

HBL

ASSET MANAGEMENT LTD.  
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AMC Rating : AM1 by VIS



# NINE MONTHS REPORT 2023

For the Nine Months ended March 31, 2023

MOVING TOWARDS  
**EXCELLENCE**

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# CORPORATE INFORMATION

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## Management Company

### HBL Asset Management Limited

#### Board of Directors (Composition as of April 28, 2023)

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

#### Audit Committee

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

#### Human Resource Committee

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

#### Risk Management Committee

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

#### Technology Committee

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

#### Company Secretary & Chief Financial Officer

Mr. Noman Qurban

#### AMC Rating

AM1 (Stable Outlook)

#### Legal Advisor

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

#### Website

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

#### Head Office & Registered Office

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

# REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS ENDED MARCH 31, 2023.

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## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund, HBL Financial Planning Fund, HBL Growth Fund, HBL Investment Fund, HBL Financial Sector Income Fund – Plan-1 and HBL Total Treasury Exchange Traded Fund (the Funds) for the period ended March 31, 2023.

### ECONOMIC REVIEW

Pakistan continued to face severe economic challenges during 9MFY23 as rising inflation, low FX reserves, import restrictions, and delay in IMF program remained key concern for investors. CPI inflation in March-2023 rose to a multi-decade high of 35% taking 9MFY23 inflation to 27.2% as against 10.7% same period last year. The sharp rise in inflation could be attributed to 1) currency devaluation, 2) higher petroleum prices, 4) impact of floods on crops, and 3) import restrictions leading to supply shortages.

SBP, keeping in view rising inflationary pressures and rising interest rates globally, adopted a very aggressive monetary policy stance. In FYTD, SBP has cumulatively raised the policy rate by 725bps to 21%. In its monetary policy statements, SBP highlighted that growing inflationary expectations and increased external account challenges as key drivers of monetary tightening.

On the external front, SBP foreign exchange reserves were down from USD 8.4bn in July-2022 to USD 4.0bn as of April 7, 2023. This was due to large debt repayments and lower foreign inflows during this period. Due to the depleting reserves, Pak rupee depreciated by 28% against USD as PKR-USD parity closed at PKR 284 against the USD. Lower Current Account Deficit (CAD) though provided some cushion as it dropped by 74% to USD 3.4bn in 9MFY23 driven by import restriction and lower trade deficit. Trade deficit during 9MFY23 was down 30% to USD 20.4bn led by 21% fall in imports.

Slowdown in aggregate demand, floods, high interest rates, and import restrictions have significantly impacted growth outlook for the country. Large Scale Manufacturing Index (LSM) was down 5.56% in 8MFY23 indicating sharp slowdown in economy. World Bank has also recently revised down Pakistan's GDP growth forecast to 0.4% in FY23 considering these factors.

### STOCK MARKET REVIEW

KSE-100 index during 9MFY23 dropped by 4% to 40,000 index level as investors remained skeptical over the prevailing economic and political uncertainty. Key factors that contributed to this decline included 1) delay in ninth review of IMF, 2) sharp fall in foreign exchange reserves, 3) sharp rise in interest rates, 4), import restrictions impacting listed companies profitability, and 5) increase in political noise specially over the possible timing of general elections.

Due to these uncertain times, total traded volume and traded value were down 33% and 37% to 204mn shares and PKR 6.6bn, respectively. Foreigners were net buyers during 9MFY23 to the tune of USD 7mn. Amongst local investors, Mutual Funds and Insurance Companies were net sellers of USD 111mn and USD 105mn, respectively. Companies and Commercial Banks buyers were net buyers of USD 82mn and USD 60mn, respectively. Technology, Power and E&P sectors remained top performers whereas Pharma, Automobiles, and Consumer Sector contributed negatively to the index during 9MFY23.

### MONEY MARKET REVIEW

SBP conducted 6 monetary policies during 9MFY23 where it raised policy rates by 625bps to 20% by March end which is one of the highest rate increases in a span of 9 months. Given imminent inflationary pressures, SBP further raised rates to 21% in April-2023. SBP also linked Export Finance Scheme (EFS) and Long Term Financing Facility (LTFF) to the policy rate instead of fixed rate during 9MFY23 in order to improve monetary policy transmission.

Owing to rising inflationary pressures and expectations of higher interest rates, secondary market bond yields saw an increasing trend. Yields on shorter tenor 6M and 1Y TBills were up ~600bps in 9MFY23 to 21.1% and 21.2%, respectively. Similarly, longer tenor bond yields also went up with 3Y bond yields increasing by 479bps to 18.2% and 5Y bond yields going up 226bps to 15.19%. During 9MFY23, government raised PKR 15.5trn against target of PKR 16.1trn. Similarly, government raised PKR 966bn through fixed PIBs in 9MFY23.

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## **FUTURE OUTLOOK**

Pakistan has now secured external financing assurances of USD 3bn from Saudi Arabia and UAE which was a key requirement for revival of IMF program. Pakistan is also in talks with Saudi Arabia & China for additional deposits and Commercial loans. It is likely that government is able to convince IMF on the remaining financing arrangement soon which will ensure signing of staff level agreement, going ahead. Furthermore, once the staff level agreement is signed with IMF, flows from multi-lateral donor agencies like World Bank and Asian Development Bank (ADB) will also unlock which will improve FX reserves position and give comfort to equity and fx markets.

In its last monetary policy statement, SBP had also highlighted that inflation will start coming down from June 2023 onwards which indicates that interest rates have almost peaked or they are near its peak. We anticipate CPI inflation to average 29% in FY23 and then fall to 18% in FY24 due to high base and expected fall in commodity prices. This expected drop in inflation rates from FY24 propels case for interest rate cut from later part of 2023. This will provide a major boost to equity markets.

Our long term view on market remain positive given IMF program is round the corner, political instability is expected to subside gradually with elections scheduled this year and interest rate are likely to fall from FY24. The market trades at all time low PE of less than 4x with dividend yield of around 10%.

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

### **HBL Income Fund**

The total income and net income of the Fund was Rs. 374.14 million and Rs. 319.07 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 124.3185 per unit as on March 31, 2023 as compared to Rs. 111.4310 per unit as on June 30, 2022, thereby giving an annualized return of 15.41%. During the period the benchmark (6 Month KIBOR) return was 17.07%. The size of Fund was Rs. 2.40 billion as on March 31, 2023 as compared to Rs. 4.25 billion at the start of the year.

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

### **HBL Government Securities Fund**

The total income and net income of the Fund was Rs. 53.32 million and Rs. 42.95 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 122.4786 per unit as on March 31, 2023 as compared to Rs. 112.4774 per unit as on June 30, 2022, thereby giving an annualized return of 11.84%. During the same period the benchmark (6 Month PKRV Rates) return was 16.90%.The size of Fund was Rs. 0.40 billion as on March 31, 2023 as compared to Rs. 0.63 billion at the start of the year.

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

### **HBL Money Market Fund**

The total income and net income of the Fund was Rs. 1.73 billion and Rs. 1.51 billion respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 114.4067 per unit as on March 31, 2023 as compared to Rs. 102.8274 per unit as on June 30, 2022, thereby giving an annualized return of 15.00%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 15.68%.The size of Fund was Rs. 12.84 billion as on March 31, 2023 as compared to Rs.15.60 billion at the start of the year.

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

### **HBL Cash Fund**

The total income and net income of the Fund was Rs. 4.58 billion and Rs. 4.27 billion respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs 102.7105 per unit as on March 31, 2023 as compared to Rs 101.3611 per unit as on June 30, 2022, after incorporating dividends of Rs. 10.1617 per unit, thereby giving an annualized return of 15.91%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 15.68%.The size of Fund was Rs 42.97 billion as on March 31, 2023 as compared to Rs. 36.07 billion at the start of the year.

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

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**HBL Stock Fund**

The total and net loss of the Fund was Rs. 3.85 million and Rs. 12.59 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs 67.6430 per unit as on March 31, 2023 as compared to Rs 71.9274 per unit as on June 30, 2022, thereby giving a negative return of 5.96%. During the same period the benchmark KSE 30 index yielded a return of 1.95%. The size of Fund was Rs 0.17 billion as on March 31, 2023 as compared to Rs. 0.24 billion at the start of the year.

**HBL Equity Fund**

The total and net loss of the Fund was Rs. 28.52 million and Rs. 52.57 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 68.4414 per unit as on March 31, 2023 as compared to Rs. 78.8634 per unit as on June 30, 2022, thereby giving a negative return of 10.96%. During the period the benchmark KSE 100 index yielded a negative return of 3.71%. The size of Fund was Rs. 0.35 billion as on March 31, 2023 as compared to Rs. 0.82 billion at the start of the year.

**HBL Energy Fund**

The total income and net loss of the Fund was Rs. 7.27 million and Rs. 5.57 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 9.7930 per unit as on March 31, 2023 as compared to Rs. 9.8637 per unit as on June 30, 2022, thereby giving a negative return of 0.72%. During the same period the benchmark KSE 30 index yielded a return of 1.95%. The size of Fund was Rs. 0.26 billion as on March 31, 2023 as compared to Rs. 0.43 billion at the start of the year.

**HBL Multi Asset Fund**

The total and net income of the Fund was Rs. 5.65 million and Rs. 1.74 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs 93.8339 per unit as on March 31, 2023 as compared to Rs 92.9902 per unit as on June 30, 2022, thereby giving a return of 0.91%. During the same period the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a return of 2.18%. The size of Fund was Rs 0.10 billion as on March 31, 2023 as compared to Rs. 0.10 billion at the start of the year.

**HBL Financial Planning Fund**

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

The Fund as a whole earned a total and net income of Rs. 7.62 million and Rs. 6.82 million respectively during the period under review. The fund size of the fund stood at Rs. 0.11 billion as on March 31, 2023.

**Performance review for plans is given below:****Active Allocation Plan**

During the period under review, the Active allocation plan earned a total and net income of Rs. 4.04 million and Rs 3.66 million respectively. The net assets of the Active allocation plan stood at Rs. 0.07 billion representing Net Asset Value (NAV) of Rs. 80.6977 per unit as at March 31, 2023 as compared to Rs. 74.1068 per unit as at June 30, 2022. The plan earned a return of 8.89% for the period under review against the benchmark return of 12.41%. The plan is invested to the extent of 99% in fixed income funds & 1% in cash.

**Conservative Allocation Plan**

During the period under review, the Conservative allocation plan earned a total and net income of Rs. 3.57 million and Rs. 3.17 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.04 billion representing Net Asset Value (NAV) of Rs. 119.8564 per unit as at March 31, 2023 as compared to Rs. 111.7040 per unit as at June 30, 2022. The plan earned a return of 7.30% for the period under review against the benchmark return of 9.26%. The plan is invested to the extent of 20% in equity funds & 79% in fixed income funds.

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## **HBL Growth Fund**

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

The Fund as a whole earned a total and net income of Rs. 389.33 million and Rs. 254.77 million respectively during the period under review. The fund size of the fund stood at Rs. 5.29 billion as on March 31, 2023.

**Performance review of each class is presented below:**

### **HBL Growth Fund – Class ‘A’**

HBL Growth Fund – Class ‘A’ earned a total income and net income of Rs. 426.83 million and Rs. 332.04 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 15.5352 per unit as on March 31, 2023 as compared to Rs. 19.4009 as at June 30, 2022, thereby giving a negative return of 19.93%. During the period the benchmark KSE 100 index yielded a negative return of 3.71%. The size of Class ‘A’ was Rs. 4.40 billion as on March 31, 2023 as compared to Rs. 5.50 billion at the start of the year.

### **HBL Growth Fund – Class ‘B’**

HBL Growth Fund – Class ‘B’ incurred a total and net loss of Rs. 37.50 million and Rs. 77.27 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 11.8814 per unit as on March 31, 2023 as compared to Rs. 12.8951 as at June 30, 2022, thereby giving a negative return of 7.86%. During the period the benchmark KSE 100 index yielded a negative return of 3.71%. The size of Class ‘B’ was Rs. 0.89 billion as on March 31, 2023 as compared to Rs. 1.05 billion at the start of the year.

## **HBL Investment Fund**

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

The Fund as a whole earned a total and net income of Rs. 126.58 million and Rs. 69.79 million respectively during the period under review. The fund size of the fund stood at Rs. 2.02 billion as on March 31, 2023.

**Performance review of each class is presented below:**

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

HBL Investment Fund – Class ‘A’ earned a total income and net income of Rs. 147.61 million and Rs. 112.37 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 5.5276 per unit as on March 31, 2023 as compared to Rs. 7.0325 as at June 30, 2022, thereby giving a negative return of 21.40%. During the period the benchmark KSE 100 index yielded a negative return of 3.71%. The size of Class ‘A’ was Rs. 1.57 billion as on March 31, 2023 as compared to Rs. 2.00 billion at the start of the year.

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

HBL Investment Fund – Class ‘B’ incurred a total and net loss of Rs. 21.03 million and Rs. 42.58 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 5.9074 per unit as on March 31, 2023 as compared to Rs. 6.4666 as at June 30, 2022, thereby giving a negative return of 8.65%. During the period the benchmark KSE 100 index yielded a negative return of 3.71%. The size of Class ‘B’ was Rs. 0.45 billion as on March 31, 2023 as compared to Rs.0.71 billion at the start of the year.

## **HBL Financial Sector Income Fund**

The total income and net income of the Fund was Rs. 3.66 billion and Rs. 3.40 billion respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 101.5306 per unit as on March 31, 2023 (after incorporating dividends of Rs. 10.3244 per unit), thereby giving an annualized return of 15.95%. The NAV per unit as on June 30, 2022 was 100.0454 per unit. During

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the same period, the benchmark (6 Month KIBOR) return was 15.58%. The size of Fund was Rs. 22.93 billion as on March 31, 2023 as compared to Rs. 45.83 billion as at start of the year.

HBL Total Treasury Exchange Traded Fund

The Fund commences its operations on September 12, 2022.

The total income and net income of the Fund was Rs. 46.47 million and Rs. 43.31 million respectively during the period ended March 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 10.8662 per unit as on March 31, 2023, thereby giving an annualized return of 15.73%. During the same period, the benchmark return was 16.39%. The size of Fund was Rs. 543 million as on March 31, 2023.

#### **MANAGEMENT COMPANY RATING**

The VIS Credit Rating Company Limited (VIS) has upgraded the management quality rating of HBL Asset Management Limited from 'AM2++' (AM Two Plus Plus) to 'AM-I' and the outlook on the assigned rating has been assessed at 'Stable'.

#### **ACKNOWLEDGEMENT**

The Board takes this opportunity to thank its valued unit-holders for their confidence and patronage. It would like to place on record its appreciation for the help and guidance provided by the Securities & Exchange Commission of Pakistan, the Central Depository Company of Pakistan & the Digital Custodian Company Limited as Trustees, the Pakistan Stock Exchange Limited and the State Bank of Pakistan.

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

On behalf of the Board of  
HBL Asset Management Limited

**Chief Executive Officer**

## میجمنٹ کسپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسٹ میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی مدت کے لئے ایچ بی ایل اے کم فنڈ، ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ، ایچ بی ایل منی مارکیٹ فنڈ، ایچ بی ایل کیش فنڈ، ایچ بی ایل اسٹاک فنڈ، ایچ بی ایل ایکویٹی فنڈ، ایچ بی ایل انرجی فنڈ، ایچ بی ایل ملٹی ایسٹ فنڈ، ایچ بی ایل فنانشل پلاننگ فنڈ، ایچ بی ایل گروتھ فنڈ، ایچ بی ایل انویسمنٹ فنڈ، ایچ بی ایل فنانشل سیکورٹیز کم فنڈ، پلان 1 اور ایچ بی ایل ٹول ٹریڈری ایکس چینج ٹریڈ فنڈ (دی فنڈز) کے مالی بیانات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

## اقتصادی جائزہ

پاکستان کو 9MFY23 کے دوران شدید اقتصادی چیلنجوں کا سامنا کرنا پڑا کیونکہ بڑھتی ہوئی افراط زر، کم FX ذخائر، درآمدی پابندیاں، اور IMF پروگرام میں تاخیر سرمایہ کاروں کے لیے اہم خدشات رہے ہیں۔ مارچ 2023 میں CPI افراط زر بڑھ کر 35 فیصد کی کثیردہائی کی بلند ترین سطح پر پہنچ گیا جس سے 9MFY23 میں افراط زر 2.27 فیصد ہو گیا جو گزشتہ سال کی اسی مدت میں 7.10 فیصد تھا۔ مہنگائی میں تیزی سے اضافے کی وجہ سے (1) کرنسی کی قدر میں کمی، (2) پٹرولیم کی قیمتوں میں اضافہ، (4) فصلوں پر سیلاب کے اثرات، اور (3) درآمدی پابندیاں ہیں جن کی وجہ سے سپلائی میں کمی واقع ہوئی ہے۔

اسٹیٹ بینک نے عالمی سطح پر بڑھتے ہوئے افراط زر کے دباؤ اور بڑھتی ہوئی شرح سود کو مد نظر رکھتے ہوئے ایک انتہائی جارحانہ مانیٹری پالیسی کا موقف اپنایا۔ FYTD میں، SBP نے مجموعی طور پر پالیسی ریٹ کو 725bps سے بڑھا کر 21 فیصد کر دیا ہے۔ اپنی مانیٹری پالیسی کے بیانات میں، SBP نے اس بات پر روشنی ڈالی کہ بڑھتی ہوئی افراط زر کی توقعات اور بڑھتے ہوئے بیرونی کھاتوں کے چیلنجز مانیٹری سختی کے کلیدی محرک ہیں۔

بیرونی محاذ پر، SBP کے زرمبادلہ کے ذخائر جولائی 2022 میں 8.4 بلین امریکی ڈالر سے کم ہو کر 7 اپریل 2023 تک 4.0 بلین امریکی ڈالر رہ گئے تھے۔ اس کی وجہ اس عرصے کے دوران قرضوں کی بڑی ادائیگی اور غیر ملکی آمدن میں کمی تھی۔ کم ہوتے ذخائر کی وجہ سے پاکستانی روپے کی قدر امریکی ڈالر کے مقابلے میں 28 فیصد تک گر گئی، ایک امریکی ڈالر 284 پاکستانی روپے پر بند ہوا۔ لوئر کرنٹ کاؤنٹ خسارہ (CAD) اگرچہ درآمدی پابندی اور کم تجارتی خسارے کی وجہ سے 9MFY23 میں 74 فیصد کم ہو کر 3.4 بلین امریکی تک پہنچ گیا۔ 9MFY23 کے دوران تجارتی خسارہ 30 فیصد کم ہو کر 20.4 بلین امریکی ڈالر ہو گیا جس کی وجہ سے درآمدات میں 21 فیصد کمی ہوئی۔

مجموعی طلب میں سست روی، سیلاب، بلند شرح سود اور درآمدی پابندیوں نے ملک کی ترقی کے نقطہ نظر کو نمایاں طور پر متاثر کیا ہے۔ بڑے پیمانے پر مینوفیکچرنگ انڈیکس (LSM) 8MFY23 میں 5.56 فیصد گر گیا جو معیشت میں تیزی سے سست روی کی نشاندہی کرتا ہے۔ ورلڈ بینک نے بھی حال ہی میں ان عوامل کو مد نظر رکھتے ہوئے مالی سال 23 میں پاکستان کی جی ڈی پی کی شرح نمو 0.4 فیصد پر رکھا ہے۔

## اسٹاک مارکیٹ کا جائزہ

9MFY23 کے دوران KSE-100 انڈیکس 4 فیصد گر کر 40,000 انڈیکس کی سطح پر آ گیا کیونکہ سرمایہ کار موجودہ معاشی اور سیاسی غیر یقینی صورتحال پر شکوک کا شکار رہے ہیں۔ اس کمی کے اہم عوامل میں (1) آئی ایم ایف کے نوٹس جازے میں تاخیر، (2) زرمبادلہ کے ذخائر میں تیزی سے گراؤ، (3) شرح سود میں تیزی سے اضافہ، (4) درآمدی پابندیاں درج کمپنیوں کے منافع پر اثر انداز ہونیں، اور (5) سیاسی بحران میں اضافہ، خاص طور پر عام انتخابات کے ممکنہ انعقاد کے حوالے سے تناؤ۔

