent investments in privately placed Term finance certificates of the investee company. This investment has been fully provided.

**5.3** Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at September 30, 2022 are as follows:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
<b>Term Finance Certificates - Listed</b>				
TPL Trakker Limited	555,556	3 Month KIBOR + 3%	30-Mar-21	30-Mar-26
TPL Corporation Limited	100,000	3 Month KIBOR + 2.25%	23-Jun-22	23-Jun-27
<b>Term Finance Certificates and Sukuk bonds - Unlisted</b>				
Askari Bank Limited	99,780	3 Month KIBOR + 1.20%	17-Mar-20	17-Mar-30
JS Bank Limited	99,820	6 Month KIBOR + 1.40%	29-Dec-17	29-Dec-24
Soneri Bank Limited	1,666	6 Month KIBOR + 1.70%	26-Dec-22	26-Dec-32
Bank Alfalah Limited	1,250	Fixed rate	15-Jan-21	15-Jan-24
Hub Power Company Limited	100,000	6 Month KIBOR + 2.50%	12-Nov-20	12-Nov-25

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

Issue Date	Tenure	Face value As at July 1, 2023	Purchases during the year	Sales / Matured during the year	As at September 30, 2023	Carrying Value as at September 30, 2023	Market Value as at September 30, 2023	Unrealised Gain/ (Loss)	Market Value as a percentage of
(Rupees in '000)									Total Investments
<b>Treasury bill</b>									
May 18, 2023	3 months	10,000	53,650	63,650	-	-	-	-	-
January 27, 2022	6 months	-	-	-	-	-	-	-	-
October 6, 2022	12 months	-	-	-	-	-	-	-	-
<b>Total - as at September 30, 2023</b>		<b>10,000</b>	<b>53,650</b>	<b>63,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
Total - as at June 30, 2023						<u>9,771</u>	<u>9,760</u>	<u>(11)</u>	
<b>Pakistan Investment Bonds</b>									
April 6, 2023	2 years	-	-	-	-	-	-	-	-
April 29, 2022	5 years	-	-	-	-	-	-	-	-
<b>Total - as at September 30, 2023</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total - as at June 30, 2023						<u>-</u>	<u>-</u>		
<b>Pakistan Investment Bonds (Floater)</b>									
April 6, 2023	2 years	-	1,000,000	1,000,000	-	-	-	-	-
October 22, 2022	3 years	-	-	-	-	-	-	-	-
<b>Total - as at September 30, 2023</b>		<b>-</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total - as at June 30, 2023						<u>-</u>	<u>-</u>		

**GOP Ijara Sukuk**

Name of the security	Tenor	Face value (Rupees in '000)				Rupees in '000			Percentage in relation to	
		As at July 1, 2023	Purchased during the year	Disposed of during the year	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Unrealised appreciation	Total market value of investment	Net assets of the fund
GOP Ijara Sukuk Certificates XXXI - VRR (May 22, 2023) Face value : Rs. 100,000	1 Year	2,250	1,250	1,250	2,250	225,530	225,832	302	13.88%	7.16%
GOP Ijara Sukuk Certificates XXXI - VRR (April 17, 2023) Face value : Rs. 100,000	1 Year	-	1,000	500	500	503,903	505,850	1,948	31.09%	16.04%
<b>Total as at September 30, 2023</b>						<b>729,432</b>	<b>731,682</b>	<b>2,250</b>		
<b>Total as at June 30, 2023</b>						<b>225,000</b>	<b>225,150</b>	<b>150</b>		

**5.5 Letters of placement**

Name of investee company	Issue date	As at July 1, 2023	Placement made during the year	Income accrued	Sales / matured during the year	As at September 30, 2023	Percentage of total of investments	Percentage of net assets
(Rupees in '000)								
Pak Libya Holding Company limited	13-Jul-23	-	230,000	4,866	234,866	-	0.00%	0.00%
Pak Libya Holding Company limited	15-Aug-23	-	230,000	4,293	234,293	-	0.00%	0.00%
Pak Libya Holding Company limited	15-Sep-23	-	230,000	2,329	-	232,329	14.28%	7.37%
<b>Total - as at September 30, 2023</b>			<b>690,000</b>	<b>11,488</b>	<b>469,159</b>	<b>232,329</b>	<b>14.28%</b>	<b>7.37%</b>
<b>Total - as at June 30, 2023</b>			-	-	-	-	-	-

This letter of placement carry markup at the rate 23.10% per annum (June 30, 2023: Nil)

**6 PAYABLE TO MANAGEMENT COMPANY**

	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
		Rupees in '000'	
Management fee	6.1	2,649	1,766
Sindh Sales Tax	6.2	344	230
Sales load payable		242	189
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	1,324	883
Selling and marketing expenses payable	6.4	3,947	2,915
		<b>8,507</b>	<b>5,983</b>

- 6.1** 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 rates ranging from 1% to 1.5% (2023: 1% to 1.5%).
- 6.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.
- 6.3** 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% (2023: 0.25% to 0.5%).
- 6.4** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rates ranging from 0.25% to 0.5% (2023: 0.25% to 0.5%) during the year ended June 30, 2023 while keeping in view the overall return and Total Expense Ratio Limit of the Fund as defined under the NBFC Regulations.

**7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN**

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 daily net assets of the Fund. The remuneration is paid to the trustee monthly in arrears.

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## 8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2023	June 30, 2023
			(Rupees in '000)	
	Auditors' remuneration		50	268
	Brokerage payable		1,009	-
	Federal Excise Duty payable	9.1	27,578	27,578
	Capital gain tax payable		1,686	6,919
	Withholding tax payable		33,488	33,036
	Securities transaction cost payable		-	842
	Zakat payable		440	440
	MTS charges payable		554	-
	Other payables		17,145	14,204
			<u>81,950</u>	<u>83,287</u>

### 9.1 PROVISION FOR FEDERAL EXCISE DUTY

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 financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV of the Fund would have been higher by Rs. 1.042 (2023: Re. 1.471) per unit.

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2023 and June 30, 2023.

## 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 derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these financial statements during the year.

## 12 EARNINGS PER UNIT (EPU)

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

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**13 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2023 is 2.56% (2023: 2.49%) which includes 0.25% (2023: 0.19%) representing government levies on the Fund such as sales taxes, 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.

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

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 the NBFC regulations and hence, the transactions are considered to be on an arm's length basis.

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

	<b>Quarter ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>14.1 Transactions during the period</b>	<b>(Rupees in '000)</b>	
<b>HBL Asset Management Limited - Management Company</b>		
Management fee	<b>8,919</b>	16,558
Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>3,947</b>	2,579
Selling and marketing expenses	<b>3,947</b>	2,579
<b>Habib Bank Limited - Sponsor</b>		
Redemption of Nil units (2022: 8,027,975 units)	-	923,307
Profit on bank deposits earned	<b>2,365</b>	664,501
Profit received on bank deposits	<b>1,653</b>	1,653



		Quarter ended September 30,	
		2023	2022
		(Rupees in '000)	
<b>Habib Bank Limited - Treasury Division</b>			
Issuance of Nil units (2022: Nil units)		-	-
Redemption of Nil units (2022: Nil units)		-	-
Dividend paid		-	-
<b>HBL Microfinance Bank (Formerly: The First Microfinance Bank) - Associate</b>			
Profit earned on bank deposits		43,089	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration		669	874
<b>Directors and Executives of the Management Company and their relatives</b>			
Issuance of 4,234 units (2022: Nil units)		500	-
Redemption of 6,890 units (2022: 373 units)		800	42
<b>MCB FSL Trustee - HBL Financial Planning Fund Active Allocation Plan - Associate</b>			
Issuance of Nil units (2022: 552,209 units)		-	61,633
Redemption of Nil units (2022: 452,512 units)		-	50,908
<b>MCB FSL Trustee - HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>			
Redemption of 5,160 units (2022: 281,608 units)		600	32,318
<b>14.2</b>	<b>Balances outstanding as at period end</b>	<b>September 30, 2023</b>	<b>June 30, 2023</b>
		(Rupees in '000)	
<b>HBL Asset Management Limited - Management Company</b>			
Management fee		2,649	1,766
Sindh Sales Tax		344	230
Sales Load payable		242	189
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,324	883
Selling and marketing expenses payable		3,947	2,915
<b>Habib Bank Limited - Sponsor</b>			
Investment held by HBL in the Fund: Nil units (June 30, 2023: Nil units)		-	-
Bank balances with HBL		752,297	215
Profit accrued on bank deposits		1,675	102

	September 30, 2023 (Rupees in '000)	June 30, 2023
<b>Habib Bank Limited - Treasury Division</b>		
Investment held in the Fund: Nil units (June 30, 2023: Nil units)	-	-
Bank balances	785,629	507,805
Profit accrued on bank deposits	14,930	8,084
<b>MCB FSL Trustee - HBL Financial Planning Fund Active Allocation Plan - Associate</b>		
Investment held in the Fund: Nil units (June 30, 2023: Nil units)	-	-
<b>MCB FSL Trustee - HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>		
Investment held in the Fund: 247,838 units (June 30, 2023: 247,838 units)	29,517	27,870
<b>Directors and Executives of the Management Company and their relatives</b>		
Investment held in the Fund: 20,767 units (June 2023: 135,511 units)	2,473	15,238
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	732	133
Sindh Sales tax	95	17
Security deposit	100	100
CDC charges payable	602	375

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

undertake a transaction on adverse terms.

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

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or

regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

making the measurements. The fair value hierarchy has the following levels:

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

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

	Note	September 30, 2023				Fair Value			
		Financial assets at Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- Term Finance Certificates and Sukuk bonds - Listed		54,020	-	-	54,020	-	54,020	-	54,020
- Term Finance Certificates and Sukuk bonds - Unlisted		609,080	-	-	609,080	-	609,080	-	609,080
- Investment in GOP Ijara Sukuk bonds		731,682	-	-	731,682	731,682	-	-	731,682
		<u>1,394,782</u>	<u>-</u>	<u>-</u>	<u>1,394,782</u>	<u>731,682</u>	<u>663,100</u>	<u>-</u>	<u>1,394,782</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	15.1	-	1,781,918	-	1,781,918				
Investments									
- Placements	15.1	-	232,329	-	232,329				
Accrued mark-up		-	125,147	-	125,147				
Advances, deposits and other receivables		-	35,119	-	35,119				
		<u>-</u>	<u>2,174,512</u>	<u>-</u>	<u>2,174,512</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	15.1	-	-	8,507	8,507				
Payable to Trustee		-	-	827	827				
Accrued expenses and other liabilities		-	-	19,198	19,198				
		<u>-</u>	<u>-</u>	<u>28,531</u>	<u>28,531</u>				

June 30, 2023

	Fair value through profit or loss	At amortized cost	Other financial liabilities	Total	Fair Value			
					Level 1	Level 2	Level 3	Total
<hr/>								
					(Rupees in '000)			
<hr/>								
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
- Term Finance Certificates and Sukuk bonds	434,967	-	-	434,967	-	434,967	-	434,967
- Investment in ready / future - spread transaction	-	-	-	-	-	-	-	-
	<u>434,967</u>	<u>-</u>	<u>-</u>	<u>434,967</u>	<u>-</u>	<u>434,967</u>	<u>-</u>	<u>434,967</u>
<hr/>								
<b>Financial assets not measured at fair value</b>								
Bank balances	-	980,061	-	980,061				
Accrued mark-up	-	30,926	-	30,926				
Deposits and other receivables	-	55,941	-	55,941				
	<u>-</u>	<u>1,066,928</u>	<u>-</u>	<u>1,066,928</u>				
<hr/>								
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	5,983	5,983				
Payable to Trustee	-	-	525	525				
Payable against purchase of investment	-	-	-	-				
Accrued expenses and other liabilities	-	-	83,287	83,287				
	<u>-</u>	<u>-</u>	<u>89,795</u>	<u>89,795</u>				
<hr/>								

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

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

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

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
----- (Rupees in '000) -----						
New Allied Electronics Industries (Private) Limited	TFC	19,025	19,025	-	-	-
New Allied Electronics Industries (Private) Limited	Sukuk	44,149	44,149	-	-	-
Agritech Limited	TFC	9,992	9,992	-	-	-
Worldcall Telecom Limited	TFC	37,330	37,330	-	-	-

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**17      DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 27, 2023.

**18      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**

## **Government Securities Fund**

## FUND INFORMATION

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Name of Fund	HBL Government Securities Fund
Name of Auditor	Yousuf Adil & 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 National Bank Of Pakistan Limited HBL Microfinance Bank U Microfinance Bank Khushali Microfinance Bank Mobilink Microfinance Bank

**HBL Government Securities Fund**  
**Condensed Interim Statement Of Assets And Liabilities (Unaudited)**  
**AS AT SEPTEMBER 30, 2023**

		Un-audited September 30, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	3,106,475	138,067
Investments	5	4,118,026	639,911
Profit receivable		205,077	26,006
Deposits, prepayments and other receivables		894	970
<b>Total assets</b>		<u>7,430,472</u>	<u>804,954</u>
<b>LIABILITIES</b>			
Payable to Management Company	6	2,030	1,245
Payable to the Trustee	7	106	50
Payable to Securities and Exchange Commission of Pakistan	8	104	107
Accrued expenses and other liabilities	9	2,893,992	27,109
<b>Total liabilities</b>		<u>2,896,232</u>	<u>28,511</u>
<b>NET ASSETS</b>		<u>4,534,240</u>	<u>776,443</u>
<b>Unit Holders' Funds ( As per statement attached )</b>		<u>4,534,240</u>	<u>776,443</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10	----- (Number of Units) -----	
<b>Number of units in issue</b>		<u>37,883,827</u>	<u>6,874,434</u>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<u>119.6880</u>	<u>112.9464</u>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



**HBL Government Securities Fund**  
**Condensed Interim Income Statement And Comprehensive Income (Unaudited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	Three Months ended September 30,	
	2023	2022
Note	----- (Rupees in 000's) -----	
<b>INCOME</b>		
Capital gain on sale of investments - net	865	316
Income from Government Securities	40,831	14,077
Income from term finance certificates and sukuk bonds	2,448	2,067
Profit on bank deposits	22,769	4,404
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss'-net		
	10,663	(195)
<b>Total income</b>	<b>77,576</b>	<b>20,669</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	2,230	1,987
Sindh sales tax on remuneration of the Management Company	290	258
Remuneration of the Trustee	181	90
Fee to the Securities and Exchange Commission of Pakistan	218	29
Fund operations, accounting and related costs	508	393
Selling & Marketing expense	508	650
Auditors' remuneration	129	110
Fees and subscription	82	85
Securities transaction cost	115	82
Bank charges	138	-
Printing charges	-	1
<b>Total expenses</b>	<b>4,399</b>	<b>3,685</b>
<b>Net income from operating activities</b>	<b>73,177</b>	<b>16,984</b>
<b>Net income for the quarter before taxation</b>	<b>73,177</b>	<b>16,984</b>
Taxation	11 -	-
<b>Net income for the quarter after taxation</b>	<b>73,177</b>	<b>16,984</b>
<b>Allocation of net income for the quarter:</b>		
Income already paid on redemption of units	5,686	1,666
Accounting income available for distribution:		
-Relating to capital gains	10,633	121
-Excluding capital gains	56,858	15,197
	67,491	15,318
<b>Net income for the quarter after taxation</b>	<b>73,177</b>	<b>16,984</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the quarter</b>	<b>73,177</b>	<b>16,984</b>
<b>Earnings per unit</b>	12	

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Government Securities Fund

## Condensed Interim Statement Of Movement In Unit Holders' Fund

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

Note	2023			2022		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	Rupees in '000'					
<b>Net assets at beginning of the quarter</b>	579,224	197,219	776,443	436,529	194,054	630,583
Issuance of 36,067,201 units (2022: 247,334 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	4,073,658	-	4,073,658	27,820	-	27,820
- Element of income	201,920	-	201,920	266	-	266
Total proceeds on issuance of units	4,275,578	-	4,275,578	28,086	-	28,086
Redemption of 5,057,808 units (2022: 1,481,175 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	(571,261)	-	(571,261)	(166,599)	-	(166,599)
- Amount paid out of element of income	(14,011)	-	(14,011)	(685)	-	(685)
- Income already paid on redemption of units		(5,686)	(5,686)		(1,666)	(1,666)
Total payments on redemption of units	(585,272)	(5,686)	(590,958)	(167,284)	(1,666)	(168,950)
Total comprehensive income for the quarter	-	73,177	73,177	-	16,984	16,984
<b>Net assets at end of the quarter</b>	<b>4,269,530</b>	<b>264,710</b>	<b>4,534,240</b>	<b>297,331</b>	<b>209,372</b>	<b>506,703</b>
<b>Undistributed income brought forward</b>						
- Realised		196,858			196,238	
- Unrealised		361			(2,184)	
		197,219			194,054	
Accounting income available for distribution						
- Relating to capital gains	10,633			121		
- Excluding capital gains	56,858			15,197		
	67,491			15,318		
Distribution during the quarter	-			-		
Undistributed income carried forward	264,710			209,372		
<b>Undistributed income carried forward</b>						
- Realised	254,047			209,567		
- Unrealised	10,663			(195)		
	264,710			209,372		
				(Rupees)		
<b>Net assets value per unit at beginning of the quarter</b>			112.9464			112.4774
<b>Net assets value per unit at end of the quarter</b>			119.6880			115.8849

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Government Securities Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	Three Months ended September 30,	
	2023	2022
Note	----- (Rupees in 000's) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	73,177	16,984
<b>Adjustments for:</b>		
Capital (gain) on sale of investments - net	(865)	(316)
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'-net	(10,663)	195
	(11,528)	(121)
	61,649	16,863
<b>(Increase) / Decrease in assets</b>		
Investments - net	(589,277)	147,248
Profit receivable	(179,071)	11,375
Deposits, prepayments and other receivables	76	48
	(768,272)	158,671
<b>Decrease in liabilities</b>		
Payable to Management Company	785	(237)
Payable to the Trustee	56	(6)
Payable to Securities and Exchange Commission of Pakistan	(3)	(152)
Accrued expenses and other liabilities	(10,427)	(399,389)
	(9,589)	(399,784)
<b>Net cash (used in) operating activities</b>	(716,212)	(224,250)
<b>Cash flows from Financing Activities</b>		
Receipts from issue of units	4,275,578	28,086
Payment against redemption of units	(590,958)	(168,950)
<b>Net cash generated / (used in) from financing activities</b>	3,684,620	(140,864)
<b>Net increase / (decrease) in cash and cash equivalents</b>	2,968,408	(365,114)
Cash and cash equivalents at the beginning of the period	138,067	451,031
<b>Cash and cash equivalents at the end of the period</b>	3,106,475	85,917
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	3,106,475	1,077,736
	3,106,475	1,077,736

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Government Securities Fund**

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

### **FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

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

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

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

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

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

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

VIS Credit Rating Company has assigned an asset manager rating of 'AM1' (Stable Outlook) to the Management Company and a stability rating of 'AA-(f)' to the Fund.

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

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

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

**2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2023.

**2.1.3** This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2023.

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

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

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2023.

4	BANK BALANCES	Note	September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
			----- (Rupees in '000) -----	
	In savings accounts	4.1	<u>3,106,475</u>	<u>138,067</u>
			<u>3,106,475</u>	<u>138,067</u>

4.1 Profit rates on these savings accounts range between 19.51% to 22.5% per annum (June 30, 2023: 19% to 22.65% per annum).

## 5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Investments in Government securities:

Market Treasury Bills	5.1	2,202,855	-
Pakistan Investment Bonds	5.2	-	219,655
GOP Ijarah Sukuk Certificates	5.3	<u>1,874,744</u>	<u>380,253</u>
		4,077,599	599,908
Term Finance Certificate & Sukuk Bonds	5.4	<u>40,427</u>	<u>40,003</u>
		<u>4,118,026</u>	<u>639,911</u>

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

Issue date	Tenor	Face value				Balance as at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at September 30, 2023	Carrying value	Market value	Appreciation / (diminution)		
------(Rupees in '000)-----										
Market Treasury Bills										
November 3, 2022	12 Month	-	400,000	400,000	-	-	-	-	0.00%	0.00%
October 6, 2022	12 Month	-	35,000	-	35,000	34,917	34,916	(1)	0.77%	0.85%
July 13, 2023	3 Month	-	1,500,000	-	1,500,000	1,498,214	1,498,197	(17)	33.04%	36.38%
June 15, 2023	3 Month	-	250,000	250,000	-	-	-	-	0.00%	0.00%
September 21, 2023	3 Month	-	1,100,000	400,000	700,000	669,321	669,742	421	14.77%	16.26%
March 27, 2023	6 Month	-	260,000	260,000	-	-	-	-	0.00%	0.00%
Total - As at September 30, 2023		-	3,545,000	1,310,000	2,235,000	2,202,452.00	2,202,855	403	48.58%	53.49%
Total - As at June 30, 2023		-	3,840,945	3,840,945	-	-	-	-	0.00%	0.00%

### 5.2 Pakistan Investment Bonds

- Pakistan Investment Bonds (Floating)										
Issue date	Tenor	Face value				Balance as at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at September 30, 2023	Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
April 6, 2023	2 Years	223,000	550,000	773,000	-	-	-	-	0.00%	0.00%
April 07, 2022	3 Years	-	400,000	400,000	-	-	-	-	0.00%	0.00%
Total - As at September 30, 2023		223,000	950,000	1,173,000	-	-	-	-	0.00%	0.00%
Total - As at June 30, 2023		425,000	1,558,000	1,760,000	223,000	219,642	219,655	13	28.00%	34.00%

5.2.1 The effective yield on Pakistan Investment bonds is Nil (June 30, 2023: 21.99%) per annum.

### 5.3 GOP Ijara Sukuk Certificates:

Issue details	Tenor	Face value				Balance as at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at September 30, 2023	Carrying value	Market value	Appreciation / (diminution)		
------(Rupees in '000)-----										
May 22, 2023	1 Years	380,000	245,000	380,000	245,000	245,908	245,907	(1)	5.42%	5.97%
April 17, 2023	1 Years	-	1,610,000	-	1,610,000	1,619,001	1,628,837	9,836	35.92%	39.55%
Total - As at September 30, 2023		380,000	1,855,000	380,000	1,855,000	1,864,909	1,874,744	9,835	41.35%	45.53%
Total - As at June 30, 2023		-	1,257,000	877,000	380,000	379,908	380,253	345	48.97%	59.42%

5.3.1 This carries semi annual coupon at the rate ranging between 22.6657% - 22.6768% per annum (June 30, 2023: Nil )

### 5.4 Corporate Sukuk Bonds:

Corporate Sukuk Bonds:										
Issue details	Tenor	----- Units -----				Balance as at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at September 30, 2023	Carrying value	Market value	Appreciation / (diminution)		
Sukuk bonds - unlisted										
K-Electric	10 Years	400,000	-	-	400,000	40,003	40,427	424	0.89%	0.98%
Total - As at September 30, 2023		400,000	-	-	400,000	40,003	40,427	424	0.89%	0.98%
Total - As at June 30, 2023		500	420,000	20,500	400,000	40,000	40,003	3	5.15%	6.25%

5.4.1 These term finance certificate carries mark-up at the rate 24.84% per annum (June 30, 2023: 16.44% to 20.68%).

5.4.2 Significant terms and conditions of Term Finance Certificates and Sukuk Bonds as at September 30, 2023 are as follows

Name of the investee company	Remaining principal (per certificate)	Mark-up rate (per annum)	Issue date	Maturity Date
Term finance certificate - unlisted				
K-Electric	5,000	3 months KIBOR + 1.70%	23-Nov-23	23-Nov-29

## 6 PAYABLE TO THE MANAGEMENT COMPANY

Management fee	6.1	1,119	452
Sindh Sales Tax on Management Company's remuneration	6.2	146	59
Sales load payable		-	329
Fund operations, accounting and related costs		257	93
Selling & Marketing expense payable		508	312
		2,030	1,245

**6.1** As per the amendment introduced through SRO 639(I)/2019, dated June 20, 2019, in regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the period the fee is being charged at the rate ranging between 0.73% - 0.84% on the average annual net assets. The fee is payable monthly in arrears.

**6.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2023: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

## **7 PAYABLE TO TRUSTEE**

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.055% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

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

"Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears."

## **9 ACCRUED EXPENSES AND OTHER LIABILITIES**

Provision for Federal Excise Duty and additional sales tax on management fee	9.1	15,531	15,531
Withholding tax		372	10,668
Auditors' remuneration		54	268
Payable against purchase of Investment		2,877,310	-
Zakat Payable		452	452
Brokerage		80	69
Others		193	121
		<u>2,893,992</u>	<u>27,109</u>

### **9.1 Provision for federal excise duty and additional sales tax**

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

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2023 would have been higher by Rs. 0.41 per unit (June 30, 2023: Rs. 2.2592 per unit).

The finance act 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the period ended September 30, 2013.

## **10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies outstanding as at September 30, 2023 and June 30, 2023.

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**11 TAXATION**

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

**12 EARNINGS PER UNIT**

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

**13 TOTAL EXPENSE RATIO**

The Scheme has maintained Total expense ratio (TER) 1.52% (2022: 2.56%). (0.19% (2022: 0.25% representing Government Levies, WWF and SECP Fee).

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

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

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

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

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

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

	Three months ended	
	2023 September (Unaudited)	2022
Transactions during the period	(Rupees in 000's)	
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	2,230	1,987
Sindh Sales Tax on remuneration of Management Company	290	258
Reimbursement of fund operations, accounting and related costs	508	393
Sales load Paid	1,350	432



	Three months ended September	
	2023	2022
	(Unaudited)	
	(Rupees in '000's)	
<b>Habib Bank Limited Sponsor</b>		
Bank charges paid	138	-
Profit on bank deposits	3,407	1,269
<b>HBL Microfinance Bank -Associate</b>		
Profit on bank deposits earned	12,059	1,190
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	181	90
CDS charges	12	9
<b>Executives of the Management Company</b>		
Redemption of 7,154 units (2022: 9 units)	830	1
<b>CDC Trustee - HBL Islamic Income Fund</b>		
Sale of GOP Ijara Sukuk	399,030	-
Purchase of GOP Ijara Sukuk	54,749	-
<b>HBL Financial Planning Fund - Active Allocation Plan - Fund under common management</b>		
Redemption of 22,594 units (2022: Nil units)	2,600	-
<b>AAJ BUILDERS Proprietor(Muhammad Jahangir Muggo) - Connected Party due to more than 10%</b>		
Issue of 5,231,970 units (2023: Nil units)	620,619	-
<b>Tariq Nisar - Connected Party due to more than 10%</b>		
Issue of 5,053,593 units (2023: Nil units)	600,000	-
<b>Balance outstanding as at quarter / year end</b>		
	<b>September 30 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	----- (Rupees in '000) -----	
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of Management Company	1,119	452
Sindh Sales Tax on remuneration of Management Company	146	59
Sales Load Payable	-	329
Allocation of expenses realted to registrar services accounting, operation and valuation services	257	93
Selling & Marketing expense payable	508	312
Investment held in the fund: 2,581,225 units (June 30, 2023: 2,581,225 units)	308,556	291,540

	September 30 2023 (Unaudited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
<b>Habib Bank Limited Sponsor</b>		
Bank balances	1,514,307	28,311
Profit Receivable	2,764	58
<b>HBL Microfinance Bank -Associate</b>		
Bank Balances	752,746	107,714
Profit Receivable	5,597	2,991
<b>AAJ BUILDERS Proprietor (Muhammad Jahangir Muggo)</b>		
<b>Connected Party More Than 10%</b>		
Investment held in fund: 5,231,970 units (June 30, 2023: Nil units)	625,423	-
<b>Tariq Nisar Connected Party More Than 10%</b>		
Investment held in fund: 5,053,593 units (June 30, 2023: Nil units)	604,100	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration Payable	86	34
CDC Charges Payable	20	12
Security Deposit	100	100
<b>Director and Executives of the Management Company</b>		
Investment held 6,943 (June 30, 2023: 9) units	830	-
<b>HBL Financial Planning Fund - Active Allocation Plan</b>		
<b>- Fund under common management</b>		
Units held 596,017 (June 30, 2023: 618,612) units	71,429	69,747

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2023						
Note	Carrying amount				Fair Value			
	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
<b>Investments</b>								
Market Treasury Bills	5.1	2,202,855	-	2,202,855	-	2,202,855	-	2,202,855
Pakistan Investment Bonds	5.2	-	-	-	-	-	-	-
GOP Ijarah Sukuks	5.3	1,874,744	-	1,874,744	-	1,874,744	-	1,874,744
Corporate Sukuk Certificates	5.4	40,427	-	40,427	-	40,427	-	40,427
		<b>4,118,026</b>	<b>-</b>	<b>4,118,026</b>	<b>-</b>	<b>4,118,026</b>	<b>-</b>	<b>4,118,026</b>
<b>Financial assets not measured at fair value</b>								
Bank balances	4	-	3,106,475	3,106,475	-	-	-	-
Profit receivable		-	205,077	205,077	-	-	-	-
		<b>-</b>	<b>3,311,552</b>	<b>3,311,552</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>								
Payable to the Management Company		-	2,030	2,030	-	-	-	-
Payable to the Trustee		-	106	106	-	-	-	-
Payable against redemption of units		-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	2,878,089	2,878,089	-	-	-	-
		<b>-</b>	<b>2,880,225</b>	<b>2,880,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>June 30, 2023</b>								
Note	Carrying amount				Fair Value			
	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
<b>Investments</b>								
Market Treasury Bills	5.1	-	-	-	-	-	-	-
Pakistan Investment Bonds	5.2	219,655	-	219,655	-	219,655	-	219,655
GOP Ijarah Sukuks	5.3	380,253	-	380,253	-	380,253	-	380,253
Corporate Sukuk Certificates	5.4	40,003	-	40,003	-	40,003	-	40,003
		<b>639,911</b>	<b>-</b>	<b>639,911</b>	<b>-</b>	<b>639,911</b>	<b>-</b>	<b>639,911</b>
<b>Financial assets not measured at fair value</b>								
Bank balances	4	-	138,067	138,067	-	-	-	-
Deposits		-	970	970	-	-	-	-
Profit receivable		-	26,006	26,006	-	-	-	-
		<b>-</b>	<b>165,043</b>	<b>165,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>								
Payable to the Management Company		-	1,245	1,245	-	-	-	-
Payable to the Trustee		-	50	50	-	-	-	-
Payable against redemption of units		-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	910	910	-	-	-	-
		<b>-</b>	<b>2,205</b>	<b>2,205</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

## **16 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information were authorised for issue on October 27, 2023 by the Board of Directors of the Management Company.

## **17 CORRESPONDING FIGURES**

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

## **18 GENERAL**

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

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) (VIS)

**HBL Money Market Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at September 30, 2023*

	Note	September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
<b>Assets</b>			
Bank balances	4	9,613,593	898,563
Investments	5	6,706,200	12,772,891
Interest / profit accrued		382,822	118,727
Advance , Deposit and prepayments		360	105
<b>Total assets</b>		<b>16,702,975</b>	<b>13,790,286</b>
<b>Liabilities</b>			
Payable to HBL Asset Management Limited - Management Company	6	44,648	40,663
Payable to the Central Depository Company of Pakistan Limited - Trustee	7	812	746
Payable to the Securities and Exchange Commission of Pakistan	8	978	2,814
Payable against redemption of units		-	163,780
Dividend payable		1,731	60,109
Accrued expenses and other liabilities	9	58,036	295,966
<b>Total liabilities</b>		<b>106,205</b>	<b>564,078</b>
<b>Net assets</b>		<b>16,596,770</b>	<b>13,226,208</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>16,596,770</b>	<b>13,226,208</b>
<b>Cotingsencies and commitments</b>	10.		
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>153,074,253</b>	<b>128,374,982</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>108.4230</b>	<b>103.0279</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Money Market Fund

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

For the three months ended September 30, 2023

	Three months ended September 30, 2023                      2022 (Rupees in '000)	
Note		
<b>Income</b>		
Mark-up / return on investments	697,765	422,394
Mark-up on deposits with banks & TDRs	191,359	232,599
Gain / (Loss) on sale of investments - net	7,445	(446)
Unrealized appreciation on revaluation of investment carried at fair value through profit or loss - net	767	-
<b>Total income</b>	<b>897,336</b>	<b>654,547</b>
<b>Expenses</b>		
Remuneration of Management Company	22,568	34,557
Remuneration of Trustee	2,482	2,534
Fee of Securities and Exchange Commission of Pakistan	2,990	816
Allocation of expenses related to registrar services, accounting, operation and valuation services	27,960	24,465
Selling and Marketing expenses	27,960	24,465
Auditors' remuneration	91	162
Fees & Subscription	81	84
Settlement and bank charges	187	88
Securities transaction cost	118	51
<b>Total Expenses</b>	<b>84,437</b>	<b>87,222</b>
<b>Net income for the period before taxation</b>	<b>812,899</b>	<b>567,325</b>
<b>Taxation</b>	12. -	-
<b>Net income for the period after taxation</b>	<b>812,899</b>	<b>567,325</b>
<b>Allocation of net income for the period:</b>		
Income already paid on redemption of units	136,015	55,889
Accounting income available for distribution:		
-Relating to capital gains	6,838	-
-Excluding capital gains	670,046	511,436
	676,884	511,436
<b>Net income for the period after taxation</b>	<b>812,899</b>	<b>567,325</b>
-Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>812,899</b>	<b>567,325</b>
<b>Earning Per Unit</b>	13	

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Money Market Fund

## Statement of Movement in Unit Holders' Fund (Un-Audited)

### For the three months ended September 30, 2023

	Three months ended September 30,					
	2023			2022		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	13,154,188	72,020	13,226,208	15,548,452	50,225	15,598,677
Issuance of units 178,466,962 (2022: 66,864,380 units)						
- Capital Value (at net asset value per unit at the beginning of the period)	18,387,076	-	18,387,076	7,012,580	-	7,012,580
- Element of income	445,856	-	445,856	-	-	-
Total proceeds on issuance of units	18,832,932	-	18,832,932	7,012,580		7,012,580
Redemption of units 153,767,691 (2022: 77,934,560 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(15,842,362)	-	(15,842,362)	(8,201,617)	-	(8,201,617)
- Amount paid out of element of income	(296,892)	-	(296,892)			
Relating to net income for the period after taxation	-	(136,015)	(136,015)	55,889	(55,889)	-
Total payment on redemption of units	(16,139,254)	(136,015)	(16,275,269)	(8,145,728)	(55,889)	(8,201,617)
Total comprehensive income for the period	-	812,899	812,899	-	567,325	567,325
Refund of Capital	-	-	-	-	-	-
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	812,899	812,899	-	567,325	567,325
Net assets at the end of the period	15,847,866	748,904	16,596,770	14,415,304	561,661	14,976,965
Undistributed income brought forward						
- Realised		73,808			50,225	
- Unrealised		(1,788)			-	
		72,020			50,225	
Accounting income available for distribution						
- Relating to capital gains		6,838			-	
- Excluding capital gains		670,046			511,436	
		676,884			511,436	
Distribution during the period		-			-	
Undistributed income carried forward		748,904			561,661	
Undistributed income carried forward						
- Realised		748,137			561,661	
- Unrealised		767			-	
		748,904			561,661	

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



**HBL Money Market Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the three months ended September 30, 2023*

	Three months ended September 30, 2023                      2022 (Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period	812,899	567,325
	<b>812,899</b>	<b>567,325</b>
<b>Decrease / (increase) in assets</b>		
Investments - net	6,066,691	(1,938,259)
Accrued mark-up	(264,095)	4,672
Advances, deposits and other receivables	(255)	(261)
	<b>5,802,341</b>	<b>(1,933,848)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to HBL Asset Management Limited - Management Company	3,985	4,902
Payable to Central Depository Company of Pakistan Limited - Trustee	66	75
Payable to Securities and Exchange Commission of Pakistan	(1,836)	(2,024)
Payable against redemption of units	(163,780)	-
Dividend payable	(58,378)	-
Accrued expenses and other liabilities	(237,930)	(138,786)
	<b>(457,873)</b>	<b>(135,833)</b>
<b>Net cash generated from / (used in) from operating activities</b>	<b>6,157,367</b>	<b>(1,502,356)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	18,832,932	7,012,580
Payment against redemption of units	(16,275,269)	(8,145,728)
<b>Net cash generated from / (used in) from financing activities</b>	<b>2,557,663</b>	<b>(1,133,148)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>8,715,030</b>	<b>(2,635,504)</b>
Cash and cash equivalents at beginning of the period	898,563	13,661,227
<b>Cash and cash equivalents at end of the period</b>	<b>9,613,593</b>	<b>11,025,723</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Money Market Fund**

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

*For the three months ended September 30, 2023*

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

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 the 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.

