

HBL

ASSET MANAGEMENT LTD.

ايسيت ميجمينٹ لميٹڈ

AMC Rating : AM2++ by JCR-VIS

QUARTERLY REPORT 2022

For the period ended September 30, 2022

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of October 19, 2022)

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 Committee

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

Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Tariq Masaud	(Non-Executive Director)
	Mr. Mir Adil Rashid	(Chief Executive Officer)
	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

AM2++ (Positive Outlook)

Legal Advisor

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

Website

www.hblasset.com

Head Office & Registered Office

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REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE PERIOD ENDED SEPTEMBER 30, 2021

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Islamic Money Market Fund, HBL Islamic Income Fund, HBL Islamic Stock Fund, HBL Islamic Equity Fund, HBL Islamic Asset Allocation Fund, HBL Islamic Financial Planning Fund and HBL Islamic Dedicated Equity Fund (the Funds) for the period ended September 30, 2022.

ECONOMIC REVIEW

The government's GDP growth target for FY23 was 5.0% (against 5.97% achieved in FY22), however, on account of the recent floods, SBP/ADB/World Bank have revised down their growth projections to 2.4%/3.5%/2.0%, respectively. As per various estimates, economic losses as a result of the floods are expected to reach ~USD 40bn. A positive development has been the resumption of IMF program, which has provided much needed breathing space to the ailing economy, and opened other avenues of funding for the government. Moreover, in order to achieve sustainable economic growth, the authorities have taken some contractionary monetary and fiscal policy measures.

The Current Account Deficit (CAD) for Sep-22 clocked in at USD 316mn, taking 1QFY23 CAD to USD 2.2bn, compared to a Deficit of USD 3.5bn during the same period last year. This was primarily driven by a decline in imports as a result of stringent measures taken by the Government to reduce the outflow of foreign exchange. However, the decline in remittances set off some of the positive impact, which fell by 6.3% during 1QFY23 to USD 7.7bn, compared to USD 8.2bn during the same period last year. In order to curtail the rapid increase in CAD, the government has taken several measures, such as imposition of Regulatory Duty (RD) and Additional Customs Duty (ACD) in the range of 100-150% on almost 600-700 luxury items. However, the recent floods have raised concerns regarding CAD overshooting the government's initial target on account of the expected increase in import of agricultural products and decline in textile exports.

CPI for Sep-22 clocked in at 23.2% YoY, taking 1QFY22 average inflation to 25.11%, compared to 8.58% during the SPLY. The increase in CPI was largely driven by higher food and fuel prices, whereby food prices have been on a rising trajectory owing to the widespread flooding that has devastated crops and farmlands, while fuel prices have risen on account of the Petroleum Development Levy (PDL) imposed by the government.

Fiscal deficit for July was recorded at 0.3% of GDP, compared to 0.4% of GDP during the same period last year (SPLY). Primary balance posted a surplus of PKR 142bn, compared to a deficit of PKR 5bn during the SPLY. FBR has provisionally collected PKR 1,635bn during 1QFY23, compared to PKR 1,403bn during the SPLY, surpassing its target by PKR 27bn.

STOCK MARKET REVIEW

During 1QFY23, the KMI-30 index declined by 1,303pts or 1.9% to close at 67,463pts. The market started off on a positive note, increasing by 2.3% during Jul-22 and Aug-22 on the back of resumption of the IMF program, which opened other avenues of external funding for the government. Investor sentiment was also boosted by news flow that Saudi Arabia was seeking to renew its USD 3bn deposits with Pakistan, along with provision of USD 100mn per month for import of petroleum products. Furthermore, news flow suggested that Qatar had announced plans to invest USD 3bn in various commercial and investment sectors of the country. However, during Sep-22, the positive sentiment was overshadowed by the devastation caused by the floods, as it led to concerns regarding expected increase in the twin deficits due to the required spending on rehabilitation efforts, expected increase in import of agricultural products and decline in textile exports.

During 1QFY23, major negative contribution came from Fertilizer (942 pts), Oil & Gas Exploration (858 pts), Chemicals (575 pts) and Auto Assemblers (266 pts) sectors. On the other hand, major positive contribution came from Technology & Communications (683 pts), Cement (612), and Commercial Banks (368 pts) sectors.

During the period, average traded volume declined by 11% QoQ to 61mn shares, while average traded value decreased by ~6% QoQ to PKR 3.4bn. On the flows side, Foreigners were net sellers during 1QFY23 and sold shares worth USD 297.5mn.

We expect the market to remain range-bound in the near-term amid lack of positive triggers, as investors remain concerned about the political uncertainty, coupled with expected economic slowdown due to the recent floods. However, our longer-term equity outlook remains positive due to attractive valuations. Positive triggers in the medium-term can be in the form of realization of flows and grants from multilateral sources, which would provide strength to the Rupee. In the medium- to long-term, reversal in international commodity prices, either on the back of disruption in demand or increase in supply, is likely to reignite investor interest in equities.

MONEY MARKET REVIEW

During 1QFY23, SBP, in an attempt to curb inflation as a result of the Russia-Ukraine war, increased the Policy Rate by 125bps to 15%. The hike was inevitable, given persistently high global energy prices, the abrupt ending of fuel subsidies and the need to control demand.

The cut-off yields in the last T-bills auction were 15.9999%, 15.9998%, and 15.9900% for 3M, 6M and 12M tenors, respectively. The cut-off yields in the last PIBs auction were 13.92%, 13.39%, and 12.95% in 3Y, 5Y and 10Y tenors, respectively, while no bids were received in 15Y, 20Y and 30Y tenors.

A GOP Ijara Sukuk auction was held on 22-Sep-22, with a target of PKR 100bn (PKR 25bn for Fixed Rental and PKR 75bn for Variable Rental Rate) for a period of 5 years. The Ministry of Finance accepted bids worth PKR 0.77bn (at 12.9029%) in FRR Sukuk, and PKR 18.48bn (at 13.61%) in VRR Sukuk.

The latest hike in the Policy Rate to 15% is expected to help moderate demand to a more sustainable pace, while keeping inflation expectations anchored, and containing risks to external stability. We believe high international commodity prices, along with reform measures under the IMF program, and recent crop and infrastructure damage caused by the floods, will translate adversely in CPI, based on which further hike in interest rate cannot be ruled out. However, possibility of further rate hike is very low under the current political environment.

FUTURE OUTLOOK

Moving ahead, we expect economic growth to slow down to 1.5-2.0% in FY23 on the back of fiscal consolidation by the government, along with disruption in agricultural activities due to the ongoing floods. Focus would remain on how the government keeps economic growth at a sustainable level, while keeping the external and fiscal accounts in check.

On the fiscal side, the government initially targeted a Fiscal deficit of PKR 3.80tn (~4.6% of GDP) in FY23 on the back of ~20% increase in FBR's tax collection to PKR 7.4tn, along with increase in collection of PDL to PKR 550bn. However, however, we believe that Fiscal Deficit may clock in the range of 6.0-6.5% due to the required spending on rehabilitation efforts after the recent floods.

On the fixed income front, we believe that gradual imposition of PDL on fuel, along with hike in electricity and gas tariffs, will translate adversely in CPI. Resultantly, we expect average inflation for FY23 to be in the range of 20-22%. However, inflation is expected to taper down from FY24 onwards due to high-base effect and expectation of easing in international commodity prices. Upside risks to our estimates remain in the form of elevated international commodity prices for an extended period due to geopolitical concerns. On the Islamic front, we expect the Government to issue GoP Ijara Sukuk and other GoP Guaranteed Sukuk in FY23 to bridge the fiscal gap.

Our long-term view on Pakistan equities is positive due to cheap valuations. The equity market is trading at an eye catching P/E multiple of 4.2x compared to regional average of 13.9x, and offers an attractive dividend yield of 9.8%, compared to regional average of 3.1%. It is pertinent to note that the spread between KSE-100 index earnings yield and 10Y PKRV is ~13%, compared to 5-year historical average spread of 4.9%, which implies upside of ~56%. Hence, we believe that Pakistan equities offer a good opportunity for long-term investors.

FUND'S PERFORMANCE AND PAYOUTS

HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 871.00 million and Rs. 830.39 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the Fund was Rs. 101.2155 per unit as on September 30, 2022 as compared to Rs. 101.2171 per unit as on June 30, 2022, after incorporating dividend of Rs. 3.6754 per unit, thereby giving an annualized return of 14.66%. During the period the benchmark return (3 Month bank deposit rates) was 5.50%. The size of Fund was Rs. 26.11 billion as on September 30, 2022 as compared to Rs. 15.54 billion at the start of the year.

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

HBL Islamic Income Fund

The total income and net income of the Fund was Rs. 194.64 million and Rs. 180.46 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the Fund was Rs. 106.3827 per unit as on September 30, 2022 as compared to Rs. 102.7607 per unit as on June 30, 2022, thereby giving an annualized return of 13.98%. During the same period the benchmark return (6 Month bank deposit rates) was 4.66%. The size of Fund was Rs. 4.75 billion as on September 30, 2022 as compared to Rs. 4.67 billion at the start of the year.

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

HBL Islamic Stock Fund

The total income and net loss of the Fund was Rs. 2.61 million and Rs. 2.24 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the Fund was Rs. 85.2129 per unit as on September 30, 2022 as compared to Rs. 88.4322 per unit as on June 30, 2022, thereby giving a negative return of 3.64% during the period, against the benchmark return (KMI 30 Index) of negative 1.90%. The size of Fund was Rs. 0.25 billion as on September 30, 2022 as compared to Rs. 0.41 billion at the start of the year.

HBL Islamic Equity Fund

The total and net loss of the Fund was Rs. 1.57 million and Rs. 3.69 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the Fund was Rs. 68.6029 per unit as on September 30, 2022 as compared to Rs. 69.9797 per unit as on June 30, 2022, thereby giving a negative return of 1.97% during the period, against the benchmark return (KMI 30 Index) of 1.90%. The size of Fund was Rs. 0.15 billion as on September 30, 2022 as compared to Rs. 0.15 billion at the start of the year.

HBL Islamic Asset Allocation Fund

Under HBL Islamic Asset Allocation Fund (HBL-IAAF), the HBL Islamic Asset Allocation Fund – Plan I (HBL IAAF-Plan-I) has been constituted on July 13, 2020 and HBL Islamic Asset Allocation Fund – Plan-II was launched on August 05, 2022.

The total and net income of the Fund including HBL IAAF Plans was Rs. 73.75 million and Rs. 69.70 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the HBL-IAAF decreased from Rs. 108.5372 per unit as on June 30, 2022 to Rs. 105.5610 per unit as on September 30, 2022, thereby giving a negative return of 2.74% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of negative 1.57%. The Net Asset Value (NAV) of the HBL-IAAF Plan-I was Rs. 103.5503 per unit as on September 30, 2022 thereby giving a return of 3.00% during the period against the benchmark return of 0.77%. The Net Asset Value (NAV) of the HBL-IAAF Plan-II was Rs. 105.7695 as on September 30, 2022 thereby giving a return of 5.77% while the benchmark return during the period was 0.51%. The collective size of Fund was Rs. 2.79 billion as on September 30, 2022 as compared to Rs. 2.62 billion at the start of the year.

HBL Islamic Financial Planning Fund

HBL Islamic Financial Planning Fund comprises of two sub funds (plans) namely Active allocation plan and Conservative allocation plan.

The Fund as a whole earned a total and net income of Rs. 3.53 million and Rs. 3.24 million respectively during the period under review. The fund size of the fund stood at Rs. 0.16 billion. Performance review for plan is given below:

Active Allocation Plan

During the period under review, the Active allocation plan earned a total and net income of Rs. 3.51 million and Rs. 3.24 million respectively. The net assets of the Active allocation plan stood at Rs. 155 million representing Net Asset Value (NAV) of Rs. 89.9742 per unit as at September 30, 2022 as compared to Rs. 87.1696 as at June 30, 2022. The plan earned a return of 3.22% for the period under review against the benchmark return of 1.40%. The plan is invested to the extent of 99% in fixed income funds.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total income and net income of Rs. 0.02 million and Rs. 0.00 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.71 million representing Net Asset Value (NAV) of Rs. 90.8155 per unit as at September 30, 2022 as compared to Rs. 90.9171 as at June 30, 2022. The plan earned a negative return of 0.1% for the period under review against the benchmark return of 0.61%. The plan is invested to the extent of 58% in fixed income funds.

HBL Islamic Dedicated Equity Fund

During the period under review, the Islamic Dedicated Equity Fund remained inactive for the tenure and its fund size stands nil as all units were redeemed by Fund of Fund Plans managed by the Company.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited (VIS) has maintained the management quality rating of HBL Asset Management Limited at 'AM2++' (AM Two Plus Plus) and the outlook on the assigned rating has been maintained at 'Positive'.

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 and 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

ایچ بی ایل ایسٹ میٹجمنٹ لمیٹڈ بورڈ آف ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی مدت کے لئے ایچ بی ایل اسلامک مینی مارکیٹ فنڈ، ایچ بی ایل اسلامک انکم فنڈ، ایچ بی ایل اسلامک اسٹاک فنڈ، ایچ بی ایل اسلامک ایکویٹی فنڈ، ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ، ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ اور ایچ بی ایل اسلامک ڈیڈ ویلکیٹیڈ ایکویٹی فنڈ (دی فنڈز) فنڈ کے مالی بیانات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

اقتصادی جائزہ

مالی سال 2023 کیلئے حکومت کا GDP گروتھ کا ہدف 5 فیصد تھا (2022 میں حاصل کئے گئے 5.97 فیصد کے مقابلے میں) حالیہ سیلابوں کی وجہ سے اسٹیٹ بینک آف پاکستان، ایشیائی ترقیاتی بینک اور عالمی بینک نے اپنی شرح نمو کے تخمینے کو بالترتیب 2.4 فیصد، 3.5 فیصد اور 2 فیصد تک کم کر دیا ہے۔ مختلف اندازوں کے مطابق سیلاب کے نتیجے میں ہونے والے معاشی نقصانات 40 بلین امریکی ڈالری تک پہنچنے کی توقع ہے۔ آئی ایم ایف پروگرام کا دوبارہ آغاز ایک مثبت پیش رفت ہے، جس نے بیمار معیشت کو سانس لینے کیلئے بہت ضروری جگہ فراہم کی ہے اور حکومت کیلئے فنڈنگ کی دوسری راہیں کھول دی ہیں۔ مزید برآں پائیدار معاشی نمو حاصل کرنے کیلئے حکام نے کچھ مانیٹری اور مالیاتی پالیسی اقدامات کئے ہیں۔

ستمبر 22 کیلئے کرنٹ اکاؤنٹ خسارہ 316 بلین امریکی ڈالری تک پہنچ گیا جو کہ مالی سال 2023 کی پہلی سہ ماہی میں 2.2 بلین امریکی ڈالری تک لے گیا، جو پچھلے سال کی اسی مدت کے دوران 3.5 بلین ڈالری تھا۔ یہ بنیادی طور پر حکومت کی جانب سے زرمبادلہ کے اخراج کو کم کرنے کیلئے کئے گئے سخت اقدامات کے نتیجے میں درآمدات میں کمی کی وجہ سے ہوا ہے، تاہم ترسیلات زر میں کمی نے کچھ مثبت اثرات مرتب کئے جو مالی سال 2023 کی پہلی سہ ماہی کے دوران 6.3 سے کم ہو کر 7.7 بلین ڈالر رہ گئے، جو گزشتہ سال کی اسی مدت کے دوران 8.2 بلین ڈالری تھا۔ مالی خسارے میں تیزی سے اضافے کو روکنے کیلئے حکومت نے تقریباً 600 سے 700 لکھ ڈالر پر 100 تا 150 فیصد ریگولیٹری ڈیوٹی اور ایڈیشنل کسٹمز ڈیوٹی کے نفاذ جیسے کئی اقدامات کئے ہیں، تاہم حالیہ سیلابوں نے زرعی مصنوعات کی درآمد میں متوقع اضافے اور ٹیکسٹائل کی درآمدات میں کمی کی وجہ سے حکومت کے ابتدائی ہدف سے مالی خسارے کے بڑھنے کے خدشات کو جنم دیا ہے۔

ستمبر 22 کیلئے سی پی آئی 23.2 فیصد پر پہنچ گیا، جو ایس پی ایل وائی کے دوران 8.58 فیصد کے مقابلے میں مالی سال 2022 کی پہلی سہ ماہی کی اوسط افراط زر کو 25.11 فیصد تک لے گیا۔ سی پی آئی میں اضافہ زیادہ تر خوراک اور ایندھن کی قیمتوں کی وجہ سے ہوا، جس کے نتیجے میں خوراک کی قیمتیں بڑھ رہی ہیں، بڑے پیمانے پر سیلاب نے فصلوں اور کھیتوں کو تباہ کر دیا ہے، جبکہ حکومت کی طرف سے عائد پیٹرولیم ڈیولپمنٹ لیوی (PDL) کی وجہ سے ایندھن کی قیمتوں میں اضافہ ہوا ہے۔

جولائی کیلئے مالیاتی خسارہ جی ڈی پی کا 0.3 فیصد ریکارڈ کیا گیا، جو گزشتہ سال کی اسی مدت کے دوران جی ڈی پی کے مقابلے میں 0.4 فیصد تھا۔ (ایس پی ایل وائی) گزشتہ سال کی اسی مدت کے دوران 5 بلین روپے کے خسارے کے مقابلے پر انٹری بیلنس نے 142 بلین روپے کا سرپلس پوسٹ کیا۔ ایف بی آر نے مالی سال 2023 کی پہلی سہ ماہی کے دوران عارضی طور پر 1,635 بلین روپے اکٹھے کئے ہیں، جو ایس پی ایل وائی کے دوران 1,403 بلین روپے کے مقابلے میں 27 بلین روپے کے اپنے ہدف کو عبور کر چکے ہیں۔

اسٹاک مارکیٹ کا جائزہ

مالی سال 2023 کی پہلی سہ ماہی کے دوران کے ایف ایم آئی 30 انڈیکس 1,303 پوائنٹس یا 1.9 فیصد گر کر 67,463 پوائنٹس پر بند ہوا۔ مارکیٹ کا آغاز ایک مثبت نوٹ پر ہوا، آئی ایم ایف پروگرام کے دوبارہ شروع ہونے کے بعد جولائی 2022 اور اگست 2022 کے دوران اس میں 2.3 فیصد اضافہ ہوا، جس نے حکومت کیلئے بیرونی فنڈنگ کے دیگر راستے کھولے۔ سعودی عرب سے مثبت خبروں کے بہاؤ سے بھی سرمایہ کاروں کی حوصلہ افزائی ہوئی، جس میں سعودی حکومت نے پاکستان کیساتھ اپنے 3 بلین امریکی ڈالر کے ذخائر کی تجدید کی خواہش ظاہر کی تھی، جس میں پیٹرولیم مصنوعات کی درآمد کیلئے ماہانہ 100 بلین امریکی ڈالر کی فراہمی بھی شامل ہے۔ مزید برآں قطر نے ملک کے مختلف تجارتی اور سرمایہ کاری کے شعبوں میں 3 بلین امریکی ڈالر سرمایہ کاری منصوبوں کا اعلان کیا۔ تاہم 22 رواں سال ستمبر کے دوران سیلاب سے ہونے والی تباہی اور اس سے بحالی کی کوششوں پر مطلوبہ اخراجات، زرعی اجناس کی درآمد میں اضافے اور ٹیکسٹائل درآمدات میں کمی کی وجہ سے جڑواں خسارے میں متوقع اضافے کے خدشات پیدا ہوئے۔

مالی سال 2023 کی پہلی سہ ماہی کے دوران اہم منفی شراکت فریڈلائزر (942 پوائنٹس)، آئل اور گیس ایکسپلوریشن (858 پوائنٹس)، کیمیکل (575 پوائنٹس) اور آٹو اسمبلرز کے شعبے میں (266 پوائنٹس) ظاہر ہوئی۔ دوسری طرف ٹیکنالوجی اینڈ کمیونیکیشن (683 پوائنٹس) سینٹ (612 پوائنٹس) اور کمرشل بینک کے شعبے میں (368 پوائنٹس) کی اہم مثبت شراکت سامنے آئی۔ اس عرصے کے دوران، اوسط تجارت کا حجم 11 فیصد کی کمی سے 61mn حصص پر آ گیا، جبکہ اوسط تجارت کی قدر 6 فیصد کی کمی کے ساتھ 3.4 بلین روپے رہی۔ مالی سال 2023 کی پہلی سہ ماہی کے دوران

خالص فروخت کنندگان غیر ملکی تھے اور انہوں نے 297.5 ملین ڈالر کے حصص فروخت کئے تھے۔