ان غیر یقینی صورتحال کی وجہ سے، کل تجارت شدہ حجم اور تجارت کی قدر بالترتیب 33 فیصد اور 37 فیصد کم ہو کر 204mn حصص اور 6.6 بلین روپے ہو گئی۔ 9MFY23 کے دوران غیر ملکی خریداروں نے 7mn امریکی ڈالر کی خریداری کی۔ مقامی سرمایہ کاروں میں، میوچل فنڈز اور انشورنس کمپنیاں بالترتیب 111mn امریکی ڈالر اور 105mn امریکی ڈالر کی خالص فروخت کنندہ تھیں۔ کمپنیاں اور کمرشل بینکوں کے خریدار بالترتیب 82mn امریکی ڈالر اور 60mn امریکی ڈالر کے خالص خریدار تھے۔ ٹیکنالوجی، پاور اور ای اینڈ پی کے شعبے سرفہرست رہے جبکہ فارما، آٹوموبائلز اور کنزیومر سیلٹرز نے 9MFY23 کے دوران انڈیکس میں منفی کردار ادا کیا۔

## منی مارکیٹ کا جائزہ

SBP نے 9MFY23 کے دوران 6 ماہی پالیسیاں جاری کیں، اس نے مارچ کے آخر تک پالیسی ریٹ کو 625bps سے بڑھا کر 20 فیصد کر دیا جو کہ 9 ماہ کے عرصے میں شرح میں سب سے زیادہ اضافہ ہے۔ آنے والے مہنگائی کے دباؤ کو دیکھتے ہوئے، SBP نے اپریل 2023 میں شرح کو مزید بڑھا کر 21 فیصد کر دیا۔ ایس بی پی نے مالیاتی پالیسی کی ترسیل کو بہتر بنانے کے لیے ایکسپورٹ فنانس اسکیم (EFS) اور لانگ ٹرم فنانسنگ فیسیلٹی (LTFF) کو بھی 9MFY23 کے دوران مقررہ شرح کے بجائے پالیسی ریٹ سے منسلک کیا۔ بڑھتے ہوئے افراط زر کے دباؤ اور بلند شرح سود کی توقعات کی وجہ سے، سیکنڈری مارکیٹ بانڈ کی پیداوار میں اضافہ کارجمان دیکھا گیا۔ مختصر مدت کے 6M اور 1Y TBills کی پیداوار 9MFY23 میں 600bps تک بالترتیب 21.1 فیصد اور 21.2 فیصد بڑھ گئی۔ اسی طرح طویل مدتی بانڈ کی پیداوار میں بھی 3Y بانڈ کی پیداوار 479bps سے 18.2 فیصد تک بڑھ گئی اور 5Y بانڈ کی پیداوار 226bps سے 15.19 فیصد تک بڑھ گئی۔ 9MFY23 کے دوران، حکومت نے 16.1 trn روپے کے ہدف کے مقابلے میں 15.5 trn روپے اکٹھا کیے۔ اسی طرح، حکومت نے 9MFY23 میں فیکسڈ PIBs کے ذریعے 966 بلین روپے اکٹھا کیے۔

## مستقبل کا آؤٹ لک

پاکستان نے اب سعودی عرب اور متحدہ عرب امارات سے 3 بلین امریکی ڈالر کی بیرونی فنانسنگ کی یقین دہانی حاصل کر لی ہے جو آئی ایم ایف پروگرام کی بحالی کے لیے ایک اہم ضرورت تھی۔ پاکستان اضافی ڈپازٹس اور تجارتی قرضوں کے لیے سعودی عرب اور چین سے بھی بات چیت کر رہا ہے۔ امکان ہے کہ حکومت آئی ایم ایف کو بقیہ فنانسنگ انتظامات پر جلد قائل کرنے میں کامیاب ہو جائے گی جو اسٹاف لیول معاہدے پر دستخط کو یقینی بنائے گی۔ مزید برآں، IMF کے ساتھ اسٹاف لیول معاہدے پر دستخط ہونے کے بعد، عالمی بینک اور ایشیائی ترقیاتی بینک (ADB) جیسی کثیر الجہتی عطیہ دہندگان کی طرف سے رقوم بھی ملنا شروع ہو جائیگی جس سے FX کے ذخائر کی پوزیشن میں بہتری آئے گی اور ایکویٹی اور FX مارکیٹوں کو سکون ملے گا۔

اپنے آخری ماہی پالیسی بیان میں اسٹیٹ بینک نے اس بات پر بھی روشنی ڈالی تھی کہ جون 2023 کے بعد سے افراط زر میں کمی آنا شروع ہو جائے گی جس سے ظاہر ہوتا ہے کہ شرح سود تقریباً عروج پر ہے یا وہ اپنے عروج کے قریب ہیں۔ ہم توقع کرتے ہیں کہ مالی سال 23 میں CPI افراط زر اوسطاً 29 فیصد رہے گی اور پھر FY24 میں 18 فیصد تک گرجائے گی جس کی وجہ اعلیٰ بنیاد اور اجناس کی قیمتوں میں متوقع کمی ہے۔ FY24 سے افراط زر کی شرح میں یہ متوقع کمی 2023 کے بعد کے حصے سے شرح سود میں کمی کے معاملے کو آگے بڑھاتی ہے۔ یہ ایکویٹی مارکیٹوں کو ایک بڑا فروغ فراہم کرے گا۔

مارکیٹ کے بارے میں ہمارا طویل مدتی نقطہ نظر مثبت رہتا ہے کیونکہ IMF پروگرام کو نونے کو نونے میں ہے، اس سال شیڈول انتخابات کے ساتھ سیاسی عدم استحکام بتدریج کم ہونے کی امید ہے اور FY24 سے شرح سود میں کمی کا امکان ہے۔ مارکیٹ تقریباً 10 فیصد کے ڈیویڈنڈ کی پیداوار کے ساتھ 4x سے کم

ہو کر Low PE پر ٹریڈ کر رہی ہے۔

## فنڈ کی کارکردگی اور ادائیگیاں

### ایچ بی ایل انکم فنڈ

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 374.14 ملین روپے اور 319.07 ملین روپے تھی۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 124.3185 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 111.4310 روپے فی یونٹ تھا۔ اس طرح 15.41 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بیچ مارک (6 ماہ KIBOR) کی واپسی 17.07 فیصد تھی۔ فنڈ کا حجم 31 مارچ 2023 تک 2.40 بلین روپے تھا جو سال کے آغاز میں 4.25 بلین روپے تھا۔

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

### ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 53.32 ملین روپے اور 42.95 ملین روپے تھی۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 122.4786 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 112.4774 روپے فی یونٹ تھا۔ اس طرح 11.84 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بیچ مارک (6 ماہ PKRV ریٹس) کی واپسی 16.90 فیصد تھی۔ فنڈ کا حجم 31 مارچ 2023 تک 0.40 بلین روپے تھا جو سال کے آغاز میں 0.63 بلین روپے تھا۔

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

### ایچ بی ایل منی مارکیٹ فنڈ

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 1.73 بلین روپے اور 1.51 بلین روپے تھی۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 114.4067 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 102.8274 روپے فی یونٹ تھا۔ اس طرح 15.00 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بیچ مارک (70 فیصد PKRV 3M اور 30 فیصد 3M ڈپازٹ ریٹس) کی واپسی 15.68 فیصد تھی۔ فنڈ کا حجم 31 مارچ 2023 تک 12.84 بلین روپے تھا جو سال کے آغاز میں 15.60 بلین روپے تھا۔

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

### ایچ بی ایل کیسٹ فنڈ

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 4.58 بلین روپے اور 4.27 بلین روپے تھی۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 102.7105 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 101.3611 روپے فی یونٹ تھا۔ اس طرح 15.91 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بیچ مارک (70 فیصد PKRV 3M اور 30 فیصد 3M ڈپازٹ ریٹس) کی واپسی 15.68 فیصد تھی۔ فنڈ کا حجم 31 مارچ 2023 تک 42.97 بلین روپے تھا جو سال کے آغاز میں 36.07 بلین روپے تھا۔

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

### ایچ بی ایل اسٹاک فنڈ

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص نقصان بالترتیب 3.85 ملین روپے اور 12.59 ملین روپے تھا۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 67.6430 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 71.9274 فی یونٹ تھا۔ اسی مدت کے دوران بیچ مارک KSE 30 انڈیکس نے 1.95 فیصد کی واپسی حاصل کی۔ فنڈ کا حجم 31 مارچ 2023 تک 0.17 بلین روپے تھا جو سال کے آغاز میں 0.24 بلین روپے تھا۔

### ایچ بی ایل ایکیویٹی فنڈ

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص نقصان بالترتیب 28.52 ملین روپے اور 52.57 ملین روپے تھا۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 68.4414 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 78.8634 فی یونٹ تھا۔ اس طرح 10.96 فیصد کی منفی واپسی دیتا ہے۔ اسی مدت کے دوران بیچ مارک KSE 100 انڈیکس نے 3.71 فیصد کی واپسی حاصل کی۔ فنڈ کا حجم 31 مارچ 2023 تک 0.35 بلین روپے تھا جو سال کے آغاز میں 0.82 بلین روپے تھا۔

### ایچ بی ایل انرجی فنڈ

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص نقصان بالترتیب 7.27 ملین روپے اور 5.57 ملین روپے تھا۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 9.7930 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 9.8637 فی یونٹ تھا۔ اس طرح 0.72 فیصد کی منفی واپسی دیتا ہے۔ اسی مدت کے دوران بیچ مارک KSE 30 انڈیکس نے 1.95 فیصد کی واپسی حاصل کی۔ فنڈ کا حجم 31 مارچ 2023 تک 0.26 بلین روپے تھا جو سال کے آغاز میں 0.43 بلین روپے تھا۔

### ایچ بی ایل ملٹی ایسٹ فنڈ

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدنی بالترتیب 5.65 ملین روپے اور 1.74 ملین روپے تھا۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 93.8339 روپے فی یونٹ تھی جو کہ 30 جون 2022 کو 92.9902 فی یونٹ تھا۔ اس طرح 0.91 فیصد کی واپسی دیتا ہے۔ اسی مدت کے دوران بیچ مارک (ویڈ اور تیج یومیہ واپسی KSE 100 اور 6 ماہ PKRV کی شرحیں) 2.18 فیصد کی واپسی حاصل کی۔ فنڈ کا حجم 31 مارچ 2023 تک 0.10 بلین روپے تھا جو سال کے آغاز میں 0.10 بلین روپے تھا۔

### ایچ بی ایل فنانشل پلاننگ فنڈ

فنڈ دو ذیلی فنڈز (منصوبوں) پر مشتمل ہے یعنی ایکٹو ایلوکیشن پلان اور کنزرویٹو ایلوکیشن پلان۔

زیر جائزہ مدت کے دوران فنڈ کی مجموعی کل اور خالص آمدنی بالترتیب 7.62 ملین روپے اور 82.6 ملین روپے حاصل کی۔ 31 مارچ 2023 تک فنڈ کا حجم 0.11 بلین روپے رہا۔

منصوبوں کی کارکردگی کا جائزہ ذیل میں دیا گیا ہے:

### ایکٹو ایلو کیشن پلان

زیر جائزہ مدت کے دوران، ایکٹو ایلو کیشن پلان نے کل اور خالص آمدنی بالترتیب 4.04 ملین اور 3.66 ملین روپے رہی۔ ایکٹو ایلو کیشن پلان کے خالص اثاثے 0.07 بلین روپے خالص اثاثہ قیمت (NAV) کی نمائندگی کرتا ہے۔ 31 مارچ 2023 تک فی یونٹ 80.6977 روپے کے مقابلے میں 30 جون 2022 تک 74.1068 روپے تھا۔ پلان نے 8.89 فیصد کی پیچ مارک ریٹرن کے مقابلے میں زیر جائزہ مدت کے لیے 12.41 فیصد کی واپسی حاصل کی۔ اس منصوبے میں 99 فیصد کی حد تک فکسڈ انکم فنڈز اور 1 فیصد کیش میں سرمایہ کاری کی جاتی ہے۔

### کنزرویٹو ایلو کیشن پلان

زیر جائزہ مدت کے دوران، کنزرویٹو ایلو کیشن پلان نے کل اور خالص آمدنی بالترتیب 3.57 ملین اور 3.17 ملین روپے رہی۔ کنزرویٹو ایلو کیشن پلان کے خالص اثاثے 0.04 بلین روپے خالص اثاثہ قیمت (NAV) کی نمائندگی کرتا ہے۔ 31 دسمبر 2023 تک فی یونٹ 119.8564 روپے کے مقابلے میں 30 جون 2022 تک 111.7040 روپے تھا۔ پلان نے 7.30 فیصد کی پیچ مارک ریٹرن کے مقابلے میں زیر جائزہ مدت کے لیے 9.26 فیصد کی واپسی حاصل کی۔ پلان ایکویٹی فنڈز میں 20 فیصد اور فکسڈ انکم فنڈز میں 79 فیصد کی حد تک سرمایہ کاری کرتا ہے۔

### ایچ بی ایل گروتھ فنڈ

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

زیر جائزہ مدت کے دوران فنڈ کی مجموعی کل اور خالص آمدنی بالترتیب 389.33 ملین روپے اور 254.77 ملین روپے حاصل کی۔ 31 مارچ 2023 تک فنڈ کا حجم 5.29 بلین روپے رہا۔

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

### ایچ بی ایل گروتھ فنڈ - کلاس "اے"

ایچ بی ایل گروتھ فنڈ - کلاس "اے"، 31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدنی بالترتیب 426.83 ملین روپے اور 332.04 ملین روپے تھا۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 15.5352 روپے فی یونٹ کلاس اے تھی جو کہ 30 جون 2022 کو 19.4009 فی یونٹ تھا۔ اس طرح 19.93 فیصد کی منفی واپسی دیتا ہے۔ اسی مدت کے دوران پیچ مارک KSE 100 انڈیکس کی منفی واپسی 3.71 فیصد رہی۔ کلاس "اے" کا حجم 31 مارچ 2023 تک 4.40 بلین روپے تھا جو سال کے آغاز میں 5.50 بلین روپے تھا۔

## ایچ بی ایل گروتھ فنڈ - کلاس ”بی“

ایچ بی ایل گروتھ فنڈ - کلاس ”بی“، 31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص نقصان بالترتیب 37.50 ملین روپے اور 77.27 ملین روپے تھا۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 11.8814 روپے فی یونٹ کلاس بی تھی جو کہ 30 جون 2022 کو 12.8951 فی یونٹ تھا۔ اس طرح 7.86 فیصد کی منفی واپسی دیتا ہے۔ اسی مدت کے دوران بیچ مارک KSE 100 انڈیکس کی منفی واپسی 3.71 فیصد رہی۔ کلاس ”بی“ کا حجم 31 مارچ 2023 تک 0.89 بلین روپے تھا جو سال کے آغاز میں 1.05 بلین روپے تھا۔

## ایچ بی ایل انویسٹمنٹ فنڈ

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

زیر جائزہ مدت کے دوران فنڈ کی مجموعی کل اور خالص آمدنی بالترتیب 126.58 ملین روپے اور 69.79 ملین روپے حاصل کی۔ 31 مارچ 2023 تک فنڈ کا حجم 2.02 بلین روپے رہا۔

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

## ایچ بی ایل انویسٹمنٹ فنڈ کلاس ”اے“

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس ”اے“، 31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدنی بالترتیب 147.61 ملین روپے اور 112.37 ملین روپے تھا۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 5.5276 روپے فی یونٹ کلاس اے تھی جو کہ 30 جون 2022 کو 7.0325 روپے فی یونٹ تھا۔ اس طرح 21.40 فیصد کی منفی واپسی دیتا ہے۔ اسی مدت کے دوران بیچ مارک KSE 100 انڈیکس کی منفی واپسی 3.71 فیصد رہی۔ کلاس ”اے“ کا حجم 31 مارچ 2023 تک 1.57 بلین روپے تھا جو سال کے آغاز میں 2.00 بلین روپے تھا۔

## ایچ بی ایل انویسٹمنٹ فنڈ کلاس ”بی“

ایچ بی ایل گروتھ فنڈ - کلاس ”بی“، 31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص نقصان بالترتیب 21.03 ملین روپے اور 42.58 ملین روپے تھا۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 5.9074 روپے فی یونٹ کلاس بی تھی جو کہ 30 جون 2022 کو 6.4666 روپے فی یونٹ تھا۔ اس طرح 8.65 فیصد کی منفی واپسی دیتا ہے۔ اسی مدت کے دوران بیچ مارک KSE 100 انڈیکس کی منفی واپسی 3.71 فیصد رہی۔ کلاس ”بی“ کا حجم 31 مارچ 2023 تک 0.45 بلین روپے تھا جو سال کے آغاز میں 0.71 بلین روپے تھا۔

## ایچ بی ایل فنانشل سیکورٹیز فونڈ

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدنی بالترتیب 3.66 بلین روپے اور 3.40 بلین روپے تھی۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 101.5306 روپے فی یونٹ تھی (10.3244 روپے فی یونٹ کے منافع کو شامل کرنے کے بعد) اس طرح 15.95 فیصد سالانہ واپسی، این اے وی فی یونٹ 30 جون 2022 کو 100.0454 فی یونٹ تھی۔ اسی مدت کے دوران ہینج مارک (6 ماہ KIBOR) واپسی 15.58 فیصد رہی۔ فنڈ کا حجم 31 مارچ 2023 تک 22.93 بلین روپے تھا جو سال کے آغاز میں 45.83 بلین روپے تھا۔

## ایچ بی ایل ٹول ٹریڈری ایکٹیوٹیز فونڈ

مذکورہ فنڈ نے 12 ستمبر 2022 کو اپنا کام شروع کیا۔

31 مارچ 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدنی بالترتیب 46.47 بلین روپے اور 43.31 بلین روپے تھی۔ 31 مارچ 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 10.8662 روپے فی یونٹ تھی اس طرح 15.73 فیصد کی سالانہ واپسی دیتا ہے۔ اسی مدت کے دوران ہینج مارک ریٹرن 16.39 فیصد ہے۔ فنڈ کا حجم 31 مارچ 2023 تک 543 ملین روپے تھا۔

## ہینجمنٹ کمپنی ریٹرنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے HBL Asset Management Limited کی انتظامی معیار کی درجہ بندی AM2++ (AM Two Plus Plus) کو AM-I اپ گریڈ کر دیا گیا، تفویض کردہ درجہ بندی پر آؤٹ لک کا اندازہ مستحکم پر کیا گیا ہے۔

## اعتراف

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

## از طرف

بورڈ آف ایچ بی ایل ایسٹ ہینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

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# **HBL**

## **Income Fund**

## FUND INFORMATION

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

**HBL Income Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at March 31, 2023*

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	819,773	1,758,049
Investments	5	1,003,757	2,484,530
Receivable against margin trading system		540,305	370,025
Accrued mark-up		46,668	56,070
Advances, deposits, prepayments and other receivables	6	48,029	47,078
<b>Total assets</b>		<b>2,458,531</b>	<b>4,715,752</b>
<b>Liabilities</b>			
Payable to the Management Company	7	7,435	9,211
Payable to the Trustee		169	600
Payable to the Securities and Exchange Commission of Pakistan		447	817
Accrued expenses and other liabilities	8	49,793	72,248
Payable against purchase of investments		-	386,791
<b>Total liabilities</b>		<b>57,845</b>	<b>469,667</b>
<b>Net assets</b>		<b>2,400,686</b>	<b>4,246,085</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,400,686</b>	<b>4,246,085</b>
.	9		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>19,310,768</b>	<b>38,105,050</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>124.3185</b>	<b>111.4310</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Income Fund**  
**Condensed Interim Income Statement**  
*For The Nine Months and Quarter Ended March 31, 2023*