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.

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.

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

VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (2022: AM2++) on December 30, 2022 and the outlook on the rating has been assigned as 'Stable' and the fund stability rating of AA+(f) (2022: AA+(f)) on December 29, 2022). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.

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

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

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

**2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

### **2.2 BASIS OF MEASUREMENT**

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

## 2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2023.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023.

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2023.

## 4 BANK BALANCES

		September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
	Note		
Balances with bank in:			
Saving accounts	4.1	<u>9,613,594</u>	<u>898,563</u>

4.1 These include a balance of Rs. 9.5731 billion (June 30, 2023: 98.907 million) with Habib Bank Limited (a related party) and this account carries mark-up at the rates of 17.50% to 22.35% (June 30, 2023: 13.5% to 19.5%). Other profit and loss saving accounts of the Fund carry mark-up at the rates ranging from 19.00% to 21.00% (June 30, 2023: 8% to 22.65%) per annum.

		September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
	Note		
5. INVESTMENTS			
Financial asset at fair value through profit or loss			
- Government Securities	5.1	5,506,200	11,672,891
- Letter of Placements	5.2	1,200,000	1,100,000
		<u>6,706,200</u>	<u>12,772,891</u>

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

Issue Date	Tenor	Face value (Rupees in '000)				(Rupees in '000)	Market value as a percentage of	
		As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at September 30, 2023	Market Value as at September 30, 2023	Total Investments	Net Assets
(Rupees in '000)						%		
Treasury bills								
August 25, 2022	1 Year	-	9,475,000	9,475,000	-	-	-	
March 27, 2023	6 month	-	8,022,000	8,022,000	-	-	-	
April 20, 2023	3 month	-	672,000	672,000	-	-	-	
May 4, 2023	3 month	1,000,000	2,000,000	3,000,000	-	-	-	
May 18, 2023	3 month	-	2,350,000	2,350,000	-	-	-	
June 1, 2023	3 month	-	27,105,000	27,105,000	-	-	-	
June 15, 2023	3 month	7,550,000	19,723,000	27,273,000	-	-	-	
June 22, 2023	3 month	-	18,150,000	18,150,000	-	-	-	
July 13, 2023	3 month	-	325,000	325,000	-	-	-	
July 25, 2023	3 month	-	4,455,000	4,455,000	-	-	-	
August 10, 2023	3 month	-	15,850,000	15,850,000	-	-	-	
August 24, 2023	3 month	-	8,780,000	8,780,000	-	-	-	
September 21, 2023	3 month	-	1,050,000	1,050,000	-	-	-	
Total as at September 30, 2023		8,550,000	117,957,000	126,507,000	-	-		

Issue date	Tenor	Face value (Rupees in '000)				(Rupees in '000)			Market value as a percentage of	
		As at July 1, 2023	Purchased during the year	Disposed of / matured during the year	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Unrealised appreciation		
									total investments	net asset
----- % -----										
Pakistan Investment Bonds										
August 26, 2021	5 years	3,450,000	-	3,450,000	-	-	-	-	-	-
December 30, 2021	2 years	-	5,520,000	-	5,520,000	5,505,433	5,506,200	767	82.11	33.18
Total as at September 30, 2023		3,450,000	5,520,000	3,450,000	5,520,000	5,505,433	5,506,200	767	82.11	33.18

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

Name of Company	As at July 01, 2023	Placements made during the period	Matured during the period	As at September 30, 2023	Carrying / Market Value as at Sept 30, 2023	Percentage of total value of investments	Percentage of Net Assets
	----- (Rupees in '000) -----					-----%-----	
Bank Alfalah Limited	1,100,000	-	1,100,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,300,000	1,300,000	-	-	-	-
Pak Kuwait Investment Co. Ltd.	-	1,500,000	1,500,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,500,000	1,500,000	-	-	-	-
Pak Kuwait Investment Co. Ltd.	-	1,500,000	1,500,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,600,000	1,600,000	-	-	-	-
Pak Kuwait Investment Co. Ltd.	-	1,700,000	1,700,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,700,000	1,700,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,700,000	1,700,000	-	-	-	-
Pak Brunei Investment Co. Ltd.	-	1,300,000	1,300,000	-	-	-	-
Pak Kuwait Investment Co. Ltd.	-	500,000	500,000	-	-	-	-
Pak Brunei Investment Co. Ltd.	-	1,300,000	1,300,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,450,000	1,450,000	-	-	-	-
Pak Kuwait Investment Co. Ltd.	-	1,490,000	1,490,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,500,000	1,500,000	-	-	-	-
Saudi Pak Ind & Agri Investment Co. (Pvt) Ltd.	-	1,100,000	1,100,000	-	-	-	-
Pak Brunei Investment Co. Ltd.	-	1,200,000	1,200,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,500,000	1,500,000	-	-	-	-
Pak Kuwait Investment Co. Ltd.	-	1,600,000	1,600,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,200,000	-	1,200,000	1,200,000	17.89	7.23
Total as at September 30, 2023	-	26,640,000	25,440,000	1,200,000	1,200,000	17.89	7.23

			September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
	Note			
<b>6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>				
Management fee payable	6.1		6,540	6,001
Sindh Sales Tax on Management fee payable	6.2		850	780
Sales load payable to management company			141	905
Allocation of expenses related to registrar services, accounting, operation and valuation services			9,157	8,427
Selling and marketing payable to management company			27,960	24,550
			<b>44,648</b>	<b>40,663</b>

**6.1** As per the offering document of the Fund the maximum limit of the Management fee is 1.5% per annum of average annual net assets. During the period, management remuneration is charged by the Asset Management Company at the rate ranging from 0.50% (June 2023: 0.50% to 0.75%) of average annual net assets. The fee is payable monthly in arrears.

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

			September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
	Note			
<b>7. PAYABLE TO TRUSTEE</b>				
Remuneration payable to the	7.1		719	660
Sindh Sales Tax payable on remuneration of the Trustee			93	86
			<b>812</b>	<b>746</b>

**7.1** The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed at the rate of 0.055% (June 2023: 0.055%) per annum of the daily net assets of the Fund. The fee is payable monthly in arrears.

			September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
	Note			
<b>8. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>				
SECP fee payable	8.1		978	2,814

**8.1** Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
	Auditors remuneration		88	505
	Withholding tax payable		5,653	227,441
	Federal Excise Duty	9.1	41,211	41,211
	Capital gain tax payable		7,372	23,146
	Advance againts units to be issued		2,500	2,500
	Zakat payable		372	840
	Brokerage payable		840	323
			<b>58,036</b>	<b>295,966</b>

#### 9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 41.211 million (June 30, 2023: Rs. 41.211 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2023 would have been higher by Re. 0.27 (June 30, 2023: Re. 0.32) per unit.

#### 10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2023.

#### 11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund (annualized) as at September 30, 2023 is 2.12% (June 30, 2023: 1.98%) which includes 0.15% (June 30, 2023: 0.10%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc.

#### 12. TAXATION

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

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

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

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

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

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

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

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

		(Un-Audited)	
		Three months ended	
		September 30,	
		2023	2022
		(Rupees in '000)	
<b>14.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee	22,568	34,557
	Allocation of expenses related to registrar services, accounting, operation and valuation services	27,960	24,465
	Selling and Marketing expenses	27,960	24,465
	Investment of 336,135 units (2022: nil units)	35,000	-
	Redemption of 335,955 units (2022: nil units)	35,000	-
	<b>Habib Bank Limited - Sponsor</b>		
	Redemption of nil units (2022: 4,603,276 units)	-	489,508
	Bank charges paid	222	84
	Mark-up earned during the period	52,215	50,706
	Purchase of T Bills	9,755,000	-
	Sale of T Bills	9,575,000	-
	<b>Habib Bank Limited - Treasury Division</b>		
	Redemption of nil units (2022: 681,844 units)	-	72,507
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration	2,482	2,534
	<b>Directors, Executives and Key Management personnel</b>		
	Investment of 86,060 Units (2022: Nil units )	8,999	-
	Redemption of 111,556 units (2022: 29,818 units)	11,664	3,087
	<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>		
	Redemption of nil units (2022: 45,134 units)	-	4,782
	<b>CDC Trustee HBL Pension Fund - Money Market Sub Fund</b>		
	Purchase of T Bills	73,000	-
	<b>CDC Trustee HBL Total Treasury Exchange Traded Fund</b>		
	Purchase of T Bills	572,000	-
	<b>CDC Trustee HBL Cash Fund</b>		
	Purchase of T Bills	300,000	1,500,000

14.2	Balance outstanding as at period end	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		(Rupees in '000)	
	<b>HBL Asset Management Limited - Management Company</b>		
	Management Fee	6,540	6,001
	Sindh Sales Tax	850	780
	Sale load payable	141	905
	Allocation of expenses related to registrar services, accounting, operation and valuation services	9,157	8,427
	Selling and Marketing expenses	27,960	24,550
	Investment held in the Fund: 180 units (June 30, 2023: nil units)	20	-
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balances	9,573,159	98,907
	Profit accrued on bank deposits	46,601	1,837
	<b>HBL Asset Management Limited Employees Gratuity Fund - Associate</b>		
	Investment held in the Fund: 24,637 units (June 30, 2023: 24,637 units)	2,671	2,538
	<b>HBL Asset Management Limited Employees Provident Fund - Associate</b>		
	Investment held in the Fund: 85,693 units (June 30, 2023: 85,693 units)	9,291	8,829
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	812	746
	<b>Directors, Executives and Key Management personnel</b>		
	Investment held in the Fund : 1,405 units (June 30, 2023: 81,581 units)	152	8,405
	<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>		
	Investment held in the Fund : 15,028 units (June 30, 2023: 15,028 units)	1,629	1,548
	<b>Muhammad Arshad</b>		
	<b>Connected Person - due to holding more than 10%</b>		
	Investment held in the Fund: nil units (June 30, 2023: 25,912 units)	-	2,670
	<b>Riaz Textile Mills (Private) Limited</b>		
	<b>Connected Person - due to holding more than 10%</b>		
	Investment held in the Fund: nil units (June 30, 2023: 36,534 units)	-	3,764
	<b>Saleem Majidulla</b>		
	<b>Connected Person - due to holding more than 10%</b>		
	Investment held in the Fund: nil units (June 30, 2023: 21 units)	-	2

## 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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



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

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

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

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

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

	September 30, 2023 (Unaudited)						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----						
Financial assets measured at fair value							
Investments							
-Government securities	5,506,200	-	5,506,200	-	5,506,200	-	5,506,200
-Letter of placements	1,200,000	-	1,200,000	-	1,200,000	-	1,200,000
	6,706,200	-	6,706,200	-	6,706,200	-	6,706,200

	June 30, 2023 (Audited)						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----						
Financial assets measured at fair value							
Investments							
-Government securities	11,672,891	-	11,672,891	-	11,672,891	-	11,672,891
-Letter of placements	1,100,000	-	1,100,000	-	1,100,000	-	1,100,000
	12,772,891	-	12,772,891	-	12,772,891	-	12,772,891

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

**16. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 27, 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**

## **Cash Fund**

## FUND INFORMATION

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Name of Fund HBL Cash Fund

Name of Auditor Yousuf Adil, 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) (VIS)

**HBL Cash Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At September 30, 2023*

		September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
	Note		
<b>Assets</b>			
Bank balances	5	21,993,975	11,991,941
Investments	6	26,136,525	38,165,975
Accrued markup on bank balances and investments		1,415,785	406,849
Deposits and prepayments		1,170	1,253
<b>Total assets</b>		<b>49,547,455</b>	<b>50,566,018</b>
<b>Liabilities</b>			
Payable to Management Company	7	82,999	72,175
Payable to the Trustee	8	2,827	2,555
Payable to the Securities and Exchange Commission of Pakistan	9	3,411	8,050
Payable against purchase of investment		-	-
Accrued expenses and other liabilities	10	357,665	144,422
Dividend payable		-	-
<b>Total liabilities</b>		<b>446,903</b>	<b>227,202</b>
<b>Net assets</b>		<b>49,100,553</b>	<b>50,338,816</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>49,100,553</b>	<b>50,338,816</b>
<b>Contingencies and commitments</b>	11		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>477,702,609</b>	<b>493,553,515</b>
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>102.7848</b>	<b>101.9926</b>

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

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

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

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

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

# HBL Cash Fund

## Condensed Interim Income Statement And Other Comprehensive Income (Un-audited) For The Three Months Ended September 30, 2023

		Three Months ended September 30, 2023                      2022 (Rupees in '000)	
	Note		
<b>Income</b>			
Capital gain/(loss) on sale of investments - net		15,030	(8,552)
Income from government securities		2,484,835	579,580
Income from money market placements		269,456	116,466
Income from corporate sukkuk bond		-	34,573
Profit on bank deposits		276,761	582,683
		3,046,083	1,304,750
Unrealized (diminution) on re-measurement of investments classified as ' financial assets at fair value through profit or loss - held-for-trading - net		5,572	(500)
		3,051,655	1,304,250
<b>Expenses</b>			
Remuneration of the Management Company	7.1	112,794	43,672
Sindh Sales Tax on remuneration of Management Company	7.2	14,663	5,677
Remuneration of the Trustee	8	8,554	5,143
Fee to the Securities and Exchange Commission of Pakistan	9	10,314	1,655
Selling & marketing expense		30,004	19,747
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	30,004	19,747
Auditors remuneration		130	107
Fee & Subscription charges		83	59
Settlement and bank charges		788	226
<b>Total operating expense</b>		207,335	96,033
<b>Net income for the period from operating activities</b>		2,844,320	1,208,217
<b>Net income for the period before taxation</b>		2,844,320	1,208,217
Taxation	12	-	-
<b>Net income for the period after taxation</b>		2,844,320	1,208,217
<b>Allocation Of Net Income For The Period</b>			
<b>Income already paid on redemption</b>		225,573	115,334
Accounting income available for distribution		-	-
-Relating to capital gain		2,618,747	1,092,883
-Excluding capital gain		2,618,747	1,092,883
<b>Net income for the period after taxation</b>		2,844,320	1,208,217
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		2,844,320	1,208,217

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Cash Fund

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

### For The Three Months Ended September 30, 2023

	September 30,			2022		
	2023			2022		
	(Rupees in '000)					
	Capital value	Undistribut d income	Total	Capital value	Undistribut d income	Total
<b>Net assets at the beginning of the year</b>	<b>49,912,401</b>	<b>426,415</b>	<b>50,338,816</b>	<b>35,913,953</b>	<b>152,355</b>	<b>36,066,308</b>
Issuance of 321,537,312 units (2022: 289,148,426 units)						
- Capital value (at net asset value per unit at the beginning of the year)	32,952,404	-	32,952,404	29,389,839	-	29,389,839
- Element of income	38,233	-	38,233	91,497	-	91,497
Total proceeds on issuance of units	32,990,637	-	32,990,637	29,481,336	-	29,481,336
Redemption of 337,388,218 units (2022: 301,158,569 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(34,411,108)	-	(34,411,108)	(30,525,763)	-	(30,525,763)
- Income already paid on redemption	-	(225,573)	(225,573)	-	(115,334)	(115,334)
- Element of income	(81,748)	-	(81,748)	(63,039)	-	(63,039)
Total payment on redemption of units	(34,492,856)	(225,573)	(34,718,429)	(30,588,802)	(115,334)	(30,704,136)
Total comprehensive income for the year	-	2,844,320	2,844,320	-	1,208,217	1,208,217
Rs. 1.6445 per unit declared on August 05, 2022 as cash dividend				-		
Refund of capital				(59,495)	-	(59,495)
Distribution during the year				-	(449,925)	(449,925)
Rs. 1.0143 per unit declared on September 02, 2022 as cash dividend				-		
Refund of capital				(21,942)	-	(21,942)
Distribution during the year				-	(297,321)	(297,321)
Rs. 2.1545 per unit declared on August 04, 2023 as cash dividend				-		
Refund of capital	(89,126)	-	(89,126)	-	-	-
Distribution during the year	-	(1,017,984)	(1,017,984)	-	-	-
Rs. 2.4155 per unit declared on September 15, 2023 as cash dividend				-		
Refund of capital	(68,845)	-	(68,845)	-	-	-
Distribution during the year	-	(1,178,835)	(1,178,835)	-	-	-
Total comprehensive income for the year less distribution	(157,971)	647,501	489,530	(81,437)	460,971	379,534
<b>Net assets at the end of the year</b>	<b>48,252,211</b>	<b>848,343</b>	<b>49,100,553</b>	<b>34,725,050</b>	<b>497,992</b>	<b>35,223,041</b>
Undistributed income brought forward						
- Realised		151,855			151,855	
- Unrealised		500			500	
		152,355			152,355	
Element of income and capital gains included in prices of units issued less those in units redeemed		-			-	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		2,618,747			1,092,883	
		2,618,747			1,092,883	
Distribution during the year						
Rs. 2.1545 per unit declared on August 04, 2023 as cash dividend		(1,017,984)			(449,925)	
Rs. 2.4155 per unit declared on September 15, 2023 as cash dividend		(1,178,835)			(297,321)	
Undistributed income carried forward		574,283			497,992	
<b>Undistributed income carried forward</b>						
- Realised		568,711			498,492	
- Unrealised		5,572			(500)	
		574,283			497,992	
				(Rupees)		
<b>Net assets value per unit at beginning of the year</b>			101.9926			101.3611
<b>Net assets value per unit at end of the year</b>			102.7848			102.4492

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Cash Fund**  
**Condensed Interim Statement of Cash Flow (Un-Audited)**  
*For The Three Months Ended September 30, 2023*

	Three Month ended September 30, 20232022 (Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	2,844,320	1,208,217
Adjustments		
Capital loss/(gain) on sale of investments-net	(15,030)	8,552
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(5,572)	500
Operating cash inflow before working capital changes	2,823,718	1,217,269
(Increase) / Decrease in assets		
Investments - net	12,050,052	276,337
Profit Receivable	(1,008,936)	38,711
Prepayments and advances	83	(3,345,917)
	11,041,199	(3,030,869)
(Decrease) in liabilities		
Payable to the Management Company	10,824	18,449
Payable to Trustee	272	154
Payable to Securities and Exchange Commission of Pakistan	(4,639)	(4,484)
Payable against purchase of investment	-	(484,070)
Accrued expenses and other liabilities	213,243	83,457
Dividend payable	-	-
	219,701	(386,494)
Net cash generated from / (used in ) operating activities	14,084,617	(2,200,094)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	32,990,637	29,481,336
Payments on redemption of units	(34,718,429)	(30,704,136)
Dividend paid	(2,354,790)	(828,683)
Net payments from issuance and redemptions of units	(4,082,582)	(2,051,483)
Net cash generted from financing activities	(4,082,582)	(2,051,483)
Net increase in cash and cash equivalents	10,002,035	(4,251,577)
Cash and cash equivalents at the beginning of the period	11,991,941	33,290,444
Cash and cash equivalents at the end of the period	21,993,975	29,038,866

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

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

Chief Financial Officer

Chief Executive Officer

Director



# HBL Cash Fund

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

For Three Months Ended September 30, 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.

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

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

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

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

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

VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company and a 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 Limited as trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

**2.1.2** "The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023."

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

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## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2023.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2023

## 4 Amendments in the NBFC Regulations:

During the year SECP vide its notification SRO 756(I)/2017 dated August 3, 2017 introduced amendments in the Non-Banking Finance Companies and Notified Entities, Regulation 2008. The definition of element of income has been inserted via said amendment which defines element of income as difference between net assets value on the issuance or redemption date, as the case may be, of units and the net asset value at the beginning of the relevant accounting period. The said amendment also excludes element of income from accounting income for the purpose of distribution under Regulation 63 of the NBFC Regulations.

As a result of these amendments "element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed" previously recognized in Income Statement and Statement of Movement in Unit Holders' Fund is discontinued effective from July 1, 2017, while simultaneously disclosure related to "allocation of Net Income for the year" has been included in the income statement.

	Note	September 30, 2023 Un-Audited (Rupees in '000)	June 30, 2023 (Audited)
<b>5 BANK BALANCES</b>			
In savings accounts	5.1	21,993,969	11,991,935
In current accounts		6	6
		<u>21,993,975</u>	<u>11,991,941</u>

- 5.1 These accounts carry mark-up at rates ranging between 12% and 22.50% (June 30, 2023: 12% to 22.65%) per annum. This includes a balance held by a related party (Habib Bank Limited) amounting to Rs. 16,346.674 million (2023: Rs. 84.831 million) which carry markup at rates ranging between 22.35% to 22.50% (2023: 13.5% to 19.5%) per annum.

		September 30, 2023	June 30, 2023	
		Un-Audited	(Audited)	
6	INVESTMENTS	(Rupees in '000)		
	Financial assets			
	At fair value through profit or loss	6.1	21,636,525	34,265,975
	At amortized cost	6.2	4,500,000	3,900,000
			26,136,525	38,165,975
6.1	Financial assets at fair value through profit or loss			
	Market treasury bills	6.1.1	-	23,776,311
	Pakistan Investment Bonds	6.1.2	21,636,525	10,489,664
			21,636,525	34,265,975

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

Issue date	Tenor	As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at September 30, 2023	Balance as at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments	
						Carrying value	Market value	Appreciation / (diminution)			
(Rupees in '000)											
June 1, 2023	3 months	-	192,875,000	192,875,000	-	-	-	-	0%	0%	
May 4, 2023	3 months	6,500,000	12,520,200	19,020,200	-	-	-	-	0%	0%	
September 7, 2023	3 months	-	5,700,000	5,700,000	-	-	-	-	0%	0%	
August 10, 2023	3 months	-	19,711,000	19,711,000	-	-	-	-	0%	0%	
July 13, 2023	3 months	-	950,000	950,000	-	-	-	-	0%	0%	
June 15, 2023	3 months	18,100,000	53,669,000	71,769,000	-	-	-	-	0%	0%	
May 18, 2023	3 months	-	23,971,500	23,971,500	-	-	-	-	0%	0%	
April 20, 2023	3 months	-	900,000	900,000	-	-	-	-	0%	0%	
September 21, 2023	3 months	-	2,207,000	2,207,000	-	-	-	-	0%	0%	
June 22, 2023	3 months	-	141,633,000	141,633,000	-	-	-	-	0%	0%	
August 24, 2023	3 months	-	14,950,000	14,950,000	-	-	-	-	0%	0%	
July 25, 2023	3 months	-	5,325,000	5,325,000	-	-	-	-	0%	0%	
August 25, 2022	12 months	-	21,375,000	21,375,000	-	-	-	-	0%	0%	
March 27, 2023	6 months	-	7,322,000	7,322,000	-	-	-	-	0%	0%	
Total - As at September 30, 2023			24,600,000	503,108,700	527,708,700	-	-	-	0%	0%	
Total - June 30, 2023			-	701,987,530	677,887,530	500,000	484,070	484,570	500	1%	17%

6.1.2 Financial assets at fair value through profit or loss - Pakistan investment bonds (floating)

Name of investee company	Tenor	As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at September 30, 2023	Balance as at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
October 22, 2020	3 Years	500,000	2,500,000	2,500,000	500,000	496,828	499,500	2,672.00	1%	2%
August 26, 2021	2 Years	10,015,000	-	10,015,000	-	-	-	-	0%	0%
December 30, 2021	2 Years	-	26,190,000	5,000,000	21,190,000	21,132,158	21,137,025	4,867.00	43%	81%
Total - As at September 30, 2023		10,515,000	28,690,000	17,515,000	21,690,000	21,628,986	21,636,525	7,539	44%	83%
Total - June 30, 2023		-	45,612,900	35,097,900	10,515,000	10,482,856	10,489,664	6,808	21%	27%

- 6.1.2.1 These Pakistan Investment Bonds carry mark-up at the rate ranging between 21.75% to 23.38% (June 2023: 22.05% to 23.37% per annum).

6.2	Financial assets at amortised cost - Letter of Placement	Note	Un-audited September 30, 2023	(Audited) June 30, 2023
			(Rupees in '000)	
	Letter of placements	6.2.1	4,500,000	3,900,000
			<b>4,500,000</b>	<b>3,900,000</b>

## 6.2.1 Financial assets at amortised cost - Letter of Placement

Name of Company	As at July 1, 2023	Placement made during the year	Matured / Sold during the year	As at September 30, 2023	Carrying / Market Value as at Sept 30, 2023	Percentage of total value of investments	Percentage of Net Assets
(Rupees in '000)				%			
Bank Alfalah Limited	3,900,000	-	3,900,000	-	-	-	-
Pak Oman Investment Co. Ltd	0	4,500,000	4,500,000	-	-	-	-
Pak Kuwait Investment Co. Ltd	0	4,000,000	4,000,000	-	-	-	-
Pak Oman Investment Co. Ltd	0	5,100,000	5,100,000	-	-	-	-
Pak Kuwait Investment Co. Ltd	0	750,000	750,000	-	-	-	-
Pak Kuwait Investment Co. Ltd	0	3,300,000	3,300,000	-	-	-	-
Pak Kuwait Investment Co. Ltd	0	1,000,000	1,000,000	-	-	-	-
Saudi Pak Ind. & Agri Investment Co. Ltd	0	930,000	930,000	-	-	-	-
Pak Kuwait Investment Co. Ltd	0	1,400,000	1,400,000	-	-	-	-
Pak Oman Investment Co. Ltd	0	5,300,000	5,300,000	-	-	-	-
Pak Kuwait Investment Co. Ltd	0	5,300,000	5,300,000	-	-	-	-
Saudi Pak Ind. & Agri Investment Co. Ltd	0	2,000,000	2,000,000	-	-	-	-
Pak Oman Investment Co. Ltd	0	1,300,000	1,300,000	-	-	-	-
Pak Brunei Investment Co. Ltd	0	1,500,000	1,500,000	-	-	-	9.2%
Pak Brunei Investment Co. Ltd	0	1,500,000	1,500,000	-	-	-	-
Pak Brunei Investment Co. Ltd	0	1,500,871	1,500,871	-	-	-	-
Pak Brunei Investment Co. Ltd	0	1,500,871	1,500,871	-	-	-	-
Pak Brunei Investment Co. Ltd	0	1,300,000	1,300,000	-	-	-	-
Pak Oman Investment Co. Ltd	0	4,000,000	4,000,000	-	-	-	-
Pak Brunei Investment Co. Ltd	0	2,000,000	2,000,000	-	-	-	-
Pak Brunei Investment Co. Ltd	0	2,000,000	2,000,000	-	-	-	-
Pak Kuwait Investment Co. Ltd	0	1,000,000	1,000,000	-	-	-	-
Pak Kuwait Investment Co. Ltd	0	5,600,000	5,600,000	-	-	-	-
Pak Oman Investment Co. Ltd	0	5,600,000	5,600,000	-	-	-	-
Saudi Pak Ind. & Agri Investment Co. Ltd	0	1,900,000	1,900,000	-	-	-	-
Saudi Pak Ind. & Agri Investment Co. Ltd	0	2,000,000	2,000,000	-	-	-	-
Pak Oman Investment Co. Ltd	0	5,600,000	5,600,000	-	-	-	-
Pak Brunei Investment Co. Ltd	0	2,500,000	2,500,000	-	-	-	-
Pak Brunei Investment Co. Ltd	0	2,000,000	2,000,000	-	-	-	-
Pak Kuwait Investment Co. Ltd	0	5,500,000	5,500,000	-	-	-	-
Pak Oman Investment Co. Ltd	0	4,500,000	-	4,500,000	4,500,000	17%	9.2%
<b>Total - as at September 30, 2023</b>	<b>3,900,000</b>	<b>86,381,742</b>	<b>85,781,742</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>17%</b>	<b>9.2%</b>
<b>Total - as at June 30, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>

6.2.1 These carry return of 22.00%, 21.10% per annum respectively (June 2023: 22.65%, 14.05% per annum.)

Note	Un-audited September 30, 2023 (Un-Audited)	(Audited) June 30, 2023 (Audited)
	(Rupees in '000)	

## 7 PAYABLE TO MANAGEMENT COMPANY

Management fee	7.1	37,295	33,305
Sindh sales tax payable	7.2	4,848	4,330
Allocation of expenses related to registrar services, accounting, operation and valuation services		10,006	7,401
Selling & marketing payable		30,004	25,303
sales load payable		846	1,836
		<b>82,999</b>	<b>72,175</b>

**7.1** The management has charged a fee at the rate ranging between 0.81% to 0.82% of the average daily net asset of the scheme. Currently management fee is being charged at the rate of 0.82% of the average daily net asset of the fund. The fee is payable monthly in arrears.

**7.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2023: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

		<b>Un-audited</b> <b>September 30,</b> <b>2023</b> <b>(Un-Audited)</b>	<b>(Audited)</b> <b>June 30,</b> <b>2023</b> <b>(Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>8 PAYABLE TO THE TRUSTEE</b>			
Trustee fee payable		<b>2,502</b>	2,261
Sindh Sales Tax payable on remuneration of the Trustee		<b>325</b>	294
		<b>2,827</b>	<b>2,555</b>

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

Fee payable		<b>3,411</b>	8,050
		<b>3,411</b>	<b>8,050</b>

**9.1** Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

		<b>Un-audited</b> <b>September 30,</b> <b>2023</b> <b>(Un-Audited)</b>	<b>(Audited)</b> <b>June 30,</b> <b>2023</b> <b>(Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	

**10 ACCRUED EXPENSES AND OTHER LIABILITIES**

Provision for Federal Excise Duty and additional sales tax on management fee	10.1	<b>7,528</b>	7,528
Withholding tax payable		<b>348,875</b>	135,736
Auditors' remuneration		<b>99</b>	270
Brokerage payable		<b>751</b>	669
Zakat Payable		<b>327</b>	219
Other Payable		<b>85</b>	-
		<b>357,665</b>	<b>144,422</b>

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- 10.1** The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 7.528 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2023 would have been higher by Rs. 0.0158 per unit (June 30, 2023: 0.0153 per unit).