ہم توقع کرتے ہیں کہ مثبت محرکات کی کمی کے درمیان مارکیٹ حد تک رہے گی، کیونکہ سرمایہ کار حالیہ سیلاب کی وجہ سے متوقع معاشی سست روی کیساتھ سیاسی غیر یقینی صورتحال کے بارے میں فکر مند رہتے ہیں۔ تاہم پرکشش قیمتوں کی وجہ سے ہمارا طویل مدتی ایکویٹی آؤٹ لک مثبت رہتا ہے۔ درمیانی مدت میں مثبت محرکات کثیرالجبہتی ذرائع سے بہاؤ اور گرانٹس کی وصولی کی صورت میں ہو سکتے ہیں، جو روپے کو مضبوطی فراہم کرے گا۔ درمیانی سے طویل مدتی میں بین الاقوامی اجناس کی قیمتوں میں اتار چڑھاؤ یا تو طلب میں رکاوٹ یا رسد میں اضافے کی وجہ سے ہوئی، البتہ ایکویٹی میں سرمایہ کاروں کی دلچسپی کو بحال ہونے کا امکان ہے۔

منی مارکیٹ کا جائزہ

مالی سال 2023 کی پہلی سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان نے روس یوکرین جنگ کے نتیجے میں افراط زر کو روکنے کی کوشش میں پالیسی کی شرح کو بڑھا کر 125bps کے 15 فیصد کر دیا۔ توانائی کی مسلسل بلند عالمی قیمتوں، ایندھن کی سبسڈی کے اچانک خاتمے اور طلب کو کنٹرول کرنے کی ضرورت کے پیش نظر یہ اضافہ ناگزیر تھا۔

آخری ٹریڈنگ نیا می میں کٹ آف پیداوار 3M، 6M اور 12M ٹینرز کیلئے پہلے 15.9999 فیصد، 15.9998 فیصد، اور 15.9900 فیصد تھی، بالخصوص پی آئی بی کی آخری نیلامی میں کٹ آف پیداوار بالترتیب 3Y، 5Y اور 10Y کی مدتوں میں 13.92 فیصد، 13.39 فیصد اور 12.95 فیصد تھی جبکہ 15Y، 20Y اور 30Y مدتوں میں کوئی بولی موصول نہیں ہوئی۔

حکومت پاکستان اجارہ سکوک کی نیلامی 22 ستمبر 22 کو ہوئی، جس کا ہدف 5 سال کی مدت کیلئے (فکسڈ ریٹل کے لئے 25 ملین روپے اور ویری ایبل ریٹل 75 ملین روپے) 100 ملین روپے ہے۔ وزارت خزانہ نے ایف آر آر سکوک میں (12.9029 فیصد پر) 0.77 ملین روپے اور وی آر آر سکوک میں (13.61 فیصد پر) 18.48 ملین روپے کی بولیاں قبول کیں۔

پالیسی ریٹ میں 15 فیصد تک تازہ ترین اضافے سے توقع ہے کہ اعتدال پسند طلب کو زیادہ پائیدار رفتار تک پہنچانے میں مدد ملے گی، جبکہ افراط زر کی توقعات کو برقرار رکھا جائے گا۔ ہمیں یقین ہے کہ اشیا کی بین الاقوامی قیمتوں میں اعلیٰ بین الاقوامی قیمتوں کیساتھ ساتھ آئی ایم ایف پروگرام کے تحت اصلاحاتی اقدامات اور حالیہ فیصلوں اور بنیادی ڈھانچے کو ہونے والے نقصانات سیلاب، پی آئی بی میں منفی طور پر پیش کرے گا، جس کی بنیاد پر شرح سود میں مزید اضافے کو مسترد نہیں کیا جاسکتا۔ تاہم موجودہ سیاسی حالات میں شرح میں مزید اضافے کا امکان بہت کم ہے۔

مستقبل کا نقطہ نظر

آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ حکومت کی طرف سے مالیاتی استحکام کیساتھ ساتھ جاری سیلاب کی وجہ سے زرعی سرگرمیوں میں خلل پڑنے کی وجہ سے مالی سال 23 میں معاشی نمو 1.5 تا 2 فیصد تک کم ہو جائے گی۔ تو جاس بات پر رہے گی کہ حکومت کس طرح اقتصادی ترقی کو پائیدار سطح پر رکھتی ہے، جبکہ وہ بیرونی اور مالیاتی کھاتوں پر نظر رکھے ہوئے ہے۔

مالیاتی پہلو پر حکومت نے مالی سال 2023 میں ابتدائی طور پر مالی خسارہ 3.80 ٹریلین روپے (جی ڈی پی کا 4.6 فیصد) ہدف بنایا اور ایف بی آر کی ٹیکس وصولی کو 20 فیصد اضافے کے ساتھ ساتھ 7.4 ٹریلین رکھا۔ تاہم ہم سمجھتے ہیں کہ حالیہ سیلاب کے بعد بحالی کی کوششوں پر مطلوبہ اخراجات کی وجہ سے مالیاتی خسارہ 6 سے ساڑھے 6 فیصد کی حد میں رہ سکتا ہے۔

مقررہ آمدنی کے محاذ پر ہم سمجھتے ہیں کہ بجلی اور گیس کے نرخوں میں اضافے کیساتھ ساتھ ایندھن پر پی ڈی ایل کا بتدریج نفاذ، پی آئی بی میں منفی رہے گا۔ نتیجے کے طور پر ہم اوسط افراط زر کی توقع کرتے ہیں مالی سال 2023 کیلئے افراط زر 20 سے 22 فیصد کی حد میں رہے گا۔ تاہم اعلیٰ بنیاد کے اثر اور بین الاقوامی سطح پر نرمی کی توقع کی وجہ سے آئندہ مالی سال سے افراط زر میں کمی کی توقع ہے۔ اشیا کی قیمتیں، جغرافیائی سیاسی غدشات کی وجہ سے لمبے عرصے سے ہمارے تخمینوں کیلئے بڑھتے ہوئے خطرات بین الاقوامی اجناس کی قیمتوں کی صورت میں برقرار ہیں۔ اسلامی محاذ پر ہم توقع کرتے ہیں کہ حکومت مالیاتی فرق کو پر کرنے کے لیے مالی سال 23 میں GoP اجارہ سکوک اور دیگر GoP گارنٹی شدہ سکوک جاری کرے گی۔

سستی قیمتوں کی وجہ سے پاکستانی ایکویٹیز پر ہمارا طویل المدتی نظریہ مثبت ہے۔ ایکویٹی مارکیٹ 13.9x کی علاقائی اوسط کے مقابلے میں 4.2x کے P/E ملٹی پل پر ٹریڈ کر رہی ہے، اور 3.1 فیصد کی علاقائی اوسط کے مقابلے میں 9.8 فیصد کی پرکشش ڈیویڈنڈ پیداوار پیش کرتی ہے۔ اینوٹ کرنا مناسب ہے کہ ایس ای 100 انڈیکس کی آمدنی اور 10Y PKRV کے درمیان پھیلاؤ 13 فیصد ہے، اس کے مقابلے میں 5 سالہ تاریخی اوسط پھیلاؤ 4.9 فیصد ہے۔ لہذا ہم سمجھتے ہیں کہ پاکستان کی ایکویٹی طویل مدتی سرمایہ کاروں کیلئے ایک اچھا موقع فراہم کرتی ہے۔

فنڈ کی کارکردگی اور ادائیگیاں

ایچ بی ایل اسلامک منی مارکیٹ فنڈ

30 ستمبر 2022 کے ختم ہونے والی مدت میں فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 871.00 ملین روپے اور 830.39 ملین روپے تھی۔ 30 ستمبر 2022 کو فنڈ کے حصص کی اصل قدر (این اے وی) 101.2155 فی یونٹ تھے جو کہ 30 جون 2022 کو 101.2171 فی یونٹ تھے۔ روپے کے منافع کو مثال کرنے کے بعد 3.6754 فی یونٹ، اس طرح 14.66 فیصد سالانہ منافع دیتا ہے۔ اس مدت کے دوران ہینچ مارک ریٹرن (3 ماہ کے بینک ڈپازٹ کی شرح) 5.50 فیصد رہی۔ فنڈ کا حجم 30 ستمبر 2022 کو 26.11 ملین روپے تھا جو کہ سال کے آغاز میں 15.54 روپے تھا۔

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

ایچ بی ایل اسلامک انکم فنڈ

30 ستمبر 2022 کے ختم ہونے والی مدت میں فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 194.64 ملین روپے اور 180.46 ملین روپے تھی۔ 30 ستمبر 2022 کو فنڈ کے حصص کی اصل قدر (این اے وی) 106.3827 فی یونٹ تھے جو کہ 30 جون 2022 کو 102.7607 فی یونٹ تھے۔ اس طرح 13.98 فیصد سالانہ منافع دیتا ہے۔ اس مدت کے دوران ہینچ مارک ریٹرن (6 ماہ کے بینک ڈپازٹ کی شرح) 4.66 فیصد رہی۔ فنڈ کا حجم 30 ستمبر 2022 کو 4.75 ملین روپے تھا جو کہ سال کے آغاز میں 4.67 ملین روپے تھا۔

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

ایچ بی ایل اسلامک اسٹاک فنڈ

30 ستمبر 2022 کے ختم ہونے والی مدت میں فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 2.61 ملین روپے اور 2.24 ملین روپے تھی۔ 30 ستمبر 2022 کو فنڈ کے حصص کی اصل قدر (این اے وی) 85.2128 فی یونٹ تھے جو کہ 30 جون 2022 کو 88.4322 فی یونٹ تھے۔ اس طرح دوران مدت منفی ریٹرن 3.64 فیصد رہا برخلاف اس کے کہ ہینچ مارک ریٹرن (کے ایم آئی 30 انڈیکس) کے منفی 1.90 فیصد رہا۔ 30 ستمبر 2022 میں فنڈ کا حجم 0.25 ملین روپے تھا جو کہ سال کے آغاز میں 0.41 ملین روپے تھا۔

ایچ بی ایل اسلامک ایکویٹی فنڈ

30 ستمبر 2022 کے ختم ہونے والی مدت میں فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 1.57 ملین روپے اور 3.69 ملین روپے تھی۔ 30 ستمبر 2022 کو فنڈ کے حصص کی اصل قدر (این اے وی) 68.6029 فی یونٹ تھے جو کہ 30 جون 2022 کو 69.9797 فی یونٹ تھے۔ اس طرح دوران مدت منفی ریٹرن 1.97 فیصد رہا برخلاف اس کے کہ ہینچ مارک ریٹرن (کے ایم آئی 30 انڈیکس) کے منفی 1.90 فیصد رہا۔ 30 ستمبر 2022 میں فنڈ کا حجم 0.15 ملین روپے تھا جو کہ سال کے آغاز میں 0.15 ملین روپے تھا۔

ایچ بی ایل ایسٹ ایلوکیشن فنڈ

ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ (ایچ بی ایل اے اے ایف) کے تحت ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ پلان I (ایچ بی ایل آئی اے اے ایف پلان I) 13 جولائی 2020 کو تشکیل دیا گیا جبکہ ایچ بی ایل ایسٹ ایلوکیشن فنڈ پلان II کی شروعات 5 اگست 2022 سے ہوئی۔

30 ستمبر 2022 کے ختم ہونے والی مدت میں فنڈ کی بشمول ایچ بی ایل آئی اے اے ایف پلان کی کل آمدنی اور اصل آمدنی بالترتیب 73.75 ملین روپے اور 69.70 ملین روپے تھی۔ 30 ستمبر 2022 کو ایچ بی ایل آئی اے اے ایف کے حصص کی اصل قدر (این اے وی) کمی کے ساتھ 105.5610 فی یونٹ ہو گئی جو کہ 30 جون 2022 کو 108.5372 تھی۔ اس طرح دوران مدت منفی ریٹرن 2.74 فیصد رہا برخلاف اس کے کہ ہینچ مارک ریٹرن (KMI 30 انڈیکس اوسط یومیہ واپسی اور A ریٹریڈ یا اس سے اوپر کے بینکوں کی 6 ماہ کی ڈپازٹ کی شرح) کے منفی 1.57 فیصد رہا۔

30 ستمبر 2022 میں ایچ بی ایل آئی اے اے ایف پلان I کی اصل حصص کی قدر (این اے وی) 103.5503 فی یونٹ تھا۔ اس طرح دوران مدت ریٹرن 3.00 فیصد رہا برخلاف اس کے کہ ہینچ مارک ریٹرن 0.77 فیصد رہا۔

30 ستمبر 2022 میں ایچ بی ایل آئی اے ایف پلان II کی اصل حصص کی قدر (این اے وی) 105.7695 فی یونٹ تھا۔ اس طرح دوران مدت ریٹرن 5.77 فیصد رہا برخلاف اس کے کہ بیچ مارک ریٹرن 0.51 فیصد رہا۔ 30 ستمبر 2022 کو فنڈ کا مجموعی حجم 2.79 بلین روپے تھا جو کہ سال کے آغاز میں 2.62 بلین روپے تھا۔

ایچ بی ایل اسلامک فنانسل پلاننگ فنڈ
ایچ بی ایل اسلامک فنانسل پلاننگ فنڈ دو ذیلی فنڈز (پلانز) پر مشتمل ہے یعنی ایکٹو ایلوکیشن پلان اور کنزرویٹو ایلوکیشن پلان۔

زیر جائزہ مدت کے دوران فنڈ نے مجموعی طور پر کل اور خالص آمدنی بالترتیب 3.53 بلین اور 3.24 بلین حاصل کی۔ فنڈ کا حجم 0.16 بلین روپے ہے۔ پلان کی کارکردگی کا جائزہ درج ذیل ہے

ایکٹو ایلوکیشن پلان
زیر جائزہ مدت میں ایکٹو ایلوکیشن پلان کوکل اور خالص آمدنی بالترتیب 3.51 بلین روپے اور 3.24 بلین روپے حاصل ہوئی۔ 30 ستمبر 2022 کو ایکٹو ایلوکیشن پلان کے خالص اثاثے 155 بلین روپے تھے جو کہ خالص اثاثہ کی قدر (این اے وی) کے 89.9742 روپے فی یونٹ ہے جو 30 جون 2022 کو 87.1696 روپے رہا۔ زیر جائزہ مدت میں پلان نے 3.22 فیصد کار ریٹرن حاصل کیا برخلاف اس کے کہ بیچ مارک ریٹرن 1.40 فیصد رہا۔ پلان نے فکسڈ انکم فنڈز میں 99 فیصد تک سرمایہ کاری کرتا ہے۔

کنزرویٹو ایلوکیشن پلان
زیر جائزہ مدت میں کنزرویٹو ایلوکیشن پلان کوکل اور خالص آمدنی بالترتیب 0.02 بلین روپے اور 0.00 بلین روپے حاصل ہوئی۔ 30 ستمبر 2022 کو کنزرویٹو ایلوکیشن پلان کے خالص اثاثے 0.71 بلین روپے تھے جو کہ خالص اثاثہ کی قدر (این اے وی) کے 90.8155 روپے فی یونٹ ہے جو 30 جون 2022 کو 90.9171 روپے رہا۔ زیر جائزہ مدت میں پلان نے 0.1 فیصد کار منفی ریٹرن حاصل کیا برخلاف اس کے کہ بیچ مارک ریٹرن 0.61 فیصد رہا۔ پلان فکسڈ انکم فنڈز میں 58 فیصد تک سرمایہ کاری کرتا ہے۔

ایچ بی ایل اسلامک ڈیڈ ویکیٹیڈ ایکویٹی فنڈ

زیر جائزہ مدت کے دوران، اسلامک ڈیڈ ویکیٹیڈ ایکویٹی فنڈ اس مدت میں غیر فعال رہا اور اس کے فنڈ کا حجم صفر ہے کیونکہ کمپنی کے زیر انتظام فنڈ آف فنڈ پلانز کے ذریعے تمام یونٹس کو واپس لے لیا گیا۔

مینجمنٹ کمپنی کی درجہ بندی

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ کی اختتامی درجہ بندی کو AM2++ (AM) ٹوپلس پلس) پر برقرار رکھا ہے اور تفویض کردہ درجہ بندی پر آؤٹ لک کو ”مثبت“ پر برقرار رکھا ہے۔

اعتراف

بورڈ اپنے قابل قدر حصص یافتگان کے اعتماد اور سرپرستی کیلئے ان کا شکریہ ادا کرتا ہے اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سنٹرل ڈپازٹری کمپنی آف پاکستان اور ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ بطور سٹی، دی 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 عملے کی محنت اور لگن کے لیے اپنی تعریف کو بھی ریکارڈ پر رکھنا چاہتا ہے۔

از طرف بورڈ

ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

HBL

Islamic Money Market Fund

FUND INFORMATION

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

HBL Islamic Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2022

	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
Assets			
Bank balances	4	15,449,315	14,146,600
Investments	5	10,376,000	1,306,000
Accrued mark-up		401,264	127,107
Advances, deposits and prepayment		1,136	877
Total assets		26,227,715	15,580,584
Liabilities			
Payable to Management Company	6	20,781	5,534
Payable to Trustee	7	1,287	786
Payable to Securities and Exchange Commission of Pakistan	8	1,150	1,913
Accrued expenses and other liabilities	9	96,918	31,888
Total liabilities		120,136	40,121
Net assets		26,107,579	15,540,463
Unit holders' fund (as per statement attached)		26,107,579	15,540,463
Contingencies and commitments	10		
(Number of units)			
Number of units in issue		257,940,489	153,535,911
(Rupees)			
Net assets value per unit		101.2155	101.2171

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 Islamic Money Market Fund
Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)
For the three months ended September 30, 2022

	Note	Three months ended September 30,	
		2022	2021
		----- (Rupees in '000) -----	
Income			
Mark-up on deposits with banks		558,126	57,940
Mark-up on investments		312,874	65,456
Net realised gain on sale of investment		-	83
		871,000	123,479
Expenses			
Remuneration of Management Company		15,386	3,927
Remuneration of Trustee		3,574	1,276
Annual fee to the Securities and Exchange Commission of Pakistan		1,150	347
Allocation of expenses related to registrar services, accounting, operation and valuation services		9,939	-
Selling and Marketing expenses		9,939	-
Auditors' remuneration		281	94
Fee and Subscription		193	169
Settlement and bank charges		148	543
		40,610	6,356
Net income from operating activities		830,390	117,123
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.2	-	19,002
Net income for the period before taxation		830,390	136,125
Taxation	12.	-	-
Net income for the period after taxation		830,390	136,125
Allocation of net income for the period:	15.		
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	83
-Excluding capital gains		830,390	136,042
		830,390	136,125
Net income / (loss) for the period after taxation		830,390	136,125
Other comprehensive income		-	-
Total comprehensive income for the period		830,390	136,125

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 Islamic Money Market Fund

Condensed Interim Statement Of Movement In Unit Holders' FUND (Un-Audited)

For the three months ended September 30, 2022

Note	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	Rupees in '000'					
Net assets at beginning of the Period	15,513,483	26,980	15,540,463	6,618,598	21,707	6,640,305
Issuance of units 195,428,873 units (2021: 34,142,131 units)						
- Capital value (at net asset value per unit at the beginning)	19,787,081	-	19,787,081	30,831,084	-	30,831,084
- Element of income	-	-	-	(5,970)	-	(5,970)
Total proceeds on issuance of units	19,787,081	-	19,787,081	30,825,114	-	30,825,114
Redemption of 91,024,295 units (2021: 21,029,452 units)						
- Capital value (at net asset value per unit at the beginning)	(9,224,024)	-	(9,224,024)	(21,934,474)	-	(21,934,474)
- Amount paid out of element of income	-	-	-	-	-	-
Relating to net income for the Period after taxation	-	-	-	4,245	-	4,245
Total payments on redemption of units	(9,224,024)	-	(9,224,024)	(21,930,229)	-	(21,930,229)
Total comprehensive income for the Period	-	830,390	830,390	-	947,487	947,487
Refund of Capital	-	-	-	-	-	-
Distribution during the Period	-	(826,331)	(826,331)	-	(942,214)	(942,214)
Net income for the Period less distribution	-	4,059	4,059	-	5,273	5,273
Net assets at end of the Period	26,076,540	31,039	26,107,579	15,513,483	26,980	15,540,463
Undistributed income brought forward						
- Realised	26,980			21,707		
- Unrealised	-			-		
	26,980			21,707		
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	830,390			947,487		
	830,390			947,487		
Distribution during the Period	(826,331)			(942,214)		
Undistributed income carried forward	31,039			26,980		
Undistributed income carried forward						
- Realised	31,039			26,980		
- Unrealised	-			-		
	31,039			26,980		
				(Rupees)		
Net assets value per unit at beginning of the Period		101.2171				101.1940
Net assets value per unit at end of the Period		101.2155				101.2171

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 Islamic Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the three months ended September 30, 2022

	Three months ended September 30,	
	2022	2021
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	830,390	136,125
	830,390	136,125
(Increase) / decrease in assets		
Investments	(9,070,000)	63,622
Accrued profit	(274,157)	44,904
Prepaid expenses	(259)	(267)
	(9,344,416)	108,259
Increase / (decrease) in liabilities		
Payable to Management Company	15,247	(373)
Payable to Trustee	501	13
Payable to Securities and Exchange Commission of Pakistan	(763)	(1,105)
Accrued expenses and other liabilities	65,030	(15,043)
	80,015	(16,508)
Net cash generated from / (used in) operating activities	(8,434,011)	227,876
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	19,787,081	3,454,310
Payment against redemption of units	(9,224,024)	(2,127,642)
Cash dividend paid	(826,331)	(137,413)
Net cash generated from financing activities	9,736,726	1,189,254
Net increase in cash and cash equivalents	1,302,715	1,417,130
Cash and cash equivalents at beginning of the period	14,146,600	5,153,150
Cash and cash equivalents at end of the period	15,449,315	6,570,280

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 Islamic Money Market Fund

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

For the three months ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at par from May 9, 2011 to May 10, 2011.