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	(Rupees in '000)			
<b>Income</b>				
Mark-up on deposits with banks	131,181	146,239	34,383	73,136
Mark-up / return on investments	180,524	136,103	48,403	54,666
Dividend income	-	9,244	-	-
Unrealised appreciation / (diminution) on revaluation of investments classified as financial asset at fair value through profit or loss - net	(1,064)	3,608	292	(163)
Capital gain on sale of investments - net	4,827	16,080	(87)	1,313
Other Income	343	127	157	(738)
MTS Income	58,326		22,494	
	<b>374,138</b>	<b>311,401</b>	<b>105,643</b>	<b>128,214</b>
Reversal of provision against non-performing Term Finance Certificates	-	1,994	-	1,994
<b>Expenses</b>				
Remuneration of the Management Company	32,561	33,938	6,466	12,207
Remuneration of the Trustee	1,895	2,420	485	915
Annual fee to Securities and Exchange Commission of Pakistan	447	571	114	216
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,546	777	2,862	-
Selling and marketing expenses	7,546	2,617	2,862	-
Settlement and bank charges	4,412	8,607	1,511	1,805
Auditors' remuneration	360	347	114	114
Legal and professional charges	-	54	-	54
Fee and subscription	275	271	90	36
Printing and stationary charges	22	51	2	15
	<b>55,064</b>	<b>49,653</b>	<b>14,506</b>	<b>15,362</b>
<b>Net income from operating activities</b>	<b>319,073</b>	<b>263,742</b>	<b>91,137</b>	<b>114,846</b>
Reversal of Provision / (Provision) for Sindh Workers' Welfare Fund	8.2	-	31,380	-
<b>Net income for the period before taxation</b>	<b>319,073</b>	<b>295,122</b>	<b>91,137</b>	<b>114,846</b>
Taxation	10	-	-	-
<b>Net income for the period after taxation</b>	<b>319,073</b>	<b>295,122</b>	<b>91,137</b>	<b>114,846</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	319,073	295,122	91,137	114,846
Income already paid on redemption of units	117,075	65,676	28,777	24,179
	<b>201,998</b>	<b>229,446</b>	<b>62,360</b>	<b>90,667</b>
Accounting income available for distribution:				
- Relating to capital gains	2,225	13,953	-	-
- Excluding capital gains	199,773	215,493	62,360	90,667
	<b>201,998</b>	<b>229,446</b>	<b>62,360</b>	<b>90,667</b>
	<b>319,073</b>	<b>295,122</b>	<b>91,137</b>	<b>114,846</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Income Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For The Nine Months and Quarter Ended March 31, 2023*

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000') -----			
Net income for the period after taxation	319,073	295,122	91,137	114,846
Other comprehensive income / (loss) for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>319,073</b>	<b>100,783</b>	<b>91,137</b>	<b>37,948</b>

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**HBL Income Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund**  
*For The Nine Months Ended March 31, 2023*

	Nine months ended March 31,					
	2023			2022		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
<b>Net assets at beginning of the year</b>	4,090,685	181,793	4,246,085	2,130,952	168,626	2,273,185
Issue of 10,414,805 units (2022: 81,509,083 units)	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	1,160,533	-	1,160,533	9,082,641	-	9,082,641
- Element of income	68,360	-	68,360	315,562	-	315,562
Total proceeds on issuance of units	1,228,893	-	1,228,893	9,398,203	-	9,398,203
Redemption of 29,209,087 units (2022: 59,344,936 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(3,254,799)	-	(3,254,799)	(6,612,867)	-	(6,612,867)
- Element of loss	(138,566)	-	(21,491)	(238,986)	-	(173,310)
- Income already paid on redemption of units	-	(117,075)	(117,075)	-	(65,676)	(65,676)
	(3,393,365)	(117,075)	(3,393,365)	(6,851,853)	(65,676)	(6,851,853)
Total comprehensive income for the period	-	319,073	319,073	-	295,122	295,122
Total comprehensive income for the period	-	319,073	319,073	-	295,122	295,122
<b>Net assets at end of the year</b>	1,926,213	383,791	2,400,686	4,677,302	398,072	5,114,657
<b>Undistributed income brought forward</b>						
- Realised		183,368			138,257	
- Unrealised		(1,575)			30,369	
		181,793			168,626	
Accounting income available for distribution		-			-	
- Relating to capital losses		2,225			13,953	
- Excluding capital losses		199,773			215,493	
		201,998			229,446	
Distribution during the period		-			-	
<b>Undistributed income carried forward</b>		383,791			398,072	
<b>Undistributed income carried forward</b>						
- Realised		384,855			394,464	
- Unrealised		(1,064)			3,608	
		383,791			398,072	
			(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the period</b>			<u>111.4310</u>			<u>110.5617</u>
<b>Net assets value per unit at end of the period</b>			<u>124.3185</u>			<u>119.7126</u>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Income Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For The Nine Months Ended March 31, 2023*

	Nine months ended	
	March 31,	
Note	2023	2022
	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Net income for the period before taxation	319,073	295,122
<b>Adjustments for non-cash items:</b>		
Mark-up on deposits with banks	(131,181)	(146,239)
Mark-up / return on investments	(180,524)	(136,103)
Dividend income	-	(9,244)
(Reversal) of Provision / Provision for Sindh Workers' Welfare Fund	-	(31,380)
Unrealised (appreciation) on revaluation of investments classified as financial asset at fair value through profit or loss - net	1,064	(3,608)
Capital (gain) on sale of investments - net	(4,827)	(16,080)
	<b>3,605</b>	<b>(47,532)</b>
<b>Decrease in assets</b>		
Investments	1,484,536	1,090,584
Receivable against margin trading system	(170,280)	(238,347)
Advances, deposits, prepayments and other receivables	(951)	(890)
Receivable against sale of investments	-	-
	<b>1,313,306</b>	<b>851,347</b>
<b>Increase in liabilities</b>		
Payable to the Management Company	(1,776)	(3,617)
Payable to the Trustee	(431)	66
Payable to the Securities and Exchange Commission of Pakistan	(370)	(246)
Accrued expenses and other liabilities	(22,455)	(5,968)
Payable against purchase of investments	(386,791)	(386,791)
	<b>(411,822)</b>	<b>(396,556)</b>
<b>Net cash generated from operating activities</b>	<b>905,088</b>	<b>407,259</b>
Dividend received	-	9,244
Profit received	321,107	287,124
	<b>321,107</b>	<b>296,368</b>
<b>Net cash generated / (used) in operating activities</b>	<b>1,226,196</b>	<b>703,627</b>
<b>Cash flows from financing activities</b>		
Amount received on issue of units	1,228,893	9,398,203
Payment against redemption of units	(3,393,365)	(6,851,853)
Distribution paid	-	-
<b>Net cash used in financing activities</b>	<b>(2,164,472)</b>	<b>2,546,350</b>
<b>Net decrease / increase in cash and cash equivalents</b>	<b>(938,276)</b>	<b>3,249,977</b>
Cash and cash equivalents at beginning of the period	1,758,049	1,758,049
<b>Cash and cash equivalents at end of the period</b>	<b>819,773</b>	<b>5,008,026</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Income Fund**

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

### ***For The Nine Months Ended March 31, 2022***

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

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

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

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 March 15, 2007 to March 17, 2007.

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM1' (Stable outlook) to the Management Company and the fund stability rating of A+(f) to the Fund.

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

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

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

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

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

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

2.1.2 The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of IAS 34. These 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 these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

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

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

## 2.3 Functional and presentation currency

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

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

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

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

3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

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

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
Balances with banks in:			
- Savings accounts	4.1	<u>819,773</u>	<u>1,758,049</u>
		<u><b>819,773</b></u>	<u><b>1,758,049</b></u>
4.1		This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 11.50% - 20.75% (June 30, 2022: 10.35% - 17.50%) per annum.	

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5. INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss</b>			
- Term finance certificates - Listed	5.1	<b>360,160</b>	266,166
- Term finance certificates and sukuk bonds - Unlisted	5.2	<b>94,001</b>	830,958
- Future stock contracts			4,879
- Listed equity securities (spread transactions)	5.3	-	238,833
- Investment in Government securities	5.2.4	<b>549,596</b>	354,057
		<b>1,003,757</b>	1,694,893
<b>Financial assets at amortized cost</b>			
- Investment in Commercial paper	5.4.1	-	789,637
		<u><b>1,003,757</b></u>	<u><b>2,484,530</b></u>

## 5.1 Term finance certificates and sukuk bonds - listed

Name of the Investee Company	Number of certificates			As at March 31, 2023	Market value as at March 31, 2023	Market value as a percentage of	
	As at July 1, 2022	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
(Rupees in '000')							
<b>Financial Services</b>							
Saudi Pak Leasing Company Limited - (Note 5.1.1)**	2,000	-	2,000	-	-	-	-
<b>Commercial Banks</b>							
Bank Al-Habib Limited (September 30, 2021)	-	2,552	2,552	-	-	-	-
Soneri Bank Limited (December 26, 2022)	-	1,000	-	1,000	100,000	9.96	4.17
JS Bank Limited (December 29, 2017)	1,264	-	-	1,264	125,866	12.54	5.24
	1,264	3,552	2,552	2,264	225,866	22.50	9.41
<b>Technology &amp; Communication</b>							
TPL Corporation Limited (June 28, 2022)	1,000	-	-	1,000	102,372	10.20	4.26
TPL Trakker Limited (March 30, 2021)	47	-	-	47	31,922	3.18	1.33
	1,047	-	-	1,047	134,294	13.38	5.59
<b>Fixed Line Telecommunication</b>							
World Call Telecom Limited - (Note 5.1.2)**	23,750	-	-	23,750	-	-	-
	28,061	3,552	4,552	27,061	360,160	35.88	15.00
<b>Cost of investments at March 31, 2023</b>					<b>357,341</b>		

\* Related party due to common directorship

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

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

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

The Issuer defaulted again in the payment of principal and mark-up due on September 13, 2011. In accordance with the requirements of Circular No. 33 of 2012 dated October 24, 2012 issued by the Securities Exchange Commission of Pakistan (SECP), the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non-performing exposure. A provision of Rs. 5.550 million equivalent to 100% of the amount outstanding has been made. During the period, the fund has received Rs. 0.550 million which is 10% of the total amount of provision as per final settlement."

- 5.1.2 World call Telecom Limited TFC's were classified by MUFAP as non-performing on November 8, 2012 after default of instalment due on October 7, 2012 (earlier default on April 7, 2012) for the second time. A restructuring agreement was signed on December 26, 2012. The restructuring included the extension of repayment period by 2 years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.767 million has been made out of which during the period ended March 31, 2022 Rs. 9.5697 million is received leaving outstanding balance as at March 31, 2022 of Rs. 38.1973 million.

## 5.2 Term finance certificates and sukuk bonds - unlisted

Name of the Investee Company	Number of certificates			As at March 31, 2023	Market value as at March 31, 2023	Market value as a percentage of	
	As at July 1, 2022	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
(Rupees in '000')							
<b>Chemicals</b>							
Agritech Limited (note 5.2.1 & 5.2.3)	2,000	-	-	2,000	-	-	-
Agritech Limited - TFC 4th issue (note 5.2.1)	430	-	-	430	-	-	-
	<u>2,430</u>	-	-	<u>2,430</u>	-	-	-
<b>Commercial Banks</b>							
The Bank of Punjab (December 23, 2016)	1,685	-	1,685	-	-	-	-
Bank Alfalah Limited (January 15, 2021)	7,600	-	-	7,600	35,230	3.51	1.47
	<u>9,285</u>	-	<u>1,685</u>	<u>7,600</u>	<u>35,230</u>	<u>3.51</u>	<u>1.47</u>
<b>Investment Companies</b>							
Jahangir Siddiqui & Company Limited (March 6, 2018)	10,000	-	-	10,000	8,457	0.84	0.35
Jahangir Siddiqui & Company Limited (July 18, 2017)	15,100	-	-	15,100	9,518	0.95	0.40
	<u>25,100</u>	-	-	<u>25,100</u>	<u>17,975</u>	<u>1.79</u>	<u>0.75</u>
<b>Power generation &amp; distribution</b>							
K-Electric Limited (February 4, 2022)	1,500	-	1,500	-	-	-	-
The Hub Power Company Limited (November 12, 2020)	500	-	100	400	40,796	4.06	1.70
Lucky Electric Power Company Limited (April 14, 2022)	225	-	225	-	-	-	-
	<u>2,225</u>	-	<u>1,825</u>	<u>400</u>	<u>40,796</u>	<u>4.06</u>	<u>1.70</u>
<b>Cable &amp; Electrical Goods</b>							
Pak Elektron Limited (November 15, 2021)	150	-	150	-	-	-	-
<b>Others</b>							
New Allied Electronics Industries (Private) Limited - TFC	15,100	-	6,100	9,000	-	-	-
New Allied Electronics Industries (Private) Limited - sukuk	10,000	-	1,000	9,000	-	-	-
	<u>25,100</u>	-	<u>7,100</u>	<u>18,000</u>	-	-	-
	<u>64,290</u>	-	<u>10,760</u>	<u>53,530</u>	<u>94,001</u>	<u>9.36</u>	<u>3.92</u>
<b>Cost of investments at March 31, 2023</b>					<u>95,753</u>		

\* These TFCs have face value of Rs. 100,000 per TFC.

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

5.2.1 Installments amounting to Rs. 1.998 million became due for payment of the following TFCs / sukus.

	<b>March 31, 2023 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
	----- (Rupees in '000') -----	
Agritech Limited	<u>1,998</u>	<u>1,998</u>

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

5.2.3 Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at March 31, 2023 are as follows:

Name of security	Remaining principal (per TFC/Sukuk)	Mark-up rate (per annum)	Issue date	Maturity date
<b>Term Finance Certificates and Sukuk bonds - Listed</b>				
TPL Corporation Limited	100,000	3 months KIBOR + 2.5%	February 10, 2022	February 10, 2027
TPL Trakker Limited	888,889	3 months KIBOR + 3%	March 30, 2021	March 30, 2026
JS Bank Limited - TFC	99,840	6 months KIBOR + 1.4%	December 29, 2017	December 29, 2024
<b>Term Finance Certificates and Sukuk bonds - Unlisted</b>				
Jahangir Siddiqui & Company Ltd - TFC	1,750	6 months KIBOR + 1.4%	March 6, 2018	March 6, 2023
Bank Of Punjab - TFC	99,800	6 months KIBOR + 1%	December 23, 2016	December 23, 2026
Jahangir Siddiqui & Company Ltd - TFC	2,500	6 months KIBOR + 1.4%	July 18, 2017	July 18, 2022
Bank Al Falah Limited Series A - TFC	5,000	6 months KIBOR + 0.85%	January 15, 2021	January 15, 2024
K-Electric Sukuk	1,000,000	6 months KIBOR + 0.85%	February 4, 2022	August 4, 2022
Pak Elektron Limited	5,000	3 months KIBOR + 1.3%	November 15, 2021	February 15, 2023

## 5.2.4 Investment in Government Securities

Issue Date	Tenure	Face value				Market Value as a percentage of		
		As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023	Market value as at March 31, 2023	Total Investments	Net Assets
----- Rupees in '000 -----								
<b>Treasury bill</b>								
April 21, 2022	3 months	150,000	-	150,000	-	-	-	-
June 30, 2022	3 months	150,000	-	150,000	-	-	-	-
October 6, 2022	3 months	-	250,000	250,000	-	-	-	-
March 9, 2023	3 months	-	200,000	-	200,000	193,094	19.24%	8.04%
November 17, 2022	3 months	-	100,000	100,000	-	-	-	-
August 25, 2022	3 months	-	300,000	300,000	-	-	-	-
July 28, 2022	3 months	-	500,000	500,000	-	-	-	-
January 27, 2022	6 months	60,000	-	60,000	-	-	-	-
October 6, 2022	12 months	-	500,000	500,000	-	-	-	-
		<b>360,000</b>	<b>1,850,000</b>	<b>2,010,000</b>	<b>200,000</b>	<b>193,094</b>	<b>19.24%</b>	<b>8.04%</b>
<b>Pakistan Investment Bonds</b>								
August 26, 2021	2 years	-	6,540,000	6,540,000	-	-	-	-
December 30, 2021	2 years	-	12,000,000	12,000,000	-	-	-	-
February 9, 2023	2 years	-	2,650,000	-	2,650,000	260,972	0.26	0.11
October 22, 2020	3 years	-	12,000,000	12,000,000	-	-	-	-
August 4, 2022	3 years	-	11,000,000	11,000,000	-	-	-	-
September 8, 2022	3 years	-	1,750,000	1,750,000	-	-	-	-
October 13, 2022	5 years	-	11,000,000	11,000,000	-	-	-	-
April 29, 2022	5 years	-	3,000,000	3,000,000	-	-	-	-
May 6, 2021	5 years	-	1,250,000	1,250,000	-	-	-	-
August 22, 2019	10 years	-	1,000,000	-	1,000,000	95,530	0.10	0.04
		-	<b>62,190,000</b>	<b>58,540,000</b>	<b>3,650,000</b>	<b>356,502</b>	<b>0.36</b>	<b>0.15</b>
<b>Grand total</b>		<b>360,000</b>	<b>64,040,000</b>	<b>60,550,000</b>	<b>3,850,000</b>	<b>549,596</b>	<b>55%</b>	<b>23%</b>
<b>Cost of investments at March 31, 2023</b>						<b>550,665</b>		

## 5.4 Investment in Commercial Papers - At Amortised Cost

Particulars	Issue Date	Face value				Market Value as a percentage of			
		As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023	Market value as at March 31, 2023	Total Investments	Net Assets	
----- Rupees in '000 -----									
Waves CP (A-, VIS)	2-Nov-21	100,000	-	100,000	-	-	0.00%	0.00%	
Hub Power Holding Co. Ltd (AA+, PACRA)	12-Nov-20	71,888	-	71,888	-	-	0.00%	0.00%	
LEPCL ICP 2 (AA-, PACRA)	12-Jan-22	200,000	-	200,000	-	-	0.00%	0.00%	
PEL CP (A+, PACRA)	1-Feb-22	100,000	-	100,000	-	-	0.00%	0.00%	
China Power (AA+, PACRA)	12-Apr-22	370,000	-	370,000	-	-	0.00%	0.00%	
<b>Total as at March 31, 2023</b>		<b>841,888</b>	<b>-</b>	<b>841,888</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	
Total as at June 30, 2022									

5.4.1 This represent commercial papers carry a profit rate Nil.

6. ADVANCES, DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES	March 31, 2023	June 30, 2022
	(Un-Audited)	(Audited)
Note	----- (Rupees in '000) -----	
Security deposit with National Clearing Company of Pakistan Limited	22,669	21,471
Security deposit with Central Depository Company of Pakistan Limited	100	100
Receivable against investments of term finance certificates and sukuk bonds	1,998	1,998
Advance tax	25,212	25,212
Dividend receivable	-	-
Prepaid expenses	48	295
	<b>50,027</b>	<b>49,076</b>
Less: Provision against overdue installments of term finance certificates and sukuk bonds	1,998	1,998
	<b>48,029</b>	<b>47,078</b>
<b>7. PAYABLE TO THE MANAGEMENT COMPANY</b>		
Management fee	1,998	3,668
Sindh Sales Tax	260	477
Sales load payable	1,317	1,646
Selling and marketing payable	2,861	2,503
Allocation of expenses related to registrar services, accounting, operation and valuation services	999	917
	<b>7,435</b>	<b>9,211</b>

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		141	229
Brokerage payable		795	1,115
Federal Excise Duty payable	8.1	27,578	27,578
Dividend payable		3,802	-
Unrealised loss on forward contracts		-	-
Legal fee payable		-	-
Other payables		14,543	1,052
Capital gain tax payable		2,788	9,120
Withholding tax payable		146	28,663
Provision for Sindh Workers' Welfare Fund	8.2	-	-
		<u>49,793</u>	<u>67,757</u>

8.1 The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in the note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal filed by tax authorities against the order by Supreme Court of Pakistan dated July 01, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying a provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 27.578 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2023 would have been higher by Rs. 0.65 per unit (June 30, 2022: 0.72 per unit)

8.2 The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2022.

During the year, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from July 1, 2014 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

## 9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022

## 10. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2022 to its unit holders.

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**11. TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2023 is 2.46% (March 31, 2022: 1.31%), which includes 0.19% (March 31, 2022: 0.13%) representing government levy, Worker's Welfare Fund and SECP fee.

**12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS**

Connected persons / related parties comprise 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 the directors of the connected persons.