## **11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at September 30, 2023 and June 30, 2023.

## **12 TAXATION**

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

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

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

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

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

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

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

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

		Three Month ended September 30,	
		2023	2022
		(Rupees in '000)	
<b>14.1</b>	<b>Transaction during the period</b>		
	<b>Management Company</b>		
	Remuneration of the Management Company	112,794	43,672
	Sindh Sales Tax on remuneration of the Management Company	14,663	5,677
	Allocation of expenses related to registrar services, accounting, operation and valuation services	30,004	19,747
	Selling & marketing expense	30,004	19,747
	Issue of 3,902,450 units (2022: 3,272,574 units)	402,000	333,763
	Redemption of 3,159,474 units (2022: 1,369,831 units)	325,000	140,000
	Dividend paid	10,917	2,473
	<b>HBL Asset Management Limited -</b>		
	- <b>Employee Gratuity Fund - Associate</b>		
	Issuance of 106,282.4524 units (2022: Nil units)	11,000	-
	Redemption of 3,386.9473 units (2022: Nil units)	350	-
	Dividend paid	719	-
	<b>HBL Asset Management Limited -</b>		
	- <b>EMPLOYEES PROVIDENT FUND</b>		
	Issuance of 116,036.5767 units (2022: Nil units)	12,000	-
	Redemption of 33,897.3004 units (2022: Nil units)	4,000	-
	Dividend paid	1,139	-
	<b>Fauji Fertilizers Company Limited -</b>		
	- <b>Connected person due to holding of more than 10% units</b>		
	Issuance of 25,713,185.86 units (2022: Nil units)	2,650,000	-
	Redemption of 51,213,045.69 units (2022: Nil units)	5,256,000	-
	Dividend paid	432,775	-

	Three Month ended September 30,	
	2023	2022
	(Rupees in '000)	
<b>Central Depository Company Of Pakistan Limited - Trustee</b>		
Remuneration for the period	8,554	5,143
CDS connection charges	1	11
<b>Habib Bank Limited - Sponsor</b>		
Profit on bank deposits	156,388	167,049
Purchase of T-Bill	18,503,212	-
Sale of T-Bill	11,293,631	-
<b>HBL Micro Finance Bank Limited</b>		
Sale of T-Bill	198,837	-
<b>CDC Trustee HBL Equity Fund</b>		
Purchase of T-Bill	-	15,000
	Three Month ended September 30,	
	2023	2022
	(Rupees in '000)	
<b>Directors and Executives of the Management Company</b>		
Issue of 324,476.2574 units (2022: 214,320 units)	33,155	21,802
Redemption of 391,179.2092 units (2022: 197,428 units)	40,142	20,129
Dividend paid	91	435
<b>DCCL HBL Financial Planning Fund - Active Allocation Plan - Associated Company</b>		
Issue of 201,164.3896 units (2022: Nil units)	20,836	-
Dividend paid	486	-
<b>DCCL HBL Financial Planning Fund - Conservative Allocation Plan - Associated Company</b>		
Issue of 11,164.7461 units (2022: 4 units)	1,156	0
Dividend paid	221	-
<b>Mutual Funds Association of Pakistan - Associated Company</b>		
Issue of Nil units (2022: 1,156 units)	-	117
Dividend paid	-	138



		Three Month ended September 30,	
		2023	2022
		(Rupees in '000)	
<b>Pakistan Petroleum Company - Associated Company</b>			
Issue of Nil units (2022: 9,286,402.01 units)		-	951,000
Redemption of 38,679,206.03 units (2022: Nil units)		3,964,294	-
Dividend paid		171,835	-
<b>CDC Trustee HBL Multi Asset Fund</b>			
Purchase of T-Bill		-	25,000
<b>CDC Trustee HBL Stock Fund</b>			
Purchase of T-Bill		-	25,000
<b>CDC Trustee HBL Growth Fund</b>			
Purchase of T-Bill		-	35,000
<b>CDC Trustee HBL Money Market Fund</b>			
Purchase of T-Bill		-	1,500,000
Sale of T-Bill		298,243	-
<b>CDC Trustee HBL Islamic Income Fund</b>			
Purchase of Lucky Electric Power Company Sukuk		-	259,587
		September 30, 2023 (Un-Audited)	June 30, 2023 Audited
		(Rupees in '000')	
14.2	Balances outstanding at the period / year end		
<b>Management Company</b>			
Outstanding 1,455,040 units (June 2023 : 615,467)		149,331	62,773
Remuneration of the Management Company		37,295	33,305
Sindh Sales Tax on remuneration of the Management Company		4,848	4,330
Allocation of expenses related to registrar services, accounting, operation and valuation services		10,006	7,401
Selling & marketing payable		30,004	25,303
Sales load payable		846	1,836
<b>HBL Asset Management Limited - - Employee Gratuity Fund - Associate</b>			
161,014 units held (June 2023: 51,069 units)		16,559	5,209
<b>HBL Asset Management Limited - - EMPLOYEES PROVIDENT FUND</b>			
262,158 units held (June 2023: 173,852 units)		26,905	17,732

	September 30, 2023 (Un-Audited) (Rupees in '000')	June 30, 2023 Audited
<b>Fauji Fertilizers Company Limited - - Connected person due to holding of more than 10% units</b>		
50,841,572 units held (June 2023: 72,694,344 units)	<u>5,217,876</u>	<u>7,414,285</u>
<b>Central Depository Company Of Pakistan Limited - Trustee</b>		
Trustee fee payable	<u>2,827</u>	<u>2,555</u>
Security deposit held	<u>100</u>	<u>100</u>
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	<u>16,346,674</u>	<u>84,841</u>
Profit Receivable	<u>149,680</u>	<u>2,050</u>
<b>Directors and Executive of the Management Company</b>		
7,619 units held (June 2023: 165,046 units)	<u>782</u>	<u>16,833</u>
<b>DCCL HBL Financial Planning Fund - Active Allocation Plan - Associated Company</b>		
205,929 units held (June 2023: Nil units)	<u>21,178</u>	<u>-</u>
<b>DCCL HBL Financial Planning Fund - Conservative Allocation Plan - Associated Company</b>		
55,403 units held (June 2023: 42,068 units)	<u>5,698</u>	<u>4,291</u>
<b>PAKISTAN PETROLEUM LIMITED - Associated Company</b>		
Nil units held (June 2023: 37,247,145 units)	<u>-</u>	<u>3,798,933</u>

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2023						
		Carrying amount		Fair value				
		Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value		15.1						
Pakistan Investment Bonds		21,636,525	-	21,636,525	-	21,636,525	-	21,636,525
		21,636,525	-	21,636,525	#	21,636,525	-	21,636,525
Financial assets not measured at fair value		15.2						
Bank balances		-	21,993,975	21,993,975				
Accrued markup		-	1,415,785	1,415,785				
Investments		-	4,500,000	4,500,000				
Deposits		-	100	100				
		-	27,909,860	27,909,860				
Financial liabilities not measured at fair value		15.3						
Payable to Management Company		-	82,999	82,999				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	2,827	2,827				
Accrued expenses and other liabilities		-	850	850				
		-	86,676	86,676				
		June 30, 2023						
		Carrying amount		Fair value				
		Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value		15.1						
Market treasury bills		23,776,311	-	23,776,311	-	23,776,311	-	23,776,311
Pakistan Investment Bonds		10,489,664	-	10,489,664	-	10,489,664	-	10,489,664
		34,265,975	-	34,265,975	-	34,265,975	-	34,265,975
Financial assets not measured at fair value		15.2						
Bank balances		-	11,991,941	11,991,941				
Accrued markup		-	406,849	406,849				
Investments		-	3,900,000	3,900,000				
Deposits		-	100	100				
		-	16,298,890	16,298,890				
Financial liabilities not measured at fair value		15.3						
Payable to Management Company		-	67,845	67,845				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	2,261	2,261				
Payable against purchase of investments		-	-	-				
Accrued expenses and other liabilities		-	939	939				
		-	71,045	71,045				

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**15.1 Valuation Techniques**

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

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

**15.3** During the period ended September 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

**16 TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the three month ended September 30, 2023 is 1.51% (September, 2022 1.15%) which includes 0.19% (September, 2022 0.08%) representing government levy and SECP fee.

**17 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by the Board of Directors of the Management company on October 27, 2023.

**18 GENERAL**

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

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

**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 Finance Bank Limited

# HBL Stock Fund

## Condensed Interim Statement of Assets and Liabilities (Un-Audited)

As at September 30, 2023

	Note	September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
<b>Assets</b>			
Bank balances	4	25,886	38,722
Investments	5	102,501	148,861
Dividend receivable and accrued mark-up	6	2,525	1,370
Receivable against sale of investments		22,787	11,584
Receivables from HBL Asset Management Limited - Management Company		-	2,125
Advance, deposits and other receivables		3,104	3,111
<b>Total assets</b>		<b>156,803</b>	<b>205,773</b>
<b>Liabilities</b>			
Payable to Management Company	8	598	798
Payable to Trustee		21	30
Payable to Securities and Exchange Commission of Pakistan	12	9	38
Payable against purchase of investments		11,916	4,482
Accrued expenses and other liabilities	9	39,890	40,194
<b>Total liabilities</b>		<b>52,434</b>	<b>45,542</b>
<b>Net assets</b>		<b>104,369</b>	<b>160,231</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>104,369</b>	<b>160,231</b>
<b>Contingencies and commitments</b>	10		
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>1,335,849</b>	<b>2,300,195</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>78.1294</b>	<b>69.6596</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 Stock Fund

### Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited) For The Three Months Ended September 30, 2023

		Three months ended September 30,	
		2023	2022
		(Rupees in '000)	
<b>Income</b>			
Dividend income		2,246	4,362
Mark-up on deposits with banks		2,443	1,647
Mark-up on government securities		-	138
Unrealized (dumination) on re-measurements of investments		(820)	(6,428)
Capital (loss) / gain on sale of investments - net		17,783	(2,302)
		21,652	(2,583)
<b>Expenses</b>			
Remuneration of Management Company	8.1&8.2	731	1,322
Remuneration of Trustee		73	147
Fee to Securities and Exchange Commission of Pakistan		31	12
Allocation of expenses related to registrar services, accounting, operation and valuation services		178	322
Selling & Marketing Expense		340	614
Settlement, Bank Charges & Other Expenses		149	140
Auditors' remuneration		185	121
Securities Transaction Cost		831	343
Legal Fee		-	-
		2,518	3,022
<b>Net (loss) / income from operating activities</b>		19,134	(5,605)
<b>Taxation</b>	13	-	-
<b>Net (loss) / income for the period after taxation</b>		19,134	(5,605)
<b>Earning per unit</b>	14		
<b>Allocation of net income for the period:</b>			
Income already paid on redemption of units		8,041	-
<b>Accounting (loss) / income available for distribution:</b>			
-Relating to capital gains		9,330	-
-Excluding capital gains		1,763	-
		11,093	-
Other comprehensive income for the period		-	-
<b>Total comprehensive (loss) / income for the period</b>		19,134	(5,605)

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 Stock Fund

## Statement Of Movement In Unitholders' Fund

### For The Three Months Ended September 30, 2023

	For the year ended September 30,					
	2023			2022		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	1,341,385	(1,181,154)	160,231	1,408,880	(1,173,243)	235,637
Issuance of 523,676 units (2022: 510,553 units)						
- Capital value (at net asset value per unit at the beginning of the period)	36,479	-	36,479	36,723	-	36,723
- Element of Income	3,565	-	3,565	(20)	-	(20)
Total proceeds on issuance of units	40,044	-	40,044	36,703	-	36,703
Redemption of 1,488,022 units (2022: 431,584 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(103,655)	-	(103,655)	(31,043)	-	(31,043)
- Amount relating to element of loss	(3,344)	(8,041)	(11,385)	(210)	-	(210)
Total payment on redemption of units	(106,999)	(8,041)	(115,040)	(31,253)	-	(31,253)
Total comprehensive income for the year less distribution	-	19,134	19,134	-	(5,605)	(5,605)
Net assets at the end of the period	1,274,430	(1,170,061)	104,369	1,414,330	(1,178,848)	235,483
Undistributed income brought forward						
- Realised		(1,177,896)			(1,105,204)	
- Unrealised		(3,258)			(68,039)	
		(1,181,154)			(1,173,243)	
Accounting (loss) / income available for distribution:						
-Relating to capital gains		9,330			-	
-Excluding capital gains		1,763			-	
		11,093			-	
Income already paid on redemption of units		(8,041)				
Total Comprehensive income / (loss) for the period		19,134			(5,605)	
Undistributed income carried forward		(1,170,061)			(1,178,848)	
Undistributed income carried forward						
- Realised		(1,169,241)			(1,172,420)	
- Unrealised		(820)			(6,428)	
		(1,170,061)			(1,178,848)	
				(Rupees)		
Net assets value per unit at beginning of the period			69.6596			71.9274
Net assets value per unit at end of the period			78.1294			70.1881

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 Stock Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For The Three Months Ended September 30, 2023*

	Three Months ended September 30,	
	2023	2022
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period	19,134	(5,605)
<b>Adjustments</b>		
Capital (loss) / gain on sale of investments - net	(17,783)	2,302
Dividend Income	(2,246)	(4,362)
Profit on bank deposit	(2,443)	(1,647)
Unrealized diminution on re-measurements of investments	820	6,428
	(2,518)	(2,884)
<b>(Increase) / decrease in assets</b>		
Investments - net	63,323	(13,281)
Receivable against sale of investments	(9,078)	(3,519)
Advances, deposits, prepayments and other receivables	7	-
	54,252	(16,800)
<b>Increase / (decrease) in liabilities</b>		
Payable to Management Company	(200)	(1,105)
Payable to Trustee	(9)	(23)
Payable to Securities and Exchange Commission of Pakistan	(29)	(126)
Payable against purchase of investments	7,434	16,486
Accrued expenses and other liabilities	(304)	(47)
	6,892	15,185
Mark-up on bank deposits received	2,469	2,145
Dividend received	1,065	2,828
<b>Net cash used in / (generated from) operating activities</b>	62,160	474
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	40,044	36,703
Payment against redemption of units	(115,040)	(31,253)
<b>Net cash generated from / (used in) financing activities</b>	(74,996)	5,450
<b>Net increase in cash and cash equivalents</b>	(12,836)	5,925
Cash and cash equivalents at beginning of the period	38,722	47,889
<b>Cash and cash equivalents at end of the period</b>	<b>25,886</b>	<b>53,813</b>

4

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 Stock Fund

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

For The Three Months Ended September 30, 2023

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### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

VIS Credit Rating Agency has assigned management quality rating of 'AM-1' (Stable outlook) to the Management Company.

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

### 2 BASIS OF PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

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

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

**2.1.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2023.

**2.1.4** This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

#### 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2023.

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

3.3 "The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023."

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2023.

4	BANK BALANCE	Note	September 30, 2023	June 30, 2023
			(Rupees in '000)	
	Savings accounts	4.1	25,870	38,704
	Current accounts		16	18
			<u>25,886</u>	<u>38,722</u>

Mark-up rates on these accounts range between 8% to 17% p.a (June 30, 2021: 5% - 16.7% p.a).

5	INVESTMENTS	Note	September 30, 2023	June 30, 2023
			(Rupees in '000)	
	Held For Trading			
	- Listed equity securities	5.1	102,501	148,861
			<u>102,501</u>	<u>148,861</u>

### 5.1 Listed Equity Securities

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

Name of the Investee Company	Number of shares				Market value	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2023	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2023	Total Investments	Net Assets		
	(Rupees in '000)								
CEMENT									
Cherat Cement Company Ltd.	38,500	-	-	38,500	-	-	0.00%	0.00%	0.00%
D G Khan Cement Co.Ltd.	123,000	117,000	-	188,000	52,000	2,258	2.20%	2.16%	0.01%
Lucky Cement Ltd	26,070	34,400	-	50,258	10,212	5,763	5.62%	5.52%	0.00%
Maple Leaf Cement Factory Ltd	308,578	233,500	-	369,500	172,578	5,167	5.04%	4.95%	0.03%
	496,148	384,900	-	646,258	234,790	13,188	12.87%	12.64%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	160,158	85,500	-	222,000	23,658	2,090	2.04%	2.00%	0.00%
Nishat Power Limited	-	240,000	-	240,000	-	-	0.00%	0.00%	0.00%
	160,158	325,500	-	462,000	23,658	2,090	2.04%	2.00%	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	20,890	62,000	-	-	82,890	4,133	4.03%	3.96%	0.03%
	20,890	62,000	-	-	82,890	4,133	4.03%	3.96%	
AUTOMOBILE PARTS & ACCESSORIES									
Baluchistan Wheels Ltd.	-	2,000	-	2,000	-	-	0.00%	0.00%	0.00%
	-	2,000	-	2,000	-	-	0.00%	0.00%	
PHARMACEUTICALS									
The Searle Company Ltd	11,915	-	-	-	11,915	419	0.41%	0.40%	0.01%
	11,915	-	-	-	11,915	419	0.41%	0.40%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	6,109	2,276	-	6,860	1,525	2,379	2.32%	2.28%	0.00%
Oil & Gas Development Co Ltd	147,455	109,500	-	171,100	85,855	8,282	8.08%	7.93%	0.00%
Pakistan Petroleum Ltd	213,430	81,000	-	170,220	124,210	9,200	8.98%	8.82%	0.01%
	366,994	192,776	-	348,180	211,590	19,861	19.38%	19.03%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	3,503	79,500	-	36,000	47,003	5,769	5.63%	5.53%	0.01%
Shell Pakistan Ltd	-	22,000	-	22,000	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipeline Ltd	154,318	201,000	-	208,500	146,818	6,898	6.73%	6.61%	0.02%
	157,821	302,500	-	266,500	193,821	12,667	12.36%	12.14%	
REFINERY									
Attock Refinery Ltd	19,890	76,000	-	95,890	-	-	0.00%	0.00%	0.00%
	19,890	76,000	-	95,890	-	-	0.00%	0.00%	
COMMERCIAL BANKS									
Bank Al-Habib Limited	149,132	80,851	-	68,351	161,632	7,278	7.10%	6.97%	0.01%
BankIslami Pakistan Limited	80,000	372,000	-	452,000	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	26,018	273,000	-	273,000	26,018	580	0.57%	0.56%	0.00%
Habib Bank Ltd	52,200	261,800	-	246,305	67,695	6,122	5.97%	5.87%	0.00%
MCB Bank Ltd	-	177,000	-	161,000	16,000	2,070	2.02%	1.98%	0.00%
Meezan Bank Ltd	95,725	-	-	95,725	-	-	0.00%	0.00%	0.00%
National Bank of Pakistan Ltd	-	62,000	-	62,000	-	-	0.00%	0.00%	0.00%
United Bank Limited	76,529	122,585	-	156,000	43,114	6,191	6.04%	5.93%	0.00%
	479,604	1,349,236	-	1,514,381	314,459	22,242	21.70%	21.31%	

	Number of shares				Market value as at September 30, 2023	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2023	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2023	Total Investments	Net Assets	
<b>FERTILIZER</b>								
Engro Corporation Ltd	17,300	33,500	-	50,800	-	0.00%	0.00%	0.00%
Engro Fertilizers Limited	52,587	104,500	-	52,587	104,500	7.74%	7.60%	0.01%
Fauji Fertilizer Co Ltd	-	25,000	-	25,000	-	0.00%	0.00%	0.00%
	69,887	163,000	-	128,387	104,500	7.74%	7.60%	0.00%
<b>GLASS &amp; CERAMICS</b>								
Tariq Glass Industries Ltd	38,000	93,000	-	69,000	62,000	4.75%	4.66%	0.08%
	38,000	93,000	-	69,000	62,000	4.75%	4.66%	
<b>TECHNOLOGY &amp; COMMUNICATION</b>								
Systems Limited	12,605	22,336	-	26,800	8,141	3.13%	3.07%	0.01%
TPL Trakker Limited	1,551,500	-	-	53,500	1,498,000	11.60%	11.40%	0.08%
	1,564,105	22,336	-	80,300	1,506,141	14.73%	14.47%	
	<b>3,385,412</b>	<b>2,973,248</b>	<b>-</b>	<b>3,612,896</b>	<b>2,745,764</b>	<b>102,501.15</b>	<b>1.00</b>	<b>0.98</b>

Cost of investments at September 30, 2023

**103,321**

\*Sponsor of the Management Company

5.2 Investments include shares having market value aggregating to Rs. 34.741 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2.1 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 2.47 million at Sep 30, 2023 (June 30, 2023: Rs.2.382 million) and not yet deposited on CDC account of department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

## 6 DIVIDEND RECEIVABLE AND ACCRUED MARK-UP

	September 30, 2023	June 30, 2023
	(Rupees in '000)	
Dividend receivable	1,817	635
Mark-up accrued on deposits with banks	708	735
	<b>2,525</b>	<b>1,370</b>

## 7 ADVANCE, DEPOSITS AND OTHER RECEIVABLES

Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited	100	100
Advance tax	504	511
Advance against subscription of Term Finance Certificates (TFC)	25,000	25,000
Advance against IPO Subscription	-	-
	<b>28,104</b>	<b>28,111</b>

Less: Provision in respect of advance against subscription  
of term finance certificates

7.1	<b>25,000</b>	25,000
	<b>3,104</b>	<b>3,111</b>

- 7.1 The Fund had subscribed towards the Term Finance Certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till Sep 30, 2023. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at Sep 30, 2021, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

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

Note September 30, June 30,  
2023 2023  
(Rupees in '000)

Management fee	8.1	183	262
Sindh Sales Tax	8.2	24	34
Sales load payable		-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services		65	72
Selling & Marketing payable		326	430
		<b>598</b>	<b>798</b>

- 8.1 The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2023: 2% per annum) of the average annual net assets of the Fund for the current year.
- 8.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

## 9 ACCRUED EXPENSES AND OTHER LIABILITIES

Note September 30, June 30,  
2023 2023  
(Rupees in '000)

Auditors' remuneration		218	550
Federal Excise Duty	9.1	37,838	37,838
Payable to brokers		148	-
Withholding tax payable		934	793
Other payables		723	716
Securities transection costs payable			268
Zakat Payable		29	29
		<b>39,890</b>	<b>40,194</b>

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

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 37.838 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2023 would have been higher by Rs. 28.33 (June 30, 2023: Rs. 16.45) per unit.

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2023

## 11 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 7.79% (0.67% representing Government Levies, and SECP Fee).

	Note	September 30, 2023	June 30, 2023
<b>12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
		(Rupees in '000)	
Fee Payable		9	38

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.0950% of the daily average net assets of the Fund. The fee is payable monthly in arrears

## 13 TAXATION

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

## 14 EARNINGS PER UNIT (EPU)

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

## 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.

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



		Three months ended September 30,	
		2023	2022
		(Rupees in '000)	
<b>15.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Management Fee	731	1,322
	Allocation of expenses related to registrar services, accounting, operation and valuation services	178	322
	Selling & Marketing Expense	340	614
	<b>Habib Bank Limited - Sponsor</b>		
	Bank charges paid	0	0
	Dividend income earned	231	146
	<b>DCCL HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>		
	Issueance of Nill units (Sep 30, 2022: 4,474 units)	-	311
	Redemption of 14,376 units (Sep 30, 2022: 52,889 units)	1,150	3,651
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee remuneration	73	147
	CDC Charges	34	15
	<b>CDC Trustee HBL Cash Fund - Connected party</b>		
	Sale of 3M Tbills	-	25,000
<b>15.2</b>	<b>Balances outstanding as at period end</b>	<b>September 30, 2023</b>	<b>June 30, 2023</b>
		(Rupees in '000)	
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee	183	296
	Sindh Sales Tax	24	-
	Sales load payable	-	-
	Selling & Marketing Expense	326	430
	Allocation of expenses related to registrar services, accounting, operation and valuation services	65	72
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balances	118	1,111
	Mark-up accrued on deposits with bank	18	14
	<b>HBL Micro Finance Bank (Formerly First Micro Finance Bank) - Associate</b>		
	Bank Balance	28,062	27,343
	Profit receivable	435	561
	<b>Directors and Executives of the Management Company and their relatives</b>		
	Investment held in the Fund: 1,423 units (June 30, 2023: 1,579 units)	111	110
	<b>DCCL HBL Financial Planning Fund Conservative Allocation Plan - Associate</b>		
	Outstanding 33,947 (June 30, 2023: 48,324) units	2,675	3,366
	<b>Jaffer Brothers (Private) Limited and Associated Companies Staff Provident Fund - CP due to 10% units</b>		
	Outstanding Nill (June 30, 2023: 715,854) units	-	49,866
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	19	30
	Sindh Sales Tax	2	-
	Security deposit	100	100

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

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment creteria. As at September 30, 2023, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after	% of Net Assets	% of Gross Assets
(Rupees in '000)						
Dewan Cement Limited	Advance	25,000	25,000	-	-	-
Exposure in Microfinance Bank	Cash in Bank	-	-	-	26.95%	17.94%

**18 DATE OF AUTHORISATION FOR ISSUE**

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 27, 2023.

**19 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

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

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

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

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# **HBL**

## **Equity Fund**

## FUND INFORMATION

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Name of Fund	HBL Equity Fund
Name of Auditor	Yousuf Adil & 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 Habib Metropolitan Bank Limited Khushali Microfinance Bank Mobilink Microfinance Bank National Bank of Pakistan Limited Zarai Taraqati Bank Limited Allied Bank Limited HBL Microfinance Bank

**HBL Equity Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT SEPTEMBER 30, 2023*

	Note	Unaudited September 30, 2023	Audited June 30, 2023
(Rupees in '000')			
<b>ASSETS</b>			
Balances with banks	4	17,727	9,794
Investments	5	280,873	302,957
Dividend and profit receivable		2,350	306
Deposits and prepayments and Other receivable		2,915	7,849
Receivable against sale of Investment - net		47,830	13,625
<b>Total assets</b>		<b>351,695</b>	<b>334,531</b>
<b>LIABILITIES</b>			
Payable to the Management Company	6	1,634	1,653
Payable to the Trustee	7	60	153
Payable to Securities and Exchange Commission of Pakistan	8	25	98
Payable against redemption of units		44,498	2,647
Accrued expenses and other liabilities	9	9,351	6,630
<b>Total liabilities</b>		<b>55,568</b>	<b>11,181</b>
<b>NET ASSETS</b>		<b>296,127</b>	<b>323,350</b>
<b>Unit Holders' Funds ( As per statement attached )</b>		<b>296,127</b>	<b>323,350</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	10	<b>Number of units</b>	
<b>Number of units in issue</b>		<b>3,641,119</b>	<b>4,595,440</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>81.3285</b>	<b>70.3636</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Equity Fund

## Condensed Interim Income Statement and Other Comprehensive Income (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

		September 30,	
		2023	2022
	Note	(Rupees in '000')	
<b>INCOME</b>			
Capital Gain / (Loss) on sale of investments - net		44,167	(9,546)
Dividend income		8,192	11,778
Profit on bank deposits		563	1,378
Profit on money market instruments		-	72
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		3,444	(4,938)
<b>Total Income / (Loss)</b>		<b>56,366</b>	<b>(1,256)</b>
<b>EXPENSES</b>			
Remuneration to Management Company		1,693	3,765
Sindh Sales Tax on remuneration of management company	9.1	220	489
Remuneration to Trustee		191	425
Fee - Securities and Exchange Commission of Pakistan		80	38
Allocation of expenses related to registrar services, accounting, operation and valuation services		465	1,035
Selling and marketing expenses		889	1,977
Auditors' Remuneration		151	112
Securities transaction costs, settlement charges and bank charges		3,354	1,826
Fees and Subscription		7	7
Printing and postage expenses		-	93
<b>Total expenses</b>		<b>7,050</b>	<b>9,767</b>
<b>Net Income / (Loss) from operating activities</b>		<b>49,316</b>	<b>(11,023)</b>
<b>Net Income / (Loss) for the period before taxation</b>		<b>49,316</b>	<b>(11,023)</b>
Taxation	11	-	-
<b>Net Income / (Loss) for the period after taxation</b>		<b>49,316</b>	<b>(11,023)</b>
<b>Allocation of net income for the period:</b>			
Income already paid on redemption of units		9,728	-
Accounting income available for distribution:			
-Relating to capital gains		38,219	-
-Excluding capital gains		1,369	-
		39,588	-
<b>Net Income / (Loss) for the period after taxation</b>		<b>49,316</b>	<b>(11,023)</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive Income / (Loss) for the period</b>		<b>49,316</b>	<b>(11,023)</b>
<b>Earnings per unit</b>			

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Equity Fund**  
**Statement Of Movement In Unitholders' Fund**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	September 30,					
	2023			2022		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	1,073,154	(749,804)	323,350	1,525,280	(707,203)	818,077
Issuance of 126,675 units (2022: 78,409,916 units)						
- Capital value (at net asset value per unit at the beginning of the period)	8,913	-	8,913	6,026,853	-	6,026,853
- Element of loss	(7,058)	-	(7,057)	(6,017,203)	-	(6,017,202)
Total proceeds on issuance of units	1,855	-	1,856	9,650	-	9,651
Redemption of 1,080,995 units (2022: 71,129,254 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(76,063)	-	(76,063)	(5,467,236)	-	(5,467,236)
- Amount relating to element of loss	7,396	(9,728)	(2,332)	5,200,849		5,200,849
Total payment on redemption of units	(68,667)	(9,728)	(78,395)	(266,387)	-	(266,387)
Total comprehensive income / (loss) for the period	-	49,316	49,316	-	(11,023)	(11,023)
Distribution during the period	-	-	-	-	-	-
Total comprehensive loss for the period less distribution	-	49,316	49,316	-	(11,023)	(11,023)
Net assets at the end of the period	1,006,342	(710,216)	296,127	1,268,543	(718,226)	550,318
Undistributed loss brought forward						
- Realised		(742,789)			(340,374)	
- Unrealised		(7,015)			(366,829)	
		(749,804)			(707,203)	
Accounting profit/ (loss) income available for distribution						
- Relating to capital gains		38,219			-	
- Excluding capital gains		1,369			-	
		39,588			(11,023)	
Distribution during the year		-			-	
Undistributed income carried forward		(710,216)			(718,226)	
Undistributed loss carried forward						
- Realised		(713,660)			(713,288)	
- Unrealised		3,444			(4,938)	
		(710,216)			(718,226)	
				(Rupees)		
Net assets value per unit at beginning of the period			70.3636			76.8634
Net assets value per unit at end of the period			81.3285			75.5864

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Equity Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	September 30,	
	2023	2022
	(Rupees in '000')	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income / (loss) for the period	49,316	(11,023)
<b>Adjustments</b>		
Net unrealised (appreciation) / diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	(3,444)	4,938
Capital (gain) / loss on sale of investments - net	(44,167)	9,546
<b>Operating cash inflows before working capital changes</b>	<b>1,705</b>	<b>3,461</b>
<b>Decrease in assets</b>		
Investments	69,695	260,616
Dividend and profit receivable	(2,044)	(817)
Deposits and prepayments	4,934	(20)
Receivable against sale of investments	(34,205)	(20,303)
	<b>38,380</b>	<b>239,476</b>
<b>Increase/ (decrease) in liabilities</b>		
Payable to the Management Company	(19)	(3,661)
Payable to the Trustee	(93)	(62)
Payable to Securities and Exchange Commission of Pakistan	(73)	(271)
Accrued expenses and other liabilities	2,721	785
	<b>2,536</b>	<b>(3,209)</b>
<b>Net cash generated from operating activities</b>	<b>42,621</b>	<b>239,728</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash received from issuance of units	1,856	9,651
Cash paid on redemption of units	(36,544)	(266,387)
<b>Net cash used in financing activities</b>	<b>(34,688)</b>	<b>(256,736)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>7,933</b>	<b>(17,008)</b>
Cash and cash equivalents at the beginning of the period	9,794	31,362
<b>Cash and cash equivalents at the end of the period</b>	<b>17,727</b>	<b>14,354</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



# **HBL Equity Fund**

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

### **FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

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

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

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

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

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

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

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

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

VIS Credit Rating Company has assigned an asset manager rating of 'AM1 (Stable outlook)' to the Management Company.

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

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2023.

- 2.1.3 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2023.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2023.

4	BANK BALANCES	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
			(Rupees in '000')	
	In current accounts		501	702
	In saving accounts	4.1	17,226	9,092
			<u>17,727</u>	<u>9,794</u>

- 4.1 Mark-up rates on these accounts range between 19.51% to 22.5% per annum (June 30, 2023: 8.65% to 22.25% per annum).

5	INVESTMENTS	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
			(Rupees in '000')	
	<b>Financial assets 'at fair value through profit or loss'</b>			
	Listed equity securities	5.1	280,873	302,957
			<u>280,873</u>	<u>302,957</u>

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

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

Name of the Investee Company	Number of shares					Market value as at September 30, 2023 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Market value as a percentage of Investee paid-up capital
	As at July 1, 2023	Purchases during the period	Bonus / right issues	Sales during the period	As at September 30, 2023				
Number of shares									
Percentage									
ENGINEERING									
Mughal Iron & Steel Inds Limited	251,216	296,284	-	547,500	-	-	-	-	-
	251,216	296,284	-	547,500	-	-	-	-	-
REFINERY									
Attock Refinery Limited	-	582,744	-	504,244	78,500	19,981	7.11	6.75	0.07
National Refinery Limited	-	295,635	-	168,635	127,000	27,727	9.87	9.36	0.06
	-	878,379	-	672,879	205,500	47,708	16.98	16.11	0.13
INSURANCE									
TPL Insurance Limited	176,750	-	-	-	176,750	3,067	1.09	1.04	0.37
	176,750	-	-	-	176,750	3,067	1.09	1.04	0.37
CEMENT									
Cherat Cement Company Ltd.	106,000	140,000	-	246,000	-	-	-	-	0.29
D G Khan Cement Company Limited	-	867,637	-	867,637	-	-	-	-	0.07
Lucky Cement Ltd	-	63,500	-	63,500	-	-	-	-	0.13
Maple Leaf Cement Factory Ltd	1,041,500	2,511,066	-	2,577,566	975,000	29,192	10.39	9.86	-
	1,147,500	3,582,203	-	3,754,703	975,000	29,192	10.39	9.86	0.49
COMMERCIAL BANKS									
Bank Al-Habib Limited	-	517,500	-	517,500	-	-	-	-	0.03
BankIslami Pakistan Limited	1,656,000	1,783,000	-	3,102,000	337,000	5,894	2.10	1.99	0.03
Faysal Bank Limited	1,440	-	-	-	1,440	32	0.01	0.01	0.02
Habib Bank Ltd	223,500	854,401	-	1,077,901	-	-	-	-	-
MCB Bank Ltd	-	136,500	-	136,500	-	-	-	-	-
Meezan Bank Ltd	-	530,171	-	317,171	213,000	24,412	8.69	8.24	0.01
United Bank Limited	110,500	134,312	-	214,812	30,000	4,308	1.53	1.45	0.03
	1,991,440	3,955,884	-	5,365,884	581,440	34,646	12.33	11.69	0.12
FERTILIZERS									
Engro Fertilizers Limited	371,000	-	-	371,000	-	-	-	-	-
	371,000	-	-	371,000	-	-	-	-	-
OIL & GAS EXPLORATION COMPANIES									
Oil & Gas Development Company Limited	364,500	705,386	-	919,386	150,500	14,517	5.17	4.90	-
Pakistan Petroleum Ltd	479,500	896,771	-	1,099,271	277,000	20,517	7.30	6.93	0.01
	844,000	1,602,157	-	2,018,657	427,500	35,034	12.47	11.83	0.01
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	227,000	297,313	-	258,313	266,000	32,648	11.62	11.02	0.01
Shell Pakistan Ltd	-	130,000	-	130,000	-	-	-	-	-
Sui Northern Gas Pipeline Ltd	366,000	1,136,360	-	1,030,860	471,500	22,151	7.89	7.48	-
	593,000	1,563,673	-	1,419,173	737,500	54,799	19.51	18.50	0.01
PHARMACEUTICALS									
The Searle Company Limited	445	-	-	-	445	16	0.01	0.01	-
	445	-	-	-	445	16	0.01	0.01	-
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	336,000	505,055	-	673,055	168,000	14,839	5.28	5.01	-
Kot Addu Power Company Ltd	-	533,000	-	533,000	-	-	-	-	-
Lalpir Power Limited	-	208,000	-	208,000	-	-	-	-	-
Nishat Chunian Power Ltd	-	1,665,000	-	360,000	1,305,000	29,180	10.39	9.85	-
	336,000	2,911,055	-	1,774,055	1,473,000	44,019	15.67	14.86	-
Number of shares									
Percentage									
TECHNOLOGY & COMMUNICATION									
Systems Limited	5,142	-	-	-	5,142	2,025	0.72	0.68	3.09
TPL Trakker Limited	3,800,000	34,500	-	10,000	3,824,500	30,367	10.81	10.25	8.64
	3,805,142	34,500	-	10,000	3,829,642	32,392	11.53	10.93	11.73
TEXTILE COMPOSITE									
Nishat Mills Ltd	-	343,260	-	343,260	-	-	-	-	-
	-	343,260	-	343,260	-	-	-	-	-
As at September 30, 2023	9,516,493	15,167,395	-	16,277,111	8,406,777	280,873	100	95	15
Carrying value as at September 30, 2023						1,277,429			

\* Sponsor of the management company

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

The above investments include shares with market value aggregating to Rs. 43.93 million (June 2023: Rs. 41.32 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

- 5.1.1 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 2.11 million at September 30, 2023 (June 30, 2023: Rs. 2.15 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

6	PAYABLE TO MANAGEMENT COMPANY	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
			Rupees in '000'	
	Management fee	6.1	530	534
	Sindh Sales Tax	6.2	69	69
	Allocation of expenses related to registrar services, accounting, operation and valuation services		146	147
	Selling and Marketing expenses		889	903
			<u>1,634</u>	<u>1,653</u>

- 6.1 As per the offering document of the Fund, the Management Company may charge a fee at the rate of 2% of the average daily net asset of the scheme. The fee is payable monthly in arrears.
- 6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

## 7 PAYABLE TO THE TRUSTEE

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

## 8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.095% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
			Rupees in '000'	
	Provision for federal excise duty and additional sales tax on Management Fee	9.1	5,685	5,685
	Brokerage payable		3,262	376
	Auditors' remuneration		-	192
	Printing and other related costs		23	23
	Withholding tax payable		170	169
	Other payables		211	185
			<u>9,351</u>	<u>6,630</u>

#### 9.1 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2023 would have been higher by Re. 1.561 (June 30, 2023: Re. 1.2371) per unit.