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

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

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, 2022.
- 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, 2022.
- 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, 2022. 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, 2022.

	Note	(Un-Audited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
4. BANK BALANCES			
Savings accounts	4.1	<u>15,449,315</u>	<u>14,146,600</u>
4.1	This represents bank accounts held with defferent banks. Mark up rates on these accounts range between 3.5% - 16% p.a (June 30, 2022: 3% - 16.25% p.a).		
5 INVESTMENTS	Note	(Un-Audited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
Investment by category			
Financial assets at amortised cost			
Term Deposit Receipts	5.1	<u>5,620,000</u>	-
Financial assets at fair value through profit or loss			
Sukuk Certificate	5.2	<u>4,756,000</u>	<u>1,306,000</u>
		<u>10,376,000</u>	<u>1,306,000</u>

5.1 Term Deposit Receipts - at amortised cost

Term Deposit Receipts - at amortised cost						Market value as a percentage of	
	Note	As at July 1, 2022	Placements made during the period	Matured / Sold during the period	As at Sep 30, 2022	Total investments of fund	Net Assets of fund
		----- (Rupees in '000) -----				----- (%) -----	
Bank Al Falah Limited	5.1.1	-	10,362,000	6,742,000	3,620,000	34.89	13.87
Meezan Bank Limited		-	4,400,000	4,400,000	-	-	-
Askari Bank Limited	5.1.2	-	2,000,000	-	2,000,000	19.28	7.66
		-	16,762,000	11,142,000	5,620,000	54.16	21.53

5.1.1 The closing balance represents two TDRs of one months of Rs. 3,120 million and 500 million placed with rate of 15.35% and 15.15% being matured on October 17, 2022 and October 26, 2022 respectively.

5.1.2 The closing balance represents TDR of one months placed with rate of 15.5% being matured on October 07, 2022.

5.2 Sukuks certificate - At fair value through profit or loss

	Maturity Date	Rate (%)	As at July 1, 2022	Purchased during the period	Matured / Sold during the period	Carrying / Market Value as at September 30, 2022	Market value as a percentage of	
							Total investments of fund	Net Assets of fund
							----- (%) -----	
----- (Rupees in '000) -----								
Hub Power Company Limited	27-Oct-22	15.10	6,000	-	-	6,000	0.06	0.02
Lucky Electric Power Company Limited	14-Oct-22	14.23	300,000	-	-	300,000	2.89	1.15
Lucky Electric Power Company Limited	15-Dec-22	16.84	1,000,000	-	-	1,000,000	9.64	3.83
K Electric Limited	10-Feb-23	17.24	-	750,000	-	750,000	7.23	2.87
K Electric Limited	28-Feb-23	17.35	-	750,000	-	750,000	7.23	2.87
China Hub Power Company Limited	28-Jan-23	17.06	-	1,200,000	-	1,200,000	11.57	4.60
Lucky Electric Power Company Limited	6-Jan-23	17.07	-	750,000	-	750,000	7.23	2.87
			1,306,000	3,450,000	-	4,756,000	45.84	18.22

Carrying / Market Value as at June 30, 2022

1,306,000

(Un-Audited) (Audited)
September 30, June 30,
2022 2022
(Rupees in '000)

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note		
Management fee	6.1	4,416	2,857
Sindh Sales Tax	6.2	574	371
Sales load payable		2,353	588
Allocation of expenses related to registrar services, accounting, operation and valuation services		3,499	328
Selling and marketing payable		9,939	1,390
		20,781	5,534

6.1 As Per SECP S.R.O. 639 (1)/2019 dated June 20, 2019, there has been amendment in NBFC regulation no. 61, in which limits over management fee had been removed and directed that the asset management company shall disclose in the Offering document the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit. Further, the 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 and such actual rate shall be disclosed in Fund manager report. The management fee expense charged by the asset management company at the rate ranging from 0.25% to 0.20% (June 30, 2022: 0.2% to 0.3%) of average annual Net Asset of the Fund.

- 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.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in '000)	
7	PAYABLE TO THE TRUSTEE		
Trustee fee	7.1	1,139	696
Sindh Sales Tax		148	90
		1,287	786

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

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in '000)	
8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Annual fee	8.1	1,150	1,913

- 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, an amount equal to 0.02% of the daily average net assets of the scheme. The fee is payable annually in arrears.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in '000)	
9.	ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration		619	339
Federal Excise Duty	9.1	2,185	2,185
Withholding tax payable		93,231	28,584
Provision for Sindh Workers' Welfare Fund	9.2	-	-
Capital gain tax payable		31	46
Dividend payable		307	307
Other payables		545	427
		96,918	31,888

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, 2022, 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. 2.185 million (June 30, 2021 : 2.185 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Rs. 0.0085 (June 30, 2022: Re. 0.0142) per unit.

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

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 20.07 million for the period from July 1, 2014 till August 12, 2021.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022.

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) annualized of the Fund as at September 30, 2022 is 0.71% (2021: 0.09%) which includes 0.08% (2021: 0.01%) 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, 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 these condensed interim financial information are as follows:

14.1 Transactions during the period	(Un - Audited) Three months ended September 30,	
	2022	2021
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management Fee	15,386	3,927
Allocation of expenses related to registrar services, accounting, operation and valuation services	9,939	-
Selling and Marketing expenses	9,939	-
Investment of Nil units (2021: 20,470 units)	-	2,071
Habib Bank Limited - Sponsor		
Mark-up earned during the period	546	25,610
Bank charges paid	128	131
Directors, Executives and Key management personnel		
Investment of 57,227 units (2021: 26,817 units)	5,197	2,713
Redemption of 29,255 units (2021: 21,450 units)	2,943	2,170
Dividend Reinvestment 7,113 units	720	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	3,574	1,276
Artistic Milliners Pvt Limited - Connected Person Due To holding 10% or more units *		
Investment of Nil units (2021: 335,384 units)	-	33,932
Redemption of Nil units (2021: 341,007 units)	-	34,501
ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND - Associate		
Investment of Nil units (2021: 306,424 units)	-	31,002
Dividend Reinvestment 20,647 units	2,089	-
LUCKY CEMENT LIMITED - Connected Person Due To holding 10% or more units *		
Investment held in the Fund: Nil units (2021: 19,789,378 units)	-	2,002,178
Redemption of Nil units (2021: 9,903,736 units)	-	1,002,005

	(Un - Audited) Three months ended September 30,	
	2022	2021
	(Rupees in '000)	
Yunus Textile Mills Limited - Connected Person Due To holding 10% or more units.		
Investment held in the Fund: 11,860,708 units (2021: Nil units)	1,200,000	-
Redemption of 9,883,923 units (2021: Nil units)	1,000,000	-
Dividend Reinvestment 1,094,892 units	110,775	-
Pakistan Defense Officers Housing Authority - Connected Person Due To holding 10% or more units.		
Investment held in the Fund: 22,733,023 units (2021: Nil units)	2,300,000	-
Dividend Reinvestment 357,467 units	36,167	-
MCBFSL Trustee HBL Islamic Financial Planning Fund - Active Allocation Plan (Associate)		
Investment held in the Fund: 1,383,749 units (2021: Nil units)	140,000	-
Redemption of 1,083,506 units (2021: Nil units)	108,540	-
Dividend Reinvestment 34,196 units	3,460	-
MCBFSL Trustee HBL Islamic Financial Planning Fund - Conservative Allocation Plan (Associate)		
Redemption of 21 units (2021: Nil units)	2	-
Dividend Reinvestment 8 units	1	-
CDC Trustee HBL Cash Fund		
Purchase of Commercial paper - KEL ICP	-	367,557
CDC Trustee HBL Money Market Fund		
Sale of Commercial paper - KEL ICP	-	69,557
Purchase of Commercial paper - KEL ICP	-	63,839
	(Un-Audited)	(Audited)
	September 30,	June 30,
	2022	2022
	(Rupees in '000)	
14.2 Amounts outstanding as at period end		
HBL Asset Management Limited - Management Company		
Management fee	4,416	2,857
Sindh Sales Tax	574	371
Selling and Marketing payable	9,939	1,390
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,499	328
Sales load payable	2,353	588
Habib Bank Limited - Sponsor		
Bank Balances	58,547	93,150
Directors, Executives and Key management personnel		
Units held in the Fund: 150,470 units (June 30, 2022: 115,385 units)	15,230	11,674
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,287	786

	(Un-Audited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND - Associate		
Investment held in the Fund: 589,541 units (30 June, 2022: 568,894 units)	59,671	57,558
Artistic Milliners Pvt Limited - Connected Person Due To holding 10% or more units *		
Investment held in the Fund: Nil units (June 30, 2022: 16,952,740 units)	-	1,715,183
Yunus Textile Mills Limited - Connected Person Due To holding 10% or more units		
Investment held in the Fund: 29,620,050 units (June 30, 2022: 26,548,373 units)	2,998,008	2,686,016
Pakistan Defense Officers Housing Authority - Connected Person Due To holding 10% or more units *		
Investment held in the Fund: 33,991,714 units (June 30, 2022: 10,901,224 units)	3,440,488	-
MCBFSL Trustee HBL Islamic Financial Planning Fund - Conservative Allocation Plan (Associate)		
Investment held in the Fund: 200 units (30 June, 2022: 213 units)	20	22
MCBFSL Trustee HBL Islamic Financial Planning Fund - Active Allocation Plan (Associate)		
Investment held in the Fund: 1,529,740 units (30 June, 2022: 1,195,301 units)	154,833	120,934

* Balances is not showing because the counter party was/is not related party at that mentioned period.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

September 30, 2022						
Carrying amount			Fair Value			
Fair value through profit or loss	At Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets not measured at fair value						
Bank balances	- 15,449,315	15,449,315	-	-	-	-
Term Deposit Receipts	- 5,620,000	5,620,000	-	-	-	-
Sukuk Certificate	4,756,000 -	4,756,000	-	4,756,000	-	4,756,000
Accrued mark-up	- 401,264	401,264	-	-	-	-
Prepayment and Other receivables	- 1,136	1,136	-	-	-	-
4,756,000	21,471,715	26,227,715	-	4,756,000	-	4,756,000
Financial liabilities not measured at fair value						
Payable to HBL Asset Management Limited - Management Company	- 20,647	20,647	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	- 1,139	1,139	-	-	-	-
Accrued expenses and other liabilities	- 1,471	1,471	-	-	-	-
-	23,257	23,257	-	-	-	-
June 30, 2022						
Carrying amount			Fair Value			
Fair value through profit or loss	At Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets not measured at fair value						
Bank balances	- 14,146,600	14,146,600	-	-	-	-
Sukuk Certificate	1,306,000 -	1,306,000	-	1,306,000	-	1,306,000
Accrued mark-up	- 127,107	127,107	-	-	-	-
Advance . Prepayment and other receivable	- 100	100	-	-	-	-
1,306,000	14,273,807	15,579,807	-	1,306,000	-	1,306,000
Financial liabilities not measured at fair value						
Payable to HBL Asset Management Limited - Management Company	- 5,534	5,534	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	- 696	696	-	-	-	-
Accrued expenses and other liabilities	- 1,073	1,073	-	-	-	-
-	7,303	7,303	-	-	-	-

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

16. 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 19, 2022.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Asset Allocation Fund

FUND INFORMATION

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

HBL Islamic Asset Allocation Fund

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

As at September 30, 2022

	Note	September 30, 2022 (Un-Audited)				June 30, 2022 (Audited)		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
(Rupees in '000)								
Assets								
Bank balances	4	19,083	325,180	70,406	414,669	35,794	753,383	789,177
Investments	5	114,266	1,823,498	354,327	2,292,091	171,328	1,620,518	1,791,846
Dividend receivable and accrued mark-up		2,351	73,730	11,917	87,998	2,181	50,186	52,367
Preliminary expenses and flotation cost		-	118	94	212	-	129	129
Receivable Against Sale of Investment		-	-	-	-	-	-	-
Advances , deposits and other receivables		2,808	100	-	2,908	2,803	100	2,903
Total assets		138,508	2,222,626	436,744	2,797,878	212,106	2,424,316	2,636,422
Liabilities								
Payable to Management Company	6	530	586	397	1,513	1,001	565	1,566
Payable to Trustee	7	23	171	30	224	48	160	208
Payable to Securities and Exchange Commission of Pakistan	8	9	123	11	143	72	518	590
Accrued expenses and other liabilities	9	3,994	865	137	4,996	7,960	543	8,503
Payable against purchase of Investment		2,453	-	-	2,453	880	-	880
Total liabilities		7,009	1,745	575	9,329	9,961	1,786	11,747
Net assets		131,499	2,220,881	436,169	2,791,577	202,145	2,422,530	2,624,675
Unit holders' fund (as per statement attached)		131,499	2,222,266	436,169	2,353,765	202,145	2,422,530	2,624,675
Contingencies and commitments								
8								
(Number of units)								
Number of units in issue		1,245,715	21,447,361	4,123,770		1,862,442	24,096,292	
(Rupees)								
Net assets value per unit		105.5610	103.5503	105.7695		108.5372	100.5354	

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 Islamic Asset Allocation Fund

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

For the three months ended September 30, 2022

		For the Period 05 August 2022 to 30 September 2022				Three months ended September 30, 2021		
		(Rupees in '000)						
Note		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
Income								
Dividend Income		1,548	-	-	1,548	468	-	468
Return on Investment		792	65,541	7,059	73,392	3,633	45,865	49,498
Mark-up on deposits with banks		1,163	21,472	1,131	23,766	2,168	5,387	7,555
Capital gain on sale of investments - net		(1,030)	774	-	(256)	436	-	436
		2,473	87,787	8,190	98,450	6,705	51,252	57,957
Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net		(2,879)	(13,627)	(1,373)	(17,879)	(10,783)	7,848	(2,935)
		(406)	74,160	6,817	73,754	(4,078)	59,100	55,022
Expenses								
Remuneration of Management Company		730	1,043	399	2,172	1,689	1,092	2,781
Remuneration of Trustee		97	522	46	665	225	546	771
Annual fee of Securities and Exchange Commission of Pakistan		9	123	11	143	20	129	149
Allocation of expenses related to registrar services, accounting, operation and valuation services		322	-	-	322	747	-	747
Selling and Marketing Expense		281	-	-	281	648	-	648
Settlement and Bank Charges		99	94	15	208	95	88	183
Auditors' remuneration		12	110	1	123	12	81	93
Fee and Subscriptions		15	57	-	72	25	69	94
Printing Charges		17	14	3	34	17	14	31
Amortisation of preliminary expenses and floatation costs		-	11	41	52	-	11	11
Securities Transection Costs		231	186	131	548	35	90	125
Charity Expense		77	-	-	77	23	-	23
		1,890	2,160	647	4,697	3,536	2,120	5,656
		(2,296)	72,000	6,170	75,874	(7,614)	56,980	49,366
Reversal / (Provision) for Workers' Welfare Fund	8.2	-	-	-	-	7,130	3,019	10,149
Net (Loss) / income for the period before taxation		(2,296)	72,000	6,170	75,874	(484)	59,999	59,515
Taxation	10.	-	-	-	-	-	-	-
Net (Loss) / income for the period after taxation		(2,296)	72,000	6,170	75,874	(484)	59,999	59,515
Allocation of net income for the period:								
Income already paid on redemption of units		-	-	-	-	-	1,385	1,385
Accounting income available for distribution:								
-Relating to capital gains		-	-	-	-	-	7,661	7,661
-Excluding capital gains		-	72,000	6,170	78,170	-	50,953	50,953
		-	72,000	6,170	78,170	-	58,614	58,614
Net income / (loss) for the period after taxation		-	72,000	6,170	75,874	-	59,999	59,515
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	72,000	6,170	75,874	-	59,999	59,515
Earning Per Unit								

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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 Islamic Asset Allocation Fund

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

For the three months ended September 30, 2022

	Three months ended September 30,							
	2022		2021					
	Islamic Asset Allocation Fund		Islamic Asset Allocation Fund					
	Capital value	Undistributed income	Unrealized (losses)/income on investment	Total	Capital value	Undistributed income	Unrealized (losses)/income on investment	Total
(Rupees in '000)								
Net assets at the beginning of the period	84,444	117,701	-	202,145	259,067	128,904	-	387,971
Issuance of units 18,509 (2021: 240,060 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,009	-	-	2,009	27,118	-	-	27,118
- Element of loss	9	-	-	9	184	-	-	184
	2,018			2,018	27,302	-	-	27,302
Redemption of 635,236 units (2021: 310,280 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(68,947)	-	-	(68,947)	(35,050)	-	-	(35,050)
- Income already paid on redemption of units	-	-	-	-	-	-	-	-
- Amount paid out of element of income	(1,421)	-	-	(1,421)	(238)	-	-	(238)
Relating to net income for the period after taxation	(70,368)	-	-	(70,368)	(35,288)	-	-	(35,288)
Total comprehensive income for the year								
Net profit / (Loss) for the period after tax	-	(2,296)	-	(2,296)	-	(484)	-	(484)
Distribution during the period	-	-	-	-	-	-	-	-
Total comprehensive/ income for the period	-	(2,296)	-	(2,296)	-	(484)	-	(484)
Net assets at the end of the period	16,094	115,405	-	131,499	251,081	128,420	-	379,501
Undistributed income brought forward								
- Realised	111,082				111,082			
- Unrealised	17,822				17,822			
	128,904				128,904			
Net (Loss) / income for the period before taxation		(2,296)				(484)		
Undistributed income carried forward		126,608				128,420		
Undistributed income carried forward								
- Realised	129,487				139,203			
- Unrealised	(2,879)				(10,783)			
	126,608				128,420			
(Rupees)								
Net assets value per unit at beginning of the period	108.5372		112.9636					
Net assets value per unit at end of the period	105.5610		112.8038					

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 Islamic Asset Allocation Fund

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

For the three months ended September 30, 2022

	Three months ended September 30,							
	2022				2021			
	Islamic Asset Allocation Fund Plan 1				Islamic Asset Allocation Fund Plan 1			
	Capital value	Undistributed income	Unrealized (losses)/income on investment	Total	Capital value	Undistributed income	Unrealized (losses)/income on investment	Total
	----- (Rupees in '000) -----							
Net assets at the beginning of the period	2,417,993	4,537	-	2,422,530	2,470,677	3,565	-	2,474,242
Issuance of 453,552 units (2021: 990,216 Units)								
- Capital value (at net asset value per unit at the beginning of the period)	45,598	-	-	45,598	99,429	-	-	99,429
- Element of loss	753	-	-	753	571	-	-	571
	46,351			46,351	100,000	-	-	100,000
Redemption of 3,102,484 units (2021: 990,216 Units)								
- Capital value (at net asset value per unit at the beginning of the period)	(311,909)	-	-	(311,909)	(99,429)	-	-	(99,429)
- Income already paid on redemption of units	-	-	-	-	-	(1,385)	-	(1,385)
- Amount paid out of element of income relating to net income for the period after taxation	(6,706)	-	-	(6,706)	(570)	-	-	(570)
	(318,615)	-	-	(318,615)	(99,999)	(1,385)	-	(101,384)
Total comprehensive income for the year								
Net profit / (Loss) for the period after tax	-	72,000	-	72,000	-	59,999	-	59,999
Distribution during the period	-	-	-	-	-	-	-	-
Total comprehensive/ income for the period	-	72,000	-	72,000	-	59,999	-	59,999
Net assets at the end of the period	2,145,729	76,537	-	2,222,266	2,470,678	62,179	-	2,532,857
Undistributed income brought forward								
- Realised		(350)				(350)		
- Unrealised		3,915				3,915		
		3,565				3,565		
Accounting (loss) / income available for distribution		72,000				58,614		
Undistributed income carried forward		75,565				62,179		
Undistributed income carried forward								
- Realised		89,192				54,331		
- Unrealised		(13,627)				7,848		
		75,565				62,179		
	----- (Rupees) -----							
Net assets value per unit at beginning of the period				100.5354				100.0000
Net assets value per unit at end of the period				103.5503				102.7906