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

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

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

	Nine months ended	
	March 31,	
	2023	2022
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
<b>12.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee inclusive of sales tax	32,561	33,938
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,546	7,546
Selling and marketing expense	7,546	7,546
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	214	206
Mark-up earned during the period	6,119	3,270
Redemption of 8,027,975 units (2022: 265 units)	923,307	-
<b>HBL MicroFinance Bank Limited (Formerly: First MicroFinance Bank Limited) - Associated Company</b>		
Mark-up earned during the period	60,242	19,485
<b>Jaffer Brothers (Pvt) Limited and Associated Companies</b>		
<b>Staff Provident Fund - more than 10%</b>		
Issue of 402,102 units (2022: Nil units)	50,000	-
<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - CIS Managed by the Management Company</b>		
Investment of 587,212 units (2022: Nil units)	65,752	94
Redemption of 618,299 units (2022: 265 units)	70,608	7,345

	Nine months ended	
	March 31,	
	2023	2022
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan -</b>		
<b>CIS Managed by the Management Company</b>		
Investment of 13,926 units (2022: Nil units)	1,641	58,505
Redemption of 296,987 units (2022: Nil units)	34,357	9,280
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	1,895	2,420
CDC charges	460	1,096
<b>Executives and their relatives</b>		
Issue of 7,610 units (2022: 166,603 units)	898	14,549
Redemption of 18,904 units (2022: 61,041 units)	2,213	15,901
<b>CDC Trustee HBL Government Securities Fund - under common management</b>		
Purchase of Pakistan Investment Bond	102,956	-
<b>HBL Cash Fund - under common management</b>		
Sale of Pakistan Investment Bond	64,950	98,717
<b>HBL Multi Asset Fund - under common management</b>		
Purchase of Bank of Punjab - TFC	-	13,784
<b>HBL Financial Sector Income Fund - Plan I - under common management</b>		
Sale of 3M Tbills	-	6,939
<b>HBL Pension Fund - Money Market Sub Fund</b>		
<b>- under common management</b>		
Sale of Pakistan Investment Bond	234,557	-
<b>12.2 Balances outstanding as at period / year end</b>	<b>March 31,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2022</b>
	<b>(Un-Audited)</b>	<b>(Audited)</b>
	----- (Rupees in '000) -----	
<b>HBL Asset Management Limited - Management Company</b>		
Management fee payable	1,998	3,668
Sindh Sales Tax	260	477
Sales load payable	1,317	1,646
Selling and marketing payable	2,861	2,503
Allocation of expenses related to registrar services, accounting, operation and valuation services	999	917
<b>Habib Bank Limited - Sponsor</b>		
Investment held by HBL in the Fund: Nil (2022: 7,623,705 units)	-	849,517
Bank balances with HBL	8,890	1,668,422
<b>Habib Bank Limited - Treasury Division</b>		
Outstanding units (2022: 404,270 units)	-	45,048

	March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	----- (Rupees in '000) -----	
<b>HBL MicroFinance Bank Limited (Formerly: The First MicroFinance Bank Limited) - Associate</b>		
Bank balances	580,921	41,973
Profit Receivable	10,014	-
<b>MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - CIS Managed by the Management Company</b>		
Investment held in the Fund: Nil units (2022: 31,088 units)	-	3,464
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - CIS Managed by the Management Company</b>		
Investment held in the Fund: 219,057 units (2022: 504,118 units)	27,233	56,174
<b>Pakistan Society For The Welfare Of Mentally Retarded Children- Related party due to holding more than 10%</b>		
Investment held in the Fund: 3,007,899 units (2022: 3,007,899 units)	373,937	-
<b>Jaffer Brothers (Pvt) Limited and Associated Companies Staff Provident Fund - more than 10%</b>		
Investment held in the Fund: 402,102 units (2022: Nil units)	49,989	-
<b>Directors and Executives of the Management Company and their relatives</b>		
Investment held in the Fund: 118,188 units (2022: 99,124 units)	14,693	11,045
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	150	275
Sindh Sales tax	19	36
Security deposit	100	100
CDC Charges	179	289

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

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

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

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

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

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

		March 31, 2023 (Un-Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000')						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
		454,161	-	454,161	-	454,161	-	454,161
		454,161	-	454,161	-	454,161	-	454,161
<b>Financial assets not measured at fair value</b>								
	13.1	-	819,773	819,773				
		-	46,668	46,668				
		-	22,769	22,769				
			889,210	889,210				
<b>Financial liabilities not measured at fair value</b>								
	13.1	-	7,176	7,176				
		-	150	150				
		-	14,684	14,684				
		-	22,010	22,010				
		June 30, 2022 (Audited)						
		Carrying amount			Fair Value			
		At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000')						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
		266,166	-	266,166	266,166	-	-	266,166
		830,958	-	830,958	-	830,958	-	830,958
		354,057	-	354,057	-	354,057	-	354,057
		243,712	-	243,712	243,712	-	-	243,712
		-	789,637	789,637	-	-	789,637	789,637
		1,694,893	789,637	2,484,530	509,878	1,185,015	789,637	2,484,530
<b>Financial assets not measured at fair value</b>								
		-	1,758,049	1,758,049				
		-	370,025	370,025				
		-	56,070	56,070				
		-	21,571	21,571				
		-	2,205,715	2,205,715				
<b>Financial liabilities not measured at fair value</b>								
		-	9,211	9,211				
		-	600	600				
		-	4,491	4,491				
		-	386,791	386,791				
		-	1,956	1,956				
		-	-	-				
		-	403,049	403,049				

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

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

The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. HBL Asset Management Limited (Management Company) classified HBL Income Fund (the Fund) as Income Scheme' in accordance with the said circular. As at December 31, 2018, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

<b>Name of Non-Compliant Investment</b>	<b>Type of Investment</b>	<b>Value of Investment before provision</b>	<b>Provision held</b>	<b>Value of Investment after provision</b>	<b>% of Gross Assets</b>
		<b>(Rupees in '000)</b>			
New Allied Electronics Industries (Private) Limited	TFC	19,025	19,025	-	-
New Allied Electronics Industries (Private) Limited	Sukuk	44,149	44,149	-	-
Agritech Limited	TFC	9,992	9,992	-	-
World Call Telecom Limited	TFC	39.33	39.33	-	-

The above securities have ratings lower than investment grade.

**15. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 28, 2023.

**16. GENERAL**

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

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

For HBL Asset Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director

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# **HBL**

## **Government Securities Fund**

## FUND INFORMATION

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

**HBL Government Securities Fund**  
**Condensed Interim Statement Of Assets And Liabilities (Unaudited)**  
*As at March 31, 2023*

		March 31, 2023	June 30, 2022 (Audited)
	Note	-----Rupees in '000-----	
<b>Assets</b>			
Bank balances	4	64,547	451,031
Investments	5	342,508	572,021
Accrued markup on bank balances and investments		6,328	23,848
Deposits, prepayments and other receivables		753	1,769
<b>Total assets</b>		<b>414,136</b>	<b>1,048,669</b>
<b>Liabilities</b>			
Payable to the Management Company	6	1,135	1,714
Payable to the Trustee		26	35
Payable to Securities and Exchange Commission of Pakistan		77	181
Payable against purchase of investment		-	390,738
Accrued expenses and other liabilities	7	16,782	25,418
<b>Total liabilities</b>		<b>18,020</b>	<b>418,086</b>
<b>Net assets</b>		<b>396,116</b>	<b>630,583</b>
<b>Units holders' fund (as per statement attached)</b>		<b>396,116</b>	<b>630,583</b>
<b>Contingencies and commitments</b>	8		
		-----Number of units-----	
<b>Number of units in issue</b>		<b>3,234,166</b>	<b>5,606,306</b>
		-----Rupees-----	
<b>Net assets value per unit</b>		<b>122.4786</b>	<b>112.4774</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Government Securities Fund**  
**Condensed Interim Income Statement And Comprehensive Income (Unaudited)**  
*For the Nine months and Quarter ended March 31, 2023*

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2023	2022	2023	2022
----- Rupees in '000 -----					
<b>Income</b>					
Capital (loss) on sale of investments - net		(4,895)	(7,533)	(1,558)	(271)
Income from government securities		40,413	39,657	12,847	10,890
Income from Money Market Placements		-	1,790	-	1,134
Income from Term Finance Certificates		6,149	3,729	1,857	1,500
Profit on bank deposits		15,926	18,343	5,048	7,821
		<b>57,593</b>	<b>55,986</b>	<b>18,194</b>	<b>21,074</b>
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		(4,270)	1,605	(2,800)	498
		<b>53,323</b>	<b>57,591</b>	<b>15,394</b>	<b>21,572</b>
<b>Expenses</b>					
Remuneration of the Management Company	6.1 & 6.2	6,069	10,294	1,703	2,981
Remuneration of the Trustee		240	484	67	131
Annual fee to Securities and Exchange Commission of Pakistan		77	146	21	43
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	1,050	1,920	292	574
Selling and marketing expense	6.4	1,737	3,217	484	949
Auditors' remuneration		385	334	127	109
Fees and subscription		231	323	76	112
Securities transaction cost		343	254	104	64
Bank charges		175	155	136	97
Printing charges		63	-	5	-
		<b>10,370</b>	<b>17,127</b>	<b>3,015</b>	<b>5,060</b>
<b>Net income from operating activities</b>		<b>42,953</b>	<b>40,464</b>	<b>12,379</b>	<b>16,512</b>
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	7.1	-	19,958	-	-
<b>Net income for the period before taxation</b>		<b>42,953</b>	<b>60,422</b>	<b>12,379</b>	<b>16,512</b>
Taxation	9	-	-	-	-
<b>Net income for the period after taxation</b>		<b>42,953</b>	<b>60,422</b>	<b>12,379</b>	<b>16,512</b>
<b>Allocation of net income for the period</b>	3.6				
Income already paid on redemption of units		11,355	19,591	5,078	8,257
<b>Accounting income available for distribution:</b>					
- Relating to capital gains / (losses)		-	-	-	-
- Excluding capital gains / (losses)		31,598	40,831	7,301	8,255
		<b>31,598</b>	<b>40,831</b>	<b>7,301</b>	<b>8,255</b>
		<b>42,953</b>	<b>60,422</b>	<b>12,379</b>	<b>16,512</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Government Securities Fund**  
**Condensed Statement of Comprehensive Income**  
*For the Nine months and Quarter ended March 31, 2023*

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	-----Rupees in '000-----			
Net income for the period after taxation	<b>42,953</b>	60,422	<b>12,379</b>	16,512
<b>Other comprehensive income for the period</b>				
Items that may be reclassified to income statement	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>42,953</b>	60,422	<b>12,379</b>	16,512

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**HBL Government Securities Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund**  
*For the Nine months ended March 31, 2023*

	Nine months ended March 31,					
	2023			2022		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000-----					
Net assets at beginning of the period	436,529	194,054	630,583	876,537	194,478	1,071,015
<b>Issuance of 3,941,874 units (2022: 5,595,338 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	443,372	-	443,372	629,686	-	629,686
Element of income	17,488	-	17,488	12,291	-	12,291
<b>Total proceeds on issuance of units</b>	460,860	-	460,860	641,977	-	641,977
<b>Redemption of 6,314,014 units (2022: 8,631,672 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(710,184)	-	(710,184)	(971,389)	-	(971,389)
Income already paid on redemption of units	-	(11,355)	(11,355)	-	(19,591)	(19,591)
Element of loss	(16,741)	-	(16,741)	(7,366)	-	(7,366)
<b>Total payments on redemption of units</b>	(726,925)	(11,355)	(738,280)	(978,755)	(19,591)	(998,346)
Total comprehensive income for the period	-	42,953	42,953	-	60,422	60,422
	-	<b>42,953</b>	<b>42,953</b>	-	60,422	60,422
<b>Net assets at end of the period</b>	<b>170,464</b>	<b>225,652</b>	<b>396,116</b>	<b>539,759</b>	<b>235,309</b>	<b>775,068</b>
Undistributed income brought forward						
Realised		196,238			192,733	
Unrealised		(2,184)			1,745	
		194,054			194,478	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		31,598			40,831	
		31,598			40,831	
Distribution during the period		-			-	
Undistributed income carried forward		<u>225,652</u>			<u>235,309</u>	
<b>Undistributed income carried forward</b>						
Realised		229,922			233,704	
Unrealised		(4,270)			1,605	
		<u>225,652</u>			<u>235,309</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>112.4774</u>			<u>112.5377</u>
Net assets value per unit at end of the period			<u>122.4786</u>			<u>119.5979</u>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Government Securities Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
*For the Nine months ended March 31, 2023*

	Nine months ended	
	March 31,	
	2023	2022
Note	----- Rupees in '000 -----	
<b>Cash flows from operating activities</b>		
Net income for the period after taxation	42,953	60,422
<b>Adjustments for:</b>		
Income from government securities	(40,413)	(39,657)
Income from Money Market Placements	-	(1,790)
Income from Term Finance Certificates	(6,149)	(3,729)
Profit on bank deposits	(15,926)	(18,343)
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	4,270	(1,605)
Capital loss on sale of investments - net	4,895	7,533
	<b>(10,370)</b>	<b>2,831</b>
<b>Increase / decrease in assets</b>		
Investments - net	<b>(167,318)</b>	739,623
Deposits, prepayments and other receivables	<b>1,016</b>	170
	<b>(166,302)</b>	739,793
<b>(Decrease) in liabilities</b>		
Payable to the Management Company	<b>(579)</b>	(1,092)
Payable to the Trustee	<b>(9)</b>	(25)
Payable to the Securities and Exchange Commission of Pakistan	<b>(104)</b>	(244)
Accrued expenses and other liabilities	<b>(8,636)</b>	(29,396)
	<b>(9,328)</b>	(30,757)
	<b>(186,000)</b>	711,867
Income received from government securities	51,172	51,200
Income received from term finance certificates	5,482	2,174
Bank profits received	20,282	18,320
<b>Net cash used / generated from operating activities</b>	<b>(109,064)</b>	783,561
<b>Cash flows from financing activities</b>		
Amount received on issue of units	<b>460,860</b>	641,977
Payment against redemption of units	<b>(738,280)</b>	(998,346)
Dividend paid	-	-
<b>Net cash (used) in financing activities</b>	<b>(277,420)</b>	(356,369)
<b>Net decrease / (increase) in cash and cash equivalents</b>	<b>(386,484)</b>	427,192
Cash and cash equivalents at beginning of the period	<b>451,031</b>	259,770
<b>Cash and cash equivalents at end of the period</b>	<b>64,547</b>	686,962

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

# **HBL Government Securities Fund**

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

*For the Nine months and Quarter ended March 31, 2023*

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

- 1.1 HBL Government Securities Fund ("the Fund") was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. NBFC-II/DD/PICICIF/199 dated March 10, 2010 and the Trust Deed was executed on March 17, 2010.
- 1.2 Through an order dated August 31, 2016, SECP approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.
- 1.3 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules, 2003) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.4 The Fund is an open-ended sovereign income scheme and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.5 The Fund has been categorised as a sovereign income scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).
- 1.6 The core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.
- 1.7 VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company and assigned stability rating of AA-(f) to the Fund as at December 30, 2022 and December 29, 2022, respectively.
- 1.8 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

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

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

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of 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 March 31, 2023.

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.

3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

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

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

		<b>March 31, 2023 (Un-Audited)</b>	June 30, 2022 Audited
	<b>Note</b>	----- Rupees in '000 -----	
<b>4. BANK BALANCES</b>			
In savings accounts		64,547	451,031
	4.1	<b>64,547</b>	451,031

4.1 Mark-up rates on these accounts range between 15.5% - 20.75% per annum (June 30, 2021: 5.5% - 17.56% per annum).

		<b>March 31, 2023 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
<b>5. INVESTMENTS</b>			
Financial assets			
At fair value through profit or loss	5.1	342,508	572,021
At amortized cost	5.2	-	-
		<b>342,508</b>	<b>572,021</b>
<b>5.1 Financial assets at fair value through profit or loss - held-for-trading</b>			
Investments in government securities:			
Market treasury bills	5.1.1	-	-
Pakistan investment bond	5.1.2	302,508	521,932
GOP ijara sukuk certificates	5.1.3	-	-
		<b>302,508</b>	<b>521,932</b>
Investment in Term Finance Certificates	5.1.4	40,000	50,089
Total investments at fair value		<b>342,508</b>	<b>572,021</b>
Total investments		<b>342,508</b>	<b>572,021</b>

**5.1.1 - Market treasury bills**

Issue date	Tenure	Face value				Balance as at March 31, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023	Carrying value	Market value	Appreciation / (diminution)		
October 6, 2022	12 Months	-	1,040,000	1,040,000	-	-	-	-	-	
August 25, 2022	12 Months	-	67,945	67,945	-	-	-	-	-	
October 6, 2022	3 Months	-	760,000	760,000	-	-	-	-	-	
September 8, 2022	3 Months	-	350,000	350,000	-	-	-	-	-	
June 16, 2022	3 Months	-	16,000	16,000	-	-	-	-	-	
November 17, 2022	3 Months	-	855,000	855,000	-	-	-	-	-	
September 22, 2022	3 Months	-	292,000	292,000	-	-	-	-	-	
January 26, 2023	3 Months	-	100,000	100,000	-	-	-	-	-	
February 9, 2023	3 Months	-	100,000	100,000	-	-	-	-	-	
<b>Total - As at March 31, 2023</b>		-	<b>3,580,945</b>	<b>3,580,945</b>	-	-	-	<b>0%</b>	<b>0%</b>	
<b>Total - As at June 30, 2022</b>		-	<b>6,305,150</b>	<b>6,305,150</b>	-	-	-	<b>0%</b>	<b>0%</b>	

**5.1.2 - Pakistan Investment Bonds  
Non Floating**

Issue date	Tenure	Face value			Balance as at March 31, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023	Carrying value	Market value		
-----Rupees in '000-----									
August 20, 2020	3 Years	106,000	-	106,000	-	-	-	-	-
August 4, 2022	3 Years	-	1,500,000	1,500,000	-	-	-	-	-
<b>Total - As at March 31, 2023</b>		<b>106,000</b>	<b>1,500,000</b>	<b>1,606,000</b>	-	-	-	<b>0%</b>	<b>0%</b>
<b>Total - As at June 30, 2022</b>		<b>425,000</b>	<b>1,727,000</b>	<b>2,046,000</b>	<b>106,000</b>	<b>98,975</b>	<b>97,277</b>	<b>(1,698)</b>	<b>15%</b>

5.1.2.1 The effective yield on these Pakistan investment bonds is Nil (June 30, 2022: 12.33%) per annum.

**Floating**

Issue date	Tenure	Face value			Balance as at March 31, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023	Carrying value	Market value		
-----Rupees in '000-----									
August 22, 2019	10 Years	375,000	375,000	650,000	100,000	99,821	95,530	(4,291)	24%
August 26, 2021	2 Years	50,000	200,000	250,000	-	-	-	-	0%
September 8, 2022	2 Years	-	50,000	-	50,000	49,499	49,410	(89)	12%
September 8, 2022	3 Years	-	175,000	175,000	-	-	-	-	0%
May 6, 2021	5 Years	-	125,000	125,000	-	-	-	-	0%
June 18, 2020	3 Years	-	250,000	250,000	-	-	-	-	0%
October 13, 2022	5 Years	-	750,000	750,000	-	-	-	-	0%
April 29, 2022	5 Years	-	25,000	25,000	-	-	-	-	0%
February 9, 2023	2 Years	-	160,000	-	160,000	157,459	157,568	109	40%
<b>Total - As at March 31, 2023</b>		<b>425,000</b>	<b>2,110,000</b>	<b>2,225,000</b>	<b>310,000</b>	<b>306,779</b>	<b>302,508</b>	<b>(4,271)</b>	<b>76%</b>
<b>Total - As at June 30, 2022</b>		<b>375,000</b>	<b>5,925,000</b>	<b>5,875,000</b>	<b>425,000</b>	<b>424,841</b>	<b>424,655</b>	<b>(186)</b>	<b>67.34%</b>

5.1.2.2 The coupon rate on these Pakistan investment bonds range from 18.59% to 20.9719% (June 30, 2022: 10.89%) per annum.