#### 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2023 and June 30, 2023.

#### 11 TAXATION

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

#### 12 EARNINGS PER UNIT

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

#### 13 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 8.35% (2022: 5.16%) (0.81% of TER representing Government Levies (2022 : 0.36%) , and SECP Fee).

#### 14 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

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

		(Unaudited) Quarter ended September 30, 2023                      2022	
14.1 Transaction during the period		(Rupees in '000)	
<b>Management Company</b>			
Remuneration of Management Company		1,693	3,765
Sindh Sales tax on remuneration of the Management Company		220	489
<b>Habib Bank Limited - Associated Company</b>			
Purchase of 854,401 ordinary shares (2022: Nil ordinary shares)		77,976	-
Sale of 1,077,901 ordinary shares (2022: Nil ordinary shares)		98,988	-
Dividend income		652	416
Bank Profit		37	-
<b>Habib Microfinance Bank - Associated Company</b>			
Bank Profit		32	-
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management</b>			
Issue of Nil units (2022: 2,313) units		-	313
<b>Central Depository Company Of Pakistan Limited - Trustee</b>			
Remuneration for the period		191	425
CDS Charges		11	11
<b>Directors and Executives of the Management Company</b>			
Issue of Nil units (2022: 15,670) units		-	2,082
Redemption of 19 units (2022: 27,087) units		2	3,745

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		Rupees in '000'	
<b>14.2</b>	<b>Amounts outstanding at the period / year end</b>		
	<b>Management Company</b>		
	Units held: Nil units (June 30, 2023: Nil) units	-	-
	Remuneration payable to the Management Company	530	534
	Sindh sales tax on remuneration of the Management Company	69	69
	Allocation of expenses related to registrar services, accounting, operation and valuation services	146	147
	Selling and Marketing reimbursement	889	903
	<b>Central Depository Company Of Pakistan Limited - Trustee</b>		
	Trustee fee payable	60	60
	CDS charges payable	10	93
	Security deposit	100	100
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balance	10,635	612
	<b>Habib Microfinance Bank - Associate</b>		
	Bank balance	19,623	2,449
	Profit / mark-up receivable	427,243	77
	<b>Directors and Executives of the Management Company</b>		
	Units held: 49 (June 30, 2023: 894) units	4	63

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2023							
		Carrying amount				Fair Value			
Note		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- Listed equity securities									
		280,873	-	-	280,873	280,873	-	-	280,873
		280,873	-	-	280,873	280,873	-	-	280,873
<hr/>									
<b>Financial assets not measured at fair value</b>									
15.1									
	Bank balances	-	17,727	-	17,727				
	Dividend and profit receivable	-	2,350	-	2,350				
	Deposits	-	2,915	-	2,915				
		-	22,992	-	22,992				
<hr/>									
<b>Financial liabilities not measured at fair value</b>									
15.1									
	Payable to the Management Company	-	-	1,634	1,634				
	Payable to the Trustee	-	-	60	60				
	Accrued expenses and other liabilities	-	-	3,496	3,496				
		-	-	5,190	5,190				
<hr/>									
June 30, 2023									
		Carrying amount				Fair Value			
		Fair value through profit and loss- Held for trading	At amortized cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- Listed equity securities									
		302,957	-		302,957	302,957	-	-	302,957
		302,957	-	-	302,957	302,957	-	-	302,957
<hr/>									
<b>Financial assets not measured at fair value</b>									
15.1									
	Bank balances	-	9,794	-	9,794				
	Dividend and profit receivable	-	306	-	306				
	Deposits	-	2,600	-	2,600				
	Advance for purchase of investment	-	13,625	-	13,625				
		-	26,325	-	26,325				
<hr/>									
<b>Financial liabilities not measured at fair value</b>									
15.1									
	Payable to the Management Company	-	1,584	-	1,584				
	Payable to the Trustee	-	146	-	146				
	Accrued expenses and other liabilities	-	2,647	-	2,647				
	Payable against redemption	-	722	-	722				
		-	5,099	-	5,099				



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

**16 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorized for issue on October 27, 2023 by the board of directors of the Management company.

**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**

## **Energy Fund**

## FUND INFORMATION

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Name of Fund	HBL Energy Fund
Name of Auditor	Yousuf Adil & 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

**HBL Energy Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At September 30, 2023*

		September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	22,514	26,773
Investments	5	281,608	244,571
Dividend and profit receivable		2,281	647
Receivable from NCCPL - Ready Market		8,220	1,667
Deposits and prepayments		2,800	3,074
Other Receivable		838	-
Total assets		318,261	276,732
Liabilities			
Payable to Management Company	6	1,458	1,219
Payable to the Trustee		56	51
Payable to the Securities and Exchange Commission of Pakistan	12	24	61
Payable against purchase of Investment		8,430	-
Accrued expenses and other liabilities	7	15,810	28,521
Unclaimed dividend		5,381	5,382
Total liabilities		31,159	35,234
Net assets		287,102	241,498
Unit holders' fund (as per statement attached)		287,102	241,498
Contingencies and commitments	8		
		(Number of units)	
Number of units in issue		24,138,384	24,577,131
		(Rupees)	
Net assets value per unit		11.8940	9.8261

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

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

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

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

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

**HBL Energy Fund**  
**Condensed Interim Income Statement And Other Comprehensive Income (Un-audited)**  
**For The Three Months Ended September 30, 2023**

		Three months ended September 30, Un-Audited	
		2023	2022
Note		------(Rupees in '000)-----	
<b>Income</b>			
	Capital gain on sale of investments - net	26,284	191
	Dividend income	2,493	8,042
	Profit on bank deposits	1,837	1,049
		30,614	9,282
	Unrealised appreciation / (diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net	25,619	(17,242)
		56,233	(7,960)
<b>Expenses</b>			
	Remuneration of Management Company	6.1 & 6.2 1,620	2,259
	Remuneration of the Trustee	162	226
	Fee to the Securities and Exchange Commission of Pakistan	68	20
	Allocation of expenses related to registrar services, accounting, operation and valuation services	394	550
	Allocation of expenses related to Selling and Marketing, Settlement and bank charges	753	1,049
	Auditors' remuneration	212	107
	Fee & Subscription	128	-
	Securities transaction costs	7	42
		1,293	445
		4,637	4,698
	<b>Net income / (loss) from operating activities</b>	51,596	(12,658)
	Taxation	9 -	-
	<b>Net (loss) for the period after taxation</b>	51,596	(12,658)
<b>Allocation of net income for the period:</b>			
	Income already paid on redemption of units	5,499	-
	Accounting income available for distribution:		
	-Relating to capital gains	46,097	-
	-Excluding capital gains	-	-
		46,097	-
	<b>Other comprehensive income for the period</b>	-	-
	<b>Total comprehensive income / (loss) for the period</b>	51,596	(12,658)

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

# HBL Energy Fund

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

### For The Three Months Ended September 30, 2023

	Three Months Ended September 30,					
	2023			2022		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in '000'-----						
<b>Net assets at beginning of the year</b>	<b>362,742</b>	<b>(121,243)</b>	<b>241,499</b>	547,836	(116,654)	431,182
Issuance of 7,710,450 units (2022: 2,421,031 units)						
- Capital value (at net asset value per unit at the beginning of the year)	75,764	-	75,764	23,880	-	23,881
- Element of Income	11,096	-	11,096	(99)	-	(99)
Total proceeds on issuance of units	86,860	-	86,860	23,781	-	23,782
Redemption of 8,149,197 units (2022: 13,966,087 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(80,075)	-	(80,075)	(137,757)	-	(137,757)
- Amount relating to element of loss Relating to net loss for the year after taxation	(7,279)	(5,499)	(12,778)	(580)	-	(580)
Total payment on redemption of units	(87,354)	(5,499)	(92,853)	(138,337)	-	(138,337)
Total comprehensive income for the year	-	51,596	51,596	-	(12,658)	(12,658)
Distribution during the year	-	-	-	-	-	-
Total comprehensive income for the year less distribution	-	51,596	51,596	-	(12,658)	(12,658)
<b>Net assets at end of the year</b>	<b>362,248</b>	<b>(75,146)</b>	<b>287,102</b>	433,280	(129,312)	303,969
<b>Undistributed income brought forward</b>						
- Realised		(112,636)			(47,215)	
- Unrealised		(8,607)			(69,439)	
		(121,243)			(116,654)	
Accounting (loss) / income available for distribution						
-Relating to CG	46,096			-		
-Excluding CG	-			-		
	46,096			(12,658)		
Undistributed income carried forward		(75,146)			(129,312)	
<b>Undistributed income carried forward</b>						
- Realised		(100,765)			(112,070)	
- Unrealised		25,619			(17,242)	
		(75,146)			(129,312)	
<b>Net assets value per unit at beginning of the period</b>			<b>9.8261</b>			<b>9.8637</b>
<b>Net assets value per unit at end of the period</b>			<b>11.8940</b>			<b>9.4491</b>

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Energy Fund**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
*For The Three Months Ended September 30, 2023*

		Three Months Ended	
		September 30,	
		2023	2022
	Note	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income for the period		51,596	(12,658)
<b>Adjustments</b>			
Capital loss / (gain) on sale of investments - net		(26,284)	(191)
Dividend income		(2,493)	(8,042)
Profit on bank deposits		(1,837)	(1,049)
Unrealised (appreciation) / diminution on remeasurement of investments at fair value through profit or loss- held-for-trading - net		(25,619)	17,242
		(4,637)	(4,698)
<b>(Increase) / decrease in assets</b>			
Investments - net		14,866	121,199
Dividend and profit receivable		2,696	1,350
Receivable against sale of investments		(6,553)	(3,330)
Deposits and prepayments		(564)	-
		10,445	119,219
<b>Increase / (decrease) in liabilities</b>			
Payable to Management Company		239	(1,753)
Payable to Central Depository Company of Pakistan Limited - Trustee		5	(31)
Payable to Securities and Exchange Commission of Pakistan		(37)	(108)
Payable against purchase of investments		8,430	50
Accrued expenses and other liabilities		(12,711)	285
		(4,074)	(1,557)
<b>Net cash generated from operations</b>		1,734	112,964
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Amount received on issue of units		86,860	23,782
Payment against redemption of units		(92,853)	(138,337)
Dividend Paid		(1)	-
<b>Net cash used in financing activities</b>		(5,994)	(114,556)
<b>Net decrease in cash and cash equivalents</b>		(4,260)	(1,592)
<b>Cash and cash equivalents at beginning of the period</b>		26,773	24,197
<b>Cash and cash equivalents at end of the period</b>	4	22,514	22,606

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

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

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Energy Fund**

## **Notes To The Condensed Interim Financial Information (Un-audited)**

### ***For The Three Months Ended September 30, 2023***

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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.

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

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

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

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

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

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

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

VIS Credit Rating Company has assigned an asset manager rating of 'AM1' (Stable outlook)' to the Management Company.

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



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## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

- 2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

### **2.2 Basis of measurement**

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

### **2.3 Functional and presentation currency**

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2023.

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

- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023.

- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. None of these amendments are expected to have a significant effect on this condensed interim financial information.

- 3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2023.

			September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
	Note			
<b>4</b>		<b>BANK BALANCES</b>		
		In saving accounts	22,503	26,762
		In current accounts	11	11
			<b>22,514</b>	<b>26,773</b>

4.1 Mark-up rates on these accounts range between 8% to 21.75% per annum (June 30, 2022: 5.5% to 17% per annum).

			September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
	Note			
<b>5</b>		<b>INVESTMENTS</b>		
		<b>Financial assets 'at fair value thorough profit or loss' - held-for-trading</b>		
		Listed equity securities	281,608	244,571
			<b>281,608</b>	<b>244,571</b>

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

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

Name of the Investee Company	Number of shares				Market value				Par value as a percentage of issued capital of the investee company
	As at July 1, 2023	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2023	Market value As at September 30, 2023 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	556,330	307,000	-	657,000	206,330	18,225	6.47%	6.35%	0.02%
Kot Addu Power Company Ltd	-	557,500	-	192,000	365,500	9,752	3.46%	3.40%	0.04%
Nishat Chunian Power Ltd	-	1,002,000	-	686,000	316,000	7,066	2.51%	2.46%	0.09%
Nishat Power Limited	527,279	932,000	-	1,459,279	-	-	0.00%	0.00%	-
	1,083,609	2,798,500	-	2,994,279	887,830	35,042			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	24,271	18,514	-	24,467	18,318	28,578	10.15%	9.95%	0.02%
Oil & Gas Development Co Ltd	663,140	73,500	-	196,000	540,640	52,150	18.52%	18.16%	0.01%
Pakistan Oilfields Ltd	-	42,180	-	35,680	6,500	2,533	0.90%	0.88%	-
Pakistan Petroleum Ltd	871,502	180,000	-	247,000	804,502	59,589	21.16%	20.76%	0.04%
	1,558,913	314,194	-	503,147	1,369,960	142,851			
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Ltd	26,289	86,762	-	56,706	56,345	16,420	5.83%	5.72%	0.07%
Pakistan State Oil Company Ltd	2,389	395,400	-	232,800	164,989	20,251	7.19%	7.05%	0.04%
Shell Pakistan Ltd	110,000	319,000	-	429,000	-	-	0.00%	0.00%	-
Sui Northern Gas Pipeline Ltd	457,170	1,065,383	-	358,149	1,164,404	54,704	19.43%	19.05%	0.18%
Sui Southern Gas Co Ltd	-	1,315,000	-	695,079	619,921	5,697	2.02%	1.98%	0.07%
	595,848	3,181,545	-	1,771,734	2,005,659	97,071			
REFINERY									
Attock Refinery Ltd	50,420	107,300	-	152,420	5,300	1,349	0.48%	0.47%	0.01%
National Refinery Ltd	62,424	149,925	-	188,101	24,248	5,294	1.88%	1.84%	3.00%
Pakistan Refinery Limited	-	865,500	-	865,500	-	-	0.00%	0.00%	0.00%
	112,844	1,122,725	-	1,206,021	29,548	6,643			
Total September 30, 2023	3,351,214	7,416,964	-	6,475,181	4,292,997	281,608			

Carrying value of investment at September 30, 2023

255,989

5.2 Investments include shares having market value aggregating to Rs. 66.9673 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.3 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.29 million at September 30, 2023 (June 30, 2023: 0.265 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

	Note	September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
<b>6 PAYABLE TO MANAGEMENT COMPANY</b>			
Management fee	6.1	498	403
Sindh Sales Tax	6.2	65	52
Sales load payable		5	5
Allocation of expenses related to registrar services, accounting, operation and valuation services		137	111
Selling and marketing expenses		753	648
		<u>1,458</u>	<u>1,219</u>

6.1 The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2023: 2% per annum) of the average annual net assets of the Fund for the current year.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2023: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

	Note	September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty	7.1	13,920	13,920
Brokerage payable		779	606
Auditors' remuneration		69	267
Withholding tax payable		760	617
Zakat Payable		251	251
NCCPL charges payable		30	35
Others payable			12,825
		<u>15,809</u>	<u>28,521</u>

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## 7.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.920 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2023 would have been higher by Re. 0.58 (June 30, 2023: Re. 0.57) per unit.

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2023 and June 30, 2023.

## 9 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders in cash. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of net accounting income other than capital gains/loss to unit holders. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 10 EARNING PER UNIT (EPU)

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

## 11 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended (September 30, 2022 is 4.68% ) which includes (September 30, 2022 include 0.36%) representing government levy and SECP fee.

12	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
			(Rupees in '000)	
	Fee Payable		<u>24</u>	<u>61</u>

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.0950% of the daily average net assets of the Fund. The fee is payable monthly in arrears

## 13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

		Three months ended September 30,	
		2023	2023
		(Rupees in '000)	
<b>13.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	1,434	1,999
	Sindh Sales Tax on remuneration of the Management Company	186	260
	Allocation of expenses related to registrar services, accounting, operation and valuation services	394	550
	Allocation of expenses related to Selling and Marketing,	753	1,049
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee remuneration	162	226
	Central Depository Service charges	30	6
	<b>Habib Bank Limited - Sponsor</b>		
	Redemption of Nil units (2022: 12,419,913 units)	-	123,232
	Bank Charges	12	5
	<b>Directors and Exective of the Management Company</b>		
	Issue of 1,919,442 units (2022: 1,164,502 units)	22,258	11,197
	Redemption of 1,822,416 units (2022: Nil units)	21,686	-
		September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
		(Rupees in '000)	
<b>13.2</b>	<b>Balances outstanding as at period / year end</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee	498	403
	Sindh Sales Tax	65	-
	Management Company		52
	Sales load payable	5	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	137	111
	Allocation of expenses related to Selling and Marketing,	753	653
	<b>Habib Bank Limited - Sponsor</b>		
	Bank Balance	528	8,941

	September 30, 2023 (Un-audited) (Rupees in '000)	June 30, 2023 (Audited)
<b>Directors of the Management Company</b>		
Units held: 1,796,382 units (June 30,2023: 1,646,723 units)	21,390	16,181
<b>HBL Micro Finance Bank (Formerly: First Micro Finance Bank) - Associate</b>		
Bank balance	4,950	80
<b>MCB Bank Limited- Connected person due to holding more than 10% units:</b>		
Units held: 6,468,401 (June 30 ,2023: 6,468,401)	76,935	63,559
<b>Rohtas Associates Private Limited- Connected person due to holding more than 10% units:</b>		
Units held: Nil (June 30 ,2023: 6,277,914)	-	61,687
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	56	45
CDC charges payable	-	6
Security deposit	300	300
<b>MCBFSL TRUSTEE HBL FINANCIAL PLANNING FUND CONSERVATIVE ALLOCATION PLAN</b>		
Units held 521,370 units (2023: 521,370 units)	5,542	5,123

## 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

Note	September 30, 2023							
	Carrying amount				Fair Value			
	Fair value through profit or loss- held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	281,608	-	-	281,608	281,608	-	-	281,608
	281,608	-	-	281,608	281,608	-	-	281,608
Financial assets not measured at fair value	14.1	-	-	-				
Bank balances	-	22,514	-	22,514	-	-	-	-
Dividend and profit receivable	-	2,483	-	2,483	-	-	-	-
Security deposits	-	2,800	-	2,800				
	-	27,797	-	27,797	-	-	-	-
Financial liabilities not measured at fair value	14.1							
Payable to Management Company	-	-	1,458	1,458	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	56	56	-	-	-	-
Payable against purchase of investments	-	-	8,430	8,430				
Accrued expenses and other liabilities	-	-	15,810	15,810	-	-	-	-
	-	-	25,754	25,754	-	-	-	-

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

**15 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 27, 2023.

**16 GENERAL**

- 16.1 Figures have been rounded off to the nearest thousand rupees.
- 16.2 Corresponding figures have been rearranged and reclassified, wherever necessary for better presentation and disclosure.

**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**

## **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

**HBL Multi Asset Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at September 30, 2023*

	Note	September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 (Audited)
<b>Assets</b>			
Bank balances	4	13,167	27,173
Investments	5	56,340	78,583
Dividend receivable and accrued mark-up		955	760
Receivable Against Sale of Investment		492	1,758
Advances, deposits and other receivables		2,977	3,792
<b>Total assets</b>		<b>73,931</b>	<b>112,066</b>
<b>Liabilities</b>			
Payable to Management Company	6.	262	320
Payable to Trustee	7.	13	19
Payable to Securities and Exchange Commission of Pakistan	8	5	19
Accrued expenses and other liabilities	9.	7,358	8,044
<b>Total liabilities</b>		<b>7,638</b>	<b>8,402</b>
<b>Net assets</b>		<b>66,294</b>	<b>103,664</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>66,294</b>	<b>103,664</b>
<b>Contingencies And Commitments</b>			
	10	(Number of units)	
<b>Number of units in issue</b>		<b>653,923</b>	<b>1,121,925</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>101.3789</b>	<b>92.3983</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Multi Asset Fund**  
**Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)**  
*For the three months ended September 30, 2023*

	Note	Three months ended September 30,	
		2023	2022
		----- (Rupees in '000) -----	
<b>Income</b>			
Dividend income		1,047	1,438
Mark-up on deposits with banks & Term deposit		1,130	557
Mark-up / return on investments - net		577	573
Capital gain / (loss) on sale of investments - net		6,361	(772)
		9,115	1,796
Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - net		1,192	(1,168)
		10,307	628
<b>Expenses</b>			
Remuneration of Management Company		534	545
Remuneration of Trustee		53	55
Fee of Securities and Exchange Commission of Pakistan			
Allocation of expenses related to registrar services,		20	5
accounting, operation and valuation services		83	84
Selling and Marketing Expense		115	117
Settlement and bank charges		102	97
Auditors' remuneration		99	100
Fee and Subscription		7	5
Printing Charges		16	17
Securities transaction costs		724	140
		1,753	1,165
<b>Net income / (loss) from operating activities</b>		8,554	(537)
<b>Net income / (loss) for the period before taxation</b>		8,554	(537)
<b>Taxation</b>	11.	-	-
<b>Net income / (loss) for the period after taxation</b>		8,554	(537)
<b>Allocation of net income for the period:</b>			
Income already paid on redemption of units		2,697	-
Accounting income available for distribution:			
-Relating to capital gains		5,171	-
-Excluding capital gains		686	-
		5,857	-
<b>Net income / (loss) for the period after taxation</b>		8,554	(537)
Other comprehensive income for the period		-	-
<b>Total comprehensive income / (loss) for the period</b>		8,554	(537)

**Earning per unit**

12.

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Multi Asset Fund

## Statement of Movement in Unitholders' Fund (Un-Audited)

### For the three months ended September 30, 2023

Three months ended  
September 30,

	2023				2022			
	(Rupees in '000)							
	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
Net assets at the beginning of the period	154,814	(51,150)	-	103,664	155,539	(51,316)	-	104,223
Issuance of 9,116 units (2022: 68 units)								
- Capital value (at net asset value per unit at the beginning of the	842	-	-	842	6	-	-	6
- Element of loss	71	-	-	71	-	-	-	-
	913			913	6	-	-	6
Redemption of 477,118 units (2022: 343,758 units)								
- Capital value (at net asset value per unit at the beginning of the	(44,086)	-	-	(44,086)	(31,966)	-	-	(31,966)
- Amount paid out of element of income	2,643	(2,697)	-	(54)	(71)	-	-	(71)
Relating to net income for the period after taxation	(41,443)	(2,697)		(46,837)	(32,037)	-	-	(32,037)
Net income / (loss) for the period after taxation	-	8,554	-	8,554	-	(537)	-	(537)
Distribution during the period	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	8,554	-	8,554	-	(537)	-	(537)
Net assets at the end of the period	114,284	(45,293)	-	66,294	123,508	(51,853)	-	71,655
Undistributed income brought forward								
- Realised	(49,986)				(36,538)			
- Unrealised	(1,165)				(14,778)			
	(51,150)				(51,316)			
Net loss for the period after taxation		-			(537)			
Accounting income available for distribution:								
-Relating to capital gains	5,171				-			
-Excluding capital gains	686				-			
	5,857				-			
Undistributed income carried forward	(45,293)				(51,853)			
Undistributed income carried forward								
- Realised	(46,485)				(50,685)			
- Unrealised	1,192				(1,168)			
	(45,293)				(51,853)			

------(Rupees)-----

Net assets value per unit at beginning of the period	92.3983	92.9902
Net assets value per unit at end of the period	101.3789	92.2094

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Multi Asset Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the three months ended September 30, 2023*

	<b>Three months ended</b>	
	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period	8,554	(537)
	<b>8,554</b>	<b>(537)</b>
<b>(Increase) / decrease in assets</b>		
Investments - net	22,243	20,846
Dividend receivable and accrued mark-up	(195)	249
Advances, deposits and other receivables	2,080	(21)
	<b>24,128</b>	<b>21,074</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Management Company	(58)	(191)
Payable to Trustee	(6)	(10)
Payable to Securities and Exchange Commission of Pakistan	(14)	(32)
Accrued expenses and other liabilities	(686)	174
	<b>(764)</b>	<b>(59)</b>
<b>Net cash generated from operating activities</b>	<b>31,918</b>	<b>20,478</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	913	6
Payment against redemption of units	(46,837)	(32,037)
<b>Net cash used in financing activities</b>	<b>(45,924)</b>	<b>(32,031)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(14,006)</b>	<b>(11,553)</b>
Cash and cash equivalents at beginning of the period	27,173	29,527
<b>Cash and cash equivalents at end of the period</b>	<b>13,167</b>	<b>17,974</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Multi Asset Fund**

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

*For the three months ended September 30, 2023*

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

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

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

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

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

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

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

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

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

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

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

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, 2023.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2023.

3.2 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, 2023.

3.3 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2023.

4.	Bank Balances	Note	(Un-Audited)	(Audited)
			September 30, 2023	June 30, 2023
			(Rupees in '000)	
	Savings accounts	4.1	13,167	27,173
			<u>13,167</u>	<u>27,173</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 14% to 22.50% per annum (June 30, 2023: 14% - 22.5% p.a).

5.	INVESTMENTS	Note	(Un-Audited)	(Audited)
			September 30, 2023	June 30, 2023
			(Rupees in '000)	
	At Fair Value Through Profit or Loss			
	- Term Finance Certificates	5.1	7,300	7,568
	- Listed Equity Securities	5.2	49,040	71,015
	- GoP Ijarah Sukuks	5.3	-	-
			<u>56,340</u>	<u>78,583</u>



## 5.1 Term Finance Certificates - At fair value through profit or loss

Name of the Investee Company

	Number of certificates				Market value as at September 30, 2023 (Rs. in '000)	Market value as a percentage of	
	As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at September 30, 2023		Total Investments	Net Assets
						-----%	
TPL Trakker Limited	4	-	-	4	2,210	3.92	3.33
The HUB Power Company Limited	50	-	-	50	5,090	9.03	7.68
	<b>54</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>7,300</b>	<b>12.96</b>	<b>11.01</b>
Carrying Value as at September 30, 2023					<b>7,346</b>		
Total Value of investments at June 30, 2023	<b>4</b>	<b>50</b>	<b>-</b>	<b>54</b>	<b>7,568</b>		

5.1.2 Significant terms and conditions of Term Finance Certificates and Sukuk bonds outstanding at September 30, 2023 are:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
TPL Trakker Limited	555,555	3 month KIBOR + 3%	30-Mar-21	30-Mar-26
HUB Power Holding Limited	100,000	6 month KIBOR + 2.5%	12-Nov-20	12-Nov-25

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

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

Name of the Investee Company	Number of shares					Market value as at September 30, 2023 (Rs. in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2023	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2023		Total Investments	Net Assets	
							-----%		
<b>Commercial Banks</b>									
Faysal Bank Limited (Note 5.2.2)	750	162,000	-	162,000	750	17	0.03	0.03	0.00
Habib Bank Ltd	59,000	183,500	-	242,500	-	-	-	-	-
MCB Bank Ltd	-	104,400	-	66,900	37,500	4,851	8.61	7.32	0.00
BankIslami Pakistan Limited	592,500	101,500	-	694,000	-	-	-	-	-
Bank Al-Habib Limited	-	140,000	-	140,000	-	-	-	-	-
Meezan Bank Limited	-	130,600	-	102,100	28,500	3,266	5.80	4.93	0.00
United Bank Limited (Note 5.2.1)	23,000	49,400	-	36,900	35,500	5,098	9.05	7.69	0.00
	<b>675,250</b>	<b>871,400</b>	<b>-</b>	<b>1,444,400</b>	<b>102,250</b>	<b>13,232</b>	<b>23.49</b>	<b>19.96</b>	<b>0.00</b>
<b>Cement</b>									
D G Khan Cement Co.Ltd.	-	75,000	-	75,000	-	-	-	-	-
Cherat Cement Company Limited	22,000	72,946	-	94,946	-	-	-	-	-
Lucky Cement Ltd	-	11,000	-	11,000	-	-	-	-	-
Maple Leaf Cement Factory Ltd	194,000	382,000	-	528,000	48,000	1,437	2.55	2.17	0.00
	<b>216,000</b>	<b>540,946</b>	<b>-</b>	<b>708,946</b>	<b>48,000</b>	<b>1,437</b>	<b>2.55</b>	<b>2.17</b>	<b>0.00</b>

Name of the Investee Company	Number of shares					Market value as at September 30, 2023  (Rs. in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2023	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2023		Total Investments	Net Assets	
								-----%	
<b>Power Generation &amp; Distribution</b>									
Nishat Chunian Power Limited	-	293,000		116,000	177,000	3,958	7.03	5.97	0.00
Nishat Power Limited		125,000		25,000	100,000	2,498	4.43	3.77	0.00
The Hub Power Company Limited (Note 5.2.1)	93,000	70,000	-	147,700	15,300	1,351	2.40	2.04	0.00
	<b>93,000</b>	<b>488,000</b>	<b>-</b>	<b>288,700</b>	<b>292,300</b>	<b>7,807</b>	<b>13.86</b>	<b>11.78</b>	<b>0.00</b>
<b>Oil and Gas Exploration Company</b>									
Oil & Gas Development Co Ltd (Note 5.2.1)	108,000	112,000	-	171,400	48,600	4,688	8.32	7.07	0.00
Pakistan Petroleum Ltd (Note 5.2.1)	142,000	189,600	-	247,400	84,200	6,237	11.07	9.41	0.00
	<b>250,000</b>	<b>301,600</b>	<b>-</b>	<b>418,800</b>	<b>132,800</b>	<b>10,925</b>	<b>19.39</b>	<b>16.48</b>	<b>0.00</b>
<b>Oil and Gas Marketing Company</b>									
Attock Petroleum Limited	-	2,300	-	-	2,300	670	1.19	1.01	0.00
Pakistan State Oil Company Ltd (Note 5.2.2)	56,920	51,580	-	77,800	30,700	3,768	6.69	5.68	0.00
Sui Northern Gas Pipeline Limited (Note 5.2.1)	94,000	307,500	-	309,500	92,000	4,322	7.67	6.52	0.00
	<b>150,920</b>	<b>361,380</b>	<b>-</b>	<b>387,300</b>	<b>125,000</b>	<b>8,760</b>	<b>15.55</b>	<b>13.21</b>	<b>0.00</b>
<b>Fertilizer</b>									
Engro Corporation Limited	-	19,500	-	19,500	-	-	-	-	-
Engro Fertilizers Limited	112,500	33,000	-	145,500	-	-	-	-	-
Fauji Fertilizer Company Limited	1,010	-	-	1,010	-	-	-	-	-
	<b>113,510</b>	<b>52,500</b>	<b>-</b>	<b>166,010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pharmaceuticals</b>									
The Searle Company Ltd (Note 5.2.2)	1,400	-	-	-	1,400	49	0.09	0.07	0.00
	<b>1,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,400</b>	<b>49</b>	<b>0.09</b>	<b>0.07</b>	<b>0.00</b>
<b>Engineering</b>									
Mughal Iron & Steel Inds Ltd (Note 5.2.2)	2,782	78,500	-	78,500	2,782	139	0.25	0.21	0.00
	<b>2,782</b>	<b>78,500</b>	<b>-</b>	<b>78,500</b>	<b>2,782</b>	<b>139</b>	<b>0.25</b>	<b>0.21</b>	<b>0.00</b>
<b>Automobile Parts &amp; Accessories</b>									
Baluchistan Wheels Ltd.	-	15,000	-	-	15,000	2,351	4.17	3.55	0.00
	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>2,351</b>	<b>4.17</b>	<b>3.55</b>	<b>0.00</b>
<b>Technology and Communication</b>									
Systems Limited	-	4,400	-	4,400	-	-	-	-	-
TRG Pakistan Ltd	-	5,500	-	5,500	-	-	-	-	-
TPL Trakker Limited	274,500	-	-	69,000	205,500	1,632	2.90	2.46	0.00
	<b>274,500</b>	<b>9,900</b>	<b>-</b>	<b>78,900</b>	<b>205,500</b>	<b>1,632</b>	<b>2.90</b>	<b>2.46</b>	<b>0.00</b>
<b>Refinery</b>									
Attock Refinery Ltd	-	76,800	-	76,800	-	-	-	-	-
National Refinery Ltd	-	70,000	-	70,000	-	-	-	-	-
	<b>-</b>	<b>146,800</b>	<b>-</b>	<b>146,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Glass &amp; Ceramics</b>									
Tariq Glass Industries Limited	-	34,500	-	-	34,500	2,709	4.81	4.09	0.00
	<b>-</b>	<b>34,500</b>	<b>-</b>	<b>-</b>	<b>34,500</b>	<b>2,709</b>	<b>4.81</b>	<b>4.09</b>	<b>0.00</b>
	<b>1,777,362</b>	<b>2,900,526</b>	<b>-</b>	<b>3,718,356</b>	<b>959,532</b>	<b>49,040</b>	<b>87.04</b>	<b>73.98</b>	
Carrying Value at September 30, 2023						<b>47,802</b>			
Total Value of investments at June 30, 2023	<b>1,444,671</b>	<b>5,717,647</b>	<b>1,580</b>	<b>5,386,536</b>	<b>1,777,362</b>	<b>71,015</b>			

5.2.1 Investments include shares having market value aggregating to Rs. 16.771 million (June 30, 2023: 15.332 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2.2 These include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the bonus shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 256,252/- at September 30, 2023 (June 30, 2023: Rs. 250,167/-) and not yet deposited in CDC account of Department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at period end.