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 Islamic Asset Allocation Fund
Statement of Movement in Unit Holders' Fund (Un-Audited)
For the three months ended September 30, 2022

For the Period 05 August 2022 to 30 September 2022
2022

Islamic Asset Allocation Fund Plan 2

Capital value	Undistributed income	Unrealized (losses)/income on investment	Total
---------------	----------------------	--	-------

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

Net assets at the beginning of the period

Issuance of 4,123,771 units

- Capital value (at net asset value per unit at the beginning of the period)

- Element of loss

412,377	-	-	412,377
17,622	-	-	17,622
429,999			429,999

Redemption of Nil units

- Capital value (at net asset value per unit at the beginning of the period)

- Income already paid on redemption of units

- Amount paid out of element of income

Relating to net income for the period after taxation

-	-	-	-
-	-	-	-
-	-	-	-

Total comprehensive income for the year

Net profit / (Loss) for the period after tax

Distribution during the period

Total comprehensive/ income for the period

-	6,170	-	6,170
-	-	-	-
-	6,170	-	6,170

Net assets at the end of the period

429,999	6,170	-	436,169
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Undistributed income brought forward

- Realised

- Unrealised

-
-

Accounting (loss) / income available for distribution

6,170

Undistributed income carried forward

6,170

Undistributed income carried forward

- Realised

- Unrealised

19,797

(13,627)

6,170

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

Net assets value per unit at beginning of the period

100.0000

Net assets value per unit at end of the period

105.7695

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 Islamic Asset Allocation Fund

Condensed Interim Cash Flow Statement (Un-Audited)

For the three months ended September 30, 2022

	For the Period 05 August 2022 to 30 September 2022				Three months ended September 30, 2021		
	Three months ended September 30, 2022	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
(Rupees in '000)							
CASH FLOW FROM OPERATING ACTIVITIES							
Net income / (Loss) for the period	(2,296)	72,000	6,170	75,874	(484)	59,999	59,515
Adjustments							
Amortisation of preliminary expenses and floatation costs	-	11	(94)	(83)	-	11	11
	(2,296)	72,011	6,076	75,791	(484)	60,010	59,526
(Increase) / decrease in assets							
Investments - net	58,635	(202,980)	(354,327)	(498,672)	(18,558)	(262,399)	(280,957)
Accrued mark-up	(170)	(23,544)	(11,917)	(35,631)	87	4,280	4,367
Advances, deposits and other receivables	(5)	-	-	(5)	1,508	-	1,508
	58,460	(226,524)	(366,244)	(534,308)	(16,963)	(258,119)	(275,082)
Increase / (decrease) in assets							
Payable to HBL Asset Management Limited - Management Company	(471)	21	397	(53)	1	22	23
Payable to Central Depository Company of Pakistan Limited - Trustee	(25)	11	30	16	1	11	12
Payable to Securities and Exchange Commission of Pakistan	(63)	(395)	11	(447)	(53)	(260)	(313)
Accrued expenses and other liabilities	(3,966)	322	137	(3,507)	(8,141)	(2,597)	(10,738)
	(4,525)	(41)	575	(3,991)	(8,192)	(2,824)	(11,016)
Net cash used in operating activities	51,639	(154,554)	(359,593)	(462,508)	(25,639)	(200,933)	(226,572)
CASH FLOW FROM FINANCING ACTIVITIES							
Amount received on issue of units	2,018	46,351	429,999	478,368	27,302	100,000	127,302
Payment against redemption of units	(70,368)	(318,615)	-	(388,983)	(35,288)	(101,384)	(136,672)
Cash dividend paid	-	-	-	-	-	-	-
Net cash used in financing activities	(68,350)	(272,264)	429,999	89,385	(7,986)	(1,384)	(9,370)
Net (decrease) in cash and cash equivalents	(16,711)	(426,818)	70,406	(373,123)	(33,625)	(202,317)	(235,942)
Cash and cash equivalents at beginning of the period	35,794	753,383	-	789,177	164,167	423,352	587,519
Cash and cash equivalents at end of the period	19,083	326,565	70,406	416,054	130,542	221,035	351,577

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 Islamic Asset Allocation Fund

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

For the year ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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 initial public offer period was from January 07, 2016 to January 08, 2016 (both days inclusive). The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange.

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

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

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

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, 2022.

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, 2022. 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, 2022.

4.	Bank Balances	Note	September 30, 2022				June 30, 2022		
			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
			(Rupees in '000)						
	Savings accounts	4.1	19,083	325,180	70,406	414,669	35,794	753,383	789,177
			19,083	325,180	70,406	414,669	35,794	753,383	789,177

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 4.00%-16.00% per annum (2022: 3.75% - 15.75% p.a).

5	INVESTMENTS	Note	September 30,				June 30,		
			2022			2022			
			Islamic Asset Allocation	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
			(Rupees in '000)						
Fair Value Through Profit or Loss - Held For Trading									
- Listed equity Securities	5.1	114,266	-	-	114,266	129,668	-	129,668	
- Term Finance Certificate	5.2	-	1,823,498	354,327	2,177,825	29,720	1,620,518	1,650,238	
		114,266	1,823,498	354,327	2,292,091	159,388	1,620,518	1,779,906	
Financial Asset at Amortised Cost									
- Term Finance Certificate and Sukuks at Amortised	5.4	-	-	-	-	-	-	-	
- Commercial Paper at Amortised Cost	5.5	-	-	-	-	11,940	-	11,940	
		-	-	-	-	11,940	-	11,940	
		114,266	1,823,498	354,327	2,292,091	171,328	1,620,518	1,791,846	

5.1 Listed equity securities - At fair value through profit or loss - Held for trading

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

Name of the Investee Company	Number of shares					Market value as at September 30, 2022	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022		Total Investments	Net Assets	
(Rupees in '000)									
Textile composite									
Azgard Nine Limited	100,000	-	-	100,000	-	-	0.00%	0.00%	0.00%
Interloop Limited	36,487	-	-	36,487	-	-	0.00%	0.00%	0.00%
Nishat Mills Ltd	26,700	-	-	26,700	-	-	0.00%	0.00%	0.00%
	163,187	-	-	163,187	-	-			
Cement									
Attock Cement Pakistan Ltd	42,800	13,000	-	2,000	53,800	4,388	3.84%	3.34%	0.05%
D G Khan Cement Co.Ltd.	-	90,000	-	31,000	59,000	3,577	3.13%	2.72%	0.01%
Fauji Cement Company Limited	-	172,500	-	-	172,500	2,586	2.26%	1.97%	0.01%
Kohat Cement Ltd	9,470	-	-	-	9,470	1,515	1.33%	1.15%	0.01%
Lucky Cement Ltd	6,755	5,000	-	-	11,755	5,837	5.11%	4.44%	0.00%
Maple Leaf Cement Factory Ltd	106,200	125,800	-	67,000	165,000	4,597	4.02%	3.50%	0.03%
	165,225	406,300	-	100,000	471,525	22,500			
Power generation & distribution									
The Hub Power Company Limited	103,687	-	-	11,500	92,187	6,445	5.64%	4.90%	0.01%
	103,687	-	-	11,500	92,187	6,445			
Engineering									
Mughal Iron & Steel Inds Ltd	48,689	-	-	24,037	24,652	1,607	1.41%	1.22%	0.01%
	48,689	-	-	24,037	24,652	1,607			
Automobile Assembler									
Millat Tractors Limited	-	600	-	600	-	-	0.00%	0.00%	0.00%
	-	600	-	600	-	-			
Food And Allied Industries									
The Organic Meat Company Limited	118,411	-	-	85,411	33,000	702	0.61%	0.53%	0.00%
	118,411	-	-	85,411	33,000	702			
Miscellaneous									
TPL Properties Limited	111,000	120,000	-	168,000	63,000	1,313	1.15%	1.00%	0.03%
	111,000	120,000	-	168,000	63,000	1,313			
Oil and gas exploration companies									
Mari Petroleum Company Ltd	2,835	2,150	-	-	4,985	7,801	6.83%	5.93%	0.00%
Oil & Gas Development Co Ltd	125,500	50,000	-	37,200	138,300	10,472	9.16%	7.96%	0.00%
Pakistan Oilfields Ltd	11,250	4,050	-	-	15,300	5,342	4.68%	4.06%	0.01%
Pakistan Petroleum Ltd	141,992	67,000	-	43,000	165,992	10,200	8.93%	7.76%	0.01%
	281,577	123,200	-	80,200	324,577	33,815			
Oil and gas Marketing companies									
Attock Petroleum Limited	-	7,000	-	-	7,000	1,952	1.71%	1.48%	0.01%
Pakistan State Oil Company Ltd	41,459	-	-	11,495	29,964	4,867	4.26%	3.70%	0.01%
Sui Northern Gas Pipeline Limited	-	61,500	-	9,500	52,000	1,748	1.53%	1.33%	0.01%
	41,459	68,500	-	20,995	88,964	8,567			
Refinery									
Attock Refinery Ltd	22,500	10,000	-	14,500	18,000	2,650	2.32%	2.02%	0.02%
National Refinery Ltd	8,000	-	-	-	8,000	1,948	1.70%	1.48%	0.01%
	30,500	10,000	-	14,500	26,000	4,598			
Fertilizers									
Engro Corporation Limited	74,400	42,200	-	53,728	62,872	14,556	12.74%	11.07%	0.01%
Engro Fertilizers Limited	111,335	40	-	111,375	-	-	0.00%	0.00%	0.00%
	185,735	42,240	-	165,103	62,872	14,556			
Commercial Banks									
BankIslami Pakistan Limited	208,000	-	-	208,000	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	-	50,000	-	-	50,000	1,317	1.15%	1.00%	0.01%
Meezan Bank Limited	119,575	20,500	7,757	42,000	105,832	11,615	10.16%	8.83%	0.01%
	327,575	70,500	7,757	250,000	155,832	12,932			
Chemicals									
Engro Polymer & Chemical Limited	24,500	23,000	-	24,500	23,000	1,261	1.10%	0.96%	0.00%
	24,500	23,000	-	24,500	23,000	1,261			

Name of the Investee Company	Number of shares					Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022	Market value as at September 30, 2022	Total Investments	Net Assets
(Rupees in '000)								
Pharmaceuticals								
Ferozsons Laboratories Limited	7,500	-	-	7,500	-	-	0.00%	0.00%
Highnoon Laboratories Limited	5,160	-	-	5,160	-	-	0.00%	0.00%
The Searle Company Ltd	1,067	-	-	-	1,067	107	0.09%	0.08%
	13,727	-	-	12,660	1,067	107		
Technology and Communication								
Avanceon Limited	36,000	54,000	-	42,000	48,000	3,573	3.13%	2.72%
	36,000	54,000	-	42,000	48,000	3,573		
Food And Personal Care Products								
Unity Foods Limited	147,899	42,101	-	88,500	101,500	2,290	2.00%	1.74%
	147,899	42,101	-	88,500	101,500	2,290		
	1,799,171	960,441	7,757	1,251,193	1,516,176	114,266	100%	87%

Cost of investments at September 30, 2022

117,145

5.1.1 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 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 companies have withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.1902 million at September, 2022 (June 30, 2022: Rs. 0.20 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.

5.1.2 Investments include shares having market value aggregating to Rs. 32.2560 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 Term Finance Certificates - Held for trading

HBL Islamic Asset Allocation Fund

Name of the Investee Company

Name of the Investee Company	Number of certificates				Market value as at June 30, 2022	Carrying value as a percentage of total Investment	Carrying value as a percentage of Net Asset
	As at July 1, 2022	Purchases during the year	Sale during the year	As at September 30, 2022			
	----- (Rupees in '000) -----						
Agha Steel Industries Limited	33	-	33	-	-	0.00%	0.00%
	33	-	33	-	-	0.00%	0.00%

Cost of investments at September 30, 2022

-

HBL Islamic Asset Allocation Fund Plan 1
Name of the Investee Company

	Number of certificates				Market value as at September 30, 2022	Carrying value as a percentage of Total Investment	Carrying value as a percentage of Net Asset
	As at July 1, 2022	Purchases during the year	Sale during the year	As at September 30, 2022			
	(Rupees in '000)						
Meezan Bank limited	250	-	-	250	250,000	13.71%	11.26%
Dubai Islamic Bank limited	4,175	-	-	4,175	195,075	10.70%	8.78%
Hub Power Co. Ltd	2,750	-	-	2,750	210,910	11.57%	9.50%
K-Electric Ltd- Sukuk (KELSC5)	32,000	-	-	32,000	163,200	8.95%	7.35%
Pakistanb Energy Sukuk-2 Bound (PESC2)	125,500	50,000	-	175,500	877,500	48.12%	39.51%
OBS AGP (Pvt) Limited	910	-	910	-	-	0.00%	0.00%
Agha Steel Industries Limited	-	33	-	33	26,813	1.47%	1.21%
AlBaraka Bank Pakistan Limited	-	100	-	100	100,000	5.48%	4.50%
	165,585	50,133	910	214,808	1,823,498	100.00%	82.11%

Cost of investments at September 30, 2022
1,837,126
HBL Islamic Asset Allocation Fund Plan 2
Name of the Investee Company

	Number of certificates				Market value as at September 30, 2022	Carrying value as a percentage of Total Investment	Carrying value as a percentage of Net Asset
	As at July 1, 2022	Purchases during the year	Sale during the year	As at September 30, 2022			
	(Rupees in '000)						
Pakistanb Energy Sukuk-2 Bound (PESC2)	-	12,000	-	12,000	60,000	3.29%	2.70%
Pak Electron Limited	-	50	-	50	49,424	2.71%	2.23%
K-Electric Ltd- Sukuk (KELSC5)	-	12,000	-	12,000	61,200	3.36%	2.76%
Mughal Iron & Steel Industries Ltd	-	60	-	60	52,631	2.89%	2.37%
Dubai Islamic Bank limited	-	60	-	60	60,026	3.29%	2.70%
Pakistan International Corporation Ltd.	-	12,000	-	12,000	59,046	3.24%	2.66%
Meezan Bank Limited	-	12	-	12	12,000	0.66%	0.54%
	-	36,182	-	36,182	354,327	19.44%	15.96%

Cost of investments at September 30, 2022
355,700

5.2.1 Significant Terms And Conditions of Term Finance Certificate and Sukuk bonds outstanding as at September 30, 2022 are as follow:

Name Of Security	Remaining Principles (Per TFC)	Markup Rate (Per Annum)	Issue Date	Maturity Date
Term Finance Certificate - Listed				
International Brand Limited	29,054	03 month KIBOR + 0.50 %	15-Nov-17	15-Nov-21
Agha Steel Industries Limited	1,000,000	3 month KIBOR + 0.80 %	9-Oct-18	9-Oct-24
Meezan Bank limited	1,000,000	6 month KIBOR + 0.50 %	22-Sep-16	22-Sep-26
Meezan Bank limited	1,000,000	3 month KIBOR + 1.75 %	1-Aug-18	-
Dubai Islamic Bank limited	1,000,000	6 month KIBOR + 0.50 %	14-Jul-17	14-Jul-27
Dubai Islamic Bank limited	5,000	3 month KIBOR + 1.75 %	31-Dec-18	-
Hub Power Co. Ltd	100,000	12 month KIBOR + 1.90 %	19-Mar-20	19-Mar-24
K-Electric Ltd- Sukuk (KELSC5)	5,000	3 month KIBOR + 1.70 %	3-Aug-20	3-Aug-27
Pakistanb Energy Sukuk-2 Bound (PESC2)	5,000	6 month KIBOR - 0.10 %	21-May-20	21-May-30

5.5 Commercial Paper at Amortised Cost

Name Of Investment Company	Maturity Date	As at July 01, 2022	Placement Made during the period	Income Accrued	Mature /Sale During the Period	Market Value as at September	Market Value as percentage of	
							Total Investment	Net Assets
Mughal Iron & Steel Industries Limited	July 21, 2022	11,940	-	60	12,000	-	0.00%	0.00%
		36,727	18,259	540	55,526	-		

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

		September 30, 2022				June 30, 2022		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
(Rupees in '000)								
Management fee	6.1	153	302	232	687	320	283	603
Sindh Sales Tax	6.2	20	39	30	89	42	37	79
Allocation of expenses related to registrar services, accounting, operation and valuation services		76	-	-	76	160	-	160
Selling and Marketing Expense		281	-	-	281	479	-	479
Sales load payable		-	-	-	-	-	-	-
Formation Cost		-	245	135	380	-	245	245
		530	586	397	1,513	1,001	565	1,566

6.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Management Company has charged its remuneration at the rate of 1.5 percent per annum (June 2019: 1.5 percent per annum) of the average annual net assets and 0.15 Percent per annum of the average annual net asset in Plan-1.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		September 30, 2022				June 30, 2022		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
(Rupees in '000)								
Annual Fee	8.1	9	123	11	143	72	518	590

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, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		46	417	1	464	34	306	340
Charity payable		273	-	-	273	195	-	195
Withholding tax payable		-	-	-	-	-	-	-
Payable to NCCPL		24	26	-	50	30	30	60
Payable to Shariah Advisor		10	31	-	41	3	16	19
Provision for Sindh Workers Wel	9.2	-	-	-	-	-	-	-
Federal Excise Duty	9.1	1,063	-	-	1,063	1,063	-	1,063
Payable to Broker		266	186	131	583	153	-	153
Dividend Payable		25	-	-	25	25	-	25
Other payable		2,287	205	5	2,497	6,457	191	6,648
		3,994	865	137	4,996	7,960	543	8,503

8.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020, 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. 1.06 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Re. 0.8533 (June 30, 2022: Re. 0.5708) per unit.

8.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 7.1299 million in HBL IAAF and Rs 3.4833 in HBL IAAF Plan 1 for the period from July 1, 2014 till August 12, 2021.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022.

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. 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.

11. 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.

12. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 4.21% (0.24% representing Government Levies, and SECP Fee) in HBL IAAF , 0.36% (0.04 representing government levies and SECP Fee) in HBL IAAF Plan-1 and 0.75% (0.08 representing government levies and SECP Fee) in HBL IAAF Plan-2.

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 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:

	Three months ended September 30, 2022	For the Period 05 August 2022 to 30 September 2022	Three months ended September 30, 2021		
	(Rupees in '000)				
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1
13.1 Transactions during the period					
HBL Asset Management Limited - Management Company					
Management fee	730	1,043	399	1,689	1,092
Allocation of expenses related to registrar services, accounting, operation and valuation services	322	-	-	747	-
Charging of Selling and marketing expenses	281	-	-	648	-
Habib Bank Limited - Sponsor					
Redemption of 531,283 Units (2021: 52,743 Units)	59,219	-	-	5,947	-
Bank charges paid	7	-	-	7	-
Mark-up earned during the period	663	-	-	663	-
Mark-up received during the period	1,443	-	-	1,443	-
Central Depository Company of Pakistan Limited - Trustee					
Remuneration	97	522	46	225	546
CDC Charges	3	1	15	3	1
Pak Qatar Individual Family Participant Investment Fund- Connected					
Person due to holding more then 10% holding					
Redemption: 1,932,126 units (Sep 30, 2021: Nil Units)	-	200,000	-	-	-
Dawood Family takaful Limited Aggressive Fund -Connected					
Person due to holding more then 10% holding					
Investment: 536,946 units	-	-	55,000	-	-
Dawood Family takaful Limited Balanced Fund -Connected					
Person due to holding more then 10% holding					
Investment: 1,865,149 units	-	-	195,000	-	-
Dawood Family takaful Limited Income Fund -Connected					
Person due to holding more then 10% holding					
Investment: 1,243,433 units	-	-	130,000	-	-
Dawood Family takaful Limited Individual -Connected					
Person due to holding more then 10% holding					
Investment: 478,243 units	-	-	50,000	-	-
Dawood Family takaful Limited					
Purchase of Sukuks	-	-	182,000	-	-
HBL Islamic Asset Allocation Fund Plan 1					
Sale of Sukuks	27,454	-	-	-	-
HBL Islamic Asset Allocation Fund					
Purchase of Sukuks	-	27,454	-	-	-

13.2 Amounts outstanding as at period end

Amounts outstanding as at period end	September 30, 2022			June 30, 2022	
	(Rupees in '000)				
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1
HBL Asset Management Limited - Management Company					
Management Fee	153	302	232	320	283
Sindh Sales Tax	20	39	30	42	37
Allocation of expenses related to registrar services, accounting, operation and valuation services	76	-	-	160	-
Charging of Selling and marketing expenses	281	-	-	479	-
Sales load payable	-	-	-	-	-
Formation Cost	-	245	135	-	245
Habib Bank Limited - Sponsor					
Investment held in the Fund : Nil units (June 30, 2022: 531,283 units)	-	-	-	57,664	-
Bank balances	129,200	-	-	1,809	-
Mark-up receivable on deposits with bank	211	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee					
Remuneration payable	199	483	41	42	142
Sindh Sales Tax	26	63	5	6	18
Security Deposit	100	100	-	100	100
HBL Asset Management Limited Employees Gratuity Fund					
Investment held in the Fund 4,909 units (2021: 4,909 units)	518	-	-	533	-
HBL Asset Management Limited Employees Provident Fund					
Investment held in the Fund 14,169 units (2021: 14,169 units)	1,496	-	-	1,538	-
Pak Qatar Investment Account - Connected Person due to holding more then 10% holding					
Unit held: 11,742,039 units (2022: 11,742,039 units)	-	1,215,892	-	-	1,180,491
Pak Qatar Individual Family Participant Investment Fund- Connected Person due to holding more then 10% holding					
Investment held in the fund 5,832,981 units (2022: 7,765,108 units)	-	604,007	-	-	780,668
Pak Qatar Individual Family Participant Takaful Fund- Connected Person due to holding more then 10% holding					
Investment held in the fund 2,776,180 units (2022: 2,776,180 units)	-	287,474	-	-	279,104
Dawood Family takaful Limited Aggressive Fund -Connected Person due to holding more then 10% holding					
Unit Held: 536,946 units	-	-	56,793	-	-
Dawood Family takaful Limited Balanced Fund -Connected Person due to holding more then 10% holding					
Unit Held: 1,865,149 units	-	-	197,276	-	-
Dawood Family takaful Limited Income Fund -Connected Person due to holding more then 10% holding					
Unit Held: 1,243,433 units	-	-	131,517	-	-
Dawood Family takaful Limited Individual -Connected Person due to holding more then 10% holding					
Unit Held: 478,243 units	-	-	50,584	-	-
Tariq Mehmood Malik- Connected Person due to holding more then 10% holding					
Unit held: 187,104 units (June 30, 2022: 187,104 units)	19,751	-	-	20308	-

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.