**5.1.3 GOP ijara sukuk certificates**

Issue details	Tenure	Face value			Balance as at March 31, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023	Carrying value	Market value		
-----Rupees in '000-----									
October 26, 2022	5 Years	-	175,000	175,000	-	-	-	-	-
<b>Total - As at March 31, 2023</b>		<b>-</b>	<b>175,000</b>	<b>175,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - As at June 30, 2022</b>		<b>-</b>	<b>62,500</b>	<b>62,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 5.1.4 Term Finance Certificates and Corporate Sukuk Bonds

##### Term finance certificates - Unlisted

Name of Investee Company	Number of Certificates				Balance as at March 31, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----									
Bank Al-Habib Limited	-	20,000	20,000	-	-	-	-	-	-
Bank of Punjab	500	-	-	500	-	-	-	0%	0%
<b>Total - As at March 31, 2023</b>	<b>500</b>	<b>20,000</b>	<b>20,000</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Total - As at June 30, 2022</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>50,389</b>	<b>50,089</b>	<b>(300)</b>	<b>7.94%</b>	<b>8.76%</b>

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

##### 5.1.5 Corporate Sukuk Bonds - Unlisted

Name of Investee Company	Number of Certificates				Balance as at March 31, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----									
K-Electric	-	400	-	400	40,000	40,000	-	10%	12%
<b>Total - As at March 31, 2023</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>400</b>	<b>40,000</b>	<b>40,000</b>	<b>-</b>	<b>10%</b>	<b>12%</b>
<b>Total - As at June 30, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>8.76%</b>

5.1.5.1 These Sukuk Bonds carry mark-up at the rate of 20.68% per annum (2022: 8.69% to 16.44%).

5.1.6 Significant terms and conditions of Sukuk Bonds as at March 31, 2023 are as follows:

Name of the investee company	Remaining principal (per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
<b>Corporate Sukuk bonds - unlisted</b>				
K-Electric	100,000	3 months KIBOR + 1.7%	23-Nov-22	23-Nov-27

#### 5.2 Financial assets at amortized cost:

##### 5.2.1 Commercial paper

Name of Investee Company	As at July 1, 2022	Placement made during the period	Income accrued	Matured during the period	As at March 31, 2023	Percentage of Net Assets	Percentage of Total Investment
-----Rupees in '000-----							
-	-	-	-	-	-	0%	0%
<b>Total - As at March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Total - As at June 30, 2022</b>	<b>-</b>	<b>47,723</b>	<b>2,277</b>	<b>50,000</b>	<b>-</b>	<b>0%</b>	<b>0%</b>

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- Rupees in '000 -----	
<b>6. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration of the Management Company		488	680
Sindh Sales Tax on Management Company's remuneration		63	88
Sales load payable		6	12
Allocation of expenses related to registrar services, accounting, operation and valuation services		94	148
Selling and marketing expense		484	786
		<u>1,135</u>	<u>1,714</u>
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund	7.1	-	-
Provision for Federal Excise Duty and additional sales tax on management fee	7.2	15,531	15,531
Withholding tax payable		548	9,144
Auditors' remuneration		140	201
Printing charges		-	13
Brokerage payable		56	13
Zakat		452	452
Other		55	64
		<u>16,782</u>	<u>25,418</u>
7.2	<p>The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal which was filed by tax authorities against the order passed by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.</p> <p>In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2023 would have been higher by Rs. 4.8022 per unit (June 30, 2022: Rs. Re. 2.7703 per unit).</p>		
<b>8 CONTINGENCIES AND COMMITMENTS</b>			
<b>8.1 Contingencies</b>			
There are no contingencies outstanding as at March 31, 2023.			
<b>9. TAXATION</b>			
<p>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, 2023 to its unit holders.</p>			

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	Nine months ended March 31,	
	2023	2022
	-----Rupees in '000-----	
<b>10.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	<u>5,371</u>	<u>9,110</u>
Sindh Sales Tax on remuneration of the Management Company	<u>698</u>	<u>1,184</u>
Sales load paid	<u>468</u>	<u>2,961</u>
Allocation of expenses related to registrar services, accounting, operation and valuation services	<u>1,050</u>	<u>1,920</u>
Selling & Marketing expense	<u>1,737</u>	<u>3,217</u>
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	<u>168</u>	<u>145</u>
Profit on bank deposits earned	<u>1,562</u>	<u>3,933</u>
<b>HBL Microfinance Bank Limited - Associated Company</b>		
Profit on bank deposits earned	<u>2,627</u>	<u>2,214</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	<u>240</u>	<u>484</u>
Central Depository system charges	<u>6</u>	<u>9</u>
<b>Taavun (Pvt) Limited - Related party due 10% holding</b>		
Redemption of 440,875 units (2022: Nil units)	<u>53,403</u>	<u>-</u>
<b>Executives of the Management</b>		
Investment of Nil units (2022: 9 units)	<u>-</u>	<u>1</u>
Redemption of 9 units (2022: Nil units)	<u>1</u>	<u>-</u>

		Nine months ended March 31,	
		2023	2022
		-----Rupees in '000-----	
	<b>CDC Trustee HBL Financial Sector Income - Fund Plan - I - Connected Party</b>		
	Sale of Bank of Punjab TFC	49,890	-
	Sale of Pakistan investment bond	138,991	-
	Sale of Pakistan investment bond	38,667	-
	<b>CDC Trustee HBL Income Fund - - Connected Party</b>		
	Sale of Pakistan investment bond	102,956	-
	<b>CDC Trustee HBL Cash Fund - - Connected Party</b>		
	Sale of Pakistan investment bond	199,846	-
		<b>March 31, 2023</b>	<b>June 30, 2022</b>
		<b>(Un-Audited)</b>	<b>(Audited)</b>
		-----Rupees in '000-----	
<b>10.2</b>	<b>Balances outstanding as at period / year end</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	<u>488</u>	<u>680</u>
	Sindh Sales Tax on remuneration of the Management Company	<u>63</u>	<u>88</u>
	Sales Load payable	<u>6</u>	<u>12</u>
	Allocation of expenses related to registrar services, accounting, operation and valuation services	<u>94</u>	<u>148</u>
	Selling and marketing payable	<u>484</u>	<u>786</u>
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balances	<u>3,239</u>	<u>446,371</u>
	Profit receivable	<u>87</u>	<u>1,462</u>
	<b>HBL Microfinance Bank Limited - Associated Company</b>		
	Bank balances	<u>58,576</u>	<u>624</u>
	Profit receivable	<u>172</u>	<u>768</u>
	<b>Executive of the Management</b>		
	Investment held in the Fund: Nil units (June 30, 2022: 9 units)	<u>-</u>	<u>1</u>
	<b>Taavun (Pvt) Limited - Related party due to 10% holding</b>		
	Investment held in the Fund: Nil units (June 30, 2022: 440,875 units)	<u>-</u>	<u>49,589</u>

	<b>March 31, 2023 (Un-Audited)</b>	June 30, 2022 (Audited)
	-----Rupees in '000-----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	<u>19</u>	<u>30</u>
Sindh Sales Tax payable on Trustee Remunera	<u>2</u>	<u>4</u>
CDC charges payable	<u>4</u>	<u>1</u>
Security deposit	<u>100</u>	<u>100</u>

## 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2023						
		Carrying Amount			Fair Value			
		Fair value through profit or loss- held-for-trading	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Note		----- Rupees in '000 -----						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
11.1	Market treasury bills	-	-	-	-	-	-	-
	Pakistan Investment bonds	302,508	-	302,508	-	302,508	-	302,508
	Term finance certificates	40,000	-	40,000	-	40,000	-	40,000
		<b>342,508</b>	<b>-</b>	<b>342,508</b>	<b>-</b>	<b>342,508</b>	<b>-</b>	<b>342,508</b>
<b>Financial assets not measured at fair value</b>								
11.1	Bank balances	-	64,547	64,547				
	Commercial paper	-	-	-				
	Profit / mark-up receivable	-	6,328	6,328				
	Deposits and other receiveables	-	753	753				
		<b>-</b>	<b>71,628</b>	<b>71,628</b>				
<b>Financial liabilities not measured at fair value</b>								
11.1	Payable to Management Company	-	1,135	1,135				
	Payable to the Trustee	-	26	26				
	Payable against purchase of investment	-	-	-				
	Accrued expenses and other liabilities	-	195	195				
		<b>-</b>	<b>1,356</b>	<b>1,356</b>				
		June 30, 2022						
		Carrying Amount			Fair Value			
		Fair value through profit or loss- held-for-trading	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Note		----- Rupees in '000 -----						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
11.1	Market treasury bills	-	-	-	-	-	-	-
	Pakistan Investment bonds	521,932	-	521,932	-	521,932	-	521,932
	Term Finance Certificates and Corporate Sukuk Bonds	50,089	-	50,089	-	50,089	-	50,089
		<b>572,021</b>	<b>-</b>	<b>572,021</b>	<b>-</b>	<b>572,021</b>	<b>-</b>	<b>572,021</b>
<b>Financial assets not measured at fair value</b>								
11.1	Bank balances	-	451,031	451,031				
	Profit / mark-up receivable	-	23,848	23,848				
	Deposits and other receiveables	-	1,162	1,162				
		<b>-</b>	<b>476,041</b>	<b>476,041</b>				
<b>Financial liabilities not measured at fair value</b>								
11.1	Payable to the Management Company	-	1,626	1,626				
	Payable to the Trustee	-	31	31				
	Dividend payable	-	-	-				
	Accrued expenses and other liabilities	-	290	290				
		<b>-</b>	<b>1,947</b>	<b>1,947</b>				

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

## 11.2 Transfers during the period

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

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**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 nine months ended March 31, 2023 is 1.76% (March 31, 2022: 1.76%) which includes 0.14% (March 31, 2022: 0.14%) representing government levy and SECP fee.

**13. DATE OF AUTHORISATION FOR ISSUE**

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 28, 2023.

**14. GENERAL**

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

Central Depository System Charges payable

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

For HBL Asset Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director

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# **HBL**

## **Money Market Fund**

## FUND INFORMATION

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

**HBL Money Market Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at March 31, 2023*

	Note	March 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
<b>Assets</b>			
Bank balances	4	299,661	13,661,227
Investments	5.	12,477,286	1,985,515
Accrued mark up		169,696	198,722
Advances, deposits and prepayments		206	105
<b>Total assets</b>		<b>12,946,849</b>	<b>15,845,569</b>
<b>Liabilities</b>			
Payable to the Management Company	6.	41,090	41,799
Payable to the Trustee		779	721
Payable to Securities and Exchange Commission of Pakistan		2,112	2,839
Dividend Payable		1,729	9,261
Accrued expenses and other liabilities	7.	64,745	192,276
<b>Total liabilities</b>		<b>110,455</b>	<b>246,896</b>
<b>Net assets</b>		<b>12,836,394</b>	<b>15,598,673</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>12,836,394</b>	<b>15,598,673</b>
<b>Contingencies and commitments</b>	8.		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>112,199,624</b>	<b>151,697,590</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>114.4067</b>	<b>102.8274</b>

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

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

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

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

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

**HBL Money Market Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the nine months and quarter ended March 31, 2023*

	Note	Nine month ended March 31,		Quarter ended March 31,	
		2023	2022	2023	2022
----- (Rupees in '000) -----					
<b>Income</b>					
Mark-up on deposits with banks		414,385	566,724	117,349	322,438
Mark-up / return on investments		1,324,402	440,067	455,336	115,287
Loss on sale of investments - net		(9,961)	(20,458)	(3,631)	(11,218)
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial asset at fair value through profit or loss - net		4,034	1,050	3,395	(1,197)
		<b>1,732,860</b>	987,383	<b>572,449</b>	425,310
<b>Expenses</b>					
Remuneration of the Management Company		77,350	49,556	18,298	19,095
Remuneration of the Trustee		6,563	7,037	2,013	2,497
Annual fee of Securities and Exchange Commission of Pakistan		2,112	2,152	648	804
Allocation of expenses related to registrar services, accounting, operation and valuation services		67,658	7,326	22,669	3,455
Settlement and bank charges		665	1,009	95.00	200
Auditors' remuneration		359	480	59	159
Fee and subscription		243	419	19	122
Securities transaction cost		225	11	149	-
Selling and Marketing Expense		67,658	7,326	22,669	3,455
		<b>222,833</b>	75,316	<b>66,619</b>	29,787
<b>Net income from operating activities</b>		<b>1,510,027</b>	912,067	<b>505,830</b>	395,523
Reversal of Provision for Sindh Workers' Welfare Fund		-	62,703	-	-
<b>Net income for the period before taxation</b>		<b>1,510,027</b>	974,770	<b>505,830</b>	395,523
Taxation	9.	-	-	-	-
<b>Net income for the period after taxation</b>		<b>1,510,027</b>	974,770	<b>505,830</b>	395,523
<b>Allocation of income for the period</b>					
Income already paid on redemption of units		590,626	249,155	223,548	92,514
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		919,401	725,615	282,282	303,009
		<b>919,401</b>	725,615	<b>282,282</b>	303,009
		<b>1,510,027</b>	974,770	<b>505,830</b>	395,523

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

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

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

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

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

**HBL Money Market Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the nine months and quarter ended March 31, 2023*

	Nine month ended		Quarter ended,	
	March 31,		March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income for the period after taxation	1,510,027	974,770	505,830	395,523
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,510,027</b>	<b>974,770</b>	<b>505,830</b>	<b>395,523</b>

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

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

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

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

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

**HBL Money Market Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)**  
*For the nine months ended March 31, 2023*

	Nine Months period ended					
	March 31, 2023			March 31, 2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees in '000) -----					
<b>Net assets at beginning of the period</b>	15,548,452	50,221	15,598,673	12,788,663	48,311	12,836,970
Issue of 332,877,107 units (2022: 237,374,081 units)						
- Capital value (at net asset value per unit at the beginning of the period)	34,228,897	-	34,228,897	24,359,162	-	24,359,162
- Element of income	2,264,003	-	2,264,003	920,020	-	920,020
Total proceeds on issuance of units	36,492,900	-	36,492,900	25,279,182	-	25,279,182
Redemption of 372,375,073 units (2022: 236,600,398 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(38,290,371)	-	(38,290,371)	(24,279,767)	-	(24,279,767)
- Income already paid on redemption of units	-	(590,626)	(590,626)	-	(249,155)	(249,155)
- Element of loss	(1,884,209)	-	(1,884,209)	(744,936)	-	(744,936)
	(40,174,580)	(590,626)	(40,765,206)	(25,024,703)	(249,155)	(25,273,858)
Net income for the period after taxation	-	1,510,027	1,510,027	-	974,770	974,770
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	1,510,027	1,510,027	-	974,770	974,770
<b>Net assets at end of the period</b>	<b>11,866,772</b>	<b>969,622</b>	<b>12,836,394</b>	<b>13,043,142</b>	<b>773,926</b>	<b>13,817,064</b>
<b>Undistributed income brought forward</b>						
- Realised		50,221			48,311	
- Unrealised		-			-	
		50,221			48,311	
Distribution during the period		-			-	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		919,401			725,615	
		919,401			725,615	
<b>Undistributed income carried forward</b>		<b>969,622</b>			<b>773,926</b>	
<b>Undistributed income carried forward</b>						
- Realised		969,622			773,926	
- Unrealised		-			-	
		969,622			773,926	
			(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the period</b>			<b>102.8274</b>			<b>102.6193</b>
<b>Net assets value per unit at end of the period</b>			<b>114.4067</b>			<b>109.7753</b>

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

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

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

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

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

**HBL Money Market Fund**  
**Condensed Interim Statement of Cash Flows (Un-Audited)**  
*For the nine months ended March 31, 2023*

	Nine month ended March 31,	
	2023	2022
	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Net income for the period before taxation	1,510,027	974,770
<b>Adjustments for non-cash items:</b>		
Loss on sale of investments - net	9,961	20,458
Mark-up / return on investments	(1,324,402)	(440,067)
Profit on bank deposits	(414,385)	(566,724)
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(4,034)	(1,050)
Reversal of Provision for Sindh Workers' Welfare Fund	-	(62,703)
	(222,833)	(75,316)
<b>Decrease / (increase) in assets</b>		
Investments	(10,497,698)	(13,747,865)
Advances, deposits and prepayments	(101)	(125)
	(10,497,799)	(13,747,990)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(709)	13,896
Payable to the Trustee	58	31
Payable to the Securities and Exchange Commission of Pakistan	(727)	(447)
Payable against purchase of investment	-	12,476,155
Accrued expenses and other liabilities	(127,531)	(81,870)
	(128,909)	12,407,765
<b>Net cash used in operations</b>	(10,849,541)	(1,415,541)
Profit received on bank deposits	531,971	502,525
Markup received on investments	1,235,842	440,067
	1,767,813	942,592
<b>Net cash used in Operating Activities</b>	(9,081,728)	(472,949)
<b>Cash flows from Financing Activities</b>		
Amount received on issue of units	36,492,900	25,279,182
Payment against redemption of units	(40,765,206)	(25,273,858)
Cash dividend paid	(7,532)	-
<b>Net cash generated from / (used) in financing activities</b>	(4,279,838)	5,324
<b>Net (decrease) / increase in cash and cash equivalents</b>	(13,361,566)	(467,626)
Cash and cash equivalents at beginning of the period	13,661,227	12,963,462
<b>Cash and cash equivalents at end of the period</b>	299,661	12,495,836

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

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

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

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

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

# **HBL Money Market Fund**

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

*For the nine months ended March 31, 2023*

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

HBL Money Market Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on March 18, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 9, 2010. The Fund is required to be registered under the "Sindh Trust Act, 2020". Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

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

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

VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (June 30, 2022: AM++) and the outlook on the rating has been assigned as 'Stable' and the fund stability rating of AA+(f) on December 29, 2022 (2022: AA+(f) on December 31, 2021). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes

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

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

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

2.1.2 The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of IAS-34. These 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 these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2023.

## 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

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

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

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

3.2 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 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, 2022 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

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

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
<b>4</b>	<b>BANK BALANCES</b>	Note	----- (Rupees in '000) -----
	Balances with banks in:		
	- Savings accounts	4.1	13,661,227
		<u>299,661</u>	<u>13,661,227</u>
4.1	This represents bank accounts held with different banks including with Habib Bank Limited (a related party) of Rs. 71.36 million (June 30, 2022: 6,022 million). Mark-up rates on these accounts ranges between 8.00% - 19.50% per annum (June 30, 2022: 5% - 16.70% per annum).		
<b>5.</b>	<b>INVESTMENTS</b>	Note	----- (Rupees in '000) -----
	<b>Financial asset at fair value through profit or loss</b>		
	- Government Securities - Market Treasury Bills	5.1	6,563,944
	- Government Securities - Pakistan Investment Bonds	5.2	3,446,550
	- Sukuk Certificates	5.3	935,000
	- Letter of Placements	5.4	1,400,000
	- Commercial Papers	5.5	1,050,515
		<u>12,477,286</u>	<u>1,985,515</u>

## 5.1 Investment in Government Securities - Market Treasury Bills

Name of the security	Issue date	Face value				Carrying Value as at March 31, 2023	Market Value as at March 31, 2023	Market value as a % of	
		As at July 01, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023			Total Investments	Net Assets
----- (Rupees in '000) -----									
Treasury bills - 3 months	30-Jun-22	-	7,764,000	7,764,000	-	-	-	-	-
Treasury bills - 3 months	14-Jul-22	-	18,000,000	18,000,000	-	-	-	-	-
Treasury bills - 3 months	28-Jul-22	-	114,559,600	114,559,600	-	-	-	-	-
Treasury bills - 3 months	11-Aug-22	-	2,635,000	2,635,000	-	-	-	-	-
Treasury bills - 3 months	25-Aug-22	-	2,200,000	2,200,000	-	-	-	-	-
Treasury bills - 3 months	8-Sep-22	-	382,000	382,000	-	-	-	-	-
Treasury bills - 3 months	22-Sep-22	-	4,800,000	4,800,000	-	-	-	-	-
Treasury bills - 3 months	6-Oct-22	-	13,980,000	13,980,000	-	-	-	-	-
Treasury bills - 3 months	20-Oct-22	-	17,683,000	17,683,000	-	-	-	-	-
Treasury bills - 3 months	3-Nov-22	-	6,928,000	6,928,000	-	-	-	-	-
Treasury bills - 3 months	17-Nov-22	-	9,000,000	9,000,000	-	-	-	-	-
Treasury bills - 3 months	15-Dec-22	-	800,000	800,000	-	-	-	-	-
Treasury bills - 3 months	1-Dec-22	-	5,930,000	5,930,000	-	-	-	-	-
Treasury bills - 3 months	29-Dec-22	-	4,107,390	4,107,390	-	-	-	-	-
Treasury bills - 3 months	26-Jan-23	-	14,073,000	8,521,000	5,552,000	5,495,035	5,493,721	44.03%	42.80%
Treasury bills - 3 months	9-Feb-23	-	7,900,000	7,900,000	-	-	-	-	-
Treasury bills - 3 months	9-Mar-23	-	3,858,500	2,750,000	1,108,500	1,071,406	1,070,223	8.58%	8.34%
Treasury bills - 6 months	28-Jul-22	-	420,650	420,650	-	-	-	-	-
Treasury bills - 6 months	25-Aug-22	-	640,000	640,000	-	-	-	-	-
Treasury bills - 6 months	27-Jan-22	-	5,500,000	5,500,000	-	-	-	-	-
Treasury bills - 6 months	10-Mar-22	-	3,300,000	3,300,000	-	-	-	-	-
Treasury bills - 6 months	7-Apr-22	-	1,000,000	1,000,000	-	-	-	-	-
Treasury bills - 6 months	21-Apr-22	-	1,620,000	1,620,000	-	-	-	-	-
Treasury bills - 6 months	6-Oct-22	-	500,000	500,000	-	-	-	-	-
Treasury bills - 6 months	20-Oct-22	-	250,000	250,000	-	-	-	-	-
<b>Total - As at March 31, 2023</b>		-	<b>247,831,140</b>	<b>241,170,640</b>	<b>6,660,500</b>	<b>6,566,441</b>	<b>6,563,944</b>	<b>52.61%</b>	<b>51.14%</b>
<b>Total - As at June 30, 2022</b>									