### 5.3 GoP Ijarah Sukuks

Issue Date	Number of certificates				Market value as at September 30, 2023 (Rs. in '000)	Market value as a percentage of	
	As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at September 30, 2023		Total Investments	Net Assets
						-----%	
17-Apr-23	-	18,000	18,000	-	-	-	-
	-	<b>18,000</b>	<b>18,000</b>	-	-	-	-
Carrying Value as at September 30, 2023					-		

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		(Rupees in '000)	
Management fee	6.1	112	171
Sindh Sales Tax	6.2	15	22
Allocation of expenses related to registrar services, accounting, operation and valuation services		20	30
Selling and Marketing Payable		115	97
		<b>262</b>	<b>320</b>

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (June 30, 2023: two percent per annum) of the average annual net assets.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

			(Un-Audited)	(Audited)
7.	Payable To Trustee	Note	September 30, 2023	June 30, 2023
			(Rupees in '000)	
	Trustee's remuneration	7.1	12	17
	Sindh Sales Tax		1	2
			13	19
7.1	The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.2% (June 30, 2023: 0.2%) of the daily average net assets of the Fund. The fee is payable monthly in arrears.			
8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
			(Rupees in '000)	
	SECP Fee	8.1	5	19
8.1	Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a islamic money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of SECP is increased to 0.075% (June 30, 2023: 0.02%) of the daily average net assets of the Fund. The fee is payable monthly in arrears effective from July 01, 2023.			
9.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
			(Rupees in '000)	
	Auditors' remuneration		519	421
	Federal Excise Duty	9.1	6,610	6,610
	Other payables		64	80
	With Holding Tax Paable		-	744
	Payable to brokers		163	183
	Dividend payable		2	6
			7,358	8,044

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## **9.1 PROVISION FOR FEDERAL EXCISE DUTY**

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.61 million (June 30, 2023: 6.61 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2023 would have been higher by Re. 10.1082 (June 30, 2023: Re. 5.8917) per unit.

## **10. CONTINGENCIES AND COMMITMENTS**

There were no contingencies or commitments outstanding as at September 30, 2023.

## **11. TAXATION**

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

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

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

## **13. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2023 is 7.42% (June 30, 2023: 4.89%) which includes 0.72% (June 30, 2023: 0.44%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc.

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

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

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

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

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

**14.1 Transactions during the period**

	<b>(Un-Audited)</b>	
	<b>Three months ended</b>	
	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees in '000)</b>	
<b>HBL Asset Management Limited - Management Company</b>		
Management fee	<b>534</b>	545
Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>83</b>	84
Selling and Marketing Expense	<b>115</b>	117
<b>Habib Bank Limited - Sponsor</b>		
Redemption of Nil units ( 2022: 315,978 units)	-	29,443
Purchase of 183,500 Shares (2022: 50,000 shares)	<b>16,851</b>	3,500
Sale of 242,500 shares (2022: 37,071 shares)	<b>21,715</b>	3,094
Mark-up earned during the period	<b>52</b>	91
Mark-up received during the period	<b>37</b>	71
Dividend income earned during the period	-	87
Bank charges	<b>2</b>	1
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	<b>53</b>	55
Central Depository service charges	<b>3</b>	3
<b>Executive and Key Management Personnel</b>		
Redemption of Nil units (2022: 11,890 units)	-	1,100
<b>HBL Cash Fund</b>		
Sale of T-Bill	-	25,000
<b>HBL Islamic Income Fund</b>		
Sale of GoP Ijarah Sukuk	<b>19,696</b>	-
Purchase of GoP Ijarah Sukuk	<b>5,468</b>	-

14.2	Amounts outstanding as at period end	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		(Rupees in '000)	
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee	112	171
	Sindh Sales Tax	15	22
	Allocation of expenses related to registrar services, accounting, operation and valuation services	20	30
	Selling and Marketing Payable	115	97
	Receivable from Management Company against selling and marketing expenses	-	809
	Investment held in the Fund: 400,170 units (June, 30 2023: 400,170 Units)	40,569	36,975
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balances	1,892	2,025
	Outstanding balance of Shares: Nil shares (June, 30 2023: 59,000 shares)	-	4,321
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	12	17
	Sindh Sales Tax	1	2
	Security Deposit	100	100
	<b>Mr. Rafiuddin Zakir Mahmood - Connected Person due to holding more than 10% holding*</b>		
	Unit held: Nil units ( June 30, 2023: 325,479 units)	-	30,074

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

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding any non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment creteria. As at September 30, 2023, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

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

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Fund to classify fair value measurements using a hierarchy has the following levels:

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

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

Note	September 30, 2023						
	Carrying amount			Fair Value			
	fair value through profit or loss	At Amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<b>On-balance sheet financial instruments</b>	----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>							
Investments							
- Listed equity securities	49,040	-	-	49,040	49,040	-	-
- Term finance certificate	7,300	-	-	7,300	-	7,300	-
	<b>56,340</b>	<b>-</b>	<b>-</b>	<b>56,340</b>			
<b>Financial assets not measured at fair value</b>							
Bank balances	-	13,167	-	13,167			
Dividend receivable and accrued mark-up	-	955	-	955			
Advances, deposits and other receivables	-	3,469	-	3,469			
	<b>-</b>	<b>17,591</b>	<b>-</b>	<b>17,591</b>			
<b>Financial liabilities not measured at fair value</b>							
Payable to Management Company	-	-	262	262			
Payable to Trustee	-	-	13	13			
Accrued expenses and other liabilities	-	-	7,358	7,358			
	<b>-</b>	<b>-</b>	<b>7,633</b>	<b>7,633</b>			



June 30, 2023								
	Carrying amount				Fair Value			
	Fair value through profit or loss	at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	(Rupees in '000)							
<b>Financial assets measured at fair value</b>								
Investments								
- Listed equity securities	71,015	-	-	71,015	71,015	-	-	71,015
Term Finance certificate	7,568	-	-	7,568	-	7,568	-	7,568
	<b>78,583</b>	<b>-</b>	<b>-</b>	<b>78,583</b>				
<b>Financial assets not measured at fair value</b>								
Bank balances	-	27,173	-	27,173				
Dividend receivable and accrued mark-up	-	760	-	760				
Receivable against sale of investment	-	1,758	-	1,758				
Advances, deposits, prepayments and other receivables	-	3,792	-	3,792				
	<b>-</b>	<b>33,483</b>	<b>-</b>	<b>33,483</b>				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	320	-	320				
Payable to Trustee	-	19	-	19				
Accrued expenses and other liabilities	-	1,434	-	1,434				
	<b>-</b>	<b>1,773</b>	<b>-</b>	<b>1,773</b>				

## 17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 27, 2023.

## 18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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# **HBL**

## **Financial Planning Fund**

## FUND INFORMATION

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Name of Fund	HBL Financial Planning Fund
Name of Auditor	KPMG Taseer Hadi & Co. Chartered Accountants
Name of Trustee	Digital Custodian Company Limited (Formerly MCB Financial Services Limited)
Bankers	Habib Bank Limited JS Bank Limited

**HBL Financial Planning Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at September 30, 2023*

----- September 30, 2023 -----			----- June 30, 2023 -----				
Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total	
	----- (Unaudited) -----			----- (Audited) -----			
----- (Rupees in '000) -----							
<b>Assets</b>							
Bank balances	4	393	372	765	613	264	877
Investments	5	92,382	45,038	137,420	69,747	42,136	111,883
Advance, deposits and other receivables		-	-	-	37	9	46
<b>Total assets</b>		92,775	45,410	138,185	70,397	42,409	112,806
<b>Liabilities</b>							
Payable to the Management Company	6	498	7	505	12	6	18
Payable to the Trustee		8	4	12	6	5	11
Payable to Securities and Exchange Commission of Pakistan	7	1	1	2	10	9	19
Accrued expenses and other liabilities	8	252	114	366	1,118	651	1,769
<b>Total liabilities</b>		759	126	885	1,146	671	1,817
<b>Net assets</b>		92,016	45,284	137,300	69,251	41,738	110,989
<b>Unit holders' fund (as per statement attached)</b>		92,016	45,284	137,300	69,251	41,738	110,989
<b>Number of units in issue</b>		1,116,010	371,473		886,481	369,666	1,256,147
			----- (Rupees) -----		----- (Rupees) -----		
<b>Net asset value per unit</b>		82.4507	121.9047		78.1189	112.9070	

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

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

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

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

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

**HBL Financial Planning Fund**  
**Condensed Interim Income Statement and Other Comprehensive Income (Unaudited)**  
*For the Three months ended September 30, 2023*

	September-23			September-22			
Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total	
	----- (Rupees in '000) -----			----- (Rupees in '000) -----			
<b>Income</b>							
Mark-up on deposits with bank	1	9	10	170	46	216	
Capital gain / (loss) on sale of investment - net	108	174	282	(81)	766	685	
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	4,179	3,125	7,304	439	729	1,168	
Dividend income	167	204	371	-	-	-	
Bank End load	-	-	-	-	-	-	
<b>Total income</b>	<b>4,455</b>	<b>3,512</b>	<b>7,967</b>	<b>528</b>	<b>1,541</b>	<b>2,069</b>	
<b>Expenses</b>							
Remuneration of the Management Company	6.1	5	-	5	4	3	7
Sindh Sales Tax on remuneration of the Management Company	6.2	1	-	1	-	-	1
Remuneration of the Trustee	7.1	20	11	31	10	19	29
Fee to Securities and Exchange Commission of Pakistan	7	4	2	6	2	4	6
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	40	22	62	21	38	59
Amortisation of preliminary expenses and flotation costs	-	-	-	67	58	125	
Auditors' remuneration	45	41	86	33	29	62	
Printing Charges	-	-	-	-	-	-	
Bank charges	78	97	175	1	1	2	
Listing Fee	-	-	-	9	8	17	
Legal Fee	-	-	-	-	-	-	
<b>Total expenses</b>	<b>193</b>	<b>173</b>	<b>366</b>	<b>148</b>	<b>160</b>	<b>308</b>	
<b>Net income from operating activities</b>	<b>4,262</b>	<b>3,339</b>	<b>7,601</b>	<b>380</b>	<b>1,381</b>	<b>1,761</b>	
<b>Net income for the Period before taxation</b>	<b>4,262</b>	<b>3,339</b>	<b>7,601</b>	<b>380</b>	<b>1,381</b>	<b>1,761</b>	
Taxation	9	-	-	-	-	-	
<b>Net income for the Period after taxation</b>	<b>4,262</b>	<b>3,339</b>	<b>7,601</b>	<b>380</b>	<b>1,381</b>	<b>1,761</b>	
<b>Earning per unit</b>	<b>10</b>						
Income already paid on redemption of units	57	3		16	203		
Accounting income available for distribution:							
-Relating to capital gains	4,205	3,295		-	-		
-Excluding capital gains	-	41		-	-		
	4,205	3,336		364	1,178		
<b>Net income for the Period after taxation</b>	<b>4,262</b>	<b>3,339</b>		<b>380</b>	<b>1,381</b>		
<b>Other comprehensive income for the Period</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		
<b>Total comprehensive income for the Period</b>	<b>4,262</b>	<b>3,339</b>		<b>380</b>	<b>1,381</b>		

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Financial Planning Fund**  
**Statement of Movement In Unitholders' Fund**  
*For the Three months ended September 30, 2023*

	September-23			September-22		
	Active Allocation Plan			Active Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees '000)					
<b>Net assets at beginning of the Period</b>	82,307	(13,056)	69,251	100,204	(14,325)	85,879
Issuance of 272,570 (2022: 5,763) units						
- Capital value (at net asset value per unit at the par value)	21,294	-	21,294	427	-	427
- Element of Income	643	-	643	8	-	8
<b>Total proceeds on issuance of units</b>	<b>21,937</b>	<b>-</b>	<b>21,937</b>	<b>435</b>	<b>-</b>	<b>435</b>
Redemption of 43,042 (2022: 885,957 units)						
- Capital value (at net asset value per unit at the par value)	(3,362)	-	(3,362)	(65,655)	-	(65,655)
- Amount paid out of element of income	(15)	-	(15)	85	-	85
- Income already paid on redemption of units	-	(57)	(57)	-	(16)	(16)
<b>Total payments on redemption of units</b>	<b>(3,377)</b>	<b>(57)</b>	<b>(3,434)</b>	<b>(65,570)</b>	<b>(16)</b>	<b>(65,586)</b>
Total comprehensive income for the Period	-	4,262	4,262	-	380	380
<b>Net assets at end of the Period</b>	<b>100,867</b>	<b>(8,851)</b>	<b>92,016</b>	<b>35,069</b>	<b>(13,961)</b>	<b>21,108</b>
- Realised (loss) / income		(13,219)			1,032	
- Unrealised income / (loss)		163			(15,357)	
Undistributed loss brought forward		(13,056)			(14,325)	
Accounting income available for distribution						
- Relating to capital gains		4,205			-	
- Excluding capital gains		-			-	
Total comprehensive loss for the period		4,205			-	
Undistributed (loss) carried forward		(8,851)			(14,325)	
<b>Undistributed income carried forward</b>						
- Realised (loss)		(13,030)			(14,764)	
- Unrealised income		4,179			439	
		(8,851)			(14,325)	
			(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the Period</b>			<b>78.1189</b>			<b>74.1068</b>
<b>Net assets value per unit at end of the Period</b>			<b>82.4507</b>			<b>75.7504</b>

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Financial Planning Fund**  
**Statement of Movement In Unitholders' Fund**  
*For the Three months ended September 30, 2023*

	September-23			September-22		
	Conservative Allocation Plan			Conservative Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees '000)					
<b>Net assets at beginning of the Period</b>	<b>34,462</b>	<b>7,276</b>	<b>41,738</b>	<b>71,779</b>	<b>6,841</b>	<b>78,620</b>
Issuance of 4,358 (2022: 1,750) units						
- Capital value (at net asset value per unit at the par value)	491	-	491	197	-	197
- Element of Income	23	-	23	4	-	4
<b>Total proceeds on issuance of units</b>	<b>514</b>	<b>-</b>	<b>514</b>	<b>201</b>	<b>-</b>	<b>201</b>
Redemption of 2,551 (2022: 404,405) units						
- Capital value (at net asset value per unit at the par value)	(288)	-	(288)	(45,172)	-	(45,172)
- Amount paid out of element of income	(16)	-	(16)	(514)	-	(514)
- Income already paid on redemption of units	-	(3)	(3)	-	(203)	(203)
<b>Total payments on redemption of units</b>	<b>(304)</b>	<b>(3)</b>	<b>(307)</b>	<b>(45,686)</b>	<b>(203)</b>	<b>(45,889)</b>
Total comprehensive income for the Period	-	3,339	3,339	-	1,381	1,381
<b>Net assets at end of the Period</b>	<b>34,672</b>	<b>10,612</b>	<b>45,284</b>	<b>26,294</b>	<b>8,019</b>	<b>34,313</b>
- Realised income		7,136			11,138	
- Unrealised income / (loss)		140			(4,297)	
Undistributed income brought forward		7,276			6,841	
Accounting income available for distribution						
- Relating to capital gains		3,295			-	
- Excluding capital gains		41			-	
		3,336			-	
Undistributed income carried forward		10,612			6,841	
<b>Undistributed income carried forward</b>						
- Realised income		7,487			6,112	
- Unrealised income		3,125			729	
		10,612			6,841	
		(Rupees)			(Rupees)	
<b>Net assets value per unit at beginning of the Period</b>		<b>112.9070</b>			<b>111.7004</b>	
<b>Net assets value per unit at end of the Period</b>		<b>82.4507</b>			<b>75.7504</b>	

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Financial Planning Fund**  
**Condensed Interim Cash Flow Statement (unaudited)**  
*For the Three months ended September 30, 2023*

Note	September-23			September-22		
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
------(Rupees in '000)-----				------(Rupees in '000)-----		
<b>Cash flows from operating activities</b>						
Net income for the Period before taxation	4,262	3,339	7,601	380	1,381	1,761
<b>Adjustments for non-cash items</b>						
Dividend income	(167)	(204)	(371)	-	-	-
Capital (gain) / loss on sale of investment - net	(108)	(174)	(282)	81	(766)	(685)
Unrealised (appreciation) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(4,179)	(3,125)	(7,304)	(439)	(729)	(1,168)
	(192)	(164)	(356)	22	(114)	(92)
<b>(Increase) / Decrease in assets</b>						
Investments - net	(18,348)	397	(17,951)	4,271	44,927	49,198
Advance, deposits and other receivables	37	9	46	(6)	(6)	(12)
Preliminary expenses and flotation costs	-	-	-	68	58	126
	(18,311)	406	(17,905)	4,333	44,979	49,312
<b>(Decrease) / Increase in liabilities</b>						
Payable to the Management Company	486	1	487	(913)	(1)	(914)
Payable to the Trustee	2	(1)	1	-	(1)	(1)
Payable to Securities and Exchange Commission of Pakistan	(9)	(8)	(17)	(5)	(9)	(14)
Accrued expenses and other liabilities	(866)	(537)	(1,403)	31	2,702	2,733
	(387)	(545)	(932)	(465)	(1,832)	1,804
<b>Cash flow from / (used in) operations</b>	(18,890)	(303)	(19,193)	3,890	43,032	51,024
Dividend income received	167	204	371	-	-	-
<b>Net cash flow from / (used in) operating activities</b>	(18,723)	(99)	(18,822)	3,890	43,032	51,024
<b>Cash flows from financing activities</b>						
Amount received on issue of units	21,937	514	22,451	435	201	636
Amount paid on redemption of units	(3,434)	(307)	(3,741)	(65,586)	(45,889)	(111,475)
<b>Net cash generated from / (used in) financing activities</b>	18,503	207	18,710	(65,151)	(45,688)	(110,839)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(220)	108	(112)	(61,683)	1,867	(59,815)
Cash and cash equivalents at the beginning of the Period	613	264	877	62,479	1,278	63,757
<b>Cash and cash equivalents at the end of the Period</b>	4 393	372	765	796	3,145	3,942

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**



# **HBL Financial Planning Fund**

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

### ***For the Three months ended September 30, 2023***

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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 Company Limited (Formerly: MCB Financial Services Limited) as the Trustee. The Trust Deed was executed on March 22, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 14, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton. The Fund commenced its operations from October 11, 2017.

The Fund is an open ended fund of fund scheme and the Fund is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation Plan and Active Allocation Plan were initially offered to public (IPO) on September 11, 2017 to October 10, 2017 whereas units of Strategic Allocation Plan were offered from August 07, 2017 to October 10, 2017. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund is perpetual but the allocation plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

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

The "Active Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active asset allocation between Equity scheme(s), Income scheme(s) and Money Market Schemes based on the Fund Manager's outlook on the asset classes.

The "Conservative Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of investments in equity, income and money market funds. This Allocation Plan is suitable for Investors who have moderate risk tolerance and have a short to medium term investment horizon.

The "Strategic Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between Equity scheme(s), Income scheme(s) and Money Market Schemes based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. The duration of this plan is 24 months (Two Years). However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause no.10.4 of the offering document of the Fund.

The "Special Income Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between Income and Money Market schemes based on fundamental analysis of economic indicators, interest rate environment, market liquidity conditions and a strategy of minimizing risk & volatility. The duration of this plan is 24 months (Two Years). However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause no.10.4 of the offering document of HBL-FPF.

VIS Credit Rating Agency has assigned management quality rating of 'AM1 (Stable outlook)' to the Management Company while the Fund is currently not rated.

Title to the assets of the Fund are held in the name of Digital Custodian Company Limited (Formerly: MCB Financial Services Limited) as trustee of the Fund.

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## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2023.

### **2.2 Basis of Measurement**

These financial statements have been prepared 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2023.

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

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

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2023.

#### 4. BANK BALANCES

		30-Sep-2023			30-Jun-2023		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
Note		----- (Rupees in '000) -----					
Savings accounts	4.1	393	372	765	613	264	877

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 19.5% to 20.5% (June 2023: 19.5% to 20.5%) per annum.

#### 5. INVESTMENTS

		30-Sep-2023			30-Jun-2023		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
Note		----- (Rupees in '000) -----					

##### Investments by category

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

Units of mutual funds	5.1	92,382	45,038	137,420	69,747	42,136	111,883
-----------------------	-----	--------	--------	---------	--------	--------	---------

#### 5.1 Units of mutual funds

Name of Investee Funds	As at July 01, 2023	Purchases during the period	Redemptions during the period	As at September 30, 2023	Total carrying value as at September 30, 2023	Total market value as at September 30, 2023	Appreciation/ (diminution) as at September 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investment
----- Number of units ----- (Rupees in '000) ----- % -----									
<b>Active Allocation Plan</b>									
HBL Government Securities Fund	618,612	-	22,595	596,017	21,003	21,134	131	22.97	22.88
HBL Cash Fund	-	205,929	-	205,929	67,200	71,248	4,048	77.43	77.12
HBL Financial Sector Income Fund Plan I	-	202,867	202,867	-	-	-	-	-	-
	618,612	408,796	225,462	801,946	88,203	92,382	4,179	100.40	100.00
<b>Conservative Allocation Plan</b>									
HBL Cash Fund	42,091	13,335	23	55,403	5,642	5,686	44	12.56	12.62
HBL Income Fund	247,845	-	5,159	242,686	27,237	28,871	1,634	63.76	64.10
HBL Stock Fund	48,324	-	14,377	33,947	2,365	2,652	287	5.86	5.89
HBL Energy Fund	52,137	-	-	52,137	5,124	6,202	1,078	13.70	13.77
HBL Money Market Fund	15,028	-	-	15,028	1,545	1,627	82	3.59	3.61
HBL Financial Sector Income Fund Plan I	-	11,259	11,259	-	-	-	-	-	-
	874,659	24,594	30,818	868,435	41,913	45,038	3,125	99.46	100.00
<b>Total as at September 30, 2023</b>	<b>1,493,271</b>	<b>433,390</b>	<b>256,280</b>	<b>1,670,381</b>	<b>130,116</b>	<b>137,420</b>	<b>7,304</b>		
Total as at June 30, 2023	1,066,857	2,527,893	2,101,479	1,493,271	111,581	111,884	303		

#### 6. PAYABLE TO THE MANAGEMENT COMPANY

		30-Sep-2023			30-Jun-2023		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
Note		----- (Rupees in '000) -----					
Management fee	6.1	-	-	-	-	-	-
Sindh Sales Tax on Management Company's remuneration	6.2	-	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	15	7	22	12	6	18
Sales load payable		483	-	483	-	-	-
		498	7	505	12	6	18

- 6.1 As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the Scheme. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.
- 6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.
- 6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

## 7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a fund of fund scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

	30-Sep-2023			June 30, 2023		
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
Note	(Rupees in '000)			(Rupees in '000)		
Withholding tax	73	-	73	912	579	1,491
Printing	-	-	-	-	-	-
Auditors' remuneration	125	114	239	80	72	152
Other Payables	54	-	54	126	-	126
	<b>252</b>	<b>114</b>	<b>366</b>	<b>1,118</b>	<b>651</b>	<b>1,769</b>

## 9. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the period, management has distributed cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

## 10. EARNINGS PER UNIT (EPU)

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

## 11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

### 11.1 Transactions during the period

	For the three months ended September 30, 2023			For the three months ended September 30, 2022		
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
<b>HBL Asset Management Limited - Management Company</b>						
Remuneration of the Management Company	5	-	5	4	3	7
Sindh Sales Tax on remuneration of the Management Company	1	-	1	1	-	1
Allocation of expenses related to registrar services, accounting, operation and valuation services	40	22	62	21	38	59
<b>Habib Bank Limited - Sponsor</b>						
Mark-up earned	1	10	11	169	46	215
<b>Digital Custodian Company Limited - Trustee</b>						
Remuneration of the Trustee	20	11	31	10	19	29
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
<b>HBL Cash Fund - CIS managed by Management Company</b>						
Purchase of 205,929 (2022: Nil) units	21,003	-	21,003	-	-	-
Purchase of 13,335 (2022: 4) units	-	1,360	1,360	-	-	-
Redemption of 24 (2022: Nil) units	-	2	2	-	-	-
<b>HBL Stock Fund - CIS managed by Management Company</b>						
Purchase of Nil (2022: 4,474) units	-	-	-	-	311	311
Redemption of 14,376 (2022: 52,889) units	-	1,150	1,150	-	3,651	3,651
<b>HBL Equity Fund - CIS managed by Management Company</b>						
Redemption of Nil (2022: of 201,448) units	-	-	-	14,997	-	14,997
Redemption of Nil (2022: 60,519) units	-	-	-	-	4,463	4,463

	For the three months ended September 30, 2023			For the three months ended September 30, 2022		
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
<b>HBL Income Fund</b>						
- CIS managed by Management Company						
Purchase of Nil (2022: 552,209) units	-	-	-	61,633	-	61,633
Redemption of 5,160 (2022: 452,512) units	600	-	600	50,908	-	50,908
Redemption of 281,608 (2022: 281,608) units		32,318	32,318		32,318	32,318
<b>HBL Money Market Fund</b>						
- CIS managed by Management Company						
Redemption of Nil (2022: 45,134) units	-	-	-	-	4,782	4,782
<b>HBL Government Securities Fund - CIS managed by Management Company</b>						
Redemption of 22,594 (2022: Nil) units	2,600	-	2,600	-	-	-
<b>HBL Financial Sector Income Fund - CIS managed by Management Company</b>						
Purchase of 202,867 (2022: Nil) units	20,780	-	20,780	-	-	-
Purchase of 11,259 (2022: Nil) units	-	1,150	1,150	-	-	-
Redemption of 202,867 (2022: Nil) units	20,836	-	20,836	-	-	-
Redemption of 11,259 (2022: Nil) units	-	1,156	1,156	-	-	-
<b>Mr. Salman Shakir - Connected Person due to 10% holding</b>						
Issue of 208,064 (2022: Nil) units	17,152	-	17,152	-	-	-

## 11.2 Balances outstanding as at period end

	30-Sep-2023			30-Jun-2023		
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
<b>HBL Asset Management Limited - Management Company</b>						
Management fee	-	-	-	-	-	-
Sindh Sales Tax on Management Company's remuneration	-	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	15	7	22	12	6	18
Sales load payable	483	-	483	-	-	-
Units held 622,534 (June 30, 2023: 622,534) units	51,221	-	51,221	48,632	-	48,632
Units held 286,697 (June 30, 2023: 286,697) units	-	34,884	34,884	-	32,370	32,370
<b>Habib Bank Limited - Sponsor</b>						
Balance in savings account	783	3,054	3,837	599	165	764
<b>Digital Custodian Company Limited - Trustee</b>						
Remuneration payable to the Trustee	8	4	12	6	5	11

	30-Sep-2023			30-Jun-2023		
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
<b>Directors &amp; Executives</b>						
<b>due to 10% holding</b>						
Units held: 5 (June 30, 2023: 5)	0	-	0	0	-	0
<b>Mr. Salman Shakir - Connected Person</b>						
<b>due to 10% holding</b>						
Units held: 208,064 (June 30, 2023: Nil)	17,119	-	17,119	-	-	-
<b>HBL Cash Fund</b>						
<b>- CIS managed by Management Company</b>						
Units held 205,929 (June 30, 2023: Nil) units	71,248	-	71,248	-	-	-
Units held 55,403 (June 30, 2023: 42,091) units	-	5,686	5,686	-	4,284	4,284
<b>HBL Stock Fund</b>						
<b>- CIS managed by Management Company</b>						
Units held: 33,947 (June 30, 2023: 48,324)	-	2,652	2,652	-	3,366	3,366
<b>HBL Money Market Fund - CIS managed by Management Company</b>						
Units held: 15,028 (June 30, 2023: 15,028)	-	1,627	-	-	1,545	1,545
<b>HBL Government Securities Fund - CIS managed by Management Company</b>						
Units held: 596,017 (June 30, 2023: 618,612)	21,134	-	21,134	69,584	-	69,584
<b>HBL Income Fund - CIS managed by Management Company</b>						
Units held: 242,686 (June 30, 2023: 247,844)	-	28,871	-	-	27,818	27,818
<b>HBL Energy Fund - CIS managed by Management Company</b>						
Units held: 521,371 (June 30, 2023: 521,370)	-	6,202	-	-	5,120	5,120

## 12. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

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

		September 30, 2023							
		Carrying amount				Fair Value			
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	<b>Note</b>	<b>(Rupees in '000)</b>							
<b>Financial assets measured at fair value</b>									
Units of mutual funds	5	137,420	-	-	137,420	137,420	-	-	137,420
		137,420	-	-	137,420	137,420	-	-	137,420
<b>Financial assets not measured at fair value</b>	12.1								
Bank balances		-	765	-	765				
Accrued mark-up		-	-	-	-				
		-	765	-	765				
<b>Financial liabilities not measured at fair value</b>	12.1								
Payable to the Management Company		-	505	-	-				
Payable to the Trustee		-	12	-	-				
Accrued expenses and other liabilities		-	144	-	-				
Unit holders' fund		-	137,300	-	-				
		-	137,961	-	-				
		June 30, 2023							
		Carrying amount				Fair Value			
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	<b>Note</b>	<b>(Rupees in '000)</b>							
<b>Financial assets measured at fair value</b>									
Units of mutual funds		111,883	-	-	111,883	111,883	-	-	111,883
		111,883	-	-	111,883	111,883	-	-	111,883
<b>Financial assets not measured at fair value</b>	12.1								
Bank balances		-	877	-	877				
		-	877	-	877				
<b>Financial liabilities not measured at fair value</b>	12.1								
Payable to the Management Company		-	18	-	18				
Payable to the Trustee		-	11	-	11				
Accrued expenses and other liabilities		-	1,769	-	1,769				
Unit holders' fund		-	110,989	-	110,989				
		-	112,787	-	112,787				



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

**13. TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the period ended September 30, 2023 is 0.97%% and 1.56% (YTD) (2022: 0.35% and 0.03% which includes 0.03% and 0.03% (2022: 0.12% and 0.00%) representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan respectively.

**14. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on October 27, 2023 by the Board of Directors of the Management Company.