HBL Islamic Asset Allocation Fund	September 30, 2022							
	Carrying amount				Fair Value			
	Fair value through profit or loss	At amortized Cost	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 Equities Securities	114,266	-	-	114,266	114,266	-	-	114,266
- Term finance certificate - unlisted	-	-	-	-	-	-	-	-
- GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	114,266	-	-	114,266				
Financial assets not measured at fair value								
Bank balances	-	19,083	-	19,083				
Term finance certificates and sukuk bonds	-	-	-	-				
Commercial Paper	-	-	-	-				
Accrued mark-up	-	2,351	-	2,351				
Advances, deposits and other receivables	-	2,808	-	2,808				
	-	24,242	-	24,242				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	510	510				
Payable to Trustee	-	-	23	23				
Accrued expenses and other liabilities	-	-	2,931	2,931				
	-	-	3,464	3,464				

HBL Islamic Asset Allocation Fund Plan 1

HBL Islamic Asset Allocation Fund Plan 1	September 30, 2022							
	Carrying amount				Fair Value			
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----							
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed Equities Securities	-	-	-	-	-	-	-	-
- Term finance certificate - unlisted	1,823,498	-	-	1,823,498	-	1,823,498	-	1,823,498
- GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	<u>1,823,498</u>	<u>-</u>	<u>-</u>	<u>1,823,498</u>				
Financial assets not measured at fair value								
Bank balances	-	325,180	-	325,180				
Accrued mark-up	-	73,730	-	73,730				
Advances, deposits and other receivables	-	100	-	100				
	<u>-</u>	<u>399,010</u>	<u>-</u>	<u>399,010</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	547	547				
Payable to Trustee	-	-	171	171				
Accrued expenses and other liabilities	-	-	865	865				
	<u>-</u>	<u>-</u>	<u>1,583</u>	<u>1,583</u>				

HBL Islamic Asset Allocation Fund Plan 2

HBL Islamic Asset Allocation Fund Plan 2	September 30, 2022							
	Carrying amount				Fair Value			
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----							
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed Equities Securities	-	-	-	-	-	-	-	-
- Term finance certificate - unlisted	354,327	-	-	354,327	-	354,327	-	354,327
- GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	<u>354,327</u>	<u>-</u>	<u>-</u>	<u>354,327</u>				
Financial assets not measured at fair value								
Bank balances	-	70,406	-	70,406				
Accrued mark-up	-	11,917	-	11,917				
Advances, deposits and other receivables	-	94	-	94				
	<u>-</u>	<u>82,417</u>	<u>-</u>	<u>82,417</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	397	397				
Payable to Trustee	-	-	30	30				
Accrued expenses and other liabilities	-	-	137	137				
	<u>-</u>	<u>-</u>	<u>564</u>	<u>564</u>				

HBL Islamic Asset Allocation Fund

	June 30, 2022							
	Carrying amount				Fair Value			
	Fair value through profit or loss	At amortized Cost	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 Equities Securities	129,668	-	-	129,668	129,668	-	-	129,668
- Term finance certificate - unlisted	29,720	-	-	29,720	-	29,720	-	29,720
- GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	159,388	-	-	159,388				
Financial assets not measured at fair value								
Bank balances	-	35,794	-	35,794				
Term finance certificates and sukuk bonds	-	-	-	-				
Commercial Paper	-	11,940	-	11,940				
Dividend receivable and accrued mark-up	-	2,181	-	2,181				
Advances, deposits and other receivables	-	2,803	-	2,803				
	-	52,718	-	52,718				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	1,001	1,001				
Payable to Trustee	-	-	48	48				
Accrued expenses and other liabilities	-	-	6,897	6,897				
	-	-	7,946	7,946				

HBL Islamic Asset Allocation Fund Plan 1								
June 30, 2022								
	Carrying amount				Fair Value			
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Term finance certificate - unlisted	1,620,518	-	-	1,620,518	-	1,620,518	-	1,620,518
- GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	<u>1,620,518</u>	<u>-</u>	<u>-</u>	<u>1,620,518</u>				
Financial assets not measured at fair value								
Bank balances	-	753,383	-	753,383				
Dividend receivable and accrued mark-up	-	50,186	-	50,186				
Preliminary expenses and flotation costs	-	129	-	129				
Advances, deposits and other receivables	-	100	-	100				
	<u>-</u>	<u>803,798</u>	<u>-</u>	<u>803,798</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	565	565				
Payable to Trustee	-	-	160	160				
Accrued expenses and other liabilities	-	-	543	543				
	<u>-</u>	<u>-</u>	<u>1,268</u>	<u>1,268</u>				

- 15.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice 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 19, 2022.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Stock Fund

FUND INFORMATION

Name of Fund	HBL Islamic Stock Fund
Name of Auditor	A.F.Ferguson & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisors	AI - Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited Dubai Islamic Bank Limited Bank Islamic Pakistan Limited Bank Al Baraka Limited

HBL Islamic Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at Sep 30, 2022

		(Un-Audited) September 20 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	31,771	14,593
Investments	5	233,532	401,731
Dividend and profit receivable		1,537	868
Receivable against sale of investment		-	4,376
Advances, deposits, prepayments and other receivables		3,020	3,000
Total assets		269,860	424,568
Liabilities			
Payable to the Management Company	6	1,397	2,798
Payable to the Trustee		42	84
Payable to Securities and Exchange Commission of Pakistan		17	126
Payable against Purchase of Equity Securities		9,176	2,000
Dividend Payable		-	-
Accrued expenses and other liabilities	7	9,374	8,521
Total liabilities		20,005	13,529
Net assets		249,855	411,039
Unit holders' fund (as per statement attached)		249,855	411,039
----- (Number of units) -----			
Number of units in issue		2,932,121	4,648,066
----- (Rupees) -----			
Net assets value per unit		85.2129	88.4322

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Income Statement (Un-Audited)
For the three months ended September 30, 2022

		For the Period Ended September 30,	
		2022	2021
Note		(Rupees in '000)	
Income			
		3,934	3,255
		618	817
		3,093	1,984
		7,645	6,056
		(5,036)	(74,696)
5.4		-	-
Total (Loss) / Income		2,609	(68,641)
Expenses			
6.1 & 6.2		1,893	4,074
		189	407
		17	36
6.3		880	1,893
6.4		461	991
		761	575
		102	91
		139	134
		68	51
		139	40
		197	163
		4,846	8,454
Net (loss) / Income from operating activities		(2,237)	(77,095)
7.2		-	9,507
Net (loss) / income for the period before taxation		(2,237)	(67,588)
8		-	-
Net (loss) / income for the period after taxation		(2,237)	(67,588)
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
	- Relating to capital gains	-	49,392
	- Excluding capital gains	-	-
		-	49,392
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(2,237)	(67,588)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund

Condensed Interim Statement of Movement in Unit Holders' Fund

For the three months ended September 30, 2022

Three months ended							
September 30,							
Note	2022			2021			
	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
(Rupees in '000)							
Net assets at beginning of the period	851,523	(440,485)	411,039	997,150	(236,680)	-	760,470
Issue of units 1,724,750 (2021: 10,701,012 units)							
- Capital value (at net asset value per unit at the beginning of the period)	152,523	-	152,523	81,288	-	-	81,288
- Element of loss	(3,144)	-	(3,144)	(4,431)	-	-	(4,431)
Total proceeds on issuance of units	149,379	-	149,379	76,857	-	-	76,857
Redemption of 3,440,695 units (2021: 11,732,480 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(304,268)	-	(304,268)	(124,288)	-	-	(124,288)
- Amount paid out of element of income relating to net income for the year after taxation	(4,058)	-	(4,058)	1,570	-	-	1,570
Total payments on redemption of units	(308,326)	-	(308,326)	(122,718)	-	-	(122,718)
Total comprehensive income for the period	-	(2,237)	(2,237)	-	(67,588)	-	(67,588)
Interim distribution of Rs. 0.32 per unit declared on June 28, 2022 as cash dividend							
Refund of capital	-	-	-				
Distribution for the period		-	-				
Net assets at end of the period	692,576	(442,722)	249,855	951,290	(304,268)	-	647,023
Undistributed income brought forward							
- Realised		(276,912)			(276,912)		
- Unrealised		40,232			40,232		
		(236,680)			(236,680)		
Accounting (loss) / Income available for distribution		(2,237)			(67,588)		
Distribution during the period		-			-		
(Accumulated loss) / undistributed income carried forward		(238,917)			(304,268)		
(Accumulated loss) / undistributed income carried forward							
- Realised		(233,881)			(229,572)		
- Unrealised		(5,036)			(74,696)		
		(238,917)			(304,268)		
			Rupees				Rupees
Net assets value per unit at beginning of the period		88.4322					123.9845
Net assets value per unit at end of the period		85.2129					111.8105

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2022

	Three Months ended September 30,	
	2022	2021
Note	(Rupees in '000)	
Cash flows from operating activities		
Net (loss) / income for the period before taxation	(2,237)	(67,588)
Adjustments		
Capital loss / (gain) during the period	(3,093)	(1,984)
Dividend Income	(3,934)	(3,255)
Profit on bank deposits	(618)	(817)
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss - held-for-trading	5,036	74,696
Impairment loss on investments classified as available for sale	-	-
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
	(4,846)	1,053
(Increase) / decrease in assets		
Investments - net	177,808	59,539
Dividend receivable and accrued mark-up	3,883	1,205
Receivable against sale of equity instruments	-	-
Advances, deposits, prepayments and other receivables	(20)	3,962
	181,671	64,705
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,401)	625
Payable to the Trustee	(42)	(25)
Payable to Securities and Exchange Commission of Pakistan	(109)	(100)
Payable against redemption of units	-	-
Dividend Payable	-	-
Accrued expenses and other liabilities	853	(9,663)
	(700)	(9,162)
Net cash (used in) / generated from operating activities	176,125	56,596
Cash flows from financing activities		
Amount received on issue of units	149,379	76,857
Payment against redemption of units	(308,326)	(122,717)
Net cash generated from financing activities	(158,947)	(45,860)
Net increase in cash and cash equivalents	17,178	10,736
Cash and cash equivalents at beginning of the period	14,593	40,776
Cash and cash equivalents at end of the period	31,771	51,512

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

- 2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022.

3.2 The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2022.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

3.5 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2022.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
savings accounts	4.1	31,771	14,593
current account		-	-
		<u>31,771</u>	<u>14,593</u>

4.1 The balance in savings accounts carry expected profit which ranges from 5.00% to 15.80% (June 30, 2022: 4% to 15.75%) per annum.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
- Listed equity securities	5.1	233,532	401,731
		<u>233,532</u>	<u>401,731</u>

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

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

Name of the Investee Company	As at July 01, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022	Market value as at September 30, 2022 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
-----Number of shares-----						------%-----			
TEXTILE COMPOSITE									
Interloop Limited	80,577	-	-	80,577	-	-	0%	-	-
Kohinoor Textile Mills Ltd	74,000	-	-	74,000	-	-	0%	-	-
Nishat Mills Ltd	54,048	-	-	54,048	-	-	0%	-	-
	208,625	-	-	208,625	-	-	-	-	
CEMENT									
Attock Cement Pakistan Ltd	242,400	10,500	-	158,900	94,000	7,668	3%	3%	8%
D G Khan Cement Co.Ltd.	-	289,831	-	208,331	81,500	4,941	2%	2%	2%
Fauji Cement Company Limited	-	571,500	-	-	571,500	8,567	4%	3%	4%
Kohat Cement Ltd	-	15,500	-	-	15,500	2,480	1%	1%	1%
Lucky Cement Ltd	13,488	31,300	-	14,454	30,334	15,063	6%	6%	1%
Maple Leaf Cement Factory Ltd	-	606,500	-	251,500	355,000	9,890	4%	4%	7%
	255,888	1,525,131	-	633,185	1,147,834	48,608	21%	19%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	302,841	-	-	93,378	209,463	14,644	6%	6%	2%
	302,841	-	-	93,378	209,463	14,644	6%	7%	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	79,444	-	-	79,444	-	-	0%	0%	0%
	79,444	-	-	79,444	-	-	0%	0%	0%
AUTOMOBILE ASSEMBLER									
Millat Tractors Ltd	-	3,500	-	3,500	-	-	0%	0%	0%
	-	3,500	-	3,500	-	-	0%	1%	
PHARMACEUTICALS									
Ferozsons Laboratories Ltd	22,300	-	-	22,300	-	-	0%	0%	6%
Highnoon Laboratories Limited	875	-	-	875	-	-	0%		
The Searle Company Ltd	50,375	-	-	48,000	2,375	241	0%	10%	10%
	73,550	-	-	71,175	2,375	241	0%	10%	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	594,485	20,015	-	614,500	-	-	0%	0%	0%
	594,485	20,015	-	614,500	-	-	0%	0%	
PROPERTIES									
TPL Properties Limited	303,000	58,000	-	361,000	-	-	0%	0%	0%
	303,000	58,000	-	361,000	-	-	0%	0%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	10,929	4,100	-	2,500	12,529	19,606	8%	8%	1%
Oil & Gas Development Co Ltd	475,516	62,000	-	355,616	181,900	13,773	6%	6%	0%
Pakistan Oilfields Ltd	51,969	23,000	-	24,000	50,969	17,794	8%	7%	2%
Pakistan Petroleum Ltd	557,000	37,500	-	397,500	197,000	12,106	5%	5%	1%
	1,095,414	126,600	-	779,616	442,398	63,279	27%	25%	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Ltd	19,000	11,569	4,750	-	35,319	9,850	4%	4%	4%
Pakistan State Oil Company Ltd	120,196	21,000	-	95,696	45,500	7,391	3%	0%	1%
Sui Northern Gas Pipeline Ltd	-	243,000	-	105,500	137,500	4,623	2%	2%	2%
	139,196	275,569	4,750	201,196	218,319	21,863	9%	6%	

Name of the Investee Company	As at July 01, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022	Market value as at September 30, 2022 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
	----- Number of shares -----						----- % -----		
REFINERY									
Attock Refinery Ltd	92,949	25,000	-	83,539	34,410	5,066	2%	2%	4%
National Refinery Ltd	56,100	-	-	34,509	21,591	5,257	2%	2%	3%
	149,049	25,000	-	118,048	56,001	10,322	4%	4%	
COMMERCIAL BANKS									
BankIslami Pakistan Limited	1,057,500	-	-	1,057,500	-	-	0%	0%	0%
Faysal Bank Limited	-	141,500	-	-	141,500	3,726	1.60%	0%	2%
Meezan Bank Ltd	349,151	59,670	15,427	215,872	208,376	22,869	9.79%	9%	2%
	1,406,651	201,170	15,427	1,273,372	349,876	26,595	12%	9%	
FERTILIZER									
Engro Corporation Ltd	153,162	89,400	-	141,162	101,400	23,476	10%	9%	2%
Engro Fertilizers Limited	252,750	100,065	-	352,815	-	-	0%	0%	2%
	405,912	189,465	-	493,977	101,400	23,476	10%	9%	
CHEMICAL									
Engro Polymer & Chemicals Ltd	101,000	112,000	-	101,000	112,000	6,141	3%	2%	1%
ICI Pakistan Ltd	-	3,200	-	-	3,200	2,131	1%	1%	0%
	101,000	115,200	-	101,000	115,200	8,272	4%	3%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	91,500	103,500	-	96,500	98,500	7,332	3%	3%	5%
TPL Trakker Limited	79,000	160,000	-	81,500	157,500	1,395	0%		1%
	170,500	263,500	-	178,000	256,000	8,728	3%	3%	
FOOD & PERSONAL CARE PRODUCTS									
							0%		
Unity Foods Limited	415,834	192,600	-	275,834	332,600	7,503	3%	3%	6%
	415,834	192,600	-	275,834	332,600	7,503	3%	3%	
Grand total									
	5,701,389	2,995,750	20,177	5,485,850	3,231,466	233,532	100%	100%	
	5,701,389	2,995,750	20,177	5,485,850	3,231,466	233,532			
	-	-	-	-	-	-			
Cost of investments at September 30, 2022						238,568			

5.1.1 Investments include shares having market value aggregating to Rs. 79.02 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.1.2 These includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.38 million at September 30, 2022 (June 30, 2020: Rs. 0.40 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
Note		(Rupees in '000)	
6. PAYABLE TO THE MANAGEMENT COMPANY			
Management fee		368	739
Sindh Sales Tax on Management Company's remuneration		48	96
Sales load payable		-	-
Selling and marketing payable		880	1,643
Allocation of expenses related to registrar services, accounting, operation and valuation services		101	320
		1,397	2,798

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
Note		(Rupees in '000)	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Federal Excise Duty	7.1	6,785	6,785
Provision for Sindh Workers' Welfare Fund	7.2	-	-
Charity payable	7.3	1,247	1,050
Withholding tax payable		-	8
Auditors' remuneration		396	294
Payable to brokers		808	261
Other payables		138	123
		9,374	8,521

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.785 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2020 would have been higher by Rs. 1.3295 per unit (June 30, 2020: 1.145 per unit).

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

During the current year, SRB through its letter dated August 12, 2022 (received on August 13, 2022) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2022, wherein the MUFAP recommended to its members that effective from August 13, 2022, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2022 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 9.51 million for the period from July 1, 2014 till August 12, 2022.