## 5.2 Investment in Government Securities - Pakistan Investment Bonds

Issue Date	Tenure	Face value				Carrying Value as at March 31, 2023	Market Value as at March 31, 2023	Market value as a % of	
		As at July 01, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023			Total Investments	Net Assets
----- (Rupees in '000) -----									
<b>Pakistan Investment Bonds</b>									
June 18, 2020	3 Years	-	30,472,000	30,472,000	-	-	-	-	-
August 26, 2021	2 Years	-	4,950,000	1,500,000	3,450,000	3,440,019	3,446,550	27.62%	26.85%
<b>Total - As at March 31, 2023</b>		-	<b>35,422,000</b>	<b>31,972,000</b>	<b>3,450,000</b>	<b>3,440,019</b>	<b>3,446,550</b>	<b>27.62%</b>	<b>26.85%</b>
<b>Total - As at June 30, 2022</b>									

## 5.3 Investment in Sukuk Certificates

Name of Company	Face value				Carrying Value as at March 31, 2023	Market Value as at March 31, 2023	Market value as a % of		
	As at July 01, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023			Total Investments	Net Assets	
----- (Rupees in '000) -----									
<b>POWER GENERATION AND DISTRIBUTION</b>									
K-Electric Limited	2,500	-	2,500	-	-	-	-	-	-
Lucky Electric Power Company Limited	6,000	-	6,000	-	-	-	-	-	-
The Hub Power Company Limited	850	-	850	-	-	-	-	-	-
China Power Hub Generation Company Ltd	-	6,500	6,500	-	-	-	-	-	-
K-Electric Limited	-	2,500	2,500	-	-	-	-	-	-
Lucky Electric Power Company Limited	-	5,730	3,000	2,730	273,000	273,000	2.19%	2.13%	
K-Electric Limited	-	4,980	-	4,980	498,000	498,000	3.99%	3.88%	
<b>Total - As at March 31, 2023</b>	<b>9,350</b>	<b>19,710</b>	<b>21,350</b>	<b>7,710</b>	<b>771,000</b>	<b>771,000</b>	<b>6.18%</b>	<b>6.01%</b>	
<b>Total - As at June 30, 2022</b>					<b>935,000</b>	<b>935,000</b>			

Details of Sukuks are as follows:

Name of Company	Face Value	Rate of Return	Issue Date	Maturity Date
K-Electric Limited	100,000	13.98%	12-Apr-22	12-Oct-22
Lucky Electric Power Company Limited	100,000	14.23%	14-Apr-22	14-Oct-22
The Hub Power Company Limited	100,000	15.10%	27-Apr-23	27-Oct-22
China Power Hub Generation Company Ltd	100,000	17.06%	28-Jul-22	28-Jan-23
K-Electric Limited	100,000	18.30%	29-Aug-22	28-Feb-23
Lucky Electric Power Company Limited	100,000	19.44%	14-Oct-22	13-Apr-23
K-Electric Limited	100,000	22.42%	13-Dec-22	13-Jun-23

## 5.4 Investment in Letter of Placements

Name of Company	Maturity Date	Face Value as at March 31, 2023				Carrying Value / Market Value as at March 31, 2023	Market value as a % of	
		As at July 01, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023		Total Investments	Net Assets
		----- (Rupees in '000) -----				----- % -----		
Saudi Pak Industrial and Agr. Company Ltd	29-Jul-22	-	1,500,000	1,500,000	-	-	-	-
Saudi Pak Industrial and Agr. Company Ltd	14-Sep-22	-	1,450,000	1,450,000	-	-	-	-
Pak Oman Investment Company Limited	29-Jul-22	-	1,600,000	1,600,000	-	-	-	-
Pak Oman Investment Company Limited	12-Aug-22	-	1,000,000	1,000,000	-	-	-	-
Pak Oman Investment Company Limited	16-Aug-22	-	1,200,000	1,200,000	-	-	-	-
Pak Oman Investment Company Limited	17-Aug-22	-	1,200,498	1,200,498	-	-	-	-
Pak Oman Investment Company Limited	18-Aug-22	-	1,600,000	1,600,000	-	-	-	-
Pak Oman Investment Company Limited	19-Aug-22	-	1,600,666	1,600,666	-	-	-	-
Pak Oman Investment Company Limited	23-Aug-22	-	1,600,000	1,600,000	-	-	-	-
Pak Oman Investment Company Limited	25-Aug-22	-	1,600,000	1,600,000	-	-	-	-
Pak Oman Investment Company Limited	26-Aug-22	-	1,500,000	1,500,000	-	-	-	-
Pak Oman Investment Company Limited	9-Sep-22	-	1,500,000	1,500,000	-	-	-	-
Pak Oman Investment Company Limited	14-Sep-22	-	1,500,000	1,500,000	-	-	-	-
Pak Oman Investment Company Limited	15-Sep-22	-	1,500,621	1,500,621	-	-	-	-
Pak Oman Investment Company Limited	20-Sep-22	-	400,000	400,000	-	-	-	-
Pak Oman Investment Company Limited	5-Oct-22	-	1,000,000	1,000,000	-	-	-	-
Pak Oman Investment Company Limited	11-Oct-22	-	1,000,000	1,000,000	-	-	-	-
Pak Oman Investment Company Limited	16-Dec-22	-	500,000	500,000	-	-	-	-
Pak Oman Investment Company Limited	28-Dec-22	-	600,000	600,000	-	-	-	-
Pak Kuwait Investment Company Limited	23-Aug-22	-	1,600,000	1,600,000	-	-	-	-
Pak Kuwait Investment Company Limited	30-Sep-22	-	600,000	600,000	-	-	-	-
Pak Kuwait Investment Company Limited	2-Nov-22	-	800,000	800,000	-	-	-	-
Pak Kuwait Investment Company Limited	3-Nov-22	-	800,343	800,343	-	-	-	-
Pak Kuwait Investment Company Limited	4-Nov-22	-	1,200,677	1,200,677	-	-	-	-
Pak Kuwait Investment Company Limited	7-Nov-22	-	1,201,184	1,201,184	-	-	-	-
Pak Kuwait Investment Company Limited	15-Nov-22	-	400,000	400,000	-	-	-	-
Pak Kuwait Investment Company Limited	16-Dec-22	-	1,000,000	1,000,000	-	-	-	-
Pak Kuwait Investment Company Limited	26-Dec-22	-	400,000	400,000	-	-	-	-
Pak Brunei Investment Company Limited	3-Nov-22	-	300,000	300,000	-	-	-	-
Pak Brunei Investment Company Limited	4-Nov-22	-	400,125	400,125	-	-	-	-
Pak Brunei Investment Company Limited	15-Dec-22	-	550,000	550,000	-	-	-	-
Askari Bank Limited	29-Jul-22	-	1,600,000	1,600,000	-	-	-	-
Askari Bank Limited	23-Aug-22	-	1,600,000	1,600,000	-	-	-	-
Askari Bank Limited	26-Aug-22	-	1,500,000	1,500,000	-	-	-	-
Askari Bank Limited	9-Sep-22	-	1,500,000	1,500,000	-	-	-	-
Meezan Bank Limited	6-Jan-23	-	1,100,000	1,100,000	-	-	-	-
Askari Bank Limited	24-Jan-23	-	1,100,000	1,100,000	-	-	-	-
Pak Kuwait Investment Company Limited	27-Jan-23	-	1,100,000	1,100,000	-	-	-	-
Pak China Investment Company Limited	24-Jan-23	-	1,000,000	1,000,000	-	-	-	-
Pak Brunei Investment Company Limited	13-Jan-23	-	1,000,000	1,000,000	-	-	-	-
Askari Bank Limited	26-Jan-23	-	1,000,000	1,000,000	-	-	-	-
Pak Oman Investment Company Limited	26-Jan-23	-	1,100,000	1,100,000	-	-	-	-
Pak Kuwait Investment Company Limited	3-Feb-23	-	1,100,000	1,100,000	-	-	-	-
Pak Oman Investment Company Limited	3-Feb-23	-	1,100,000	1,100,000	-	-	-	-
Pak Brunei Investment Company Limited	3-Feb-23	-	400,000	400,000	-	-	-	-
Askari Bank Limited	28-Feb-23	-	1,100,000	1,100,000	-	-	-	-
Pak Oman Investment Company Limited	10-Feb-23	-	1,000,000	1,000,000	-	-	-	-
Pak Kuwait Investment Company Limited	17-Feb-23	-	1,200,000	1,200,000	-	-	-	-
Pak Brunei Investment Company Limited	17-Feb-23	-	1,200,000	1,200,000	-	-	-	-
Pak Brunei Investment Company Limited	21-Feb-23	-	1,400,000	1,400,000	-	-	-	-
Meezan Bank Limited	21-Feb-23	-	1,400,000	1,400,000	-	-	-	-
Pak Oman Investment Company Limited	22-Feb-23	-	1,300,000	1,300,000	-	-	-	-
Meezan Bank Limited	24-Feb-23	-	1,400,000	1,400,000	-	-	-	-
Pak Oman Investment Company Limited	24-Feb-23	-	1,400,000	1,400,000	-	-	-	-
Saudi Pak Industrial and Agr. Company Ltd	24-Feb-23	-	1,400,000	1,400,000	-	-	-	-
Pak Oman Investment Company Limited	8-Mar-23	-	1,200,000	1,200,000	-	-	-	-
Meezan Bank Limited	22-Mar-23	-	1,400,000	1,400,000	-	-	-	-
Meezan Bank Limited	28-Mar-23	-	1,410,000	1,410,000	-	-	-	-
Bank Alfalah Limited	7-Apr-23	-	1,400,000	-	1,400,000	1,400,000	11.22%	10.91%
<b>Total - As at March 31, 2023</b>		-	<b>67,514,114</b>	<b>66,114,114</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>11.22%</b>	<b>10.91%</b>
<b>Total - As at June 30, 2022</b>								

## 5.5 Investment in Commercial Papers

Name of Company	Issue Date	Face Value as at March 31, 2023				Carrying Value / Market Value as at March 31, 2023	Market value as a % of	
		As at July 01, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023		Total Investments	Net Assets
		----- (Rupees in '000) -----				----- % -----		
China Power Hub Generation Co. Ltd	13-Apr-22	500,000	-	500,000	-	-	-	-
Lucky Electric Power Company Limited	12-Apr-22	600,000	-	600,000	-	-	-	-
Lucky Electric Power Company Limited	1-Nov-22	-	300,000	-	300,000	295,792	2.37%	2.30%
<b>Total as at March 31, 2022</b>		<b>1,100,000</b>	<b>300,000</b>	<b>1,100,000</b>	<b>300,000</b>	<b>295,792</b>	<b>2.37%</b>	<b>2.30%</b>
<b>Total - As at June 30, 2022</b>						<b>1,050,515</b>	<b>1,050,515</b>	

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>6. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management fee	6.1	6,264	8,421
Sindh sales tax on Management Company's remuneration	6.2	814	1,095
Sale load payable to management company		2,555	5,712
Selling and marketing payable to management company	6.3	22,662	18,708
Allocation of expenses related to registrar services, accounting, operations and valuation services	6.4	<u>8,795</u>	<u>7,863</u>
		<u>41,090</u>	<u>41,799</u>

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

6.2 The Sindh 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.

6.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) up to a maximum limit approved by the Board of Directors of the Management Company as part of annual plan. The Management Company based on its own discretion has charged allocated expenses at the rates ranging from 0.60% to 0.70% (June 30, 2022: 0.05% to 0.70%).

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

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		189	508
Withholding tax payable		532	130,484
Capital gain tax payable		19,136	17,066
Federal Excise Duty on management's remuneration	7.1	41,211	41,211
Advance received against units to be issued		2,500	2,500
Others		1,177	507
		<u>64,745</u>	<u>192,276</u>

7.1 The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in the 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 by Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying a provision for FED to Rs. 41.211 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2023 would have been higher by Rs. 0.3673 per unit (June 30, 2022: 0.27 per unit)

## 8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

9. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

10. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

	(Un-Audited)	
	Nine month ended March 31,	
	2023	2022
	----- (Rupees in '000) -----	
<b>10.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee inclusive of Sales tax	77,350	49,556
Allocation of expenses related to registrar services, accounting, operation and valuation services	67,658	7,326
Selling and Marketing	67,658	7,326
Issue of Units: Nil units (2022: 48,001 units)	-	5,002
Redemption of Units: Nil units (2022: 48,001 units)	-	5,127
<b>Habib Bank Limited - Sponsor</b>		
Mark-up earned during the period	76,067	161,422
Redemption of Units: 4,603,276 units (2022: Nil units)	489,508	-
<b>Habib Bank Limited - Treasury Division</b>		
Redemption of Units: 681,844 units (2022: Nil units)	72,507	-
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation</b>		
<b>Plan - Connected Persons</b>		
Issue of Units : Nil units (2022: 77,493 units)	-	8,378
Redemption of Units: 47,588 units (2022: 415,412 units)	5,045	45,244
<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation</b>		
<b>Plan - Connected Persons</b>		
Redemption of Units: 11,931 units (2022: Nil units)	1,308	-
<b>HBL Asset Management Limited Employees Gratuity Fund - Associate</b>		
Issue of Units : 21,159 units (2022: Nil units)	2,300	-
<b>HBL Asset Management Limited Employees Provident Fund - Associate</b>		
Issue of Units : 73,597 units (2022: Nil units)	8,000	-

		(Un-Audited)	
		Nine month ended March 31,	
		2023	2022
		----- (Rupees in '000) -----	
	<b>Pakistan Petroleum Limited - Connected Persons</b>		
	Issue of Units: Nil units (2022: 7,968 units)	-	847
	Redemption of Units: Nil units (2022: 7,968 units)	-	862
	<b>CDC Trustee HBL Financial Sector Income Plan 1 Fund</b>		
	Purchase of PIB	450,000	-
	<b>CDC Trustee HBL Islamic Money Market Fund</b>		
	Purchase of commercial paper KEL - ICP	-	69,557
	Sale of commercial paper KEL - ICP	-	63,839
	<b>CDC Trustee HBL Cash Fund</b>		
	Sale of Government securities - T-bills	-	3,996,555
	Sale of Commercial Paper LEPCL-ICP	302,555	-
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration of the Trustee	6,563	7,037
	<b>Directors, Executives and Key Management personnel</b>		
	Issue of Units: 72,440 (2022: 24,689 units)	7,908	2,554
	Redemption of Units: 98,472 units (2022: 37,722 units)	10,618	3,924
		(Un-Audited)	(Audited)
		March 31,	June 30,
		2023	2022
		----- (Rupees in '000) -----	
<b>10.2</b>	<b>Amounts outstanding as at period / year end</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Management Fee	6,264	8,421
	Sindh Sales Tax	814	1,095
	Allocation of expenses related to registrar services, accounting, operation and valuation services	8,795	7,863
	Sales load payable	2,555	5,712
	Selling and Marketing	22,662	18,708
	<b>Habib Bank Limited - Sponsor</b>		
	Units held: Nil units (June 30, 2022: 4,603,276 units)	-	473,343
	Bank balances	71,359	6,022,432
	<b>Habib Bank Limited - Treasury Division</b>		
	Units held: Nil units (June 30, 2022: 681,844 units)	-	70,112
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	689	638
	Sindh Sales tax	90	83
	<b>Directors, Executives and Key Management personnel</b>		
	Units held: 20,612 units (June 30, 2022: 46,644 units)	2,358	4,796
	<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Fund - Associate</b>		
	Units held: 12,907 units (June 30, 2022: 60,495 units)	1,477	6,221
	<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Fund - Associate</b>		
	Units held: Nil units (June 30, 2022: 11,931 units)	-	1,227

## 11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2023 is 1.50% (March 31, 2022: 0.53%) which includes 0.08% (March 31, 2022: 0.06%) representing government levies and SECP fee.

## 12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (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).

As at March 31, 2023 the fund held the following financial instruments measured at:

	March 31, 2023			Total
	Level 1	Level 2	Level 3	
<b>Financial assets measured at 'fair value through profit or loss'</b>	----- (Rupees in '000) -----			
- Government Securities - Market Treasury Bills	-	6,563,944	-	6,563,944
- Government Securities - Pakistan Investment Bonds	-	3,446,550	-	3,446,550
- Sukuk Certificates	-	771,000	-	771,000
- Letter of Placements	-	1,400,000	-	1,400,000
- Commercial Papers	-	295,792	-	295,792
	-	12,477,286	-	12,477,286
	June 30, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at 'fair value through profit or loss'</b>	----- (Rupees in '000) -----			
- Commercial Paper	-	1,050,515	-	1,050,515
- Sukuk Certificates	-	935,000	-	935,000
	-	1,985,515	-	1,985,515

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**13. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial information were authorized for issue by the Board of Directors of the Management Company on April 28, 2023.