**15. GENERAL**

15.1 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**

## **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 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 Taraqiati Bank Limited

# HBL Growth Fund

## Condensed Interim Statement of Assets and Liabilities (Un-Audited)

### AS AT SEPTEMBER 30, 2023

		September 30, 2023 (Un-Audited)			June 30, 2023 (Audited)		
	Note	Class A	Class B	Total	Class A	Class B	Total
		----- (Rupees in '000) -----					
<b>Assets</b>							
Bank balances	4	509,988	303,114	813,102	794,036	271,151	1,065,187
Investments	5	3,824,399	922,036	4,746,434	3,427,984	829,835	4,257,819
Dividend and profit receivable		48,643	21,502	70,145	24,327	4,105	28,432
Receivable from HBL Asset Management Limited - Management Company		-	-	-	-	5,895	5,895
Receivable against purchase of investment		-	132,980	132,980	-	134,606	134,606
Security deposits and Prepayments		1,039	4,120	5,159	1,216	4,128	5,344
<b>Total assets</b>		<b>4,384,068</b>	<b>1,383,751</b>	<b>5,767,820</b>	<b>4,247,563</b>	<b>1,249,720</b>	<b>5,497,283</b>
<b>Liabilities</b>							
Payable to Management Company	6	7,724	4,990	12,714	7,716	4,439	12,155
Payable to the Trustee		482	210	692	481	185	666
Payable to the Securities and Exchange Commission of Pakistan	8	328	78	406	987	189	1,176
Payable against purchase of investment		-	61,047	61,047	-	76,614	76,614
Accrued expenses and other liabilities	7	43,305	137,822	181,127	735	128,341	129,076
Dividend Payable		-	-	-	340,200	-	340,200
Unclaimed dividend		13,584	131,742	145,326	-	131,741	131,741
<b>Total liabilities</b>		<b>65,423</b>	<b>335,888</b>	<b>401,311</b>	<b>350,119</b>	<b>341,509</b>	<b>691,628</b>
<b>Net assets</b>		<b>4,318,645</b>	<b>1,047,863</b>	<b>5,366,508</b>	<b>3,897,444</b>	<b>908,211</b>	<b>4,805,655</b>
<b>Total unit holders' fund (as per statement attached)</b>		<b>4,318,645</b>	<b>1,047,863</b>	<b>5,366,508</b>	<b>3,897,444</b>	<b>908,211</b>	<b>4,805,655</b>
<b>Contingencies and commitments</b>							
Number of units in issue	9	283,500,000	73,248,464		283,500,000	74,162,156	
----- (Rupees) -----							
<b>Net assets value per unit</b>		<b>15.2333</b>	<b>14.3056</b>		<b>13.7476</b>	<b>12.2463</b>	

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

# HBL Growth Fund

## CONDENSED INTERIM INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

		Three Months Ended September 30,					
Note	2023			2022			
	Class A	Class B	Total	Class A	Class B	Total	
	----- (Rupees in '000) -----			----- (Rupees in '000) -----			
<b>Income</b>							
Capital gain/loss on sale of investments - net	-	122,393	122,393	(114)	(8,004)	(8,118)	
Dividend income	14,867	21,945	36,812	49,556	16,918	66,474	
Profit on bank deposits	37,049	15,655	52,704	10,132	9,109	19,241	
Income from Government securities	-	-	-	10,890	193	11,083	
	51,916	159,993	211,909	70,464	18,216	88,680	
Unrealized appreciation/(diminution) on re-measurement of investments classified as financial assets at 'fair value through profit and loss' - held-for-trading - net	-	12,336	12,336	-	(17,706)	(17,706)	
	51,916	172,330	224,246	70,464	510	70,974	
investments at fair value through profit or loss - net	-	-	-	-	-	-	
<b>Expenses</b>							
Remuneration of Management Company	18,356	5,750	24,106	23,944	5,782	29,726	
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,456	349	1,805	1,836	333	2,169	
Fee to the Securities and Exchange Commission of Pakistan	1,029	241	1,270	283	51	334	
Allocation of expenses related to registrar services, accounting, operation and valuation services	5,956	1,399	7,355	7,769	1,407	9,176	
Selling and Marketing Expense	-	2,672	2,672	-	2,686	2,686	
Settlement and bank charges	-	478	478	7	143	150	
Auditors' remuneration	155	33	188	126	14	140	
Fees & Subscription	177	186	363	14	184	198	
Securities transaction costs	-	9,263	9,263	-	1,362	1,362	
	27,129	20,371	47,500	33,979	11,962	45,941	
<b>Net income from operating activities</b>	24,787	151,959	176,746	36,485	(11,452)	25,032	
<b>Net income for the period before taxation</b>	24,787	151,959	176,746	36,485	(11,452)	25,032	
Taxation	-	-	-	-	-	-	
<b>Net income for the period after taxation</b>	24,787	151,959	176,746	36,485	(11,452)	25,032	
<b>Allocation of net income for the period:</b>							
Income already paid on redemption of units	-	1,297		-	-		
		1,297					
<b>Accounting (loss) / income available for distribution:</b>							
-Relating to capital gains	-	133,580		-	-		
-Excluding capital gains	24,787	17,082		36,485	-		
	24,787	150,662		36,485	-		
<b>Other comprehensive income / (loss) for the period</b>	396,415	-		(263,351)	-		
<b>Total comprehensive income / (loss) for the period</b>	421,202	151,959		(226,866)	(11,452)		

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

# HBL Growth Fund

## Statement of Movement in Unit Holders' Fund

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	2023					2022				
	Class A					Class B				
	Capital Value	Undistributed Income	Unrealized Income/(Loss) on Investment	Premium on Issue of Certificates	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income
	(Rupees)									
Net assets at beginning of the year / period	2,835,000	(2,952,975)	2,007,607	2,007,812	3,897,444	(603,409)	1,511,620	908,211	2,835,000	(2,963,741)
Issue of 283,500,000 Class B units at the time of conversion	-	-	-	-	-	-	-	-	-	-
Issuance of 1,147,018 units (2022: 1,060,471 units)	-	-	-	-	-	2,857	-	2,857	-	-
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	354	-	354	-	-
- Element of loss	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	3,212	-	3,212	-	-
Redemption of 233,326 units (2022: 96,606,347 units)	-	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	(14,047)	-	(14,047)	(85,506)	-
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-
- Relating to net income for the year / period after taxation	-	-	-	-	-	(174)	(1,297)	(1,472)	30,517	30,517
Total payment on redemption of units	-	-	-	-	-	(14,221)	(1,297)	(15,519)	(54,989)	(54,989)
Total comprehensive income for the year / period	-	24,787	396,415	-	421,201	-	151,959	151,959	-	(11,452)
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-
Net income for the year / period less distribution	-	24,787	396,415	-	421,201	-	151,959	151,959	-	(11,452)
Net assets at end of the year / period	2,835,000	(2,928,188)	2,404,022	2,007,812	4,318,645	(614,418)	1,662,282	1,047,863	2,835,000	(2,927,256)
Undistributed income / (loss) brought forward	-	-	-	-	-	-	-	-	-	-
- Realised	-	(2,952,975)	-	-	-	1,533,639	(22,019)	-	2,005,914	(444,162)
- Unrealised	-	-	-	-	-	-	-	-	-	-
	-	(2,952,975)	-	-	-	1,511,620	-	-	1,561,752	-
Transferred to Class B - Segment on conversion of Fund	-	-	-	-	-	-	-	-	-	-
Accounting income / (Loss) available for distribution	-	-	-	-	-	133,580	-	-	-	-
- Relating to capital gains	-	-	-	-	-	17,082	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-
	24,787	-	-	-	-	150,662	-	-	36,485	(11,452)
Undistributed income carried forward	(2,928,188)	-	-	-	-	1,662,282	-	-	(2,927,256)	1,550,300
Undistributed income carried forward	-	-	-	-	-	-	-	-	-	-
- Realised	-	(2,928,188)	-	-	-	1,649,946	(2,927,256)	-	1,568,006	(17,706)
- Unrealised	-	-	-	-	-	12,336	-	-	-	-
	(2,928,188)	-	-	-	-	1,662,282	(2,927,256)	-	1,550,300	-
Net assets value per unit at beginning of the year / period	13.7476	-	-	-	-	12.2463	-	-	19.4009	-
Net assets value per unit at end of the year / period	15.3333	-	-	-	-	14.3056	-	-	18.6006	-

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Growth Fund

## Condensed Interim Cash Flow Statement (Un-audited)

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	2023			2022		
	Class A	Class B	Total	Class A	Class B	Total
Note						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net income for the period	24,787	151,959	176,746	36,485	(11,452)	25,033
<b>Adjustments of non-cash items</b>						
Capital loss / (gain) on sale of investments - net	-	(122,393)	(122,393)	114	8,004	8,004
Income from Government securities	-	-	-	(10,890)	(193)	
Unrealised diminution / (appreciation) on remeasurement of investments at fair value through profit or loss - net	-	(12,336)	(12,336)	-	17,706	17,706
Dividend income	(14,867)	(21,945)	(36,812)	(49,556)	(16,918)	(66,474)
Profit on bank deposit	(37,049)	(15,655)	(52,704)	(10,132)	(9,109)	(19,241)
	(27,129)	(20,371)	(47,500)	(33,979)	(11,962)	(34,972)
<b>(Increase) / decrease in assets</b>						
Investments - net	-	42,529	42,529	10,777	66,197	76,974
Receivable against sale of investments	-	1,626	1,626	-	(57,768)	(57,768)
Security deposits and Other receivable	177	16,327	26,928	48,505	17,233	65,738
	177	60,482	71,083	59,282	25,662	84,944
<b>Increase / (decrease) in liabilities</b>						
Payable to Management Company	8	551	559	103	(4,036)	(3,933)
Payable to Central Depository Company of Pakistan Limited - Trustee	1	25	26	5	(93)	(88)
Payable to the Securities and Exchange Commission of Pakistan	(659)	(111)	(770)	(896)	(251)	(1,147)
Payable against purchase of investment	-	(15,567)	(15,567)	-	45,941	45,941
Accrued expenses and other liabilities	42,570	9,481	52,051	99	1,368	1,467
	41,920	(5,622)	36,299	(689)	42,929	42,240
Cash used in operations	14,968	34,490	59,881	(24,943)	45,629	31,656
Profit received on bank deposit	27,600	9,780	37,380	10,230	9,058	19,288
Net cash generated from operating activities	27,600	9,780	37,380	10,230	9,058	19,288
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Amount received on issue of units	-	3,212	3,212	-	-	-
Amount paid on redemption of units	-	(15,519)	(15,519)	-	(54,989)	(54,989)
Dividend paid	(326,616)	1	(326,615)	-	1	1
<b>Net cash generated from / (used in) financing activities</b>	(326,616)	(12,306)	(338,922)	-	(54,988)	(54,988)
Net (decrease) / increase in cash and cash equivalents	(284,048)	31,963	(252,085)	34,843	10,699	45,542
Cash and cash equivalents at beginning of the period	794,036	271,151	1,065,187	455,453	275,981	731,434
Cash and cash equivalents at end of the period	4	509,988	303,114	490,296	286,680	776,976

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

# **HBL Growth Fund**

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

### **FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

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

- 1.1 HBL Growth Fund was established under a Trust Deed, executed between PICIC Asset Management Company (Now HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2 Through an order dated August 31, 2016, SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016. Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.
- 1.3 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.4 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.5 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.6 VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (2022: AM2++) on December 30, 2022 and the outlook on the rating has been assigned as 'Stable'.
- 1.7 Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.



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## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

- 2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

### **2.2 Basis of measurement**

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

### **2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020 except as explained in note 3.1 and 3.2.

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

- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023.

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

- 3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2023.

			September 30, 2023			June 30, 2023			
			Class A	Class B	Total	Class A	Class B	Total	
		Note	(Rupees in '000)			(Rupees in '000)			
4	BANK BALANCES								
	In savings account	4.1	509,988	303,114	813,102	794,036	271,151	1,065,187	
4.1	Mark-up rates on these accounts range between 8% to 22.5% p.a (June 30, 2023: 8% - 22.5% p.a).								
5	INVESTMENTS								
	Financial assets 'at fair value through profit or loss' - held-for-trading								
	- Listed equity securities	5.1	-	922,036	922,036	-	829,835	829,835	
	Available for sale								
	- Listed equity securities	5.2	3,824,399	-	3,824,399	3,427,984	-	3,427,984	
			3,824,399	922,036	4,746,435	3,427,984	829,835	4,257,819	
5.1	Financial assets 'at fair value through profit and loss' - held-for-trading								
	Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise								
			</						

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2023 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2023	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2023		Net Assets of the fund	Total Investments	Investee Paidup Capital
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Company Ltd.	634,000	872,628		693,128	813,500	99,849	9.53%	10.83%	0.17%
Shell Pakistan Ltd	-	453,310		453,310	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipeline Ltd	1,013,000	3,824,897		3,159,897	1,678,000	78,832	7.52%	8.55%	0.26%
	1,647,000	5,150,835	-	4,306,335	2,491,500	178,681	17.05%	19.38%	
REFINERY									
Attock Refinery Ltd	-	1,960,732		1,681,232	279,500	71,144	6.79%	7.72%	0.33%
National Refinery Ltd	-	1,206,161		835,161	371,000	80,997	7.73%	8.78%	0.46%
	-	3,166,893	-	2,516,393	650,500	152,141	14.52%	16.50%	
COMMERCIAL BANKS									
Bank Al-Habib Limited	2,500	1,271,500		1,274,000	-	-	0.00%	0.00%	0.00%
BankIslami Pakistan Limited	3,437,000	4,845,767		7,305,767	977,000	17,088	1.63%	1.85%	0.19%
Faysal Bank Limited	17,250	175,000		175,000	17,250	385	0.04%	0.04%	1.48%
Habib Bank Ltd	573,000	2,500,740		3,073,740	-	-	0.00%	0.00%	0.00%
MCB Bank Ltd	-	356,467		356,467	-	-	0.00%	0.00%	0.00%
Meezan Bank Ltd	-	1,588,124		906,624	681,500	78,106	7.45%	8.47%	0.06%
United Bank Limited	305,000	418,517		623,517	100,000	14,360	1.37%	1.56%	0.01%
	4,334,750	11,156,115	-	13,715,115	1,775,750	109,939	10.49%	11.92%	
FERTILIZER									
Engro Fertilizers Limited	1,030,328	-		1,030,328	-	-	0.00%	0.00%	-
	1,030,328	-	-	1,030,328	-	-	0.00%	0.00%	
TECHNOLOGY & COMMUNICATION									
Systems Limited	40,268	-	-	40,268	-	-	0.00%	0.00%	-
TPL Trakker Limited	10,544,000	255,000		-	10,799,000	85,744	8.18%	9.30%	0.58%
	10,584,268	255,000	-	40,268	10,799,000	85,744	8.18%	9.30%	
Total as at September 30, 2023	25,213,197	45,071,219	-	43,926,385	26,358,031	922,036	87.99%	100.00%	
Total as at June 30, 2023						829,835			
Cost as at Sep 30, 2023						909,699			
*Sponsor of the Management Company									

\*Sponsor of the Management Company

Investments include shares having market value aggregating to Rs. 119.859 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

- 5.1.1 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.586 million at September 30, 2023 (June 30, 2023: Rs. 0.570) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

Listed equity securities - Available for Sale

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2023 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2023	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2023		Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>Oil and Gas Marketing Companies</b>									
Pakistan State Oil Company Limited	27,364,904	-	-	-	27,364,904	3,358,768	77.77%	87.82%	5.83%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	465,630	10.78%	12.18%	1.56%
<b>TOTAL SEPTEMBER 30, 2023</b>	<b>37,276,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,276,150</b>	<b>3,824,399</b>	<b>88.56%</b>	<b>100%</b>	
<b>Total as at June 30, 2023</b>						<b>3,427,984</b>			
<b>Cost as at September 30, 2023</b>						<b>1,420,375</b>			

5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 27.989 million at September 30, 2023 (June 30, 2023: Rs. 25.315 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

Note	September 30, 2023			June 30, 2023		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)			(Rupees in '000)		
<b>6 PAYABLE TO MANAGEMENT COMPANY</b>						
Management fee	5,161	1,650	6,811	5,156	1,473	6,629
Sindh Sales Tax	671	214	885	670	191	862
Allocation of expenses relating to registrar services, accounting, operation and valuation services	1,892	454	2,346	1,890	405	2,295
Selling and marketing expenses	-	2,672	2,672	-	2,370	2,370
	<b>7,724</b>	<b>4,990</b>	<b>12,714</b>	<b>7,716</b>	<b>4,439</b>	<b>12,155</b>

The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2023: 2% per annum) of the average annual net assets of the Fund for the current year.

- 6.1 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023:13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.2 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “registrar services, accounting, operation and valuation services related to , Collective Investment Scheme”. During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.5% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.1610% of the average daily net assets of the fund.

		September 30, 2023			June 30, 2023			
Note		------(Rupees in '000)-----			------(Rupees in '000)-----			
7	ACCRUED EXPENSES AND OTHER LIABILITIES	Class A	Class B	Total	Class A	Class B	Total	
	Provision for Federal excise duty	7.1	-	125,303	125,303	-	125,303	125,303
	Securities transaction cost payable		-	10,800	10,800	-	1,538	1,538
	Auditors' remuneration payable		167	14	181	486	91	577
	National Clearing Company Pakistan							-
	Limited charges payable		-	95	95	-	16	16
	Withholding tax payable		43,138	631	43,769	249	413	662
	Zakat payable		-	114	114	-	114	114
	Other payables		-	865	865	-	866	866
			43,305	137,822	181,127	735	128,341	129,076

## 7.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

The Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 125.303 million (June 30, 2023: Rs. 125.303 million). Had the provision not been made, the Net Asset Value per unit of Class-B as at September 30, 2023 would have been higher by Rs. 1.711 (June 30, 2023: Rs. 1.690 ) per unit.

8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	September 30,			June 30,		
		2023			2023		
		Class A	Class B	Total	Class A	Class B	Total
	Note	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
	Fee Payable	328	78	406	987	189	1,176

- 8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

## 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2023.

## 10 TAXATION

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

## 11 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio for the Three Months Ended September 30, 2023 is 2.51% and 7.58% (September 2022: 2.42% and 4.68%) which includes 0.33% and 0.72% (September 2022: 0.24% and 0.36%) representing government levy, and SECP fee of the Class A and Class B respectively.

## 12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL asset management limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund. As mentioned in note 1, PICIC Asset Management Company Limited merged with and into HBL Asset Management Limited, therefore PICIC Asset Management Company Limited remained related party till August 31, 2016.

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

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

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

		Three Months Ended					
		September 30,					
		2023			2022		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
12.1	Transactions during the period						
	HBL Asset Management Limited - Management Company						
	Remuneration of the Management Company	16,244	5,088	21,333	21,189	5,117	26,307
	Sales tax on remuneration of the management company	2,112	661	2,773	2,755	665	3,420
	Allocation of expenses related to registrar services, accounting, operation and valuation services	5,956	1,399	7,355	7,769	1,407	9,176
	Selling and Marketing Expense	-	2,672	2,672	-	2,686	2,686
	Habib Bank Limited - Sponsor						
	Dividend income	-	1,976	1,976	-	1,083	1,083
	Profit on saving account	-	-	-	-	6,841	6,841
	Directors and Executives of the Management Company						
	Redemption of unit: NIL units (2022: NIL)	-	-	-	-	-	-
	Central Depository Company of Pakistan						
	Trustee Fee	1,456	349	1,805	1,836	333	2,169
	CDS Charges	-	180	180	-	157	157
		September 30,			June 30,		
		2023			2023		
		(Un-Audited)			(Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
12.2	Balances at period end						
	HBL Asset Management Company Limited - Management Company						
	Payable to management company	5,161	1,650	6,811	5,156	1,473	6,629
	Sindh sales tax	671	214	885	670	191	862
	Allocation of expenses relating to registrar services, accounting, operation and valuation services	1,892	454	2,346	1,890	405	2,295
	Selling and Marketing Expense	-	2,672	2,672	-	2,370	2,370
	Habib Bank Limited - Sponsor						
	Bank Balances	-	1,935	1,935	-	1,935	1,935

	September 30, 2023			June 30, 2023		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)			(Rupees in '000)		
<b>HBL Micro Finance Bank - Associate</b>						
Bank Balances	773,479	258	773,737	756,645	258	756,903
Profit receivable	20,303	-	20,303	12,986	-	12,986
<b>Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% Units</b>						
Units held: 30,406,721 Units (June 2023: 30,406,721 Units)	151,121	-	151,121	142,303	-	142,303
Units held: 15,000,000 Units (June 2023: 15,000,000 Units)	-	214,584	214,584	-	183,695	183,695
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee remuneration payable	482	185	667	481	166	647
Security Deposit with trustee	-	175	175	-	175	175
CDS Charges Payable	-	25	25	-	19	19
<b>Directors and Executives of the Management Company</b>						
Units held: 18,000 Units (June 2023: 18,000 Units)	89.46	-	89	84	-	84
Units held: 18,000 Units (June 2023: 18,000 Units)	-	258	258	-	220	220
<b>State Life Corporation of Pakistan - connected person due to holding more than 10% units</b>						
Units held: 12,384,663 Units (June 2023: 12,384,663 Units)	-	177,170	177,170	-	151,666	151,666
<b>MCB Bank Limited - Treasury - connected person due to holding more than 10% units</b>						
Banks balances	4	1,327	1,330	4	240,722	240,726
Profit receivable	-	8,547	8,547	-	3,548	3,548
Outstanding 43,482,858 (2023: 43,482,858 units) at par value	216,110	-	216,110	203,500	-	203,500
<b>CDC - Trustee National Investment - Associate</b>						
Outstanding 6,466,800 (2023: 6,466,800 units) at par value	32,140	-	32,140	30,265	-	30,265
<b>Jubilee General Insurance Company Limited - Associate</b>						
Outstanding 146,124 (2023: 146,124) units	-	2,090	2,090	-	1,789	1,789

### 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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



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

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

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

13.1

		Class A								
		September 30, 2023								
		Carrying amount				Fair Value				
		Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note-----	(Rupees Hn '000) -----								
Financial assets measured at fair value										
Investment in listed equity securities										
- available for sale		-	3,824,399	-	-	3,824,399	3,824,399	-	-	3,824,399
		-	3,824,399	-	-	3,824,399	3,824,399	-	-	3,824,399
Financial assets not measured at fair value										
Bank balances		-	-	509,988	-	509,988	-	-	-	-
Dividend and profit receivable		-	-	48,643	-	48,643	-	-	-	-
Security deposits		-	-	100	-	100	-	-	-	-
		-	-	558,731	-	558,731	-	-	-	-
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	-	7,724	7,724	-	-	-	-
Payable to trustee		-	-	-	482	482	-	-	-	-
Accrued expenses and other liabilities		-	-	-	137,191	137,191	-	-	-	-
		-	-	-	145,397	145,398	-	-	-	-

13.2

		Class B								
		September 30, 2023								
		Carrying amount				Fair Value				
		Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note-----	(Rupees Hn '000) -----								
Financial assets measured at fair value										
Investment in listed equity securities										
- at fair value through profit and loss		922,036	-	-	-	922,036	922,036	-	-	922,036
		922,036	-	-	-	922,036	922,036	-	-	922,036
Financial assets not measured at fair value										
Bank balances		-	-	303,114	-	303,114	-	-	-	-
Dividend and profit receivable		-	-	21,502	-	21,502	-	-	-	-
Deposits		-	-	2,675	-	2,675	-	-	-	-
		-	-	327,291	-	327,291	-	-	-	-
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	-	4,990	4,990	-	-	-	-
Payable to trustee		-	-	-	210	210	-	-	-	-
Accrued expenses and other liabilities		-	-	-	11,774	11,774	-	-	-	-
		-	-	-	16,975	16,975	-	-	-	-

Class A									
June 30, 2023									
Carrying amount					Fair Value				
Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments									
(Rupees Hn '000)									
Financial assets measured at fair value									
Investment in listed equity securities									
- available for sale	3,427,984	-	-	3,427,984	3,427,984	-	-	3,427,984	
	3,427,984	-	-	3,427,984	3,427,984	-	-	3,427,984	
Financial assets not measured at fair value									
Bank balances	-	794,036	-	794,036	-	-	-	-	
Dividend and profit receivable	-	24,327	-	24,327	-	-	-	-	
Deposits	-	1,216	-	1,216	-	-	-	-	
	-	819,579	-	819,579	-	-	-	-	
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	7,716	7,716	-	-	-	-	
Payable to trustee	-	-	481	481	-	-	-	-	
Accrued expenses and other liabilities	-	-	735	735	-	-	-	-	
	-	-	8,932	8,932	-	-	-	-	
Class B									
June 30, 2023									
Carrying amount					Fair Value				
Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments									
(Rupees Hn '000)									
Financial assets measured at fair value									
Investment in listed equity securities									
- at fair value through profit and loss	829,835	-	-	829,835	829,835	-	-	829,835	
	829,835	-	-	829,835	829,835	-	-	829,835	
Financial assets not measured at fair value									
Bank balances	-	271,151	-	271,151	-	-	-	-	
Dividend and profit receivable	-	4,105	-	4,105	-	-	-	-	
Deposits	-	4,128	-	4,128	-	-	-	-	
	-	279,384	-	279,384	-	-	-	-	
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	4,439	4,439	-	-	-	-	
Payable to trustee	-	-	185	185	-	-	-	-	
Accrued expenses and other liabilities	-	-	128,341	128,341	-	-	-	-	
	-	-	132,965	132,965	-	-	-	-	

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

#### 14 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 27, 2023.

#### 15 GENERAL

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

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

Chief Financial Officer

Chief Executive Officer

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

# HBL Investment Fund

## Condensed Interim Statement of Assets and Liabilities (Un-Audited)

As At September 30, 2023

		September 30, 2023 (Un-Audited)			June 30, 2023 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		----- (Rupees in '000) -----					
<b>Assets</b>							
Bank balances	4	167,124	163,660	330,784	266,918	161,912	428,830
Investments	5	1,372,944	468,241	1,841,185	1,233,972	416,220	1,650,192
Dividend and profit receivable		14,989	6,315	21,304	8,476	2,603	11,079
Receivable against sale of investment		-	27,933	27,933	-	23,625	23,625
Advances & deposits		111	3,812	3,923	111	3,819	3,930
Receivable from HBL Asset Management Limited -Management Company		-	-	-	-	2,654	-
<b>Total assets</b>		<b>1,555,168</b>	<b>669,961</b>	<b>2,225,129</b>	<b>1,509,477</b>	<b>610,833</b>	<b>2,117,656</b>
<b>Liabilities</b>							
Payable to the Management Company	6	2,748	2,437	5,185	2,735	2,240	4,975
Payable to the trustee		231	90	321	231	94	325
Payable to the Securities and Exchange Commission of Pakistan	7	117	38	155	354	103	457
Payable against purchase of investment		-	28,616	28,616	-	13,630	13,630
Accrued expenses and other liabilities	8	10,771	60,598	71,369	407	58,246	58,653
Dividend Payable		-	-	-	113,650	-	-
Unclaimed dividend		4,571	85,286	89,857	-	85,285	85,285
<b>Total liabilities</b>		<b>18,438</b>	<b>177,065</b>	<b>195,503</b>	<b>117,377</b>	<b>159,598</b>	<b>163,325</b>
<b>Net assets</b>		<b>1,536,730</b>	<b>492,896</b>	<b>2,029,626</b>	<b>1,392,100</b>	<b>451,235</b>	<b>1,954,331</b>
<b>Total unit holders' fund (as per statement attached)</b>		<b>1,536,730</b>	<b>492,896</b>	<b>2,029,626</b>	<b>1,392,100</b>	<b>451,235</b>	<b>1,954,331</b>
<b>Contingencies and commitments</b>							
Number of units in issue	9	284,125,000	73,685,631		284,125,000	74,365,497	
<b>Net assets value per unit</b>		----- (Rupees) -----					
		<b>5.4086</b>	<b>6.6892</b>		<b>4.8996</b>	<b>6.0678</b>	

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Investment Fund**  
**Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)**  
**For The Three Months Ended September 30, 2023**

		Three months ended September					
		2023			2022		
Note		Class A	Class B	Total	Class A	Class B	Total
------(Rupees in '000)-----							
<b>Income</b>							
		-	39,758	39,758	(36)	(3,988)	(4,024)
	Capital gain/(loss) on sale of investments - net						
	Dividend income	3,732	8,855	12,587	12,440	10,089	22,529
	Profit on bank deposits	11,866	8,552	20,418	1,935	5,390	7,325
	Income from Government securities	-	-	-	3,504	-	3,504
		15,598	57,165	72,763	17,843	11,491	29,334
	Unrealised (diminution) on remeasurement of investments at fair value through profit or loss - net	-	(3,234)	(3,234)	-	(7,332)	(7,332)
		15,598	53,931	69,529	17,843	4,159	22,002
<b>Expenses</b>							
	Remuneration of Management Company	5,786	2,505	8,291	7,681	3,352	11,033
	Sindh Sales tax on remuneration of the Management company	752	326	1,078	999	436	1,435
	Remuneration of Trustee	652	213	865	812	245	1,057
	Fee to the Securities and Exchange Commission of Pakistan	367	119	486	102	34	136
	Selling & marketing expense	-	1,315	1,315	-	1,760	1,760
	Allocation of expenses related to registrar services, accounting, operation and valuation services	2,121	689	2,810	2,816	922	3,738
	Securities transaction costs	-	2,323	2,323	-	1,288	1,288
	Auditors' remuneration	142	43	185	96	60	156
	Printing Charges	-	-	-	9	-	9
	Fee and Subscription Charges	120	7	127	-	28	28
	Settlement and Bank Charges	-	244	244	3	-	3
	Conversion expense from closed end to open end fund	-	-	-	-	-	-
		9,940	7,784	17,724	12,518	8,125	20,643
	Net loss from operating activities	5,658	46,147	51,805	5,325	(3,966)	1,359
	Taxation	-	-	-	-	-	-
	Net Income/(loss) for the period after taxation	5,658	46,147	51,805	5,325	(3,966)	1,359
<b>Allocation Of Net Income For The Period</b>							
	Income already paid on redemption	-	354		-	-	
	Accounting income available for distribution						
	-Realting to capital gain	-	36,243		-	-	
	-Excuding capital gain	5,658	9,550		-	-	
		5,658	45,793		-	-	
	Net Income/(loss) for the period after taxation	5,658	46,147		5,325	(3,966)	
	Other comprehensive income / (loss) for the year	138,972	-		(97,765)	-	
	Total comprehensive income / (loss) for the year	144,630	46,147		(92,440)	(3,966)	

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Investment Fund

## Condensed Interim Statement Of Movemet In Unit Holder's Fund

### For The Three Months Ended September 30, 2023

	Three months ended September													
	2023				2022			2022				2022		
	Class A				Class B			Class A				Class B		
	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Total
	(Rupees)													
Net assets at beginning of the year / period	2,841,250	(2,165,630)	716,480	1,392,100	1,080,220	(628,985)	451,235	2,841,250	(2,169,291)	1,326,143	1,998,102	1,311,779	(598,490)	713,289
Issuance of Nil units 2022:Nil unit														
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	36	-	36	-	-	-	-	-	-	-
- Element of loss	-	-	-	-	(14)	-	(14)	-	-	-	-	-	-	-
Total proceeds on issuance of units					23	-	23						-	-
Redemption of 32,502,066.9109 units2022:32,502,066.9109 unit														
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	27,659	-	27,659	-	-	-	-	(132,961)	-	(132,961)
- Amount paid out of element of income	-	-	-	-	-	(354)	-	-	-	-	-	-	-	-
Relating to net income for the year / period after taxation	-	-	-	-	(32,168)	-	(32,168)	-	-	-	-	(77,804)	-	(77,804)
Total payment on redemption of units				-	(4,509)	(354)	(4,509)				0	(210,765)	-	(210,765)
Total comprehensive income for the year / period	-	5,658	138,972	144,630	-	46,147	46,147	-	5,325	(97,765)	(92,440)	-	(3,966)	(3,966)
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year / period less distribution	-	5,658	138,972	144,630	-	46,147	46,147	-	5,325	(97,765)	(92,440)	-	(3,966)	(3,966)
Net assets at end of the year / period	2,841,250	(2,159,972)	855,452	1,536,730	1,075,734	(583,192)	492,896	2,841,250	(2,163,966)	1,228,378	1,905,662	1,101,014	(602,456)	498,558
Undistributed income / (loss) brought forward														
- Realised		(2,165,630)				(349,006)			(2,169,291)				(349,006)	
- Unrealised						(76,079)							(76,079)	
		(2,165,630)				(628,985)			(2,169,291)				(598,490)	
Accounting income available for distribution														
- Relating to capital gains		-				36,243			-				-	
- Excluding capital gains		5,658				9,550			5,325					
		5,658				45,793			5,325				-	
Distribution during the year / period		-				-			-				-	
Undistributed income carried forward		(2,159,972)				(583,192)			(2,163,966)				(598,490)	
Undistributed income carried forward														
- Realised		(2,159,972)				(579,958)			(2,163,966)				(591,158)	
- Unrealised		-				(3,234)			-				(7,332)	
		(2,159,972)				(583,192)			(2,163,966)				(598,490)	
	(Rupees)													
Net assets value per unit at beginning of the year / period	4.8996				6.0678			7.0325				6.4666		
Net assets value per unit at end of the year / period	5.4086				6.6892			6.7071				6.4081		

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Investment Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
**For The Three Months Ended September 30, 2023**

	Three months ended September					
	2023			2022		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net loss for the period	5,658	46,147	51,805	5,325	(3,966)	1,359
Adjustments of non-cash items						
Unrealised diminution on remeasurement of investments at fair value through profit or loss - net	-	3,234	3,234	-	7,332	7,332
Dividend income	(3,732)	(8,855)	(12,587)	(12,440)	(10,089)	(22,529)
Capital loss on sale of investment - net	-	(39,758)	(39,758)	36	3,988	
Income from Government securities	-			(3,504)		
Profit on bank deposit	(11,866)	(8,552)	(20,418)	(1,935)	(5,390)	(7,325)
	(9,940)	(7,784)	(17,724)	(12,518)	(8,125)	(20,643)
<b>(Increase) / decrease in assets</b>						
Investments - net	-	(15,497)	(15,497)	3,468	217,715	221,183
Receivable against sale of investments	-	(4,308)	(4,308)	-	(38,151)	(38,151)
Other Receivable	-	2,661	2,661	(477)	-	(477)
	-	(17,144)	(17,144)	2,991	179,564	182,555
<b>Increase / (decrease) in liabilities</b>						
Payable to Management Company	13	197	210	21	(3,615)	(3,594)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(4)	(4)	302	(81)	221
Payable to the Securities and Exchange Commission of Pakistan	(237)	(65)	(302)	(326)	(194)	(520)
Payable against purchase of investment	-	14,986	14,986	-	35,876	35,876
Accrued expenses and other liabilities	10,362	10,117	20,479	12,525	728	13,253
Unclaimed dividend	4,571	1	4,572	-	-	-
	14,709	25,232	39,941	12,522	32,714	45,236
Cash used in operations	4,769	303	5,072	2,995	204,153	207,148
Profit received on bank deposit	9,087	5,931	15,018	3,413	6,313	9,726
<b>Net cash generated from operating activities</b>	9,087	5,931	15,018	15,853	15,042	30,895
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Amount received on issue of units	-	23	23	-	-	-
Amount paid on redemption of units	-	(4,509)	(4,509)	-	(210,765)	(210,765)
Dividend Paid	(113,650)	-	(113,650)			
<b>Net cash generated from / (used in) financing activities</b>	(113,650)	(4,486)	(4,486)	-	(210,765)	(210,765)
Net (decrease) / increase in cash and cash equivalents	(99,794)	1,748	(98,046)	6,408	(299)	6,109
<b>Cash and cash equivalents at beginning of the period</b>	266,918	161,912	428,830	154,016	148,160	302,176
<b>Cash and cash equivalents at end of the period</b>	4 167,124	163,660	330,784	160,424	147,861	308,285

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



**HBL Investment Fund**  
**Notes to the Condensed Interim Financial Information (Un-Audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

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**1. STATUS AND NATURE OF BUSINESS**

- 1.1 HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has a Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to the following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holder of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.5 VIS Credit Rating Company has assigned an asset manager rating of 'AM1' (Outlook: Stable) to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

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## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

2.1.1 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023

2.1.2 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

### **2.2 Basis of measurement**

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

### **2.3 Functional and presentation currency**

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2023

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2023.