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

8. TAXATION

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

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

For the three months ended

September 30,

2022 2021

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

9.1 Transactions during the period

HBL Asset Management Limited - Management Company

Management fee including sales tax thereon	1,893	4,074
Allocation of expenses related to registrar services, accounting, operation and valuation services	461	991
Selling and marketing expenses	880	1,893

Habib Bank Limited - Sponsor

Bank charges paid	19	19
Bank profit	139	139
Redemption 1,319,805 units (2021: Nil units)	119,943	-

Executives and their relatives

Issue of Nil units (2021: 2,444 units)	-	300
Redemption 44,637 units (2021: 1,307 units)	3,799	150

		For the three months ended	
		September 30,	
		2022	2021
		----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee			
Remuneration		189	407
Central Depository services charges		21	21
MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND			
- CONSERVATIVE ALLOCATION PLAN - ASSOCIATE			
Redemption 26 units (2021: Nil units)		2	-
PAK QATAR FAMILY TAKAFUL LTD			
-Connected party due to more than 10%			
Issue of 293,086 units (2021: Nil units)		25,000	-
Redemption 216,541 units (2021: Nil units)		20,000	-
PAK QATAR GENERAL TAKAFUL LIMITED			
-Connected party due to more than 10%			
Issue of 588,160 units (2021: Nil units)		50,000	-
Redemption 295,074 units (2021: Nil units)		26,352	-
		(Un-Audited)	(Audited)
		September 30,	June 30,
		2022	2022
		----- (Rupees in '000) -----	
9.2	Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company			
Management fee		368	739
Sindh Sales Tax on Management Company's remuneration		48	96
Sales load payable		-	-
Selling and marketing payable		880	1,643
Allocation of expenses related to registrar services, accounting, operation and valuation services		101	320
Habib Bank Limited - Sponsor			
Investment held in the Fund Nil units (June 30, 2022: 1,319,805 units)		-	116,713
Bank balances		5,431	2,248
Profit receivable		37	12
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable including sales tax thereon		42	84
Security deposit		100	100
Executives and their relatives			
Investment held in the Fund: 2,482 units (June 30, 2022: 47,119 units)		212	4,167
MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND			
- CONSERVATIVE ALLOCATION PLAN - ASSOCIATE			
Investment held in the Fund 1,584 units (2022: 1,610 units)		135	142
PAK QATAR FAMILY TAKAFUL LTD			
-Connected party due to more than 10%			
Investment held in the Fund 621,176 units (2022: 544,631 units)		52,932	48,163
PAK QATAR GENERAL TAKAFUL LIMITED			
-Connected party due to more than 10%			
Investment held in the Fund 293,086 units (2022: Nil units)		24,975	-

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

September 30, 2021										
	Note	Carrying amount				Fair Value				
		Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value										
Investments										
- Listed equity securities	5	233,532		-	-	233,532	233,532	-	-	233,532
Financial assets not measured at fair value										
Bank balances	10.1	-		31,771	-	31,771	-	-	-	-
Dividend and profit receivable		-		1,537	-	1,537	-	-	-	-
Receivable against sale of investment				-		-				
Other receivables		-		3,020	-	3,020	-	-	-	-
		-		36,328	-	36,328	-	-	-	-
Financial liabilities not measured at fair value										
Payable to the Management Company	10.1	-	-	-	1,397	1,397	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-		-	17	17	-	-	-	-
Payable to the Trustee		-	-	-	42	42	-	-	-	-
Accrued expenses and other liabilities		-		-	2,589	2,589	-	-	-	-
		-		-	4,044	4,044	-	-	-	-
June 30, 2021										
	10.1	Carrying amount				Fair Value				
		Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value										
Investments										
- Listed equity securities		401,731		-	-	401,731	1,389,046	-	-	1,389,046
				-	-			-	-	
		401,731	-	-	-	401,731	1,389,046	-	-	1,389,046
Financial assets not measured at fair value										
Bank balances	10.1	-	-	14,593	-	14,593				
Dividend and profit receivable		-	-	868	-	868				
Receivable against sale of investment				4,376		4,376				
Other receivables		-	-	3,000	-	3,000				
		-	-	22,837	-	22,837				
Financial liabilities not measured at fair value										
Payable to the Management Company		-	-	-	2,798	2,798				
Payable to Securities and Exchange Commission of Pakistan		-	-	-	126	126				
Payable to the Trustee		-	-	-	84	84				
Accrued expenses and other liabilities		-	-	-	8,521	8,521				
			-	-	11,529	11,529				

-
-
- 10.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.
- 10.2 Transfers during the period
- There were no transfers between various levels of fair value hierarchy during the period.
11. TOTAL EXPENSE RATIO
- In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the three months ended September 30, 2022 is 4.84% (September 30, 2021: 1.16%), which includes 0.36% (September 30, 2021: 0.09%) representing government levy, Workers' Welfare Fund and SECP fee.
12. DATE OF AUTHORISATION FOR ISSUE
- The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022 .
13. GENERAL
- 13.1 Figures have been rounded off to the nearest thousand rupees.
- 13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.
- 13.3 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures presented in condensed interim income statement and statement of comprehensive income for the quarter ended September 30, 2022 have not been reviewed.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Income Fund

FUND INFORMATION

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

HBL Islamic Income Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
AS AT September 30, 2022

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in 000's)	
ASSETS			
Bank balances	4	2,401,061	2,966,406
Investments	5	2,245,833	1,668,893
Profit recievable		134,827	75,064
Deposits and prepayments and Others		1,121	310
Total assets		4,782,842	4,710,673
LIABILITIES			
Payable to the Management Company	6	6,647	5,280
Payable to the Trustee		375	327
Annual fee payable to Securities and Exchange			
Commission of Pakistan		262	425
Redemption Payable		25,318	4,601
Dividend payable		233	233
Accrued expenses and other liabilities	8	3,327	28,971
Total liabilities		36,163	39,837
NET ASSETS		4,746,679	4,670,836
UNIT HOLDERS' FUND		4,746,679	4,670,836
CONTINGENCIES AND COMMITMENTS			
	9	(Number of units)	
Number of units in issue		44,618,885	45,453,539
(Rupees)			
Net assets value per unit		106.3827	102.7607

The annexed notes from 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
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HBL Islamic Income Fund
Condensed Interim Income Statement And Comprehensive Income (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

		Quarter ended September 30,	
		2022	2021
	Note	(Rupees in '000')	
INCOME			
Capital loss on sale of investments - net		(563)	(594)
Profit from bank deposits		121,854	11,496
Profit from Sukuks		68,898	7,507
Profit from GOP		-	-
Profit from TDRs		7,947	4,072
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(3,499)	5,369
		194,637	27,849
EXPENSES			
Remuneration to the Management Company		6,170	4,103
Sindh Sales Tax on remuneration of management company on management fee		802	533
Remuneration to the Trustee		1,111	251
Annual fee to Securities and Exchange Commission of Pakistan		262	59
Fund operations, accounting and related costs	7	2,776	381
Shahriah Advisory Charges		54	54
Amortisation of preliminary expenses and floatation costs		-	-
Auditors' remuneration		59	59
Fees and subscription		67	92
Securities transactionm, settlement and bank charges		96	68
Printing charges		-	-
Selling and Marketing expenses		2,776	677
		14,173	6,278
Net income from operating activities		180,464	21,571
Reversal / (Provision) for Sindh Workers' Welfare Fund	8.1	-	16,683
Net income for the period before taxation		180,464	38,254
Taxation	10	-	-
Net income for the period after taxation		180,464	38,254
Allocation of net income for the period:			
Income already paid on redemption of units		22,671	5,958
Accounting income available for distribution:			
-Relating to capital gains		-	3,835
-Excluding capital gains		157,793	28,461
		157,793	32,296
Net income / (loss) for the period after taxation		180,464	38,254
Other comprehensive income for the period		-	-
Total comprehensive income for the period		180,464	38,254
Earnings per unit			

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The annexed notes from 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 Islamic Income Fund

Condensed Interim Statement Of Movement In Unit Holders' Fund

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in '000'-----						
Net assets at beginning of the period	4,605,667	65,169	4,670,836	966,294	53,885	1,020,179
Issuance of 14,346,636 units (2021: 12,921 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,474,270	-	1,474,270	623,728	-	623,728
- Element of loss	(376,504)	-	(376,504)	(243,431)	-	(243,431)
Total proceeds on issuance of units	1,097,766	-	1,097,766	380,297	-	380,297
Redemption of 15,181,356 units (2021: 3,989,754 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,560,047)	-	(1,560,047)	(374,620)	-	(374,620)
- Amount relating to element of loss		(22,671)	(22,671)		(5,958)	(5,958)
Relating to net loss for the period after taxation	380,331	-	380,331	250,836	-	250,836
Total payments on redemption of units	(1,179,716)	(22,671)	(1,202,387)	(123,784)	(5,958)	(129,742)
Total comprehensive income for the period	-	180,464	180,464	-	38,254	38,254
Refund of Capital	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	180,464	180,464	-	38,254	38,254
Net assets at end of the period	4,523,717	222,962	4,746,679	1,222,807	86,181	1,308,988
Undistributed income brought forward						
- Realised		55,463			52,705	
- Unrealised		9,706			1,180	
		65,169			53,885	
Accounting income / (loss) for the period		180,464			38,254	
Distribution during the period		-			-	
Undistributed income carried forward		245,633			92,139	
Undistributed income carried forward						
- Realised		249,132			86,770	
- Unrealised		(3,499)			5,369	
		245,633			92,139	
Net assets value per unit at beginning of the period			102.7607			102.7607
Net assets value per unit at end of the period			106.3827			105.1334

The annexed notes from 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 Islamic Income Fund
Condensed Interim Cash Flow Statement (Unaudited)
For The Three Months Ended September 30, 2022

	Quarter ended September 30, 2022 2021 (Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	180,464	38,254
Adjustments for non cash charges and other items:		
Amortisation of deferred formation cost	-	-
Capital loss on sale of investments - net	563	594
Unrealize appreciation on re-measurement of investments as 'financial assets at fair value through profit of loss' - net	3,499	(5,369)
	4,062	(4,775)
(Increase) / decrease in assets		
Investments - net	(581,002)	1,093,914
Profit receivable	(59,763)	63,258
Deposits and prepayments	(811)	3
	(641,576)	1,157,175
Increase / (Decrease) in liabilities		
Payable to the Management Company	1,367	(2,741)
Payable to the Trustee	48	(235)
Annual fee payable to Securities and Exchange Commission of Pakistan	(163)	(366)
Redemption Payable	20,717	1,412
Dividend payable	-	-
Accrued expenses and other liabilities	(25,644)	(26,493)
	(3,675)	(28,423)
Net cash (used in) / generated from operating activities	(460,725)	1,162,231
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	1,097,766	380,297
Cash paid on redemption of units	(1,202,387)	(135,540)
Dividend paid	-	-
Net cash used in financing activities	(104,621)	244,757
Net decrease in cash and cash equivalents	(565,346)	1,406,988
Cash and cash equivalents at the beginning of the period	2,966,406	2,966,406
Cash and cash equivalents at the end of the period	2,401,061	4,373,396

The annexed notes from 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
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HBL Islamic Income Fund

Notes To The Condensed Interim Financial Statements (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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 office of the Management Company located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

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

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

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

JCR-VIS Credit Rating Company has assigned an asset management rating of 'AM2++' (Positive Outlook) to the Management Company and a stability rating 'A+(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, 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.

2.20 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.

2.30 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, 2022.

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, 2022.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in 000')	
4 BANK BALANCES		
In savings accounts	2,400,742	2,965,999
In current accounts	4.1 319	407
	2,401,061	2,966,406

4.1 Mark-up rates on these accounts range between 7.85% to 14.25% per annum (June 30, 2022: 6.54% to 14.85% per annum).

		(Unaudited)	(Audited)	
		September 30,	June 30,	
5	INVESTMENTS	Note	2022	2022
		(Rupees in 000')		
Financial Assets at fair value through profit & loss:				
	Corporate Sukuk	5.1	2,141,982	1,529,706
At amortized cost				
	Financial asset at amortized cost	5.2	103,851	139,187
			2,245,833	1,668,893

5.1 Corporate Sukuks:

Entity	Long Term Rating	Number of Units				Market value	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the year	As at September 30, 2022			
		-----No. of Certificates-----				-----Rupees in '000'-----	-----%-----	
Corporate Sukuks								
LEPCL STS 07-072022		-	250	250	-			
Agha Steel Industries Limited		95	-	22	73	59,313	1.25%	2.64%
OBS AGP Private Limited		1,100	-	-	1,100	111,485	2.35%	4.96%
Dubai Islamic Bank Pakistan Limited		54	-	-	54	54,023	1.14%	2.41%
Ghani Gases Limited		1,330	-	-	1,330	30,590	0.64%	1.36%
Hub Power Company Limited - 190320		350	-	-	350	26,843	0.57%	1.20%
Hub Power Company Limited - 270422		4,500	-	-	4,500	450,000	9.48%	20.04%
Pak Electron Limited		120	-	-	120	118,618	2.50%	5.28%
TPL Corpora		750	-	-	750	75,000	1.58%	3.34%
Lucky Electric Power Company 14-04-22		375	-	-	375	375,000	7.90%	16.70%
K-Electric 10-08-2022		257	-	-	257	257,000	5.41%	11.44%
TPL Trakker Limited		44	-	-	44	34,224	0.72%	1.52%
Lucky Electric Power Company Limited (28-8-2022)		390	-	-	390	390,000	8.22%	17.37%
K-Electric		150	-	-	150	159,886	3.37%	7.12%
Total - September 30, 2022		9,515	250	272	9,493	2,141,982	45.13%	95.38%
Cost of investment - September 30, 2020						1,592,517		

5.1.1 These Sukuk carry semi annual mark-up at the rate of 8.15% to 10.78% per annum. (June 30, 2021: semi annual mark-up at the rate of 7.20% to 14.50% per annum) respectively.

5.2 Commercial papers

Name of investee company	Issue date	As at July 1, 2022	Placement made during the year	Income accrued	Sales /matured	As at September 30, 2022	Percentage of total of investments	Percentage of net assets
Hub Power Holdings Limited	12-May-22	101,377	-	2,474	-	103,851	4.62%	2.19%
Mughal Iron & Steel Industries Limited	26-Jul-21	37,810	-	190	38,000	-	0.00%	0.00%
Total - September 30, 2022		139,187	-	2,664	38,000	103,851	4.62%	2.19%

			September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note			
6		PAYABLE TO MANAGEMENT COMPANY		
		Management fee	6.1 1,550	1,931
		Sindh Sales Tax	6.2 202	251
		Sales load payable	1,233	704
		Allocation of expenses related to registrar services, accounting, operation and valuation services	886	772
		Selling and Marketing expenses	2,776	1,622
			6,647	5,280

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 aforementioned expense to the extent of 0.1385% of the average daily net assets of the Fund.

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 SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

			(Unaudited) September 30, 2022	(Audited) June 30, 2022
	Note			
			(Rupees in 000's)	
8		ACCRUED EXPENSES AND OTHER LIABILITIES		
		Provision for Sindh Workers' Welfare Fund	8.1 -	-
		Provision for Federal Excise Duty	8.2 1,344	1,344
		Payable to brokers	81	-
		Withholding tax payable	1,211	27,003
		Auditors' remuneration	230	171
		Printing Charges	85	85
		Others	376	368
			3,327	28,971

8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 16.91 million for the period from July 1, 2014 till August 12, 2021.

8.2 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.344 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2022 would have been higher by Re. 0.0301 (June 30, 2022: Re. 0.0296) per unit.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022 and June 30, 2022.

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. 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.

11 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.

12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2022 is 0% which includes 0.08% representing government levy and SECP fee.

13 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include the HBL 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:

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
13.1 Balance as at September 30, 2021		
HBL Asset Management Company Limited		
Management fee payable	1,550	1,931
Sindh Sales Tax	202	251
Sales load payable	1,233	704
Allocation of expenses related to registrar services, accounting operation and valuation services	886	772
Selling & Marketing Expense	2,776	1,622
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable		327
Security deposit	375	100
Habib Bank Limited-Sponsor		
Units held : Nil (June 30, 2022: Nil units)	-	-
Bank balances	3,182	306,175
HBL Asset Management Limited Employees Gratuity Fund		
Units held : 5,949 units (June 30, 2022: 5,949 units)	633	611
HBL Asset Management Limited Employees Provident Fund		
Units held 31,980 units (June 30, 2022: 31,980 units)	3,402	3,286
Directors and executives of the Management Company		
Units held 7,587 units (June 30, 2022: 48,163 units)	807	4,949
HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management		
Units held : Nil (June 30 2022: Nil) units	-	-
HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management		
Units held : 5,331 (June 30, 2022: 5,512) units	567	566

	(Unaudited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
Jubilee Life Insurance Company Limited		
Units held : 3,961,318 (2022: 3,961,318) units	421,416	407,068
Hamdard Laboratories (Waqf) Pakistan		
Related party due to holding more than 10%		
Units held: Nil (June 30, 2022: 14,907,091)	-	1,531,863
Zahid Rashid Soorty		
Related party due to holding more than 10%		
Units held: 5,593,171 (June 30, 2022: 5,641,546)	595,017	579,729
	(Unaudited) Quarter ended September 30, 2022	(Unaudited) Quarter ended September 30, 2021 (Rupees in '000)
Transactions during the year		
HBL Asset Management Company Limited		
Remuneration of the Management Company for the period	6,170	4,103
Sindh Sales tax on remuneration of the Management Company	802	533
Habib Bank Limited - Sponsors		
Profit on bank deposits	361	2,730
Bank charges paid	78	30
Central Depository Company of Pakistan Limited-Trustee		
Trustee fee	1,111	251
CDS charges	4	12
Directors and executives of the Management Company		
Issue of 9,518 units (2021: 8,574 units)	1,000	900
Redemption of 50,094 units (2021: Nil units)	5,243	-
HBL Islamic Financial Planning Fund - Active Allocation Plan		
CIS under common management		
Investment of Nil (2021: 393) units	-	40
Redemption of Nil (2021: 3,825) units	-	390
HBL Islamic Financial Planning Fund - Conservative Allocation Plan		
CIS under common management		
Investment of Nil (2021: Nil) units	-	-
Redemption of 182 (2021: 3,529) units	19	362

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 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.

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

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

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

	Note	September 30, 2022						
		Carrying amount			Fair Value			
		Fair value through profit and loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Corporate Sukuk	6	2,141,982	-	-	2,141,982	-	2,141,982	-
		<u>2,141,982</u>	<u>-</u>	<u>-</u>	<u>2,141,982</u>	<u>-</u>	<u>2,141,982</u>	<u>-</u>
Financial assets not measured at fair value								
Bank balances		-	2,401,061	-	2,401,061	-	-	-
Profit receivable		-	134,827	-	134,827	-	-	-
Deposits		-	1,121	-	1,121	-	-	-
		<u>-</u>	<u>2,537,009</u>	<u>-</u>	<u>2,537,009</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Payable to the Management Company		-	-	6,647	6,647	-	-	-
Payable to the Trustee		-	-	375	375	-	-	-
Accrued expenses and other liabilities		-	-	772	772	-	-	-
		<u>-</u>	<u>-</u>	<u>7,794</u>	<u>7,794</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Note	June 30, 2022							
		Carrying amount				Fair Value			
		Fair value through profit and loss	At amortized cost	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									
- Corporate Sukuk	6	1,668,893	-	-	1,668,893	-	1,668,893	-	1,668,893
		1,668,893	-	-	1,668,893	-	1,668,893	-	1,668,893
Financial assets not measured at fair value									
Bank balances		-	2,966,406	-	2,966,406	-	-	-	-
Profit receivable		-	75,064	-	75,064	-	-	-	-
		-	3,041,470	-	3,041,470	-	-	-	-
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	5,280	5,280	-	-	-	-
Payable to the Trustee		-	-	327	327	-	-	-	-
Accrued expenses and other liabilities		-	-	28,971	28,971	-	-	-	-
		-	-	34,578	34,578	-	-	-	-

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

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 19, 2022 by the Board of Directors of the Management Company.