**14. GENERAL**

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

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Cash Fund**

## FUND INFORMATION

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

**HBL Cash Fund**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2023**

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	7,976,087	33,290,444
Investments	5	33,285,936	2,850,342
Profit / mark-up receivable		383,370	514,489
Advances, deposits and prepayments	6	9,400,311	1,132
<b>TOTAL ASSETS</b>		<b>51,045,704</b>	<b>36,656,407</b>
<b>LIABILITIES</b>			
Payable to the Management Company	7	66,506	16,724
Payable to the Trustee	8	2,354	1,537
Payable to Securities and Exchange Commission of Pakistan	9	5,625	6,139
Payable against purchase of investments - net		7,829,879	484,070
Accrued expenses and other liabilities	10	170,292	81,629
<b>TOTAL LIABILITIES</b>		<b>8,074,656</b>	<b>590,099</b>
<b>NET ASSETS</b>		<b>42,971,048</b>	<b>36,066,308</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>42,971,048</b>	<b>36,066,308</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	----- (Number of Units) -----	
<b>Number of units in issue</b>		<b>418,370,451</b>	<b>355,820,022</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>102.7105</b>	<b>101.3611</b>

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

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

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

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

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

**HBL Cash Fund**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

Note	Nine Months ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
	------(Rupees in '000)-----			
<b>Income</b>				
Capital (loss) / gain on sale of investments - net	(60,633)	(3,372)	(18,867)	1,263
Income from government securities	2,485,922	729,340	949,628	323,441
Income from money market transactions and placements	642,583	184,423	448,793	82,179
Income from corporate sukuk bonds	117,847	-	35,311	-
Mark-up on bank deposits	1,383,374	1,391,265	441,661	541,027
	4,569,093	2,301,656	1,856,526	947,910
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	10,905	180	10,503	(4,817)
	4,579,998	2,301,836	1,867,029	943,093
<b>Expenses</b>				
Remuneration of the Management Company	163,692	64,327	82,237	20,380
Sindh Sales Tax on remuneration of the Management Company	21,280	8,363	10,691	2,650
Remuneration of the Trustee	15,468	14,103	5,872	4,699
Sindh Sales Tax on remuneration of the Trustee	2,011	1,833	763	611
Annual fee to Securities and Exchange Commission of Pakistan	5,625	4,870	2,136	1,709
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services	52,062	2,921	15,683	155
Selling and marketing expense	52,062	2,998	15,683	155
Auditors' remuneration	336	331	110	109
Fee and subscription	129	358	93	123
Securities transaction costs and settlement charges	901	507	609	119
Bank charges	699	566	223	202
Printing charges	75	-	1	-
	314,339	101,177	134,101	30,912
<b>Net income for the period from operating activities</b>	4,265,659	2,200,659	1,732,928	912,181
Reversal of provision for Sindh Workers' Welfare Fund	-	98,533	-	-
<b>Net income for the period before taxation</b>	4,265,659	2,299,192	1,732,928	912,181
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	4,265,659	2,299,192	1,732,928	912,181
<b>Allocation of net income for the period</b>				
Income already paid on redemption	543,526	220,532	284,951	121,474
<b>Accounting income available for distribution:</b>				
Relating to capital gains	-	-	-	-
Excluding capital gains	3,722,133	2,078,660	1,447,977	790,707
	3,722,133	2,078,660	1,447,977	790,707
	4,265,659	2,299,192	1,732,928	912,181
Earnings per unit	13			

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Cash Fund****CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

	<u>Nine Months ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>		<u>March 31,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	------(Rupees in '000)-----			
Net income for the period after taxation	4,265,659	2,299,192	1,732,928	912,181
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>4,265,659</u>	<u>2,299,192</u>	<u>1,732,928</u>	<u>912,181</u>

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

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

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

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

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

## HBL Cash Fund

### CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine Months Ended	
	March 31,	
	2023	2022
Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	4,265,659	2,299,192
Adjustments for:		
Capital loss on sale of investment - net	60,633	3,372
Income from government securities	(2,485,922)	(729,340)
Income from money market placements	(642,583)	(184,423)
Income from corporate sukuk bonds	(117,847)	-
Mark-up on bank deposits	(1,383,374)	(1,391,265)
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(10,905)	(180)
	(314,339)	(2,643)
<b>(Increase) in assets</b>		
Investments - net	(30,485,322)	(1,608,497)
Advances, deposits and prepayments	(9,399,179)	(155)
	(39,884,501)	(1,608,652)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	49,782	(788)
Payable to the Trustee	817	(163)
Payable to Securities and Exchange Commission of Pakistan	(514)	(197)
Payable against purchase of investments - net	7,345,809	745,487
Accrued expenses and other liabilities	88,663	(86,295)
	7,484,557	658,044
Cash used in operations	(32,714,283)	(953,251)
Income received from government securities	2,485,922	729,340
Income received from money market placement	399,514	184,423
Income received from corporate sukuk bonds	141,828	-
Mark-up received on bank deposits	1,733,581	1,247,175
	4,760,845	2,160,938
Net cash (used in) / generated from operating activities	(27,953,438)	1,207,687
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	121,805,948	92,802,534
Amount paid on redemption of units	(115,490,817)	(92,373,789)
Dividend paid	(3,676,050)	(2,108,946)
Net cash generated from / (used in) financing activities	2,639,081	(1,680,201)
Net decrease in cash and cash equivalents during the period	(25,314,357)	(472,514)
Cash and cash equivalents at the beginning of the period	33,290,444	26,522,253
Cash and cash equivalents at the end of the period	4 7,976,087	26,049,739

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Cash Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine Months ended March 31,					
	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	35,913,953	152,355	36,066,308	26,431,839	107,572	26,539,411
<b>Issuance of 1,195,147,969 units (2022: 913,162,850 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	121,569,778	-	121,569,778	92,643,862	-	92,643,862
Element of income	236,170	-	236,170	158,672	-	158,672
<b>Total proceeds on issuance of units</b>	121,805,948	-	121,805,948	92,802,534	-	92,802,534
<b>Redemption of 1,132,597,540 units (2022: 909,098,647 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(114,801,333)	-	(114,801,333)	(92,021,429)	-	(92,021,429)
Income already paid on redemption of units	-	(543,526)	(543,526)	-	(220,532)	(220,532)
Element of loss	(145,958)	-	(145,958)	(131,828)	-	(131,828)
<b>Total payments on redemption of units</b>	(114,947,291)	(543,526)	(115,490,817)	(92,153,257)	(220,532)	(92,373,789)
Total comprehensive income for the period	-	4,265,659	4,265,659	-	2,299,192	2,299,192
Interim distribution of Rs. 0.7771 per unit declared on August 06, 2021 as cash dividend	-	-	-	(6,781)	-	(6,781)
Refund of capital	-	-	-	-	(181,837)	(181,837)
Distribution for the period	-	-	-	(58,263)	-	(58,263)
Interim distribution of Rs. 0.9822 per unit declared on September 03, 2021 as cash dividend	-	-	-	-	(245,317)	(245,317)
Refund of capital	-	-	-	(22,942)	-	(22,942)
Distribution for the period	-	-	-	-	(240,509)	(240,509)
Interim distribution of Rs. 0.7675 per unit declared on October 08, 2021 as cash dividend	-	-	-	(8,253)	-	(8,253)
Refund of capital	-	-	-	-	(193,781)	(193,781)
Distribution for the period	-	-	-	(2,178)	-	(2,178)
Interim distribution of Rs. 0.5954 per unit declared on December 03, 2021 as cash dividend	-	-	-	-	(184,572)	(184,572)
Refund of capital	-	-	-	(96,848)	-	(96,848)
Distribution for the period	-	-	-	-	(359,833)	(359,833)
Interim distribution of Rs. 1.1016 per unit declared on January 07, 2022 as cash dividend	-	-	-	(12,731)	-	(12,731)
Refund of capital	-	-	-	-	(315,694)	(315,694)
Distribution for the period	-	-	-	(3,044)	-	(3,044)
Interim distribution of Rs. 0.8326 per unit declared on February 04, 2022 as cash dividend	-	-	-	-	(176,363)	(176,363)
Refund of capital	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
Interim distribution of Rs. 0.7582 per unit declared on March 04, 2022 as cash dividend	(59,495)	-	(59,495)	-	-	-
Refund of capital	-	(449,925)	(449,925)	-	-	-
Distribution for the period	(21,942)	-	(21,942)	-	-	-
Interim distribution of Rs. 1.0143 per unit declared on September 02, 2022 as cash dividend	-	(297,321)	(297,321)	-	-	-
Refund of capital	(67,187)	-	(67,187)	-	-	-
Distribution for the period	-	(430,915)	(430,915)	-	-	-
Interim distribution of Rs. 1.1493 per unit declared on November 07, 2022 as cash dividend	(30,901)	-	(30,901)	-	-	-
Refund of capital	-	(362,441)	(362,441)	-	-	-
Distribution for the period	(22,502)	-	(22,502)	-	-	-
Interim distribution of Rs. 1.0082 per unit declared on December 02, 2022 as cash dividend	-	(329,672)	(329,672)	-	-	-
Refund of capital	(125,694)	-	(125,694)	-	-	-
Distribution for the period	-	(523,117)	(523,117)	-	-	-
Interim distribution of Rs. 1.4979 per unit declared on January 09, 2023 as cash dividend	(80,164)	-	(80,164)	-	-	-
Refund of capital	-	(588,922)	(588,922)	-	-	-
Distribution for the period	(20,380)	-	(20,380)	-	-	-
Interim distribution of Rs. 0.8585 per unit declared on March 06, 2023 as cash dividend	-	(265,472)	(265,472)	-	-	-
Refund of capital	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
<b>Net assets at end of the period</b>	<b>42,344,345</b>	<b>626,703</b>	<b>42,971,048</b>	<b>26,870,076</b>	<b>288,326</b>	<b>27,158,402</b>
<b>Undistributed income brought forward</b>						
Realised income		151,855			107,572	
Unrealised income		500			-	
		152,355			107,572	
<b>Accounting income available for distribution</b>						
Relating to capital gains		-			-	
Excluding capital gains		4,265,659			2,078,660	
		4,265,659			2,078,660	
<b>Distribution for the period:</b>						
Interim distribution of Rs. 0.7771 per unit declared on August 06, 2021 as cash dividend		-			(181,837)	
Interim distribution of Rs. 0.9822 per unit declared on September 03, 2021 as cash dividend		-			(245,317)	
Interim distribution of Rs. 0.7675 per unit declared on October 08, 2021 as cash dividend		-			(240,509)	
Interim distribution of Rs. 0.5907 per unit declared on November 05, 2021 as cash dividend		-			(193,781)	
Interim distribution of Rs. 0.5954 per unit declared on December 03, 2021 as cash dividend		-			(184,572)	
Interim distribution of Rs. 1.1016 per unit declared on January 07, 2022 as cash dividend		-			(359,833)	
Interim distribution of Rs. 0.8326 per unit declared on February 04, 2022 as cash dividend		-			(315,694)	
Interim distribution of Rs. 0.7582 per unit declared on March 04, 2022 as cash dividend		-			(176,363)	
Interim distribution of Rs. 1.6445 per unit declared on August 10, 2022 as cash dividend		(449,925)			-	
Interim distribution of Rs. 1.0143 per unit declared on September 02, 2022 as cash dividend		(297,321)			-	
Interim distribution of Rs. 1.1493 per unit declared on November 07, 2022 as cash dividend		(430,915)			-	
Interim distribution of Rs. 1.0082 per unit declared on December 02, 2022 as cash dividend		(362,441)			-	
Interim distribution of Rs. 1.4979 per unit declared on January 09, 2023 as cash dividend		(329,672)			-	
Interim distribution of Rs. 1.5145 per unit declared on February 13, 2023 as cash dividend		(523,117)			-	
Interim distribution of Rs. 0.8585 per unit declared on March 06, 2023 as cash dividend		(265,472)			-	
		(3,247,785)			(1,897,906)	
<b>Undistributed income carried forward</b>		<b>1,170,229</b>			<b>288,325</b>	
<b>Undistributed income carried forward</b>						
Realised income		615,798			288,146	
Unrealised income		10,905			180	
		626,703			288,326	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period					101.3611	
Net assets value per unit at end of the period					102.7105	
					101.2227	
					102.0024	

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

# **HBL Cash Fund**

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

### **FOR NINE MONTHS ENDED MARCH 31, 2023**

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

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

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

Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund, which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), SA. is the parent company of Habib Bank Limited.

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

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

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

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

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

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

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

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

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

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

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- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2022, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2023.
- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended March 31, 2023 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2023.

## **2.2 Basis of measurement**

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

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

## **2.3 Functional and presentation currency**

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

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

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.

3.4 There are certain standards, interpretations and amendments to approved accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not have a significant effect on this condensed interim financial information.

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

		<b>March 31, 2023 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	----- <b>(Rupees in '000)</b> -----	
<b>4</b>	<b>BANK BALANCES</b>		
	Cash at bank		
	In current account	6	6
	In saving accounts	4.1 <u>7,976,081</u>	<u>33,290,438</u>
		<u>7,976,087</u>	<u>33,290,444</u>
4.1	This represents bank accounts held with various banks. profit rates on these accounts range between 12% to 20.30% per annum (June 30, 2022: 5.00% to 17.62% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 322.643 million (June 30, 2022: Rs. 33,098.328 million) on which return is earned at the range between 13.50% to 19.12% (June 30, 2022: 5.00% to 17.62% per annum).		
<b>5</b>	<b>INVESTMENTS</b>		
	<b>Financial assets</b>		
	At fair value through profit or loss	5.1 26,694,351	1,799,570
	At amortized cost	5.2 <u>6,591,585</u>	<u>1,050,772</u>
		<u>33,285,936</u>	<u>2,850,342</u>
<b>5.1</b>	<b>Financial assets at fair value through profit or loss</b>		
	Market Treasury Bills	5.1.1 16,089,666	484,570
	Pakistan investment bonds	5.1.2 10,304,685	-
	Corporate Sukuk Bonds	5.1.3 <u>300,000</u>	<u>1,315,000</u>
		<u>26,694,351</u>	<u>1,799,570</u>

### 5.1.1 Market Treasury Bills

Issue date	Tenure	Face Value				Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation / (diminution) on re-measurement of investment	Market value as percentage of net assets	Market value as percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023					
(Rupees in '000)										
January 27, 2022	12 Months	-	530,000	530,000	-	-	-	-	0.00%	0.00%
April 7, 2022	6 Months	-	4,850,000	4,850,000	-	-	-	-	0.00%	0.00%
April 21, 2022	6 Months	-	4,000,000	4,000,000	-	-	-	-	0.00%	0.00%
April 28, 2022	6 Months	-	3,500,000	3,500,000	-	-	-	-	0.00%	0.00%
April 28, 2022	6 Months	-	500,000	500,000	-	-	-	-	0.00%	0.00%
June 2, 2022	3 Months	-	800,000	800,000	-	-	-	-	0.00%	0.00%
June 2, 2022	6 Months	-	1,050,000	1,050,000	-	-	-	-	0.00%	0.00%
June 16, 2022	3 Months	-	200,000	200,000	-	-	-	-	0.00%	0.00%
June 30, 2022	3 Months	500,000	48,073,000	48,573,000	-	-	-	-	0.00%	0.00%
July 14, 2022	3 Months	-	30,450,000	30,450,000	-	-	-	-	0.00%	0.00%
July 14, 2022	6 Months	-	200,000	200,000	-	-	-	-	0.00%	0.00%
July 28, 2022	3 Months	-	178,629,200	178,629,200	-	-	-	-	0.00%	0.00%
July 28, 2022	6 Months	-	1,967,000	1,967,000	-	-	-	-	0.00%	0.00%
August 11, 2022	3 Months	-	5,991,700	5,991,700	-	-	-	-	0.00%	0.00%
August 11, 2022	6 Months	-	700,000	700,000	-	-	-	-	0.00%	0.00%
August 25, 2022	3 Months	-	5,960,000	5,960,000	-	-	-	-	0.00%	0.00%
September 8, 2022	3 Months	-	3,000,000	3,000,000	-	-	-	-	0.00%	0.00%
September 22, 2022	3 Months	-	21,830,000	21,830,000	-	-	-	-	0.00%	0.00%
October 6, 2022	3 Months	-	28,141,110	28,141,110	-	-	-	-	0.00%	0.00%
October 6, 2022	6 Months	-	1,500,000	1,500,000	-	-	-	-	0.00%	0.00%
October 20, 2022	3 Months	-	62,582,510	62,582,510	-	-	-	-	0.00%	0.00%
October 20, 2022	6 Months	-	2,500,000	2,500,000	-	-	-	-	0.00%	0.00%
November 3, 2022	3 Months	-	14,050,000	14,050,000	-	-	-	-	0.00%	0.00%
November 17, 2022	3 Months	-	48,475,350	48,475,350	-	-	-	-	0.00%	0.00%
December 1, 2022	3 Months	-	200,000	200,000	-	-	-	-	0.00%	0.00%
December 15, 2022	3 Months	-	3,632,700	3,632,700	-	-	-	-	0.00%	0.00%
January 4, 2023	3 Months	-	13,680,000	13,680,000	-	-	-	-	0.00%	0.00%
January 26, 2023	3 Months	-	69,815,000	56,491,000	13,324,000	13,198,627	13,193,255	(5,372)	30.70%	39.64%
February 9, 2023	3 Months	-	27,557,510	27,557,510	-	-	-	-	0.00%	0.00%
March 9, 2023	3 Months	-	13,630,000	10,630,000	3,000,000	2,899,626	2,896,410	(3,216)	6.74%	8.70%
March 27, 2023	3 Months	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
<b>Total - as at March 31, 2023</b>		<b>500,000</b>	<b>598,995,080</b>	<b>583,171,080</b>	<b>16,324,000</b>	<b>16,098,253</b>	<b>16,089,666</b>	<b>(8,588)</b>	<b>37.44%</b>	<b>48.34%</b>
<b>Total - as at June 30, 2022</b>		<b>-</b>	<b>441,223,000</b>	<b>440,723,000</b>	<b>500,000</b>	<b>484,070</b>	<b>484,570</b>	<b>500</b>	<b>1.34%</b>	<b>17.00%</b>

5.1.1.1 As at March 31, 2023, Market Treasury Bill (T-bill) had a face value of Rs. 16,324 million (June 30, 2022: Rs. 500 million) carrying effective yield of 17.70% to 20.99% (June 30, 2022: 14.71%) per annum.

### 5.1.2 Pakistan investment bonds

Particulars	Tenor	Issue Date	Face value			Balance as at March 31, 2023			Market value as a percentage of		
			As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation / (diminution)	Total investments	Net assets
(Rupees in '000)											
Pakistan investment bonds	3 years	June 18, 2020	-	24,769,900	24,769,900	-	-	-	-	-	
Pakistan investment bonds	2 years	August 26, 2021	-	18,815,000	8,500,000	10,315,000	10,285,192	10,304,685	19,493	0.24	0.31
<b>Total as at March 31, 2023</b>							<b>10,285,192</b>	<b>10,304,685</b>	<b>19,493</b>		
<b>Total as at June 30, 2022</b>							<b>-</b>	<b>-</b>	<b>-</b>		

5.1.2.1 The Pakistan investment bond carry yield of 20.75% (June 30, 2022: nil) per annum and have maturity of August 26, 2023.

### 5.1.3 Corporate Sukuk Bonds

Name of investee company	Tenure	Face value				Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases made during the year	Sales / matured during the year	As at March 31, 2023					
Rupees in '000										
Hub Power Company Limited	6 Months	450,000	-	450,000	-	-	-	-	0.00%	0.00%
K-Electric Limited	6 Months	450,000	-	450,000	-	-	-	-	0.00%	0.00%
K-Electric Limited	6 Months	150,000	-	150,000	-	-	-	-	0.00%	0.00%
K-Electric Limited	6 Months	265,000	-	265,000	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited	6 Months	-	250,000	250,000	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited	6 Months	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited	6 Months	-	300,000	-	300,000	300,000	300,000	-	0.70%	0.90%
<b>Total - as at March 31, 2023</b>		<b>1,315,000</b>	<b>1,050,000</b>	<b>2,065,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>0.70%</b>	<b>0.90%</b>
<b>Total - as at June 30, 2022</b>		<b>-</b>	<b>1,315,000</b>	<b>-</b>	<b>1,315,000</b>	<b>1,315,000</b>	<b>1,315,000</b>	<b>-</b>	<b>3.65%</b>	<b>46.13%</b>

5.1.3.1 These Corporate Sukuk Bonds carry mark-up at the rate ranging between 17.07% to 18.45% (June 30, 2022: 11.61% to 15.10%) per annum.

	Note	March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
----- (Rupees in '000) -----			
<b>5.2 Financial assets at amortised cost</b>			
Commercial papers	5.2.1	591,585	1,050,772
Letter of placements	5.2.2	6,000,000	-
		6,591,585	1,050,772

### 5.2.1 Commercial papers

Name of investee company	Maturity date	As at July 1, 2022	Placement made during the year	Income accrued	Matured / sold during the year	As at March 31, 2023	Percentage of net assets	Percentage of total of investments
----- (Rupees in '000) -----								
China Power Hub Generation Company (Private) Limited	October 9, 2022	481,719	-	18,281	500,000	-	0.00%	0.00%
Lucky Electric Power Company Limited	November 2, 2022	569,053	-	30,947	600,000	-	0.00%	0.00%
Lucky Electric Power Company Limited	May 2, 2023	-	552,251	39,334	-	591,585	1.38%	1.78%
<b>Total - as at March 31, 2023</b>		1,050,772	552,251	88,562	1,100,000	591,585	1.38%	1.78%
<b>Total - as at June 30, 2022</b>		-	2,493,555	137,850	1,580,633	1,050,772	2.91%	36.86%

5.2.1.1 As at March 31, 2023, commercial papers issued by K-Electric Limited had a carrying value of Rs. 591.585 million (June 30, 2022: Nil) carrying effective yield of 8.65% (June 30, 2022: Nil) per annum.