		September 30, 2023 (Un-Audited)			June 30, 2023 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)					
<b>4</b>	<b>BANK BALANCES</b>						
	In savings account	167,124	163,660	330,784	266,918	161,912	428,830
		167,124	163,660	330,784	266,918	161,912	428,830

4.1 Mark-up rates on these accounts range between 5.6% to 22.95% p.a (June 30, 2020: 7% - 14.05% p.a).

		September 30, 2023 (Un-Audited)			June 30, 2023 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)					
<b>5</b>	<b>INVESTMENTS</b>						
	At fair value through profit				-	416,220	416,220
	Listed Equity Securities	-	1,283,089	1,283,089	1,233,972	-	1,233,972
	At fair value through other comprehensive income						
	Listed Equity Securities	2,169,981	-	2,169,981	-	-	-
		2,169,981	1,283,089	3,453,070	1,233,972	416,220	1,650,192

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

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

Name of investee company	Number of Shares					Market value as at September 30, 2023 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2023	Purchases during the year	Right issue	Sales during the year	As at September 30, 2023		Total Investments	Net Assets	

### Class B

#### INSURANCE

TPL Insurance Limited	225,480	-	-	-	225,480	3,912	0.84%	0.79%	0.42%
	225,480	-	-	-	225,480	3,912	0.84%	0.79%	

#### TEXTILE SPINNING

Sunshine Cloth	50,000	-	-	-	50,000	17	0.00%	0.00%	0.64%
	50,000	-	-	-	50,000	17	0.00%	0.00%	

#### TEXTILE WEAVING

Mohib Textile	40,820	-	-	-	40,820	6	0.00%	0.00%	0.27%
	40,820	-	-	-	40,820	6	0.00%	0.00%	

#### CEMENT

Cherat Cement Company Ltd.	132,916	37,500	-	170,416	-	-	0.00%	0.00%	
D G Khan Cement Co.Ltd.	217,531	732,600	-	529,600	420,531	18,259	3.90%	3.70%	0.05%
Fauji Cement Company Limited	-	750,000	-	750,000	-	-	0.00%	0.00%	
Lucky Cement Ltd	80,800	109,104	-	148,585	41,319	23,318	4.98%	4.73%	0.01%
Maple Leaf Cement Factory Ltd	713,000	857,958	-	438,467	1,132,491	33,907	7.24%	6.88%	0.07%
	1,144,247	2,487,162	-	2,037,068	1,594,341	75,484	16.12%	15.31%	

Name of investee company	Number of Shares					Market value as at September 30, 2023 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2023	Purchases during the year	Right issue	Sales during the year	As at September 30, 2023		Total Investments	Net Assets	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	387,813	221,406	-	429,750	179,469	15,852	3.39%	3.22%	0.02%
Nishat Power Limited	-	776,702	-	776,702	-	-	0.00%	0.00%	0.00%
	387,813	998,108	-	1,206,452	179,469	15,852	3.39%	3.22%	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	-	227,000	-	-	227,000	11,318	2.42%	2.30%	0.01%
	-	227,000	-	-	227,000	11,318	2.42%	2.30%	
AUTOMOBILE ASSEMBLER									
Sazgar Engineering Works Limited	-	45,301	-	45,301	-	-	0.00%	0.00%	0.00%
	-	45,301	-	45,301	-	-	0.00%	0.00%	
PHARMACEUTICALS									
The Searle Company Ltd	2,376	-	-	-	2,376	84	0.02%	0.02%	0.00%
	2,376	-	-	-	2,376	84	0.02%	0.02%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	14,286	2,340	-	10,250	6,376	9,947	2.12%	2.02%	0.01%
Oil & Gas Development Co Ltd	438,535	359,000	-	444,800	352,735	34,009	7.26%	6.90%	0.01%
Pakistan Petroleum Ltd	478,366	531,000	-	455,961	553,405	40,991	8.75%	8.32%	0.01%
	931,187	892,340	-	911,011	912,516	84,947	18.14%	17.23%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	-	335,391	-	123,000	212,391	26,069	5.57%	5.29%	0.01%
Sui Northern Gas Pipeline Ltd	433,582	617,000	-	538,716	511,866	24,047	5.14%	4.88%	0.01%
	433,582	952,391	-	661,716	724,257	50,116	10.70%	10.17%	
REFINERY									
Attock Refinery Ltd	73,426	11,500	-	84,926	-	-	0.00%	0.00%	-
Pakistan Refinery Limited	-	300,000	-	300,000	-	-	0.00%	0.00%	-
	73,426	311,500	-	384,926	-	-	0.00%	0.00%	
COMMERCIAL BANKS									
Bank Al-Habib Limited	362,000	492,471	-	61,250	793,221	35,719	7.63%	7.25%	0.02%
BankIslami Pakistan Limited	241,000	952,000	-	1,193,000	-	-	0.00%	0.00%	-
Faysal Bank Limited	8,764	740,000	-	740,000	8,764	195	0.04%	0.04%	0.03%
Habib Bank Ltd	161,108	621,000	-	591,936	190,172	17,199	3.67%	3.49%	0.02%
MCB Bank Ltd	-	396,463	-	339,463	57,000	7,373	1.57%	1.50%	0.01%
Meezan Bank Ltd	270,951	41,000	-	263,000	48,951	5,610	1.20%	1.14%	0.01%
National Bank of Pakistan Ltd	-	614,000	-	614,000	-	-	0.00%	0.00%	-
United Bank Limited	283932	392610	-	377464	299,078	42,948	9.17%	8.71%	0.02%
	1,327,755	4,249,544	-	4,180,113	1,397,186	109,044	23.29%	22.12%	

Name of investee company	Number of Shares					Market value as at September 30, 2023 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2023	Purchases during the year	Right issue	Sales during the year	As at September 30, 2023		Total Investments	Net Assets	

#### FERTILIZER

Engro Corporation Ltd	34,173	85000	-	119,173	-	-	0.00%	0.00%	-
Engro Fertilizers Limited	106,777	326000	-	106,777	326,000	24,750	5.29%	5.02%	0.00%
Fauji Fertilizer Co Ltd	-	50000	-	50,000	-	-	0.00%	0.00%	-
	140,950	461,000	-	275,950	326,000	24,750	5.29%	5.02%	

#### TECHNOLOGY & COMMUNICATION

Systems Limited	42,933	133061	-	106,396	69,598	27,410	5.85%	5.56%	0.07%
TPL Trakker Limited	5,574,000	0	-	-	5,574,000	44,258	9.45%	8.98%	0.32%
	5,616,933	133,061	-	106,396	5,643,598	71,668	15.31%	14.54%	

#### GLASS & CERAMICS

Tariq Glass Industries Ltd	120,000	318,000	-	170,000	268,000	21,043	4.49%	4.27%	0.07%
	120,000	318,000	-	170,000	268,000	21,043	4.49%	4.27%	

**Total as at September 30, 2022** **10,494,569** **11,075,407** **-** **9,978,933** **11,591,043** **468,241**

**Carrying value as at September 30, 2022** **471,491**

\*Suspended/Delisted Companies

\*\*Sponsors of Management Company

Investments include shares having market value aggregating to Rs. 42.958 million (June 30, 2023: Rs. 45.488 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.292 million at September 30, 2023 (June 30, 2022: Rs. 0.284 Million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

## 5.2 Listed equity securities - Fair value through other comprehensive income

Name of investee company	Number of Shares					Market value as at September 30, 2022 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2023	Purchases during the year	Right issue	Sales during the year	As at September 30, 2023		Total Investments	Net Assets	
Class A									
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	10,233,471	-	-	-	10,233,471	1256,056	9149%	8174%	3.4%
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	116,887	8.5%	7.6%	0.39%
Total	12,721,495	-	-	-	12,721,495	1,372,944	100%	89.34%	

5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 10.466 million at September 30, 2023 (June 30, 2023: Rs. 9.466) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

## 6 PAYABLE TO MANAGEMENT COMPANY

		September 30, 2023			June 30, 2023		
PAYABLE TO MANAGEMENT COMPANY		(Un-Audited)			(Audited)		
	Note	Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)							
Management fee	6.1	1,836	798	2,634	1,827	740	2,567
Sindh Sales Tax	6.2	239	104	343	238	96	334
Allocation of expenses relating to registrar services, accounting, operation and valuation services	6.3	673	220	893	670	204	874
Selling & Marketing payable	6.4	-	1,315	1,315	-	1,200	1,200
		2,748	2,437	5,185	2,735	2,240	4,975

- 6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged at the rate of 1.5% of the average daily net assets of the Fund.. The fee is payable monthly in arrears.
- 6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 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 has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The expense charged by the asset Management Company is 0.55% during the year.
- 6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 1.05% of the average daily net assets of the Fund.

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

	Note	September 30, 2023 (Un-Audited)			June 30, 2023 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
Fee	7.1	117	38	155	354	103	457

- 7.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.095% of the daily average net assets of the Fund. The fee is payable monthly in arrears

							June 30, 2023					
							(Audited)					
							(Un-Audited)					
							Class A	Class B	Total	Class A	Class B	Total
8	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Rupees in '000)									
	Provision for Federal Excise Duty and additional sales tax on Management Fee	8.1	-	55,961	55,961	-	55,961	55,961				
	Printing Charges		-	-	-	-	-	-				
	Auditors remuneration		103	36	139	402	137	539				
	Security Tarnsaction Charges		-	3,027	3,027	-	43	43				
	Withholding tax payable		9,503	404	9,907	5	289	294				
	Other Payable		121	1,123	1,244	-	1,769	1,769				
	Payable to class A		-	-	-	-	-	-				
	Zakat payable		1,044	47	1,091		47					
			10,771	60,598	71,369	407	58,246	58,606				

- 8.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per certificate of the Fund as at September 30, 2023 would have been higher by Rs. 0.7595 per unit (June 30, 2023: 0.75 per certificate) of class B.

**9 Contingencies & Commitments**

There are no contingencies and commitment as at September 30,2023.

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**10 TAXATION**

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

**11 TOTAL EXPENSES RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the period ended September 30, 2023 of class A is (2022: 2.46%) and of class B is 6.23%(2022: 4.84%) which includes 0.31%(2022: 0.24%) of class A and 0.59%(2022: 0.36%) of class B representing government levy and SECP fee.

**12 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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



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

		Class A SEPTEMBER 30, 2023								
Note	Carrying amount					Total	Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Level 1		Level 2	Level 3	Total	
(Rupees in '000) -----										
Financial assets measured at fair value										
Listed equity securities	-	2,169,981	-	-	2,169,981		2,169,981	-	-	2,169,981
	-	2,169,981	-	-	2,169,981		2,169,981	-	-	2,169,981
Financial assets not measured at fair value										
Bank balances	-	-	-	167,124	167,124					
Dividend and Profit receivable	-	-	-	14,989	14,989					
	-	-	-	182,113	182,113					
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	2,748	2,748					
Payable to Trustee		-	-	231	231					
Accrued expenses and other liabilities		-	-	224	224					
Net assets attributable to unitholders		-	-	1,536,730	1,536,730					
		-	-	1,539,933	1,539,933					

		Class B SEPTEMBER 30, 2023								
Note	Carrying amount					Total	Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Level 1		Level 2	Level 3	Total	
(Rupees in '000) -----										
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investments - Listed equity securities	1,283,089	-	-	-	1,283,089		1,283,089	-	-	1,283,089
	1,283,089	-	-	-	1,283,089		1,283,089	-	-	1,283,089
Financial assets not measured at fair value										
Bank balances	-	-	-	163,660	163,660					
Dividend and Profit receivable	-	-	-	6,315	6,315					
Receivable against purchase of investment	-	-	-	27,933	27,933					
	-	-	-	197,908	197,908					
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	2,437	2,437					
Payable to Trustee		-	-	90	90					
Payable against purchase of investment				28,616	28,616					
Accrued expenses and other liabilities		-	-	4,186	4,186					
Net assets attributable to unitholders		-	-	492,896	492,896					
		-	-	528,225	528,225					

						Class A			
						June 30, 2023			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	At amortized Cost	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
Listed equity securities	-	1233,972	-	-	1233,972	1233,972	-	-	1233,972
	-	1233,972	-	-	1233,972	1233,972	-	-	1233,972
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	266,918	266,918				
Dividend and Profit receivable	-	-	-	8,476	8,476				
	-	-	-	275,394	275,394				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company		-	-	2,735	2,735				
Payable to Trustee		-	-	231	231				
Accrued expenses and other liabilities		-	-	402	402				
Net assets attributable to unitholders		-	-	1392,100	1392,100				
		-	-	1395,468	1395,468				
						Class B			
						June 30, 2023			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	At amortized Cost	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
Listed equity securities	416,220	-	-	-	416,220	416,220	-	-	416,220
	416,220	-	-	-	416,220	416,220	-	-	416,220
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	161912	161912				
Dividend and Profit receivable	-	-	-	2,603	2,603				
	-	-	-	164,515	164,515				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company		-	-	2,240	2,240				
Payable to Trustee		-	-	94	94				
Payable against purchase of investment		-	-	13,630	13,630				
Accrued expenses and other liabilities		-	-	1,949	1,949				
Unclaimed dividend		-	-	101015	101015				
Net assets attributable to unitholders		-	-	451235	451235				
		-	-	570,163	570,163				

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

## 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

	Three Months Ended					
	September 30, 2023			September 30, 2022		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
<b>Transactions during the year</b>						
<b>HBL Asset Management Limited</b>						
Remuneration of Management Company	5,786	2,505	8,291	7,681	3,352	11,033
Sindh Sales Tax on remuneration of Management Company	752	326	1,078	999	436	1,435
Reimbursement of Fund Operations, accounting and Related costs	2,121	689	2,810	2,816	922	3,738
Selling & Marketing	-	1,315	1,315	-	1,760	1,760
<b>Habib Bank Limited - Associated Company</b>						
Dividend Income	-	650	650	-	787	787
Profit on Bank Deposit	-	-	-	-	17	17
Redemption of units: Nil (2022: 31,371,161) units	-	-	-	-	203,605	203,605
<b>MCB Bank Limited</b>						
<b>Connected Person Due to Holding more than 10% Certificates</b>						
Profit on bank deposits	-	7,680	7,680	-	4,263	4,263
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration	652	213	865	812	245	1,057
CDC Connection charges	-	68	68	-	105	105
	September 30, 2023 (Un-Audited)			June 30, 2023 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
<b>Balances outstanding at the year end</b>						
<b>HBL Asset Management Limited</b>						
Payable to the Management Company	1,836	798	2,634	1,827	740	2,567
Sindh Sales tax payable on remuneration to management company	239	104	343	238	96	334
Finance and operational cost	673	220	893	670	204	874
Selling & Marketing expense	-	1,315	1,315	-	1,200	1,200
<b>Central Depository Company Of Pakistan Limited - Trustee</b>						
Trustee fee payable	231	90	321	231	94	325
Security deposit held	100	200	300	100	200	300
CDC Charges Payable	-	16	16	-	36	36
<b>MCB Bank Limited</b>						
<b>Connected Person Due to Holding more than 10% units)</b>						
Bank balance	175	157,673	157,848	152	-	152
Certificates held: 66,090,021 (2022: 66,090,021 certificates)	105,744	-	105,744	660,900	-	660,900

	September 30, 2023 (Un-Audited)			June 30, 2023 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
<b>Habib Bank Limited -Sponsor</b>						
Outstanding units : 47,095,300 (2022: 48,662,161) units	75,352	-	75,352	75,426	-	75,426
Outstanding units : 373 (2022: 31,371,533) Units	-	2	2	-	2	2
Bank Balances	-	580	580	-	580	580
<b>HBL Micro Finance Bank - Associate</b>						
Bank Balances	47,482	2,343	49,825	43,610	695	44,305
Profit receivable	2,742	174		3,219	105	3,324
<b>Associated Companies</b>						
<b>Jubilee General Insurance Company Limited</b>						
Outstanding units:Nil (2022: 100,379)units	-	-	-	1,004	-	1,004
Outstanding units:103,333 (2022: 103,333)units	-	627	627	-	668	668
<b>New Jubilee General Insurance Company Limited Staff Provident Fund Trust</b>						
Outstanding certificates:118,454 (2022: 118,454) certificates	190	-	190	1,185	-	1,185
Outstanding units:121,940 (2022: 121,940) units	-	740	740	-	789	789
<b>New Jubilee General Insurance Company Limited Gratuity Fund Trust</b>						
Outstanding units:224,000 (2022: 224,000) units	358	-	358	2,240	-	2,240
Outstanding units:230,592 (2022: 230,592) units	-	1,399	1,399	-	1,491	1,491
<b>Aga Khan University Employees Provident Fund Trust</b>						
Outstanding certificates:588,000 (2022: 588,000) certificates	941	-	941	5,880	-	5,880
<b>Aga Khan University Employees Gratuity Fund Trust</b>						
Outstanding certificates:138,000 (2022: 138,000) certificates	221	-	221	1,380	-	1,380
<b>National Investment Trust Limited - Administration Fund</b>						
Outstanding units:60,720 (2022: 60,720) units	97	-	97	607	-	607
Outstanding units:Nil (2022: 62,507) units	-	-	-	-	404	404
<b>CDC - Trustee National Investment (Unit) Trust</b>						
Outstanding units:10,108,128 (2022: 10,108,128) units	16,173	-	16,173	15,668	-	15,668
<b>Directors and Executives of the Management Company</b>						
Outstanding units:Nil (2022: 26,195) units	-	-	-	41	-	41
Outstanding units:26,813 (2022: 26,812) units	-	179	179	-	163	163

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**14      DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on October 27, 2023 by the Board of Directors of the company.

**15      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 SECTOR INCOME FUND**

## FUND INFORMATION

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Name of Fund	HBL FINANCIAL SECTOR INCOME FUND
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Name of Auditor	BDO & Co. Chartered Accountants
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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 Fisca Micro Finance Bank Meezan Bank Limited National Bank Limited Dubai Islamic Bank Limited
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**HBL FINANCIAL SECTOR INCOME FUND**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
**AS AT SEPTEMBER 30, 2023**

		September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	23,741,140	21,368,472
Investments	5	4,951,465	5,034,081
Receivable against margin trading system		722,520	705,005
Profit / markup receivable		639,703	475,127
Deposits and prepayments		4,959	5,020
<b>TOTAL ASSETS</b>		<b>30,059,787</b>	<b>27,587,705</b>
<b>LIABILITIES</b>			
Payable to the Management Company	6	52,619	36,617
Payable to the Trustee	7	2,076	1,828
Payable to Securities and Exchange Commission of Pakistan	8	1,832	5,639
Payable against purchase of Investment		-	895
Accrued expenses and other liabilities	9	172,642	108,246
<b>TOTAL LIABILITIES</b>		<b>229,169</b>	<b>153,225</b>
<b>NET ASSETS</b>		<b>29,830,618</b>	<b>27,434,480</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)</b>			
		<b>29,830,618</b>	<b>27,434,480</b>
<b>Contingencies and commitments</b>			
	10	(Number of units)	
Number of units in issue		292,533,501	271,980,769
<b>Net assets value per unit</b>			
		101.9733	100.8692

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



**HBL FINANCIAL SECTOR INCOME FUND**  
**Condensed Interim Income Statement (Un-Audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

		September 30,	
		2023	2022
	Note	----- (Rupees in '000) -----	
<b>INCOME</b>			
Capital gain/(loss) on sale of investments - net		12,824	(4,273)
Markup from government securities		108,270	121,981
Markup from corporate sukuk bonds		84,382	7,177
Markup from commercial papers and term deposit receipts		157,532	58,902
Markup from margin trading system		84,758	42,252
Dividend Income On Equity Securities		54,933	-
Profit on bank deposit		1,206,278	1,078,114
		1,708,977	1,304,153
Unrealised (loss)/gain on re-measurement of investments classified as financial assets at 'fair value through profit or (loss)' - net	5.2	(14,921)	3,148
		1,694,056	1,307,301
<b>EXPENSES</b>			
Remuneration of the Management Company	6.1	58,523	39,139
Sindh Sales Tax on remuneration of the Management Company	6.2	7,608	5,088
Remuneration of the Trustee	7.1	5,342	6,146
Sindh Sales Tax on remuneration of the Trustee	7.2	694	799
Annual fee to Securities and Exchange Commission of Pakistan	8.1	5,332	1,639
Selling and marketing expenses	6.4	18,518	18,218
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	18,518	18,218
Securities transaction costs and settlement charges		1,312	3,015
Fees and Subscription		7	374
Auditors' remuneration		127	204
Bank charges		184	179
Formation Cost		40	39
		116,204	93,058
<b>Net income for the period from operating activities</b>		1,577,851	1,214,243
<b>Net income for the period before taxation</b>		1,577,851	1,214,243
Taxation	11	-	-
<b>Net income for the period after taxation</b>		1,577,851	1,214,243
<b>Allocation of net income for the period</b>			
Income already paid on redemption of units		472,914	285,605
Accounting income available for distribution:			
Relating to capital gains		-	-
Excluding capital gains		1,104,938	928,638
		1,104,938	928,638
		1,577,851	1,214,243
<b>Earnings per unit</b>	12		
The annexed notes 1 to 17 form an integral part of this financial statements.			

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL FINANCIAL SECTOR INCOME FUND**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	September 30,	
	2023	2022
	----- (Rupees in '000) -----	
Net income for the period after taxation	1,577,851	1,214,243
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>1,577,851</b>	<b>1,214,243</b>

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

# HBL FINANCIAL SECTOR INCOME FUND

## Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	September 30,					
	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the quarter	27,230,280	204,200	27,434,480	45,819,471	10,612	45,830,083
Issue of 314,692,951 units (2022: 531,279,114 units)						
Capital value (at net asset value per unit at the beginning of the quarter)	31,742,826	-	31,742,826	53,152,031	-	53,152,031
Element of income	500,048	-	500,048	(31,856,027)	-	(31,856,027)
Total proceeds on issue of units	32,242,874	-	32,242,874	21,296,004	-	21,296,004
Redemption of 294,140,219 units (2022: 751,592,281 units)						
Capital value (at net asset value per unit at the beginning of the quarter)	(29,669,689)	-	(29,669,689)	(75,193,350)	-	(75,193,350)
Income already paid on redemption of units	-	(472,914)	(472,914)	-	(285,605)	(285,605)
Element of (loss)	(69,122)	-	(69,122)	32,056,560	-	32,056,560
Total payments on redemption of units	(29,738,811)	(472,914)	(30,211,725)	(43,136,790)	(285,605)	(43,422,395)
Total comprehensive income for the quarter	-	1,577,851	1,577,851	-	1,214,243	1,214,243
Distribution during the quarter	-	(780,965)	(780,965)	-	(753,177)	(753,177)
Refund of capital	(431,897)	-	(431,897)	(92,520)	-	(92,520)
	(431,897)	796,886	364,989	(92,520)	461,066	368,546
Net assets at end of the quarter	29,302,446	528,172	29,830,618	23,886,165	186,073	24,072,238
Undistributed income brought forward						
- Realised		156,991			10,183	
- Unrealised		47,209			429	
		204,200			10,612	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		1,104,938			928,638	
		1,104,938			928,638	
Distribution for the quarter:						
Distribution during the quarter		(780,965)			(753,177)	
		(780,965)			(753,177)	
Undistributed income carried forward		528,172			186,073	
Undistributed income carried forward						
Realised income		543,093			182,925	
Unrealised income		(14,921)			3,148	
		528,172			186,073	
			Rupees			Rupees
Net assets value per unit at beginning of the quarter			100.8692			100.0454
Net assets value per unit at end of the quarter			101.9733			101.2376

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL FINANCIAL SECTOR INCOME FUND**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 (Un-Audited)**

	September 30, 2023	2022
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	1,577,851	1,214,243
Adjustments for:		
Capital gain/(loss) on sale of investments - net	(12,824)	4,273
Markup from market treasury bills	(108,270)	(121,981)
Markup from corporate sukuk bonds	(84,382)	(7,177)
Markup from commercial papers and term deposit receipts	(157,532)	(58,902)
Markup from margin trading system	(84,758)	(42,252)
Profit on bank deposit	(1,206,278)	(1,078,114)
	(54,933)	
Unrealised (loss)/gain on re-measurement of investments classified as financial asset at fair value through profit or (loss) - net	14,921	(3,148)
	(116,204)	(93,058)
<b>Increase in assets</b>		
Investments - net	80,518	(95,957)
Receivable against margin trading system	(17,515)	(7,426)
Deposits and prepayments	61	(49,901)
Receivable against sale of investment	-	(212)
	63,064	(153,496)
<b>Decrease in liabilities</b>		
Payable to the Management Company	16,002	(4,631)
Payable to the Trustee	248	(1,376)
Payable to the Securities and Exchange Commission of Pakistan	(3,807)	(1,137)
Payable against purchase of investment	(895)	(351,029)
Accrued expenses and other liabilities	64,396	5,879
	75,944	(352,294)
<b>Cash used from operations</b>	22,803	(598,849)
Income from market treasury bills	108,270	121,981
Income received from corporate sukuk bonds	29,061	25,974
Income received from commercial papers and term deposit receipts	157,532	58,902
Income received from margin trading system	35,632	40,671
Dividend received on Equity Securities	54,933	-
Profit received on bank deposits	1,146,150	938,362
	1,531,578	1,185,890
<b>Net cash flow from operating activities</b>	1,554,381	587,041
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	32,242,874	21,296,004
Payment against redemption of units	(30,211,725)	(43,422,395)
Dividend paid	(1,212,862)	(845,697)
<b>Net cash used in financing activities</b>	818,287	(22,972,088)
<b>Net decrease in cash and cash equivalents</b>	2,372,668	(22,385,047)
Cash and cash equivalents at beginning of the period	21,368,472	43,918,633
<b>Cash and cash equivalents at end of the period</b>	23,741,140	21,533,586

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# **HBL FINANCIAL SECTOR INCOME FUND**

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

### **FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

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

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 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.

The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.

The Fund has been categorised as a Compliant Income Scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. 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.

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.

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 on December 31, 2021.

Pursuant to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds, etc, being Specialized Trusts are required to be registered with the Assistant Directorate of Industries and Commerce (Trust Wing), Government of Sindh under Section 12 of the Sindh Trusts Act, 2020. In this regard, the Fund was duly registered on December 06, 2021.

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

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

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

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

## 2.2 Basis of measurement

This financial statements have been prepared under the historical cost convention except for the investments which are classified as fair value through profit and (loss).

## 2.3 Functional and presentation currency

This financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency.

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2023.

3.2 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2023.

3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

3.4 "The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2023."

	Note	September 30, 2023 (Rupees in '000)	June 30, 2023 (Rupees in '000)
<b>4 BANK BALANCES</b>			
Savings accounts	4.1	<b>23,741,140</b>	21,368,472
4.1 This includes a balance of Rs. 4,452.98 million (2023: Rs. 149.464 million) with Habib Bank Limited (a related party) that carries profit at the rates of 19.51% (2023: 19.51%) and Rs. 18,582.06 million (2023: Rs. 19,900.49 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 22.95% (2023: 17.25%). Other savings accounts of the Fund carry profit at the rates ranging from 11.50% to 22.50% (2023: 11.50% to 21.85%) per annum.			
	Note	September 30, 2023 (Rupees in '000)	June 30, 2023 (Rupees in '000)
<b>5 INVESTMENTS</b>			
Financial asset at fair value through profit or (loss)	5.1	<b>2,224,125</b>	2,303,589
Financial asset at amortised cost	5.3	<b>2,727,340</b>	2,730,492
		<b>4,951,465</b>	5,034,081
<b>5.1 Financial assets at fair value through profit or (loss)</b>			
Corporate sukuk bonds	5.1.1	<b>1,523,007</b>	1,400,506
Market treasury bills	5.1.2	-	95,969
GOP Ijara sukuk certificates	5.1.3	<b>339,312</b>	
Pakistan Investments Bonds (PIBs)	5.1.4	-	357,713
Listed equity securities (exchange traded fund)	5.1.5	<b>361,806</b>	449,401
Future stock contracts		-	-
		<b>2,224,125</b>	2,303,589

### 5.1.1 Term Finance Certificates and Sukuk Bond

Name of the investee company	As at July 01, 2023	Purchases made during the period	Sales during the period	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Un-realised Gain / ((Loss)	Market value as a percentage of	
								Total investments	Net assets
<div>----- (Number of units) ----- (Rupees in '000) -----</div>									
Term Finance Certificates and Sukuk Bond									
K-Electric Limited	100,000	0	-	100,000	500,037	505,344	5,307	10.10%	1.68%
Bank Al Habib	100,000	-	-	100,000	508,687	505,359	(3,328)	10.27%	1.71%
Soneri Bank Limited	4,000	-	-	4,000	391,782	395,305	3,523	7.91%	1.31%
Askari Bank Limited	-	120	-	120	114,600	117,000	2,400	2.31%	0.38%
Total - as at September 30, 2023	204,000	120	-	204,120	1,515,106	1,523,007	7,902	30.60%	5.08%
Total - as at June 30, 2023	450	205,250	1,700	204,000	1,400,506	1,399,820	686	27.82%	5.10%

**5.1.1.1** These corporate sukuk bonds and TFC carry profit ranging between 23.50% to 24.84% (June 30, 2023: 11.65% to 23.83%) per annum.

**5.1.1.2** Significant terms and conditions of TFCs and corporate sukuk bond as at September 30, 2023 is as follows:

Name of the investee company	Payment term	Remaining principal (per sukuk bond)	Profit rate (per annum)	Issue date	Maturity date
<b>Corporate sukuk bond - Unlisted</b>					
K-Electric Limited	(Quarterly)	5000	3 Month Kibor + 1.70%	November 23, 2022	November 23, 2029
Bank Al Habib	(Semi - annually)	4999	6 Month Kibor + 1.35%	December 23, 2022	December 23, 2032
Soneri Bank Limited	(Semi - annually)	99980	6 Month Kibor + 1.70%	December 26, 2022	December 26, 2032
Askari Bank Limited	(Quarterly)	1000000	3 Month Kibor + 1.20%	March 17, 2020	March 17, 2030

### 5.1.2 Market treasury bills

Particulars	Issue Date	Face value				Balance as at September 30, 2022			Market value as a percentage of	
		As at July 01, 2023	Purchases made during the period	Sales during the period	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Un-realised gain / ((loss))	total investments	net assets
----- (Rupees '000') -----										
Market Treasury Bills - 3 -months										
Market treasury bills	June 15, 2023	100,000	320,000	420,000	-	-	-	-	0.00%	0.00%
Total as at September 30, 2023		100,000	320,000	420,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2023		450,000	12,985,000	13,335,000	100,000	96,099	95,969	(130)	1.91%	0.35%

### 5.1.3 GoP Ijarah Sukuk certificate

Particulars	Issue date	As at July 01, 2023	Purchases made during the period	Sales during the period	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Un-realised Gain / ((Loss)	Market value as a percentage of	
									Total investments	Net assets
			(Number of units)			(Rupees in '000)				
GOP Ijarah Sukuk -1Y Floating	17-Apr-23	-	2,950,000	2,615,000	335,000	336,193	339,312	3,119	7%	1%
GOP Ijarah Sukuk -1Y Floating	22-May-23	-	245,000	245,000	-	-	-	-	0%	0%
GOP Ijarah Sukuk -1Y Floating	07-Aug-23	-	60,000	60,000	-	-	-	-	0%	0%
Total - as at September 30, 2023		-	3,255,000	2,920,000	335,000	336,193	339,312	3,119	7%	1%
Total - as at June 30, 2023		-	29,740,500	29,740,500	-	-	-	-	0%	0%

**5.1.3.1** These Ijara sukuk bonds carry profit ranging between 22.67% to 22.68% (June 30, 2023: 15.69% to 22.67%) Vper annum.

#### 5.1.4 Pakistan Investments Bonds (PIBs)

Particulars	Issue Date	Face value				Balance as at September 30, 2023			Market value as a percentage of	
		As at July 01, 2023	Purchases made during the period	Sales during the period	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Un-realised gain / ((loss))	total investments	net assets
----- (Rupees '000') -----										
Pakistan Investment Bond-10Y FRB	August 22, 2019	375,000	-	375,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond-2Y FRB	April 6, 2023	-	3,990,000	3,990,000	-	-	-	-	0.00%	0.00%
Total as at September 30, 2023		375,000	3,990,000	4,365,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2023		-	154,507,000	154,132,000	375,000	362,853	357,713	(5,140)	7.11%	1.30%

#### 5.1.5 Listed equity securities (exchange traded funds)

Sectors / Companies	As at July 01, 2023	Acquired during the Period	Disposed during the Period	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
----- (Number of shares) ----- (Rupees in '000) -----									
<b>Exchange Traded Fund</b>									
HBL Total Treasurt - Exchange Traded Fund	39,249,000	6,495,500	11,515,000	34,229,500	387,747	361,806	17.43%	1.21%	0.07%
<b>Investment as at September 30, 2023</b>	<b>39,249,000</b>	<b>6,495,500</b>	<b>11,515,000</b>	<b>34,229,500</b>	<b>387,747</b>	<b>361,806</b>	<b>17.43%</b>	<b>1.21%</b>	<b>0.07%</b>
<b>Investment as at June 30, 2023</b>	<b>-</b>	<b>52,501,000</b>	<b>13,252,000</b>	<b>39,249,000</b>	<b>397,608</b>	<b>449,401</b>	<b>7.90%</b>	<b>1.64%</b>	<b>0.09%</b>

#### 5.2 Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or (loss)' - net

	September 30, 2023	June 30, 2023
Market value of investments	2,224,125	2,303,589
Carrying value of investments	(2,239,046)	(2,256,380)
	<b>(14,921)</b>	<b>47,209</b>

#### 5.3 Financial assets at amortised cost

	Note	September 30, 2023	June 30, 2023
Commercial papers	5.3.1	-	-
Letter of placement	5.3.2	2,727,340	2,730,492
		<b>2,727,340</b>	<b>2,730,492</b>



### 5.3.1 Commercial papers

Name of investee company	Issue date	As at July 01, 2023	Placement made during the period	Income accrued	Sales / matured during the period	As at September 30, 2023	Percentage of total of investments	Percentage of net assets
----- (Rupees '000') -----								
Pak Elektron Limited	February 01, 2022	-	-	-	-	-	0%	0.00%
China Power Hub Generation Company	April 12, 2022	-	-	-	-	-	0%	0.00%
Lucky Electric Power Company	May 06, 2022	-	-	-	-	-	0%	0.00%
Lucky Electric Power Company	November 01, 2022	-	-	-	-	-	0%	0.00%
<b>Total as at September 30, 2023</b>		-	-	-	-	-	<b>0%</b>	<b>0%</b>
Total as at June 30, 2023		1,146,089	552,251	101,660	1,800,000	-	0%	0.00%

### 5.3.2 Letters of placement

Name of investee company	As at July 01, 2023	Placement & accrued income made during the period	Matured during the period	As at September 30, 2023	Percentage of total of investments	Percentage of net assets
----- (Rupees in '000) -----						
Pak Libya Holding Co. Ltd	2,700,000	8,127,340	5,400,000	2,727,340	55.08%	9.14%
<b>Total - as at September 30, 2023</b>	<b>2,700,000</b>	<b>8,127,340</b>	<b>5,400,000</b>	<b>2,727,340</b>	<b>55.08%</b>	<b>9.14%</b>
Total - as at June 30, 2023	-	2,700,000	-	2,700,000	-	-

This letter of placement carry markup at the rate 23.10% per annum (June 30, 2023: 22.90%)

## 6 PAYABLE TO THE MANAGEMENT COMPANY

	Note	September 30, 2023 (Rupees in '000)	June 30, 2023 (Rupees in '000)
Remuneration payable to the Management Company	6.1	23,189	18,030
Sindh Sales Tax payable on Management Company's remuneration	6.2	3,015	2,344
Sales load payable		344	440
Formation cost payable		-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	7,553	3,021
Selling and marketing expense payable	6.4	18,518	12,782
		<b>52,619</b>	<b>36,617</b>

- 6.1** 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 year, the fee is being charged at the rate ranging from 0.75% to 1.00% pf the average annual net assets accordingly. The fee is payable monthly in arrears.
- 6.2** 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.
- 6.3** 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 0.14% to 0.32% of the average annual net assets accordingly.
- 6.4** 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 0.14% to 0.32% of the average annual net assets accordingly.