16 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Equity Fund

FUND INFORMATION

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

HBL Islamic Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2022

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	13,309	15,503
Investments	5	128,036	142,750
Dividend and profit receivable		3,555	1,175
Receivable against sale of investments		13,788	7,870
Deposits and prepayments		3,077	3,056
Total assets		161,765	170,354
Liabilities			
Payable to Management Company	6	1,253	326
Payable to the Trustee		28	28
Payable to the Securities and Exchange Commission of Pakistan	7	7	67
Payable against purchase of investments		-	-
Payable against redemption of units		10,199	19,986
Accrued expenses and other liabilities	8	4,588	4,009
Total liabilities		16,075	24,416
Net assets		145,690	145,938
Unit holders' fund (as per statement attached)		145,690	145,938
Contingencies and commitments			
	9		
		(Number of units)	
Number of units in issue		2,123,677	2,085,441
		(Rupees)	
Net assets value per unit		68.6029	69.9797

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 Islamic Equity Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

		Quarter ended September 30,	
		2022	2021
	Note	(Rupees in '000')	
INCOME			
Capital (loss) / gain on sale of investments - net		(3,371)	(31,668)
Dividend income		2,488	2,540
Profit from bank deposits		2,340	502
Unrealize (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(3,028)	(40,312)
		(1,571)	(68,937)
EXPENSES			
Remuneration to the Management Company		736	2,913
Sindh Sales Tax on remuneration of management company		96	379
Remuneration to the Trustee		83	329
Annual fee to Securities and Exchange Commission of Pakistan		7	29
Allocation of expenses related to registrar services, accounting, operation and valuation services		202	709
Amortisation of preliminary expenses and floatation costs		-	-
Auditors' remuneration		59	58
Fees and subscription		7	40
Securities transaction and bank charges		488	1,038
Printing charges		-	-
Expense to Shariah Advisory Services		54	53
Selling and marketing expense		386	1,459
		2,118	7,006
Net loss from operating activities		(3,689)	(75,943)
Reversal / (Provision) for Sindh Workers' Welfare Fund	8.1	-	5,543
Net loss for the period before taxation		(3,689)	(70,400)
Taxation	10	-	-
Net loss for the period after taxation		(3,689)	(70,400)
Allocation of net loss for the period:			
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
Net loss for the period after taxation		(3,689)	(70,400)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(3,689)	(70,400)

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 Islamic Equity Fund

Condensed Interim Statement of Movement in Unitholders' Fund

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the period	455,922	(309,984)	145,938	800,479	(175,895)	145,938
Issuance of 1,018,634 units (2021: 12,921 units)						
- Capital value (at net asset value per unit at the beginning of the period)	71,284	-	71,284	95,387	-	95,387
- Element of loss	612	-	612	39,330	-	39,330
Total proceeds on issuance of units	71,896	-	71,896	134,717	-	134,717
Redemption of 980,398 units (2021: 3,989,754 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(68,608)	-	(68,608)	(262,780)	-	(262,780)
- Amount relating to element of loss	153	-	153	(99,803)	-	(99,803)
Relating to net loss for the year after taxation	-	-	-	-	-	-
Total payments on redemption of units	(68,455)	-	(68,455)	(362,583)	-	(362,583)
Total comprehensive income for the year	-	(3,689)	(3,689)	-	(70,400)	(70,400)
Distribution for the year	-	-	-	-	-	-
Total comprehensive income for the year less distribution	-	(3,689)	(3,689)	-	(70,400)	(70,400)
Net assets at end of the year	459,363	(313,673)	145,690	572,613	(246,295)	(152,327)
Undistributed income brought forward						
- Realised		(278,691)			(187,421)	
- Unrealised		(31,293)			11,526	
		(309,984)			(175,895)	
Element of income and capital gains included in prices of units issued less those in units redeemed		-			-	
Accounting (loss) / income for the year		(3,689)			(70,400)	
Distribution during the year		-			-	
Undistributed income carried forward		(313,673)			(246,295)	
Undistributed income carried forward						
- Realised		(310,645)			(205,983)	
- Unrealised		(3,028)			(40,312)	
		(313,673)			(246,295)	
Net assets value per unit at beginning of the year			69.9797			69.9797
Net assets value per unit at end of the year			68.6029			91.8628

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 Islamic Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2022

	Quarter ended September 30, 2022 2021 (Rupees in 000's)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(3,689)	(70,400)
Adjustments for non cash charges and other items:		
Amortisation of deferred formation cost	-	-
Capital gain on sale of investments - net	3,371	31,668
Unrealize diminution/ (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	3,028	40,312
	6,399	71,980
Decrease / (increase) in assets		
Investments - net	8,315	(229,201)
Dividend and profit receivable	(2,380)	(2,164)
Receivable from equity market settlement	(5,918)	7,870
Deposits and prepayments	(21)	(7,310)
Preliminary and floatation costs	-	-
	(4)	(230,805)
(decrease) / Increase in liabilities		
Payable to the Management Company	927	2,752
Payable to the Trustee	-	71
Annual fee payable to Securities and Exchange Commission of Pakistan	(60)	(38)
Payable against equity market settlement	-	27,624
Accrued expenses and other liabilities	579	1,333
	1,446	31,742
Net cash generated from / (used in) operating activities	4,152	(197,483)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	71,896	134,717
Cash paid on redemption of units	(78,242)	(357,723)
Net cash used in / generated from financing activities	(6,346)	(223,006)
Net (decrease)/ increase in cash and cash equivalents	(2,194)	(420,489)
Cash and cash equivalents at the beginning of the period	15,503	15,503
Cash and cash equivalents at the end of the period	13,309	(404,984)

4

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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 requirments of the IFRS the requirments 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 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, 2022.
- 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, 2022.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this condensed interim financial information for the period ended September 30, 2022.

4	BANK BALANCES	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 Audited
	Current accounts		1	10
	PLS deposit accounts under mark-up arrangements	4.1	13,308	15,493
			<u>13,309</u>	<u>15,503</u>

- 4.1 Mark-up rates on these accounts range between 6.54% to 14.25% p.a (June 30, 2022: 6.50% - 9.00% p.a).

5	INVESTMENTS	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 Audited
	Financial assets 'at fair value through profit or loss' held for trading			
	- Listed equity securities	5.1	128,036	142,750
			<u>128,036</u>	<u>142,750</u>

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

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

Name of the Investee Company	Number of shares				As at September 30, 2022	Market value			Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period		As at September 30, 2022 (Rupees in	As a percentage of total Investments	As a percentage of net Assets	
TEXTILE COMPOSITE									
Interloop Limited	17,623	-	-	17,623	-	-	-	-	-
Kohinoor Textile Mills Ltd	16,500	-	-	16,500	-	-	-	-	-
Nishat Mills Limited	14,551	-	-	14,551	-	-	-	-	-
						-	-	-	
CEMENT									
Attock Cement Pakistan Ltd	129,700	-	-	55,500	74,200	6,052	4.73%	4.15%	1.65%
D G Khan Cement Co.Ltd.	-	154,300	-	61,300	93,000	5,638	4.40%	3.87%	1.65%
Fauji Cement Company Limited	-	283,000	-	-	283,000	4,242	3.31%	2.91%	1.65%
Kohat Cement Ltd	-	35,000	-	-	35,000	5,600	4.37%	3.84%	0.04%
Lucky Cement Limited	-	9,800	-	-	9,800	4,866	3.80%	3.34%	0.01%
Maple Leaf Cement Factory Ltd	-	227,500	-	74,050	153,450	4,275	-	-	-
						30,673	20.62%	18.11%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	74,300	45,700	-	-	120,000	8,389	6.55%	5.76%	0.02%
Nishat Chunian Power Ltd	53,500	-	-	53,500	-	-	-	-	-
						8,389	-	-	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	33,213	-	-	21,213	12,000	782	0.61%	0.54%	0.02%
						782	0.61%	0.53%	
AUTOMOBILE ASSEMBLER									
Millat Tractors Ltd	-	2,200	-	2,200	-	-	-	-	-
						-	-	-	
PHARMACEUTICALS									
The Searle Company Limited	16,088	-	-	14,500	1,588	161	0.13%	0.11%	0.01%
						161	0.13%	0.10%	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	121,292	15,000	-	136,000	292	6	0.00%	0.00%	0.02%
						6	0.00%	-0.01%	
MISCELLANEOUS									
TPL Properties Limited	78,000	658,000	-	736,000	-	-	-	-	-
						-	-	-	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	3,916	5,900	-	-	9,816	15,360	12.00%	10.54%	0.02%
Oil and Gas Development Company Limited	177,244	184,000	-	291,244	70,000	5,300	4.14%	3.64%	0.01%
Pakistan Oilfields Limited	19,899	2,450	-	6,305	16,044	5,601	4.37%	3.84%	0.01%
Pakistan Petroleum Limited	207,640	107,177	-	239,817	75,000	4,609	3.60%	3.16%	0.01%
						30,870	24.11%	21.18%	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Ltd	10,100	-	2,525	-	12,625	3,521	2.75%	2.42%	0.02%
Pakistan State Oil Company Limited	38,078	-	-	23,078	15,000	2,436	1.90%	1.67%	0.02%
Sui Northern Gas Pipeline Limited	-	55,500	-	55,500	-	-	-	-	0.01%
						5,957	-	-	
REFINERY									
Attock Refinery Ltd	38,100	-	-	26,800	11,300	1,664	1.30%	1.14%	0.02%
National Refinery Ltd	23,170	-	-	13,450	9,720	2,366	1.85%	1.62%	0.02%
						4,030	3.15%	2.76%	
COMMERCIAL BANKS									
BankIslami Pakistan Limited	130,500	-	-	130,500	-	-	-	-	-
Meezan Bank Limited	126,957	68,500	7,345	53,500	149,302	16,386	12.80%	11.25%	0.02%
						16,386	12.80%	11.24%	
FERTILIZER									
Engro Corporation Limited	52,266	57,484	-	29,750	80,000	18,523	14.47%	12.71%	0.02%
Engro Fertilizers Limited	114,027	18,682	-	132,709	-	-	-	-	-
						18,523	0.00%	-0.01%	
CHEMICAL									
Engro Polymer & Chemicals Limited	39,000	-	-	39,000	-	-	-	-	-
ICI Pakistan Ltd	-	2,400	-	2,400	-	-	-	-	-
						-	0.00%	-0.01%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	26,873	34,127	-	14,500	46,500	3,462	2.70%	2.38%	0.00%
Systems Limited	6,898	-	-	-	6,898	2,604	2.03%	1.79%	0.00%
TPL Trakker Limited	157,500	134,000	-	-	291,500	2,583	2.02%	1.77%	0.00%
						8,649	6.76%	3.55%	
Food & Personal Care Product									
Unity Foods Limited	194,962	135,038	-	170,000	160,000	3,610	2.82%	2.48%	0.01%
						3,610	2.82%	2.47%	
Total September 30, 2022	1,921,897	2,235,758	9,870	2,431,490	1,736,035	128,036	6.76%	5.93%	

Carrying value as at September 30, 2021

540,754

- 5.2 The above investments include shares with market value aggregating to Rs 37.53 million (2021: Rs 82.84 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, which are as follows:

These investments include gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 3.114 million (June 30, 2021 Rs. 2.616 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. Moreover the requirement to deduct tax on bonus shares has been withdrawn through Finance Act, 2018.

	Note	September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
6 PAYABLE TO MANAGEMENT COMPANY			
Management fee	6.1	244	250
Sindh Sales Tax	6.2	32	32
Sales load payable		524	15
Allocation of expenses related to registrar services, accounting, operation and valuation services		67	1
Selling and marke		386	28
		1,253	326

- 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 aforementioned expense to the extent of 2% of the average daily net assets of the Fund.

- 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 SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

		September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited) (Rupees in '000)
8	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Sindh Workers' Welfare Fund	8.1	-
	Provision for Federal Excise Duty	8.2	3,268
	Donation payable		437
	Payable to brokers		571
	Withholding tax payable		70
	Auditors' remuneration		133
	Printing Charges		21
	Others		88
			4,588
			4,009

8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs.5.54 million for the period from July 1, 2014 till August 12, 2021.

8.2 PROVISION FOR FEDERAL EXCISE DUTY

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

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 aggregating to Rs. 3.268 million (June 30, 2018: Rs. 3.268 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Re. 1.539 (June 30, 2022: Re. 1.567) per unit.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2022 and June 30, 2022.

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. 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.

11 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.

12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2022 is 0.61% which includes 0.36% representing government levy and SECP fee.

13 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

13.1 Balance as at September 30, 2022

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
HBL Asset Management Company Limited		
Units held Nil (2022: Nil) units	-	-
Management fee payable	244	250
Sindh Sales tax on remuneration of the Management Company	32	32
Sales load payable	524	15
Allocation of expenses related to registrar services, accounting, operation and valuation services	67	1
Allocation of expenses related to Selling and Marketing,	386	28
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable	28	28
Directors and executives of the Management Company		
Units held 7,305 (2022: 95,369) units	501	6,674
HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management		
Units held Nil (2022: Nil) units	-	-
HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management		
Units held Nil (2022: Nil) units	-	-
Munira Aamir Vasi		
Units held 531,947 (2022: 531,947) units	36,493	37,225
Muhammad Farhan Fancy - Connected Person due to holding more than 10% units:		
Units held: Nil (2022: 281,371)	-	19,690
Muhammad Arshad - Connected Person due to holding more than 10% units:		
Units held: 316,746 (2022: Nil)	21,730	19,690

	(Unaudited) Quarter ended September 30, 2022	(Unaudited) Quarter ended September 30, 2021
	(Rupees in '000)	
Transactions during the year		
HBL Asset Management Company Limited		
Remuneration of the Management Company for the period	736	2,913
Sindh Sales tax on remuneration of the Management Company	96	379
Allocation of expenses related to registrar services, accounting, operation and valuation services	202	709
Allocation of expenses related to Selling and Marketing, Sale load	386	1,459
Issue of Nil (2021: Nil) units	-	-
Redemption of Nil (2021: Nil units)	-	-
Directors and executives of the Management Company		
Redemption of 95,369 (2021: 23,528) units	6,477	2,328
Issue of 7,305 (2021: 22,481) units	499	2,312
HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management		
Redemption of Nil (2021: 15,065) units	-	1,560
Issue of Nil (2021: 3,074) units	-	316
HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management		
Issue of Nil (2021: 3,118) units	-	321
Redemption of Nil (2021: Nil) units	-	-
Central Depository Company of Pakistan Limited		
Trustee fee	83	329
CDS charges	10	35
Muhammad Arshad - Connected Person due to holding more than 10% units:		
Issue of 316,746 (2021: Nil) units	23,020	-

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.

		September 30, 2022							
Note		Carrying amount			Fair Value				
		Fair value through profit or loss - held-for- trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value	14.1								
Investments									
- Listed equity securities		128,036	-	-	128,036	128,036	-	-	128,036
		128,036	-	-	128,036	128,036	-	-	128,036
Financial assets not measured at fair value	14.1				-				
Bank balances		-	13,309	-	13,309	-	-	-	-
Investments									
Dividend and profit receivable		-	3,555	-	3,555	-	-	-	-
Deposits and prepayments		-	3,077	-	3,077	-	-	-	-
		-	19,941	-	19,941	-	-	-	-
Financial liabilities not measured at fair value	14.1								
Payable to Management Company		-	-	1,253	1,253	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	28	28	-	-	-	-
Payable against purchase of investments		-	-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-	-
		-	-	1,281	1,281	-	-	-	-

		June 30, 2022							
		Carrying amount				Fair Value			
		Fair value through profit or loss - held-for- trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----							
On-balance sheet financial instruments									
Financial assets measured at fair value	14.1								
Investments									
- Listed equity securities		142,750	-	-	142,750	142,750	-	-	142,750
		142,750	-	-	142,750	142,750	-	-	142,750
Financial assets not measured at fair value	14.1				-				
Bank balances		-	15,503	-	15,503	-	-	-	-
Investments									
-Unlisted Equity Securities		-	-	-	-	-	-	-	-
Dividend and profit receivable		-	1,175	-	1,175	-	-	-	-
		-	16,678	-	16,678	-	-	-	-
Financial liabilities not measured at fair value	14.1								
Payable to Management Company		-	-	326	326	-	-	-	-
Payable to Trustee		-	-	28	28	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-	-
		-	-	354	354	-	-	-	-

- 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 repriced 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 19, 2022.

16 CORRESPONDING FIGURES

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

17 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Financial Planning Fund

FUND INFORMATION

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

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at Sep 30, 2022

			Sep 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total		
----- (Rupees in '000) -----								
ASSETS								
Bank balances	4	1,322	250	1,572	2,709	247	2,956	
Investments	5	154,771	696	155,467	120,934	705	121,639	
Accrued mark-up		19	1	20			-	
Receivable against sale of investment			-	-	8	1	9	
Preliminary expenses and flotation costs		19	-	19	-	-	-	
Advances, deposits and other receivables		107	18	125	102	18	120	
TOTAL ASSETS		156,238	965	157,203	123,753	971	124,724	
LIABILITIES								
Payable to the Management Company	6	410	-	410	22		22	
Payable to the Trustee		4	-	4	10		10	
Payable to Securities and Exchange Commission of Pakistan		5	-	5	9	5	14	
Accrued expenses and other liabilities	7	448	71	519	374	241	615	
Dividend Payable		26	-	26	-	-	-	
Payable against redemption of units			185					
TOTAL LIABILITIES		893	257	964	415	246	661	
NET ASSETS		155,345	708	156,053	123,338	725	124,063	
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)								
		155,345	708	156,053	123,338	725	124,063	
----- (Units) -----								
NUMBER OF UNITS IN ISSUE		1,726,546	7,796	-	1,414,900	7,961	-	
----- (Rupees) -----								
NET ASSETS VALUE PER UNIT		89.9742	90.8155		87.1696	90.9171		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

Condensed Interim Income Statement (Un-Audited)

For the three months ended September 30, 2022

		For the three months ended September 30, 2022			For the three months ended September 30, 2021		
Note		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
(Rupees in '000)							
Income							
	Mark-up on deposits with bank	48	4	52	11	7	18
	Capital gain / (loss) on sale of investment - net	-	1	1	(22)	3	(19)
	Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	-	13	13	(4,885)	53	(4,832)
	Dividend Income	3,460	1	3,461	-	-	-
	Back end load	-	-	-	-	-	-
		3,508	19	3,527	(4,896)	64	(4,832)
Expenses							
	Remuneration of the Management Company	9	-	9	1	-	1
	Sindh Sales Tax on remuneration of the Management Company	1	-	1	-	-	-
	Remuneration of the Trustee	25	-	25	13	13	26
	Annual fee to the Securities and Exchange Commission of Pakistan	5	-	5	3	3	6
	Allocation of expenses related to registrar services, accounting, operation and valuation services	50	-	50	26	26	52
	Amortisation of preliminary expenses and flotation costs	-	-	-	4	-	4
	Auditors' remuneration	77	7	84	69	5	75
	Printing charges	36	3	39	-	-	-
	Bank charges	3	9	12	5	4	9
	Fees and subscription	6	-	6	-	-	-
	Shariah advisory fee	54	-	54	51	1	52
	Tax on bank profit	-	-	-	-	-	-
	Legal Fee	-	-	-	17	17	34
		266	19	285	189	69	257
	Net income / (loss) from operating activities	3,242	-	3,242	(5,085)	(5)	(5,089)
	Reversal of selling and marketing expense	-	-	-	-	-	-
	Reversal / (Provision) for Sindh Workers' Welfare Fund	-	-	-	541	49	590
	Net income / (loss) for the period before taxation	3,242	-	3,242	(4,543)	44	(4,499)
	Taxation	-	-	-	-	-	-
	Net income / (loss) for the period after taxation	3,242	-	3,242	(4,543)	44	(4,499)
	Income already paid on redemption of units	-	-	-	-	-	-
	Accounting income available for distribution						
	- Relating to capital gains	3,242	-	3,242	(4,543)	44	12,414
	- Excluding capital gains	-	-	-	-	-	-
		3,242	-	3,242	(4,543)	44	12,414
	Net income / (loss) for the period after taxation	3,242	-	3,242	(4,543)	44	(4,499)
	Other comprehensive income for the period						
	Item that may be reclassified subsequently to income statement	-	-	-	-	-	-
	Item that will not be reclassified subsequently to income statement	-	-	-	-	-	-
	Total comprehensive income / (loss) for the period	3,242	-	3,242	(4,543)	44	(4,499)

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the three months ended September 30, 2022

	For the three months ended					
	September					
	2022			2021		
	Capital value	Active Allocation Plan Undistributed income / (accumulated loss)	Total	Capital value	Active Allocation Plan Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	133,704	(10,366)	123,338	55,000	(1,480)	53,520
Issuance of 3,860 units (2019: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	135,239	-	135,239	503	-	503
- Element of loss	4,323	-	4,323	(3)	-	(3)
Total proceeds on issuance of units	139,562	-	139,562	500	-	500
Redemption of 56,951 units (2019: 262,033 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(108,073)	-	(108,073)	(2,088)	-	(2,088)
- Element of income	(2,724)	-	(2,724)	23	-	23
Total payments on redemption of units	(110,797)	-	(110,797)	(2,065)	-	(2,065)
Total comprehensive income / loss for the period	-	3,242	3,242	-	(4,543)	(4,543)
	-	3,242	3,242	-	(4,543)	(4,543)
Net assets at end of the period	162,469	(7,124)	155,345	53,435	(6,023)	47,411
Undistributed income brought forward						
- Realised		(10,366)			(7,473)	
- Unrealised		-			882	
		(10,366)			(6,591)	
Accounting Income / Loss available for distribution		3,242			(4,543)	
Accumulated loss carried forward		(7,124)			(15,677)	
Accumulated loss carried forward						
- Realised		(7,124)			(10,793)	
- Unrealised		-			(4,885)	
		(7,124)			(15,677)	
Net assets value per unit at beginning of the period		(Rupees)	87.1696		(Rupees)	115.8209
Net assets value per unit at end of the period		(Rupees)	89.9742		(Rupees)	105.7334

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

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

For the three months ended September 30, 2022

	For the three months ended					
	September			September		
	2022			2021		
	Conservative Allocation Plan			Conservative Allocation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	(302)	1,027	725	49,849	1,068	50,917
Issuance of 209,350 units (2019: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	1	-	1	6	-	6
- Element of loss	-	-	-	-	-	-
Total proceeds on issuance of units	1	-	1	6	-	6
Redemption of 244,456 units (2019: 18,512 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(16)	-	(16)	(11)	-	(28,100)
- Element of income	(2)	-	(2)	-	-	1,156
Total payments on redemption of units	(18)	-	(18)	(11)	-	(26,944)
Total comprehensive income for the period	-	-	-	-	44	44
Interim distribution of Rs. 2.1 per unit declared on June 28, 2020 as cash dividend (2019: Rs. 2.05 per unit declared on June 28, 2019 as cash dividend)						
Refund of capital	-	-	-	-	-	-
Distribution for the period	-	-	-	-	44	44
Net assets at end of the period	(319)	1,027	708	49,844	1,112	50,955
Undistributed income brought forward						
- Realised		1,064			873	
- Unrealised		(37)			150	
		1,027			1,023	
Accounting income / (loss) available for distribution		-			44	
Distribution during the period		-			-	
Accumulated gain carried forward		1,027			1,067	
Accumulated gain carried forward						
- Realised		1,014			1,163	
- Unrealised		13			7	
		1,027			1,067	
Net assets value per unit at beginning of the period			(Rupees) 90.9171			(Rupees) 114.9507
Net assets value per unit at end of the period			90.8155			115.0506

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

Condensed Interim Cash Flow Statement (Un-Audited)

For the three months ended September 30, 2022

	Three months ended September 30, 2021			Three months ended September 30, 2020		
Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Cash flows from operating activities						
Net loss for the period before taxation	3,242	-	3,242	(4,543)	44	(4,499)
Adjustments for non-cash items						
Mark-up on deposits with bank	(48)	(4)	(52)	(11)	(7)	(18)
Capital (gain) / loss on sale of investment - net	-	(1)	(1)	22	(3)	19
Unrealised diminution on re-measurement of investments investments at 'fair value through profit or loss - held-for-trading' - net	-	(13)	(13)	4,885	(53)	4,832
Amortisation of preliminary expenses and flotation costs				-	-	-
Dividend Income	(3,460)					
	(266)	(18)	3,176	353	(20)	333
(Increase) / decrease in assets						
Investments	(33,829)	23	(33,806)	1,594	41	1,635
Preliminary expenses and flotation costs	(19)	-	(19)	4	-	4
Other receivables	(5)	(0)	(5)	3	3	3
	(33,853)	23	(33,830)	1,601	44	1,645
Increase / (decrease) in liabilities						
Payable to the Management Company	388	-	388	-	1	1
Payable to the Trustee	(6)	-	(6)	-	1	1
Payable to Securities and Exchange Commission of Pakistan	(4)	(5)	(9)	(13)	3	(10)
Accrued expenses and other liabilities	74	(170)	(96)	(496)	(45)	(541)
Dividend Payable	-	-	-	26	-	26
	452	(175)	277	(483)	(40)	(523)
	(33,667)	(170)	(30,377)	1,470	(15)	1,455
Profit received on bank deposits	29	3	32	13	12	1,759
Net cash (used in) / generated from operating activities	(33,638)	(167)	(30,345)	1,483	(4)	3,214
Cash flows from financing activities						
Amount received / receivable on issue of units	139,562	1	139,563	500	6	506
Amount paid / payable on redemption of units	(110,797)	(18)	(110,815)	(2,065)	(11)	(2,076)
Dividend paid	3,486	-	3,486	-	-	-
Net cash generated from / (used in) financing activities	32,251	(17)	32,234	(1,565)	(5)	(1,571)
Net (decrease) / increase in cash and cash equivalents	(1,387)	(184)	1,889	(82)	(8)	1,643
Cash and cash equivalents at the beginning of the period	2,709	247	2,956	789	584	1,373
Cash and cash equivalents at the end of the period	4 1,322	63	4,843	706	576	3,014

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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-
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed. true and fair view of the state of the Fund's affairs as at December 31, 2017.