		September 30, 2023 (Rupees in '000)	June 30, 2023 (Rupees in '000)
<b>7</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee payable	7.1 1,837	1,618
	Sindh Sales Tax payable on remuneration of the Trustee	7.2 239	210
		<u>2,076</u>	<u>1,828</u>
<b>7.1</b>	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.		
<b>7.2</b>	Sindh Sales Tax at the rate of 13% is applicable on Trustee fee as per Sindh Sales Tax on Services Act, 2011.		
<b>8</b>	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee payable	8.1 1,832	5,639
<b>8.1</b>	Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears.		
<b>9</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Withholding tax payable	168,787	104,476
	Auditors' remuneration	85	310
	Brokerage payable	442	317
	Margin trading system charges payable	1,346	2,291
	Other payables	1,981	852
		<u>172,642</u>	<u>108,246</u>
<b>10</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	There were no contingencies and commitments as at September 30, 2023 and June 2023.		
<b>11</b>	<b>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 has distributed atleast 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the period ended June 30, 2022 to its unit holders.		
<b>12</b>	<b>EARNINGS PER UNIT</b>		
	Earnings per unit (EPU) has not been disclosed in this financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.		

### 13 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan the maximum limit of total expense ratio is 2.5% and the total expense ratio of the Fund for the period ended September 30, 2023 1.63% is (September 2022: 1.15%) which includes 0.19% (September 2022: 0.12%) representing Government levy and SECP fee.

### 14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

	September 30, 2023 (Rupees in '000)	September 30, 2022 (Rupees in '000)
<b>14.1 Transactions during the Period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	58,523	39,139
Sindh Sales Tax on remuneration of the Management Company	7,608	5,088
Allocation of expenses related to registrar services, accounting, operation and valuation services	18,518	18,218
Selling and marketing expense	18,518	18,218
<b>HBL Asset Management Limited</b>		
Dividend Reinvestment 22,580 Units (2022: 30,846 units)	2,278	3,086
Issue of 346,171 units (2022: Nil units)	35,000	-
Redemption of 239,892 units (2022: Nil units)	30,000	-
Dividend Paid 23,393 units (2022: Nil units)	2,360	-
<b>HBL Asset Management Ltd Employees Gratuity Fund</b>		
Dividend Reinvestment 2,567 (2022: Nil units)	259	-
<b>HBL Asset Management Ltd Employees Provident Fund</b>		
Issue of Nil units (2022: Nil)	-	-
Dividend Reinvestment 8,303 units	838	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	5,342	6,146
Sindh Sales Tax payable on the Trustee fee	694	799
Central Depository Service charges	456	387
<b>Habib Bank Limited - Sponsors</b>		
Bank charges	-	179
Profit on bank deposit earned	13,672	21,913

	September 30, 2023 (Rupees in '000)	September 30, 2022 (Rupees in '000)
<b>HBL Micro Finance Bank</b>		
Profit on bank deposit earned	1,122,474	548,190
<b>Directors and executives of the Management Company</b>		
Issue of 307,809 units (2022: 188,972 units)	31,189	18,990
Redemption of 116,886 units (2022: 153,179 units)	12,006	15,450
Dividend Paid	162	44
Dividend Reinvestment 1,350 units (2022: 2,672 units)	136	267
Refund of Capital units 260 units (2022: 448 units)	-	45
<b>HBL Micro Finance Bank Ltd.</b>		
Sale of market treasury bill 3 months	99,468	-
<b>HBL Islamic Asset allocation Fund</b>		
Sale of GOP Ijara	5,467	-
<b>HBL Islamic Income Fund</b>		
Purchase of GOP Ijara	492,737	-
<b>HBL IPF Debt sub Fund</b>		
Purchase of GOP Ijara	106,995	-
<b>HBL IPF Money market sub Fund</b>		
Purchase of GOP Ijara	216,555	-
<b>Ibrahim Holdings (Private) Limited</b>		
<b>Connected person due to holding more than 10%</b>		
Redemption of 19,792,300 units (2022: Nil)	2,000,000	-
Issue of Nil ubits (2022: 29,802,410 units)	-	3,000,000
Dividend Reinvestment 3,503,436 units (2022: 1,396,588 units)	353,389	139,722
Refund of Capital Nil units (2022: 183,976 units)	-	18,406
<b>HBL Total Treasury - Exchange Traded Fund (CIS managed by management company)</b>		
Purchase of 6,495,500 units	66,619	450,465
Sale of 11,515,000 units	117,906	222
<b>Riaz Textile Mills (Private) Limited</b>		
<b>Connected person due to holding more than 10%</b>		
Issue of Nil units (2022: 41,603,975 units)	-	4,200,970
Redemption of Nil units (2022: 71,636,340 units)	-	7,212,380
Dividend Reinvestment (2022: 1,853,056 units)	-	185,390
Refund of Capital (2022: 285,650 units)	-	28,578

		September 30, 2023 (Rupees in '000)	June 30, 2023 (Rupees in '000)
<b>14.2</b>	<b>Balances outstanding as at period end</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration payable to the Management Company	23,189	18,030
	Sindh Sales Tax payable on Management Company's remuneration	3,015	2,344
	Sales load payable	344	174
	Allocation of expenses related to registrar services, accounting, operation and valuation services	7,553	3,021
	Selling and marketing expense payable	18,518	12,782
	Preliminary cost payable	-	-
	Units held: 647,803 units (June 2023: 572,132 units)	66,059	139,657
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee fee payable	1,837	2,711
	Sindh Sales Tax payable on Trustee Fee	239	352
	Security deposit	100	100
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balances	4,452,985	9,757,407
	<b>HBL Micro Finance Bank</b>		
	Bank balances	18,582,067	19,850,586
	<b>HBL Total Treasury - Exchange Traded Fund (CIS managed by management company)</b>		
	Units Invested: 34,229,500 (June 2023: 39,429,000)	361,806	449,401
	<b>HBL Asset Management Limited Employees Gratuity Fund Associate</b>		
	Units held 56,174 : (June 2023: 56,174 units)	5,728	5,666
	<b>HBL Asset Management Limited Employees Provident Fund Associate</b>		
	Units held 190,003 : (June 2023: 181,700 units)	19,375	18,328
	<b>Ibrahim Holdings (Private) Limited</b>		
	<b>Connected person due to holding more than 10%</b>		
	Units held: 84,647,097 units (June 2023: 100,935,961 units )	8,631,744	10,181,330
	<b>Riaz Textile Mills (Private) Limited</b>		
	<b>Connected person due to holding more than 10%</b>		
	Units held: Nil units (June 2023: Nil units )	-	-
	<b>Directors and executives of the Management Company</b>		
	Units held: 234,637 units (June 2023: 93,073 units )	23,927	9,388

## 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

September 30, 2023							
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>							
Corporate sukuk bonds	1,523,007	-	1,523,007	-	1,523,007	-	1,523,007
GOP Ijara sukuk certificates	339,312	-	339,312	-	339,312	-	339,312
Listed equity securities (spread transactions)	-	-	-	-	-	-	-
Listed equity securities (exchange traded fund)	361,806	-	361,806	361,806	-	-	361,806
	2,224,125	-	2,224,125	361,806	1,862,319	-	2,224,125
<b>Financial assets not measured at fair value</b>							
Bank balance	-	23,741,140	23,741,140				
Letter of placement	-	2,727,340	2,727,340				
Profit / markup receivable	-	639,703	639,703				
Receivable aginst margin trading system	-	722,520	722,520				
Receivable against sale of investment	-	-	-				
Deposits	-	4,959	4,959				
	-	27,835,662	27,835,662				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	52,619	52,619				
Payable to the Trustee	-	2,076	2,076				
Payable against purchase of investment	-	-	-				
Accrued expenses and other liabilities	-	172,642	172,642				
	-	227,337	227,337				

			June 30, 2023				
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)			
Financial assets measured at fair value							
Corporate sukuk bonds	1,400,506		1,400,506	-	1,400,506	-	1,400,506
Market treasury bills	95,969	-	95,969	-	95,969	-	95,969
Investments in listed equity securities	449,401	-	449,401	-	449,401	-	449,401
Pakistan Investment Bonds	357,713	-	357,713	12,288	-	-	12,288
	2,303,589	-	2,303,589	12,288	1,945,876	-	1,958,164
Financial assets not measured at fair value							
Bank balances	-	21,368,472	21,368,472				
Letter of placement	-	2,730,492	2,730,492				
Profit / markup receivable	-	475,127	475,127				
Receivable against margin trading system	-	705,005	705,005				
Deposits	-	4,450	4,450				
	-	25,283,546	25,283,546				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	34,273	34,273				
Payable to the Trustee	-	1,618	1,618				
Payable against purchase of investment	-	895	895				
Accrued expenses and other liabilities	-	3,770	3,770				
	-	40,557	40,557				

## 16. GENERAL

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

## 17. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 27, 2023 by the Board of Directors of the Management Company.

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

**HBL Total Treasury Exchange Traded Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at September 30, 2023*

		(Un-Audited) September 30, 2023	(Audited) June 30, 2023
	Note	(Rupees in '000)	
<b>Assets</b>			
Bank balances	5	115	2,306
Investments	6	527,598	567,830
Profit / markup receivable		249	55
Advance tax		2,056	2,056
Preliminary Expenses	7	352	374
Deposits and prepayments		100	100
<b>Total assets</b>		<b>530,470</b>	<b>572,721</b>
<b>Liabilities</b>			
Payable to the Management Company	8	882	911
Payable to the Trustee	9	49	53
Payable to Securities and Exchange Commission of Pakistan	10	41	85
Dividend payable		46	70,000
Accrued expenses and other liabilities	11	166	348
<b>Total liabilities</b>		<b>1,184</b>	<b>71,397</b>
<b>Net assets</b>		<b>529,286</b>	<b>501,324</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>529,286</b>	<b>501,324</b>
<b>Contingencies and commitments</b>			
	12	----- (Number of units) -----	
<b>Number of units in issue</b>		<b>50,000,000</b>	<b>50,000,000</b>
----- (Rupees) -----			
<b>Net assets value per unit</b>		<b>10.5857</b>	<b>10.0265</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 And Other Comprehensive Income (Un-Audited)**  
*For the three months period ended September 30, 2023*

	For the Quarter ended September 30, 2023	For the Period September 12, 2022 to September 30, 2022
Note	(Rupees in '000)	
<b>Income</b>		
Capital (loss) / gain on sale of investments - net	(11)	16
Mark-up / return on investments	18,942	3,944
Mark-up on Bank Deposit	10,375	47
	29,306	4,007
Unrealised appreciation on re-measurement of investments classified as financial asset at fair value thorough profit or loss - net	71	141
<b>Total Income</b>	<b>29,377</b>	<b>4,148</b>
<b>Expenses</b>		
Remuneration of the Management Company	740	148
Remuneration of the Trustee	148	30
Annual fee to Securities and Exchange Commission of Pakistan	124	5
Allocation of expenses related to registrar services, accounting, operation and valuation services	258	52
Securities transaction costs	8	1
Auditors' remuneration	110	26
Printing Charges	5	2
Amortization of formation cost	22	6
<b>Total Expenses</b>	<b>1,415</b>	<b>270</b>
<b>Net income for the period after operating expenses</b>	<b>27,962</b>	<b>3,878</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
<b>Net income for the period before taxation</b>	<b>27,962</b>	<b>3,878</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>27,962</b>	<b>3,878</b>
<b>Accounting (loss) / income available for distribution:</b>		
- Relating to capital gains	60	157
- Excluding capital gains	27,902	3,721
	27,962	3,878
	27,962	3,878
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>27,962</b>	<b>3,878</b>

**Earnings per unit**

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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 three months period ended September 30, 2023

	For the three months period ended September			For the Period September 12, 2022 to September 30, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at beginning of the period</b>	500,000	1,324	501,324	-	-	-
Issue of Nil units (2022: 50,000,000 units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	500,000	-	500,000
Total proceeds on issue of units	-	-	-	500,000	-	500,000
Redemption of Nil units (2022: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
Total payments on redemption of units	-	-	-	-	-	-
Total comprehensive income for the period	-	27,962	27,962	-	3,878	3,878
Distribution during the period	-	-	-	-	-	-
Refund of capital	-	-	-	-	-	-
	-	27,962	27,962	-	3,878	3,878
<b>Net assets at end of the period</b>	500,000	29,286	529,286	500,000	3,878	503,878
<b>Undistributed income brought forward</b>						
- Realised income		1,536			-	
- Unrealised loss		(212)			-	
		1,324			-	
<b>Accounting income available for distribution</b>						
Relating to capital gains	60			157		
Excluding capital gains	27,902			3,721		
	27,962			3,878		
Distribution during the period	-			-		
<b>Undistributed income carried forward</b>		29,286			3,878	
<b>Undistributed income carried forward</b>						
Realised income		29,215			3,878	
Unrealised income		71			-	
		29,286			3,878	
		Rupees			Rupees	
<b>Net assets value per unit at start of the period</b>		10.0265			-	
<b>Net assets value per unit at end of the period</b>		10.5857			10.0776	

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 three months period ended September 30, 2023*

	For the Quarter ended September 30, 2023	For the Period September 12, 2022 to September 30, 2022
(Rupees in '000)		
<b>Cash flows from operating activities</b>		
Net income for the period before taxation	27,962	3,878
<b>Adjustments</b>		
Amortization of formation cost	22	6
Capital (gain) / loss on sale of investments - net	11	(16)
Unrealised (appreciation) on re-measurement of investments classified as financial asset at fair value thorough profit or loss - net	(71)	(141)
	<b>27,924</b>	<b>3,727</b>
<b>(Increase) in assets</b>		
Investments - net	40,292	(494,273)
Profit / markup receivable	(194)	(47)
Deposits and prepayments	-	(546)
	<b>40,098</b>	<b>(494,866)</b>
<b>Increase in liabilities</b>		
Payable to the Management Company	(29)	746
Payable to the Trustee	(4)	30
Payable to the Securities and Exchange Commission of Pakistan	(44)	5
Accrued expenses and other liabilities	(182)	29
	<b>(259)</b>	<b>810</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>67,763</b>	<b>(490,329)</b>
<b>Cash flows from financing activities</b>		
Amount received on issue of units	-	500,000
Payment against redemption of units	-	-
Dividend paid	(69,954)	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(69,954)</b>	<b>500,000</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,191)</b>	<b>9,671</b>
Cash and cash equivalents at beginning of the period	2,306	-
<b>Cash and cash equivalents at end of the period</b>	<b>115</b>	<b>9,671</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 Cash Flow Statement (Un-Audited)**

*For the three months period ended September 30, 2023*

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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 a hybrid fund having features of both open and closed end fund. A new concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contract with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either hold units or trade them in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit..
- 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, while the fund is currently not rated.

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

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

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

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

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

#### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for the investments which are measured at fair value.

## 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousands of Rupees, unless otherwise indicated.

	Note	(Un-Audited) September 30, 2023 (Rupees in '000)	(Audited) June 30, 2023
<b>5. BANK BALANCES</b>			
Balances with banks in:			
Savings accounts	5.1	<u>115</u>	<u>2,306</u>

5.1 This represents bank accounts held with Soneri Bank Limited. The balance in savings accounts carry expected profit which ranges from 20% to 22.50% per annum (June 30, 2023: 14.75% to 22% )

	Note	(Un-Audited) September 30, 2023 (Rupees in '000)	(Audited) June 30, 2023
<b>6 INVESTMENTS</b>			

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

Government Securities - Market Treasury Bills	6.1	<u>527,598</u>	<u>567,830</u>
		<u>527,598</u>	<u>567,830</u>

#### 6.1 Government securities - Market Treasury Bills

Particulars	Issue Date	Face value				Balance as at September 30, 2023		Market value as a percentage of	
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at September 30, 2023	Carrying value as at September 30, 2023	Market value as at September 30, 2023	total investments	net assets
-----Rs. In 000-----									
-----%-----									
Market Treasury Bills - 3 -months									
Market treasury bills	April 20, 2023	572,000	-	572,000	-	-	-	-	-
Market treasury bills	June 22, 2023	-	524,000	524,000	-	-	-	-	-
Market treasury bills	August 10, 2023	-	539,000	108,000	431,000	422,885	422,831	80.14	79.89
Market treasury bills	September 21, 2023	-	109,500	-	109,500	104,642	104,767	19.86	19.79
Total as at September 30, 2023		572,000	1,172,500	1,204,000	540,500	527,527	527,598	100.00	99.68
Total as at June 30, 2023		-	5,183,000	4,611,000	572,000	568,042	567,830	100.00	113.27

	Note	(Un-Audited) September 30, 2023 (Rupees in '000)	(Audited) June 30, 2023
<b>7 PRELIMINARY EXPENSE</b>			
Preliminary cost at the start of the period		<u>374</u>	<u>445</u>
Amortization of Expense	7.1	<u>(22)</u>	<u>(71)</u>
Preliminary Cost at the end of the period		<u>352</u>	<u>374</u>

7.1 Formation cost incurred on fund will be ammortized over the period of five years as per SECP's directions.

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**8. PAYABLE TO THE MANAGEMENT COMPANY**

Management fee	8.1	216	233
Sindh Sales Tax on Management Company's remuneration	8.2	28	30
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	83	93
Formation cost payable		555	555
		<u>882</u>	<u>911</u>

**8.1** As per the offering document of the Fund the maximum limit of management fee is 0.5% per annum of average annual net assets. During the period, management remuneration is charged by the Asset Management Company at the rate of 0.5% of average annual net assets of the Fund. The remuneration is paid monthly in arrears (June 30, 2023: 0.5%)

**8.2** The Sindh Provincial 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. (June 30, 2023: 13%)

**8.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company may charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The expense charged by the Asset Management Company at the rate of 0.2% of average annual net assets of the fund. (June 30, 2023: 0.2%)

**9 PAYABLE TO THE TRUSTEE**

Remuneration of the Trustee	9.1	43	47
Sindh Sales Tax on remuneration of the Trustee	9.2	6	6
		<u>49</u>	<u>53</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.(June 30, 2023: 0.1%)

**9.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011. (June 30, 2023: 13%)

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

SECP fee payable	10.1	41	85
		<u>41</u>	<u>85</u>

**10.1** Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a islamic money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of SECP is increased to 0.095% (June 30, 2023: 0.02%)of the daily average net assets of the Fund. The fee is payable monthly in arrears effective from July 01, 2023.

**11 ACCRUED EXPENSES AND OTHER LIABILITIES**

Auditors Remuneration payable	103	344
Brokerage payable	3	3
Other payables	60	1
	<u>166</u>	<u>348</u>



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## 12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2023

## 13. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2024 to its unit holders.

## 14. EARNINGS PER UNIT

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

## 15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

	For the Quarter ended September 30, 2023	For the Period September 12, 2022 to September 30, 2022
	(Rupees in '000)	
<b>15.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	740	148
Allocation of expenses related to registrar services, accounting, operation and valuation services	258	52
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	148	30
<b>Habib Bank Limited - Authorized Participant</b>		
Issuance of Nil units (2022: 50,000,000 units)	-	500,000
Dividend paid	2,633	-

		For the Quarter ended September 30, 2023	For the Period September 12, 2022 to September 30, 2022
		(Rupees in '000)	
<b>CDC Trustee HBL Financial Sector Income Fund Plan 1 - Associate</b>			
	Dividend paid	54,933	-
<b>CDC Trustee HBL Money Market Fund - Associate</b>			
	Sale of Market Treasury Bills	570,968	-
		September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
		(Rupees in '000)	
<b>15.2</b>	<b>Amounts outstanding as at period</b>		
<b>HBL Asset Management Limited - Management Company</b>			
	Management fee payable	216	233
	Sales tax payable	28	30
	Allocation of expenses related to registrar services, accounting, operation and valuation services	83	93
	Formation Cost payable	555	555
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
	Remuneration payable	43	47
	Sindh Sales Tax	6	6
<b>Habib Bank Limited - Authorized Participant *</b>			
	Investment held in the Fund: 2,690,500 units (June 30, 2023: 1,412,000 units)	28,481	14,157
<b>CDC Trustee HBL Financial Sector Income Fund Plan 1 - Associate *</b>			
	Investment held in the Fund: 34,283,000 units (June 30, 2023: 39,159,000 units)	362,910	392,627
* The movement of units not shown in related party transaction as the trade of the units carried in secondary market, i.e: PSX. Therefore, it is not connected with the fund.			
<b>16.</b>	<b>FAIR VALUE OF FINANCIAL INSTRUMENTS</b>		
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.			
Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.			
The fair value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.			

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

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

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

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

		September 30, 2023 (Un-Audited)					
		Carrying amount			Fair value		
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	-----			-----			
(Rupees in '000)							
<b>Financial assets measured at fair value</b>							
Market treasury bills	527,598	-	527,598	-	527,598	-	527,598
	527,598	-	527,598	-	527,598	-	527,598
<hr/>							
<b>Financial assets not measured at fair value</b>							
16							
Bank balances	-	115	115				
Accrued mark-up	-	249	249				
Deposits and other receivables	-	100	100				
	-	464	464				
<hr/>							
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	854	854				
Payable to the Trustee	-	43	43				
Accrued expenses and other liabilities	-	166	166				
	-	1,063	1,063				
<hr/>							
		June 30, 2023 (Audited)					
		Carrying amount			Fair value		
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	-----			-----			
(Rupees in '000)							
<b>Financial assets measured at fair value</b>							
Market treasury bills	567,830	-	567,830	-	567,830	-	567,830
	567,830	-	567,830	-	567,830	-	567,830
<hr/>							
<b>Financial assets not measured at fair value</b>							
16							
Bank balances	-	2,306	2,306				
Accrued mark-up	-	55	55				
Deposits and other receivables	-	100	100				
	-	2,461	2,461				
<hr/>							
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	851	851				
Payable to the Trustee	-	47	47				
Dividend Payable	-	70,000	70,000				
Accrued expenses and other liabilities	-	348	348				
	-	71,246	71,246				

**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 frequently. Therefore, their carrying amounts are reasonable approximation of fair value.

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**17. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2023 is 1.08% (June 30, 2023: 0.85%) which includes 0.17% (June 30, 2023: 0.08%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc.

**18 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 27, 2023.

**19. GENERAL**

19.1 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**

## **Mehfooz Munafa Fund**

## FUND INFORMATION

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Name of Fund	HBL Mehfooz Munafa Fund
Name of Auditor	BDO Ebrahim & Co.,Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al Habib Habib Metropolitan Bank

**HBL Mehfooz Munafa Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at September 30, 2023*

		September 30, 2023	June 30, 2023
	Note	-- Rupees in '000' --	
<b>ASSETS</b>			
Bank balances	4	10,179	6,513
Investments	5	-	2,925,325
Preliminary expenses and flotation costs		-	96
Profit / Mark-up receivable		-	139
<b>TOTAL ASSETS</b>		10,179	2,932,072
<b>LIABILITIES</b>			
Payable to the Management Company	6	204	4,157
Payable to the Trustee		-	298
Payable to Securities and Exchange Commission of Pakistan	7	-	70
Accrued expenses and other liabilities	8	9,975	13,593
<b>TOTAL LIABILITIES</b>		10,179	18,119
<b>NET ASSETS</b>		-	2,913,953
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>			
		-	2,913,953
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	--Number of units--	--Number of units--
<b>Number of units in issue</b>	10	-	29,075,261
		-----Rupees-----	-----Rupees-----
<b>Net assets value per unit</b>		-	100.2211

The annexed notes from 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Mehfooz Munafa Fund

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

For the Period July 01, 2023 to August 09, 2023

		For the Period from July 01, 2023 to August 09, 2023
	Note	-- Rupees in '000 --
<b>Income</b>		
Income from Government securities		68,675
Profit / mark-up on bank deposits		398
		<u>69,073</u>
<b>Expenses</b>		
Remuneration of the Management Company	6.1	2,349
Sindh Sales Tax on remuneration of the Management Company	6.2	305
Remuneration of the Trustee		107
Sindh Sales Tax on remuneration of the Trustee		14
fee to Securities and Exchange Commission of Pakistan		242
Allocation of fee and expenses related to registrar services, accounting, operation and valuation services		339
Selling and marketing expense		982
Auditors' remuneration		249
Amortisation of preliminary expenses and flotation costs		96
Bank charges		22
Printing and stationary charges		85
		<u>4,790</u>
Net income for the period before taxation		64,283
Taxation	10	-
Net income for the period after taxation		<u>64,283</u>
<b>Allocation of net income for the year</b>		
Income already paid on redemption of units		29
Accounting income available for distribution:		
Relating to capital gain		-
Excluding capital gain		64,254
		<u>64,254</u>
		<u>64,283</u>
Earnings per unit	11	

The annexed notes from 1to 16 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



**HBL Mehfooz Munafa Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the Period July 01, 2023 to August 09, 2023*

	For the Period from July 01, 2023 to August 09, 2023
	-- Rupees in '000 --
Net income for the period	64,283
Other comprehensive income	-
Total comprehensive income for the period	64,283

The annexed notes from 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director
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# HBL Mehfooz Munafa Fund

## Condensed Interim Statement of Movement In Unitholders' Fund (Un-Audited)

For the Period July 01, 2023 to August 09, 2023

For the Period from July 01, 2023 to August 09, 2023

Capital value	Undistributed income	Total
---------------	----------------------	-------

Rupees in '000

Net assets at beginning of the year

2,907,526 6,427 2,913,953

Issuance of 29,757,713 units

Capital value (at net asset value per unit at the beginning of the year)

132,439 - 132,439

Element of income

(70,931) - (70,931)

Total proceeds on issuance of units

61,509 - 61,509

Redemption of 682,452 units

Capital value (at net asset value per unit at the beginning of the year)

(3,046,393) - (3,046,393)

Income already paid on redemption of units

- (29) (29)

Element of loss

77,358 - 77,358

Total payments on redemption of units

(2,969,035) (29) (2,969,064)

Total comprehensive income for the year

- 64,283 64,283

Interim distribution

Rs 2.431 per unit declared on August 09, 2023 as cash dividend

Distribution during the year

- (70,681) (70,681)

- (6,398) (6,398)

Net assets at end of the year

- - -

Undistributed income brought forward

Realised income

6,427

Unrealised income

-

6,427

Accounting income available for distribution

Relating to capital (loss) / gain

-

Excluding capital gain

64,254

64,254

Distributions during the year:

Rs 2.431 per unit declared on August 09, 2023 as cash dividend

(70,681)

(70,681)

Undistributed income carried forward

-

Undistributed income carried forward

Realised income

-

Unrealised income

-

-

(Rupees)

Net assets value per unit at beginning of the year

100.221

Net assets value per unit at end of the year

-

The annexed notes from 1to 16 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Mehfooz Munafa Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the Period July 01, 2023 to August 09, 2023*

	For the Period from July 01, 2023 to August 09, 2023
Note	-- Rupees in '000 --
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income for the year before taxation	64,283
Adjustments for:	
Income from Government securities	(68,675)
Profit / mark-up on bank deposits	(398)
Amortisation of preliminary expenses and flotation costs	-
	<u>(4,790)</u>
<b>Increase in assets</b>	
Investments - net	2,993,999
Flotation cost	632
	2,994,631
<b>Increase in liabilities</b>	
Payable to the Management Company	(3,953)
Payable to the Trustee	(298)
Payable to Securities and Exchange Commission of Pakistan	(70)
Accrued expenses and other liabilities	(3,618)
	<u>(7,939)</u>
Net cash used in operating activities	2,981,902
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Receipts from issue of units	61,509
Payment against redemption of units	(2,969,064)
Dividend paid	(70,681)
Net cash generated from financing activities	<u>(2,978,236)</u>
Net increase in cash and cash equivalents	3,666
Cash and cash equivalents at beginning of the period	6,513
Cash and cash equivalents at end of the period	4 <u>10,179</u>

The annexed notes from 1 to 16 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Mehfooz Munafa Fund**

## **Notes to the condensed interim financial information (Un-Audited)**

*For the Period July 01, 2023 to August 09, 2023*

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

HBL Mehfooz Munafa Fund Fund (the Fund) was established under a Trust Deed executed between HBL Asset Management Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/HBL-MEMF/298/2022 dated April 05, 2022 and the Trust Deed was executed on May 24, 2022.

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

The Fund is an Open-End Fixed Rate/Return Scheme. The Management Company have the intention of launching 6 fixed return plans having maturity upto thirty six months from the date of closure of the IPO. The Allocation Plans shall be closed for new subscriptions after the close of the subscription period. Currently, HBL Mehfooz Munafa Fund Plan-II is active. The Units of which were initially offered for public subscription at a par value of Rs.100 per unit from April 26, 2023 to May 17, 2023.

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

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

VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company as at December 30, 2022 while the fund is currently not rated.

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; 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, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

#### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

#### **2.3 Functional and presentation currency**

These financial statements are presented in Pakistani Rupees, which is the Fund's functional currency.

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

#### 3.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year, ended September 30, 2023.

#### 3.2 USE OF ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended September 30, 2023.

#### 3.3 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended september 30, 2023.

		September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
		--- Rupees in '000 ---	
	Note		
4	BANK BALANCES		
	Cash at bank		
	In savings accounts	4.1	10,179
			6,513

**4.1** This represents bank accounts held with various banks. Mark-up rates on these accounts range between 4% to 16.5% (June 2023 : 13.83% to 19.51%) per annum.

			September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
		Note	--- Rupees in '000 ---	
5	INVESTMENTS			
	Financial assets			
	At amortised cost	5.1	-	2,925,325
5.1	Financial assets at amorised cost			
	Government securities			
	Market Treasury Bills	5.1.1	-	2,925,325

5.1.1 Financial assets at amortised cost  
- Market Treasury Bills

Issue date	Tenure	Maturity Date	As at Jul 01, 2023	Placement made during the period	Income accrued	Sales / Matured during the period	As at September 30, 2023	Percentage of net assets	Percentage of total of investments
----- Rupees in '000 -----									
May 18, 2023	3 Months	10-Aug-2023	2,925,325	-	68,675	2,994,000	-	0.00%	0.00%
Total - as at September 30, 2023					-	68,675	2,994,000	-	0.00%

		September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
		--- Rupees in '000 ---	
6	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration payable to the Management Company	6.1	2,302
	Sindh Sales Tax on Management Company's remuneration	6.2	299
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	282
	Selling and marketing expense payable	-	1,070
	Formation cost payable	204	204
		204	4,157

6.1 As per the Regulation 61 of the NBFC Regulations, Asset 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. The maximum limit disclosed in the Offering Document is 1.5% per annum of average annual net assets. During the period, the fee is being charged at the rate of the average annual net assets. The fee is payable monthly in arrears.

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

7 **PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of is increased from 0.02% to 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

8 **ACCRUED EXPENSES AND OTHER LIABILITIES**

Withholding tax payable	9,342	9,340
Pre-IPO profit payable	-	3,902
Auditors' remuneration	236	280
Printing charges	97	62
Others	300	11
	9,975	13,595

9 **CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at September 30, 2023.

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**10 TAXATION**

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of 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 year, as the Management Company has distributed at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) to its unit holders.

**11 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.

**12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS**

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

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

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

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

		September 30, 2023 --- Rupees in '000 ---
<b>12.1</b>	<b>Transactions during the period</b>	
	<b>HBL Asset Management Limited - Management Company</b>	
	Remuneration of Management Company	2,079
	Sindh Sales Tax on remuneration of the Management company	270
	Allocation of expenses related to registrar services, accounting, operation and valuation services	339
	Selling and marketing expense	982
	Formation cost payable	204
	<b>Central Depository Company of Pakistan Limited - Trustee</b>	
	Remuneration	95
	Sindh Sales Tax on remuneration of the Trustee	12
	<b>Habib Bank Limited - Sponsor</b>	
	Bank charges paid	22
	Profit / mark-up on deposits accounts	398

12.2	Balance outstanding as at the period end	September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
		--- Rupees in '000 ---	
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration payable to the Management Company	-	2,302
	Sindh Sales Tax payable on Management Company's remuneration	-	299
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	282
	Selling and marketing expense payable	-	1,070
	Formation cost payable	204	204
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee fee payable	-	264
	Sindh Sales Tax payable on Trustee Remuneration	-	34
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balances	10,179	6,491
	Profit / mark-up receivable	-	139

### 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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



September 30, 2023						
	Carrying amount			Fair value		
	Fair value through profit	Amotized Cost	Total	Level 1	Level 2	Level 3
(Rupees in '000)						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets measured at fair value</b>						
Market treasury bills	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>						
Bank balances	-	10,179	10,179			
Accrued markup	-	-	-			
Investments	-	-	-			
Deposits	-	-	-			
	-	10,179	10,179			
<b>Financial liabilities not measured at fair value</b>						
Payable to Management Company	-	204	204			
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-			
Accrued expenses and other liabilities	-	333	333			
	-	537	537			

June 30, 2023						
	Carrying amount			Fair value		
	Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3
(Rupees in '000)						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets measured at fair value</b>						
Market treasury bills	2,925,325	-	2,925,325	-	2,925,325	-
	2,925,325	-	2,925,325	-	2,925,325	-
<b>Financial assets not measured at fair value</b>						
Bank balances	-	6,513	6,513			
Accrued markup	-	139	139			
Investments	-	2,925,325	2,925,325			
Deposits	-	-	-			
	-	2,931,976	2,931,976			
<b>Financial liabilities not measured at fair value</b>						
Payable to Management Company	-	3,858	3,858			
Payable to Central Depository Company of Pakistan Limited - Trustee	-	264	264			
Accrued expenses and other liabilities	-	939	939			
	-	5,061	5,061			

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**14 TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the year ended September 30, 2023 is 1.35% which includes 0.15% representing Government levy and SECP fee.

**15 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on October 27, 2023 by the Board of Directors of the Management Company.

**16 GENERAL**

**16.1** Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

**16.2** The HBL Mehfooz Munafa Fund has been launched in current year. Therefore, comparatives have not been presented.

For HBL Asset Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

---








Director










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# HBL

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