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year, ended June 30, 2022.

3.2 USE OF ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2022.

3.3 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2022.

4. BANK BALANCES

	Note	September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
		----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Savings accounts	4.1	<u>1,322</u>	<u>250</u>	<u>1,572</u>	<u>2,709</u>	<u>247</u>	<u>2,956</u>

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

5. INVESTMENTS

	Note	September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
		----- (Rupees in '000) -----			----- (Rupees in '000) -----		

Investments by category

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

Units of mutual funds	5.1	<u>154,771</u>	<u>696</u>	<u>155,467</u>	<u>120,934</u>	<u>705</u>	<u>121,639</u>
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5.1 Units of mutual funds

Name of Investee Funds	As at July 1, 2022	Purchases during the period	Redemptions during the period	As at September 30, 2022	Total carrying value as at September 30, 2022	Total market value as at September 30, 2022	Appreciatio n/ (diminutio n) as at September 30, 2022	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
	----- Number of units -----							----- % -----	
Active Allocation Plan									
HBL Islamic Money Market	1,195,301	1,417,946	1,083,506	1,529,741	154,771	154,771	(0)	99.63	100.00
	1,195,301	1,417,946	1,083,506	1,529,741	154,771	154,771	(0)	99.63	100.00
Conservative Allocation Plan									
HBL Islamic Income Fund	5,285	-	182	5,103	524	543	19	76.69	78.02
HBL Islamic Stock Fund	1,585	-	26	1,559	138	133	(5)	18.79	19.11
HBL Islamic Money Market Fund	212	7	21	198	20	20			
	7,082	7	229	6,860	682	696	14	95.48	97.13
Total as at September 30, 2022	1,202,383	1,417,953	1,083,735	1,536,601	155,453	155,467	14		

6. PAYABLE TO THE MANAGEMENT COMPANY

		September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
	Note	----- (Rupees in '000) -----					
Management fee	6.1	5	-	2	-	1	2
Sindh Sales Tax on Management Company's remuneration	6.2	1	-	1	-	-	-
Allocation of expenses related to registrar services, accounting, operation and vauation services	6.3	7	-	7	20	-	20
Sales load payable		397	-	397	-	-	-
		410	-	410	2	-	2

- 6.1 As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the plans. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.
- 6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.
- 6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1 percent of the average annual net assets, being lower amount, to the Fund during the period.

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total
(Rupees in '000)							
Shariah advisory fee	21	-		34	1		35
Printing	110	20	130	74	10		84
Auditors' remuneration	277	49	326	200	43	-	243
Other payables	40	2	42	66	187		253
	448	71	519	374	241	-	615

7.1 Sindh Workers' Welfare Fund

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

During the current year, SRB through its letter dated August 12, 2022 (received on August 13, 2022) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2022, wherein the MUFAP recommended to its members that effective from August 13, 2022, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2022 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 0.54 million and 0.5 million in Active Allocation Plan and Conservative Allocation Plan for the period from July 1, 2014 till August 12, 2022.

8. TAXATION

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

9. TRANSACTIONS WITH CONNECTED PERSONS

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

9.1 Transactions during the period

	For the three month ended - September 2022				For the three months ended - September 2021			
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Plan	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Management Company								
Remuneration of the Management Company	9	-	-	9	1	-	-	1
Sindh Sales Tax on remuneration of the Management Company	1	-	-	1	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	50	-	-	50	26	26	-	52
Habib Bank Limited - Sponsor								
Mark-up on deposits with bank	11	7	4,719	4,737	11	7	-	18
Bank Charges	5	4	1	11	5	4	-	9
MCB Financial Services Limited - Trustee								
Remuneration of the Trustee	25	-	-	25	13	13	-	26
Collective investment scheme managed by Management Company								
HBL Islamic Income Fund								
Redemption of 182 units (2021: 3,529 units)	-	19	-	19	-	362	-	362

	For the three month ended - September 2022				For the three months ended - September 2021			
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Plan	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Islamic Money Market Fund								
Purchase of 1,417,946 units (2021: nil units)	143,460	-	-	143,460	-	-	-	-
Redemption of 1,083,506 units (2021: nil units)	109,623	-	-	109,623	-	-	-	-
Purchase of 7 units (2021: 1,409 units)		1		1			-	-
Redemption of 21 units (2021: nil units)		2		2		-	-	-
Dividend Income	3,460	1		3,461				
HBL Islamic Stock Fund								
Redemption of 26 units (2021: 9,057 units)	-	2	-	2	-	-	-	-
Director and Executives								
- Connected person due to 10% holding								
Issue of 440,017 units (2021: Nil units)	40	-		40	-	-	-	-
Syed Fayeze Asar - Connected Person due to 10% holding								
Issue of 440,017 units (June 30, 2022: Nil units)	39,962	-	-	39,962	-	-		-

9.2	Balances outstanding as at period / year end	Three Months ended September 30, 2022 (note 1.1)				30-Jun-22			
		Active Allocation Plan	Conservative Allocation Plan		Total	Active Allocation Plan	Conservative Allocation Plan		Total
		(Rupees in '000)							
HBL Asset Management Limited - Management Company									
	Management fee	5	-	-	9	2	-	-	2
	Sindh Sales Tax on Management Company's remuneration	1	-	-	1	-	-	-	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	7	-	-	10	20	-	-	20
	Sales load payable	397	-	-	397	-	-	-	-
	Formation cost	-	-	-	-	-	-		-
	Units held 12,039 units (June 30, 2022: Nil units)	1,083	-	-	1,083	-			-
Habib Bank Limited - Sponsor									
	Mark-up receivable on deposits with bank	19	1		21	8	1		9
	Balance in savings account	47	3		2,518	2,695	223		2,918
MCB Financial Services Limited - Trustee									
	Remuneration payable to the Trustee	4	-	-	4	10	-	-	10
HBL ASSET MANAGEMENT LTD EMPLOYEES PROVIDENT FUND ASSOCIATE									
	Units held 12,039 units (June 30, 2022: 12,039 units)	1,273	-	-	1,273	1,049	-	-	1,049
Syed Fayeze Asar - Connected Person due to 10% holding									
	Units held 440,017 units (June 30, 2022: Nil units)	39,590	-	-	39,590	-	-		-
Amjad Maqsood - Connected Person due to 10% holding									
	Units held 1,655 units (June 30, 2022: Nil units)	-	150	-	150	-	-		-
Muhammad Ashraf - Connected Person due to 10% holding									
	Units held 5,243 units (June 30, 2022: Nil units)	-	476	-	476	-	-		-

	30-Sep-22				30-Jun-22			
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	-	Total
(Rupees in '000)								
HBL Islamic Income Fund (Formerly PICIC Islamic Income) Fund - CIS managed by Management Company								
Units held 101,185 units (June 30, 2022: Nil units)	120,934	-	-	120,934	-	-	-	-
Units held 398,425 units (June 30, 2022: 5,285 units)	-	133	-	133	-	544	-	544
HBL Islamic Equity Fund - CIS managed by Management Company								
Units held 396,148 units (June 30, 2022: Nil units)	154,771	-	-	154,771	-	-	-	-
Units held 98,542 units (June 30, 2022: Nil units)	-	543	-	543	-	-	-	-
Units held Nil units (June 30, 2020: Nil units)	-	-	-	0	-	-	-	-
HBL Islamic Money Market Fund - CIS managed by Management Company								
Units held Nil units (June 30, 2022: 1,195,301 units)	-	-	-	-	120,934	-	-	120,934
Units held 398,425 units (June 30, 2022: 211 units)	-	-	-	-	-	21	-	21
HBL Islamic Stock Fund - CIS managed by Management Company								
Units held Nil units (June 30, 2022: Nil units)	-	-	-	-	-	-	-	-
Units held Nil units (June 30, 2022: 1,585 units)	-	-	-	-	-	140	-	140

Units as at Sep 30, 2022 are calculated on the basis of latest announced NAV i.e September 30, 2022.

10. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

September 30, 2022 (Un-Audited)								
Active Allocation Plan								
Carrying amount				Fair Value				
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
Note ----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Units of mutual funds	154,771	-	-	154,771	154,771	-	-	154,771
	154,771	-	-	154,771	154,771	-	-	154,771
Financial assets not measured at fair value 10.1								
Bank balances	-	1,322	-	1,322				
Accrued mark-up	-	19	-	19				
Other receivables	-	107	-	107				
	-	1,448	-	1,448				
Financial liabilities not measured at fair value 10.1								
Payable to the Management Company	-	-	410	410				
Payable to the Trustee	-	-	4	4				
Accrued expenses and other liabilities	-	-	448	448				
Unit Holders' Fund	-	-	155,345	155,345				
	-	-	156,207	156,207				
June 30, 2022 (Audited)								
Active Allocation Plan								
Carrying amount				Fair Value				
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
Note ----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Units of mutual funds	5 120,934	-	-	120,934	120,934	-	-	120,934
	120,934	-	-	120,934	120,934	-	-	120,934
Financial assets not measured at fair value 10.1								
Bank balances	-	2,709	-	2,709				
Accrued mark-up	-	-	-	-				
Receivable against sale of units	-	-	-	-				
	-	2,709	-	2,709				
Financial liabilities not measured at fair value 10.1								
Payable to the Management Company	-	-	22	22				
Payable to the Trustee	-	-	10	10				
Accrued expenses and other liabilities	-	-	308	308				
Dividend payable	-	-	-	-				
Payable against redemption of units	-	-	-	-				
Unit Holders' Fund	-	-	123,338	123,338				
	-	-	123,678	123,678				

September 30, 2022 (Un-Audited)
Conservative Allocation Plan

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

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	696	-	-	696	696	-	-	696
	696	-	-	696	696	-	-	696

Financial assets not measured at fair value 10.1

Bank balances	-	250	-	250
Accrued mark-up	-	1	-	1
Receivable against sale of units	-	-	-	-
Other receivables	-	18	-	18
	-	269	-	269

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	-	-
Payable to the Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	71	71
Unit Holders' Fund	-	-	708	708
	-	-	780	780

June 30, 2022 (Audited)
Conservative Allocation Plan

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

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	5	705	-	-	705	705	-	-	705
		705	-	-	705	705	-	-	705

Financial assets not measured at fair value 10.1

Bank balances	-	247	-	247
Accrued mark-up	-	-	-	-
Receivable against sale of units	-	-	-	-
	-	247	-	247

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	-	-
Payable to the Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	56	56
Payable against redemption of units	-	-	-	-
Unit Holders' Fund	-	-	725	725
	-	-	781	781

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

10.2 Transfers during the period

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

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the three months ended September 30, 2022 is 0.04% and 0.00% (YTD) (September 30, 2021: 0.38% and 0.13%) which includes 1.07% and 0.00% (September 30, 2021: 0.01% and 0.00%) representing government levy and SECP fee of the Active Allocation Plan and Conservative Allocation Plan respectively.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on October 19, 2022 by the Board of Directors of the Management Company.

13. GENERAL

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

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

HBL Islamic Dedicated Equity Fund

FUND INFORMATION

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

HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2022

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	427	427
Dividend and profit receivable		6	6
Preliminary expenses and floatation costs		275	275
Advances and deposits		6,064	6,064
Total assets		6,772	6,773
Liabilities			
Payable to Management Company		6,195	6,195
Payable to the Trustee		-	-
Payable to the Securities and Exchange Commission of Pakistan	7	-	-
Accrued expenses and other liabilities	8	578	578
Total liabilities		6,773	6,773
Net assets		-	-
Unit holders' fund (as per statement attached)		-	-
Contingencies and commitments			
	9		
(Number of units)			
Number of units in issue		-	-
(Rupees)			
Net assets value per unit		-	-

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 Islamic Dedicated Equity Fund
Condensed Interim Income Statement and Other Comprehensive Income (Un-Audited)
For the Three months period ended on September 30, 2022

		Quarter ended September 30,	
		2022	2021
	Note	(Rupees in '000')	
INCOME			
Profit from bank deposits		-	-
		-	-
EXPENSES			
Remuneration to the Management Company		-	-
Remuneration to the Trustee		-	-
Annual fee to Securities and Exchange Commission of Pakistan		-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	-
Amortisation of preliminary expenses and floatation costs		-	-
Auditors' remuneration		-	-
Fees and subscription		-	-
Securities transaction and bank charges		-	-
Haram income		-	-
Expense to Shariah Advisory Services		-	-
Other		-	-
		-	-
Net income / (loss) from operating activities		-	-
Provision for Workers' Welfare Fund	8.1	-	-
		-	-
Net income / (loss) for the period before taxation		-	-
Taxation	10	-	-
		-	-
Net income / (loss) for the period after taxation		-	-
Allocation of net loss for the period:			
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
		-	-
		-	-
Net income / (loss) for the period after taxation		-	-
Other comprehensive income for the period		-	-
		-	-
Total comprehensive income / (loss) for the period		-	-

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 Islamic Dedicated Equity Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the Three months period ended on September 30, 2022

	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the period	92,140	(92,140)	-	-	-	-
Issuance of Nil units (2021: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-
Redemption of Nil units (2021: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Amount relating to element of loss	-	-	-	-	-	-
Relating to net loss for the year after taxation	-	-	-	-	-	-
Total payments on redemption of units	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
Total comprehensive income less distribution	-	-	-	-	-	-
Net assets at end of the period	92,140	(92,140)	-	-	-	-
Undistributed income brought forward						
- Realised		(92,140)			-	
- Unrealised		-			-	
		<u>(92,140)</u>			<u>-</u>	
Accounting (loss) / income for the period		-			-	
Distribution during the period		-			-	
Undistributed income carried forward		<u>(92,140)</u>			<u>-</u>	
Undistributed income carried forward						
- Realised		(92,140)			-	
- Unrealised		-			-	
		<u>(92,140)</u>			<u>-</u>	
Net assets value per unit at beginning of the period			<u>-</u>			<u>-</u>
Net assets value per unit at end of the period			<u>-</u>			<u>-</u>

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 Islamic Dedicated Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Three months period ended on September 30, 2022

	Three Months ended	
	September 30,	
	2022	2021
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the period after taxation	-	-
Adjustments		
Profit on bank deposits	-	-
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss	-	-
	-	-
(Increase) / decrease in assets		
Dividend receivable and accrued mark-up	-	17
Preliminary expenses and floatation costs	-	(1)
Advances, deposits, prepayments and other receivables	-	(58)
	-	(42)
Increase / (decrease) in liabilities		
Payable to Management Company	-	(1)
Payable to Trustee	-	(48)
Payable to Securities and Exchange Commission of Pakistan	-	(3)
Accrued expenses and other liabilities	-	(149)
	-	(201)
Net cash (used in) from operating activities	-	(242)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	-	-
Payment against redemption of units	-	-
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	-	(242)
Cash and cash equivalents at beginning of the period	-	1,454
Cash and cash equivalents at end of the period	-	1,213

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 Islamic Dedicated Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Three months period ended on September 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2 BASIS OF PREPARATION

Statement of compliance

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

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

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

2.2 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 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, 2022.
- 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, 2022.
- 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, 2022. 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 condensed interim financial information for the period ended September 30, 2022.

4	BANK BALANCES	Note	September 30, 2022 (Un-Audited)	June 30, 2022 Audited
			(Rupees in '000)	
	PLS deposit accounts under mark-up arrangements	4.1	427	427
			<u>427</u>	<u>427</u>

- 4.1 Mark-up rates on these accounts range between 5.0% to 13.0% p.a (June 30, 2022: 6.8% - 13.94% p.a).

6	PAYABLE TO MANAGEMENT COMPANY	Note	September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Management fee	6.1	169	169
	Sindh Sales Tax	6.2	22	22
	Allocation of expenses related to registrar services, accounting, operation and valuation services		16	16
	Other payable to the Management Company		5,988	5,988
			<u>6,195</u>	<u>6,195</u>

- 6.1 As per offering documents of the fund the maximum limit of management fee is 3% per annum of average annual net assets. During the period, no management fee is charged on fund.
- 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 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	8.1	-	-
Auditors' remuneration		553	553
Others		25	25
		<u>578</u>	<u>578</u>

8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare 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, 2022.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2022 and June 30, 2022.

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. 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.

11 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.

12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2022 is Nil.

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.

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:

13.1 Transactions during the period	Three Months ended September 30,	
	2022	2021
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management Fee	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-
Selling & Marketing Expense	-	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	-	-
MCBFSL HBL IFPF Islamic Capital Preservation Plan		
Issuance of Nil units (2021: Nil Units)	-	-
Redemption of Nil units (2021: Nil Units)	-	-

13.2	Balances outstanding as at period end	September 30, 2022	June 30, 2022
		(Un-Audited)	(Audited)
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	169	169
	Sindh Sales Tax	22	22
	Allocation of expenses related to registrar services, accounting, operation and valuation services	16	16
	MCB Financial Services Limited - Trustee		
	Remuneration payable	-	-

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.

September 30, 2022								
Note	2022				Fair Value			
	Fair value through profit or loss - held-for-trading	At amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets not measured at fair value				-				
Bank balances	-	427	-	427	-	-	-	-
Dividend and profit receivable	-	6	-	6	-	-	-	-
Deposits and prepayments	-	6,064	-	6,064	-	-	-	-
	-	6,497	-	6,497	-	-	-	-
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	6,195	6,195	-	-	-	-
Accrued expenses and other liabilities	-	-	578	578	-	-	-	-
	-	-	6,773	6,773	-	-	-	-
June 30, 2022								
	Carrying amount				Fair Value			
	Fair value through profit or loss - held-for-trading	At amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets not measured at fair value				-				
Bank balances	-	427	-	427	-	-	-	-
Receivable against sale of investment	-	-	-	-	-	-	-	-
Advances and deposits	-	2,600	-	2,600	-	-	-	-
Dividend and profit receivable	-	6	-	6	-	-	-	-
	-	3,033	-	3,033	-	-	-	-
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	6,195	6,195	-	-	-	-
Payable to Trustee	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	578	578	-	-	-	-
	-	-	6,773	6,773	-	-	-	-

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 19, 2022.

16 CORRESPONDING FIGURES

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

17 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

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