### 5.2.2 Letter of placements

Particulars	Maturity date	As at July 1, 2022	Placement made during the year	Sold / Matured during the year	As at March 31, 2023	Carrying value as at March 31, 2023	Percentage of net assets	Percentage of total of investments
----- (Rupees in '000) -----								
Saudi Pak Industrial And Agricultural Investment Company Limited	July 29, 2022	-	3,500,000	3,500,000	-	-	0.00%	0.00%
Askari Bank Limited	July 20, 2022	-	2,600,000	2,600,000	-	-	0.00%	0.00%
Askari Bank Limited	July 22, 2022	-	2,700,000	2,700,000	-	-	0.00%	0.00%
Askari Bank Limited	July 29, 2022	-	2,900,000	2,900,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	July 29, 2022	-	2,900,000	2,900,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 12, 2022	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 16, 2022	-	1,800,000	1,800,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 17, 2022	-	2,300,747	2,300,747	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 18, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	August 23, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 19, 2022	-	3,201,333	3,201,333	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 23, 2022	-	3,400,000	3,400,000	-	-	0.00%	0.00%
Askari Bank Limited	August 23, 2022	-	3,400,000	3,400,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 25, 2022	-	3,300,000	3,300,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 26, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Askari Bank Limited	August 26, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 1, 2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 2, 2022	-	2,503,123	2,503,123	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 9, 2022	-	3,000,000	3,000,000	-	-	0.00%	0.00%
Askari Bank Limited	September 9, 2022	-	500,000	500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 13, 2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 14, 2022	-	3,200,000	3,200,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 15, 2022	-	3,201,324	3,201,324	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 20, 2022	-	400,000	400,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	September 30, 2022	-	600,000	600,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	October 10, 2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	October 10, 2022	-	630,000	630,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	October 10, 2022	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	October 11, 2022	-	3,000,000	3,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 2, 2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 3, 2022	-	2,000,858	2,000,858	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	November 3, 2022	-	450,000	450,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	November 4, 2022	-	450,188	450,188	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 7, 2022	-	450,000	450,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 7, 2022	-	275,000	275,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	November 15, 2022	-	1,400,000	1,400,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	December 15, 2022	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 15, 2022	-	1,750,000	1,750,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 15, 2022	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	December 16, 2022	-	3,000,000	3,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 16, 2022	-	850,000	850,000	-	-	0.00%	0.00%

Particulars	Maturity date	As at July 1, 2022	Placement made during the year	Sold / Matured during the year	As at March 31, 2023	Carrying value as at March 31, 2023	Percentage of net assets	Percentage of total of investments
----- (Rupees in '000) -----								
Pak Oman Investment Company Limited	December 16, 2022	-	2,900,000	2,900,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 21, 2022	-	40,000	40,000	-	-	0.00%	0.00%
Askari Bank Limited	December 21, 2022	-	1,300,000	1,300,000	-	-	0.00%	0.00%
Askari Bank Limited	December 21, 2022	-	2,600,000	2,600,000	-	-	0.00%	0.00%
Askari Bank Limited	December 23, 2022	-	4,400,000	4,400,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	December 23, 2022	-	350,000	350,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	December 26, 2022	-	4,000,000	4,000,000	-	-	0.00%	0.00%
Askari Bank Limited	December 27, 2022	-	2,800,000	2,800,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 29, 2022	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 29, 2022	-	2,300,000	2,300,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	December 28, 2022	-	1,400,000	1,400,000	-	-	0.00%	0.00%
Meezan Bank Limited	January 6, 2023	-	4,300,000	4,300,000	-	-	0.00%	0.00%
Pak China Investment Company Limited	January 6, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	January 27, 2023	-	4,500,000	4,500,000	-	-	0.00%	0.00%
Askari Bank Limited	January 24, 2023	-	4,500,000	4,500,000	-	-	0.00%	0.00%
Saudi Pak Industrial And Agricultural Investment Company Limited	January 24, 2023	-	1,200,000	1,200,000	-	-	0.00%	0.00%
Pak China Investment Company Limited	January 17, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak China Investment Company Limited	January 24, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	January 19, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	January 19, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	January 24, 2023	-	3,900,000	3,900,000	-	-	0.00%	0.00%
Saudi Pak Industrial And Agricultural Investment Company Limited	January 24, 2023	-	1,800,000	1,800,000	-	-	0.00%	0.00%
Meezan Bank Limited	January 24, 2023	-	3,900,000	3,900,000	-	-	0.00%	0.00%
Pak China Investment Company Limited	January 25, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	January 26, 2023	-	3,900,000	3,900,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	January 26, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Askari Bank Limited	January 26, 2023	-	4,000,000	4,000,000	-	-	0.00%	0.00%
Pak China Investment Company Limited	January 25, 2023	-	500,000	500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	January 26, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	January 27, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	February 3, 2023	-	4,200,000	4,200,000	-	-	0.00%	0.00%
Askari Bank Limited	January 31, 2023	-	1,600,000	1,600,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	February 3, 2023	-	2,200,000	2,200,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	February 3, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	February 3, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	February 3, 2023	-	200,000	200,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	February 3, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Askari Bank Limited	February 28, 2023	-	2,200,000	2,200,000	-	-	0.00%	0.00%
Askari Bank Limited	February 28, 2023	-	1,300,000	1,300,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	March 17, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	February 17, 2023	-	500,000	500,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	February 17, 2023	-	4,000,000	4,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	February 17, 2023	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	February 17, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Saudi Pak Industrial And Agricultural Investment Company Limited	February 17, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Saudi Pak Industrial And Agricultural Investment Company Limited	February 17, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	February 16, 2023	-	3,000,000	3,000,000	-	-	0.00%	0.00%
Saudi Pak Industrial And Agricultural Investment Company Limited	February 21, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Saudi Pak Industrial And Agricultural Investment Company Limited	February 21, 2023	-	1,410,000	1,410,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	February 21, 2023	-	4,400,000	4,400,000	-	-	0.00%	0.00%
Meezan Bank Limited	February 21, 2023	-	4,400,000	4,400,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	February 22, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	February 22, 2023	-	2,200,000	2,200,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	February 22, 2023	-	2,200,000	2,200,000	-	-	0.00%	0.00%
Meezan Bank Limited	February 24, 2023	-	4,400,000	4,400,000	-	-	0.00%	0.00%
Saudi Pak Industrial And Agricultural Investment Company Limited	February 24, 2023	-	330,000	330,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	February 24, 2023	-	600,000	600,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	February 27, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Saudi Pak Ind. & Agri Investment Company Limited	March 3, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	March 3, 2023	-	1,230,000	1,230,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	March 3, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Saudi Pak Industrial And Agricultural Investment Company Limited	April 5, 2023	-	1,500,000	-	1,500,000	1,500,000	3.49%	4.51%
Saudi Pak Industrial And Agricultural Investment Company Limited	April 5, 2023	-	1,500,000	-	1,500,000	1,500,000	3.49%	4.51%
Pak Oman Investment Company Limited	March 8, 2023	-	1,800,000	1,800,000	-	-	0.00%	0.00%
Bank Alfalah Limited	March 22, 2023	-	3,000,000	3,000,000	-	-	0.00%	0.00%
Meezan Bank Limited	March 27, 2023	-	1,450,000	1,450,000	-	-	0.00%	0.00%
Meezan Bank Limited	March 28, 2023	-	3,025,000	3,025,000	-	-	0.00%	0.00%
Bank Alfalah Limited	April 7, 2023	-	3,000,000	-	3,000,000	3,000,000	6.98%	9.01%
Pak Oman Investment Company Limited	March 29, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
<b>Total - as at March 31, 2023</b>		-	<b>241,697,573</b>	<b>235,697,573</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>13.96%</b>	<b>18.03%</b>
<b>Total - as at June 30, 2022</b>		-	-	-	-	-	0.00%	0.00%

5.2.2.1 These Letter of Placements carry mark-up at the rate ranging between 14.05% to 20.62% (June 30, 2022: Nil) per annum.

		<b>March 31, 2023 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>6</b>	<b>ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
	Security deposit with		
	Central Depository Company of Pakistan Limited	100	100
	Prepaid expenses	9,399,179	-
	Advance tax	1,032	1,032
		<u>9,400,311</u>	<u>1,132</u>
6.1	The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Furthermore, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001.		
	The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R", dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application.		
<b>7</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration payable to the Management Company	38,967	5,658
	Sindh sales tax payable on the		
	Management Company's remuneration	5,066	735
	Allocation of expenses related to registrar services,		
	accounting, operation and valuation services	6,427	1,976
	Sales load payable	364	835
	Selling and marketing expenses payable	15,682	7,520
		<u>66,506</u>	<u>16,724</u>
<b>8</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee payable	2,083	1,360
	Sindh sales tax payable on the		
	remuneration of the Trustee	271	177
		<u>2,354</u>	<u>1,537</u>
<b>9</b>	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee payable	5,625	6,139
<b>10</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty	7,528	7,528
	Withholding tax payable	159,163	73,445
	Sales load payable	2,648	-
	Auditors' remuneration	98	207
	Brokerage payable	647	174
	Other charges payable	26	121
	Zakat payable	182	154
		<u>170,292</u>	<u>81,629</u>

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10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022. However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 7.528 million (June 30, 2022: Rs. 7.528 million). Had the provision not been made, the net asset value per unit of the Fund as at March 31, 2023 would have been higher by Rs. 0.0180 per unit (June 30, 2022: Rs. 0.0212 per unit).

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2023 (June 30, 2022: Nil).

## 12 TAXATION

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

## 13 EARNINGS PER UNIT

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

## 14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

		Nine months ended March 31,	
		2023	2022
		----- (Un-Audited) -----	
		----- (Rupees in '000) -----	
<b>14.1</b>	<b>Transaction during the period</b>		
	<b>HBL Asset Management Limited</b>		
	Remuneration of the Management Company	163,692	64,327
	Sindh Sales Tax on remuneration of the Management Company	21,280	8,363
	Allocation of expenses related to registrar services, accounting, operation and valuation services	52,062	2,921
	Selling and marketing expense	52,062	2,998
	Issuance of 3,956,875 units (2022: 2,742,760 units)	401,274	277,881
	Redemption of 3,377,982 units (2022: 2,979,515 units)	345,000	303,000
	Dividend paid	4,491	3,094
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration of the Trustee	15,468	14,103
	Sindh Sales Tax on remuneration of the Trustee	2,011	1,833
	CDS connection charges	25	37
	<b>Habib Bank Limited - Sponsor</b>		
	Mark-up on bank deposits	136,467	552,145
	Bank charges paid	697	557
	Purchase of Market Treasury Bills	25,644,808	-
	Sale of Market Treasury Bills	24,718,231	-
	Purchase of Pakistan Investment Bonds	25,212,168	-
	Sale of Pakistan Investment Bonds	25,228,188	-
	<b>Directors and Executives of the Management Company</b>		
	Issuance of 611,133 (2022: 186,016) units	62,158	18,927
	Redemption of 588,004 (2022: 210,873) units	59,987	21,401
	Dividend paid	929	730
	<b>DCCL Trustee HBL Financial Planning Fund - Active Allocation Plan - Under Common Management</b>		
	Issuance of 671,846 (2022: Nil) units	68,539	-
	Redemption of 4,829 (2022: 14,992) units	491	1,522
	Dividend paid	2,091	-
	<b>DCCL Trustee HBL Financial Planning Fund - Conservative Allocation Plan - Under Common Management</b>		
	Issuance of 41,251 (2022: Nil) units	4,201	-
	Redemption of Nil (2022: Nil) units	-	-
	Dividend paid	1	1
	<b>HBL Asset Management Limited - Employees Gratuity Fund - Associate</b>		
	Issuance of 48,289 (2022: Nil) units	4,895	-
	Dividend paid	182	-

	Nine months ended March 31,	
	2023	2022
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
<b>HBL Asset Management Limited - Employees Provident Fund - Associate</b>		
Issuance of 164,390 (2022: Nil) units	16,663	-
Dividend paid	620	-
<b>Mutual Fund Association of Pakistan - Due to Common Directorship</b>		
Issuance of 2,777 (2022: 65,181) units	282	6,656
Redemption of 54,336 (2022: 15,334) units	5,512	1,560
Dividend paid	331	115
<b>Pakistan Petroleum Limited - Due to Common Directorship</b>		
Issuance of 9,707,152 (2022: Nil) units	983,928	-
Redemption of 9,707,152 (2022: 15,334) units	983,928	-
Dividend paid	14,360	-
<b>Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units</b>		
Issuance of 73,562,009 (2022: Nil) units	7,503,200	-
Redemption of 59,520,216 (2022: Nil) units	6,065,568	-
Dividend paid	-	-
<b>CDC Trustee HBL Money Market Fund - Under Common Management</b>		
Purchase of Corporate Sukuk Bonds	302,555	-
Purchase of Market Treasury Bills	-	4,000,000
Sale of Market Treasury Bills	1,487,586	-
<b>CDC Trustee HBL Equity Fund - Under Common Management</b>		
Purchase of Market Treasury Bills	14,827	-
<b>CDC Trustee HBL Government Securities Fund - Under Common Management</b>		
Purchase of Pakistan Investment Bonds	199,846	-
<b>CDC Trustee HBL Income Fund - Under Common Management</b>		
Purchase of Pakistan Investment Bonds	64,950	-
<b>CDC Trustee HBL Pension - Debt Sub Fund - Under Common Management</b>		
Purchase of Pakistan Investment Bonds	49,961	-
<b>CDC Trustee HBL Total Treasury Exchange Traded Fund - Under Common Management</b>		
Purchase of Market Treasury Bills	198,723	-

	Nine months ended	
	March 31,	
	2023	2022
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
<b>CDC Trustee HBL Multi Asset Fund - Under Common Management</b>		
Purchase of Market Treasury Bills	24,732	-
<b>CDC Trustee HBL Stock Fund - Under Common Management</b>		
Purchase of Market Treasury Bills	24,732	-
<b>CDC Trustee HBL Growth Fund - Under Common Management</b>		
Purchase of Market Treasury Bills	34,625	-
<b>CDC Trustee HBL Islamic Income Fund - Under Common Management</b>		
Purchase of Corporate Sukuk Bonds	259,587	-
<b>CDC Trustee HBL Islamic Money Market Fund - under common management</b>		
Sale of Commercial Papers	-	367,557
<b>CDC Trustee HBL Income Fund- under common management</b>		
Sale of Market Treasury Bills	-	100,000
	<b>March 31,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2022</b>
	<b>(Un-Audited)</b>	<b>(Audited)</b>
	----- (Rupees in '000) -----	
<b>14.2 Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Limited</b>		
Units held: 578,893 (June 30, 2022: Nil)	59,458	-
Payable to Management Company	38,967	5,658
Sindh sales tax on Management Company's remuneration	5,066	735
<b>HBL Asset Management Limited</b>		
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	6,427	1,976
Sales load payable	364	835
Selling and marketing expense payable	15,682	7,520
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	2,354	1,537
Security deposit held	100	100
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	199,524	33,098,328
Mark-up receivable	1,688	351,431
Sales load payable	2,475	-

	<b>March 31, 2023 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
	----- (Rupees in '000) -----	
<b>Directors and Executives of the Management Company</b>		
Units held: 72,971 (June 30, 2022: 78,211)	7,495	7,928
<b>DCCL Trustee HBL Financial Planning Fund - Active Allocation Plan - Under Common Management</b>		
Units held: 667,017 (June 30, 2022: Nil)	68,510	-
<b>DCCL Trustee HBL Financial Planning Fund - Conservative Allocation Plan - Under Common Management</b>		
Units held: 41,388 (June 30, 2021: 137)	4,251	14
<b>HBL Asset Management Limited - Employees Gratuity Fund - Associate</b>		
Units held: 48,289 (June 30, 2022: Nil)	4,960	-
<b>HBL Asset Management Limited - Employees Provident Fund - Associate</b>		
Units held: 164,390 (June 30, 2022: Nil)	16,885	-
<b>Mutual Fund Association of Pakistan - Due to Common Directorship</b>		
Units held: Nil (June 30, 2022: 51,558)	-	5,226
<b>Pakistan Petroleum Limited - Due to Common Directorship</b>		
Units held: Nil (June 30, 2022: Nil)	-	-
<b>Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units</b>		
Units held: 73,562,009 (June 30, 2022: 59,520,216)	7,555,591	6,030,172

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

- 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).

As at March 31, 2023 and June 30, 2022, the Fund held the following instruments measured at fair values:

		Level 1	Level 2	Level 3	Total
	Note	----- (Rupees in '000) -----			
<b>March 31, 2023 (Un-audited)</b>					
<b>At fair value through profit or loss</b>	15.1.1				
Market Treasury Bills		-	16,089,666	-	16,089,666
Pakistan investment bonds		-	10,304,685	-	10,304,685
Corporate Sukuk Bonds		-	300,000	-	300,000
		-	26,694,351	-	26,694,351
<b>June 30, 2022 (Audited)</b>					
<b>At fair value through profit or loss</b>	15.1.1				
Market Treasury Bills		-	484,570	-	484,570
Corporate Sukuk Bonds		-	1,315,000	-	1,315,000
		-	1,799,570	-	1,799,570

## 15.1 Valuation techniques

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

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

## 15.3 Transfers during the period

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

## 16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended March 31, 2023 is 1.70% (June 30, 2022: 0.47%) which includes 0.18% (June 30, 2022: 0.06%) representing Government levy and SECP fee.

## 17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on April 28, 2023.

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**18 GENERAL**

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

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Stock Fund**

## FUND INFORMATION

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Name of Fund	HBL Stock Fund
Name of Auditor	A.F. Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited HBL Micro National Bank of Pakistan Limited

**HBL Stock Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At March 31, 2023*

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	38,893	47,889
Investments	5	167,350	223,548
Dividend receivable and accrued mark-up		3,343	1,442
Receivable against sale of investment		8,514	2,278
Advances, deposits, prepayments and other receivables	6	3,111	3,111
<b>Total assets</b>		<b>221,211</b>	<b>278,268</b>
<b>Liabilities</b>			
Payable to the Management Company	7	860	2,333
Payable to the Trustee		33	65
Payable to the Securities and Exchange Commission of Pakistan		30	138
Payable against purchase of investment		9,864	-
Accrued expenses and other liabilities	8	39,903	40,095
<b>Total liabilities</b>		<b>50,690</b>	<b>42,631</b>
<b>Net assets</b>		<b>170,521</b>	<b>235,637</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>170,521</b>	<b>235,637</b>
<b>Contingencies and commitments</b>			
	9	----- (Number of units) -----	
<b>Number of units in issue</b>		<b>2,520,868</b>	<b>3,276,044</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>67.6430</b>	<b>71.9274</b>

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

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

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

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

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

**HBL Stock Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the Nine Months and Quarter Ended March 31, 2023*

	Nine Months ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
<b>Income</b>				
Dividend income	13,488	26,910	3,939	10,771
Mark-up on deposits with banks	5,432	3,385	1,844	1,154
Income from Government Securities	138	331	-	106
Capital loss on sale of investments - net	(16,974)	(154,924)	(10,185)	(27,506)
	2,084	(124,298)	(4,402)	(15,475)
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(5,930)	(79,103)	6,903	(10,791)
	(3,846)	(203,401)	2,501	(26,266)
<b>Expenses</b>				
Remuneration of the Management Company	3,403	13,255	963	3,171
Remuneration of the Trustee	340	1,326	96	318
Annual fee to the Securities and Exchange Commission of Pakistan	30	117	8	28
Allocation of expenses related to registrar services, accounting, operation and valuation services	828	3,185	234	731
Selling and marketing expense	1,581	6,117	447	1,432
Securities transaction costs	1,570	3,132	795	706
Auditors' remuneration	413	526	140	173
Settlement and bank charges	492	568	93	190
Other expenses	89	206	(97)	57
	8,746	28,432	2,679	6,806
<b>Net loss from operating activities</b>	(12,592)	(231,833)	(178)	(33,072)
Element of income and capital gains included	-	-	-	-
Provision for Sindh Workers' Welfare Fund	-	44,249	-	-
<b>Net loss for the period before taxation</b>	(12,592)	(187,584)	(178)	(33,072)
Taxation	-	-	-	-
<b>Net loss for the period after taxation</b>	(12,592)	(187,584)	(178)	(33,072)
Other comprehensive Income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	(12,592)	(187,584)	(178)	(33,072)
<b>Allocation of net income for the period:</b>				
Income already paid on redemption of units	-	-	-	-
Accounting income available for distribution:				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-
	(12,592)	(187,584)	(178)	(33,072)
	(12,592)	(187,584)	(178)	(33,072)
<b>Earnings per unit</b>				

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Stock Fund**  
**Statement Of Movement In Unitholders' Fund**  
*For the nine months ended March 31, 2023*

	Nine Months ended March 31,							
	2023			2022				
	Capital Value	Undistributed income / (accumulated loss)	Unrealised income / (loss) on investment	Total	Capital Value	Undistributed income / (accumulated loss)	Unrealised income / (loss) on investment	Total
-----Rupees in '000-----								
<b>Net assets as at the beginning of the period</b>	<b>1,408,880</b>	<b>(1,173,243)</b>	<b>-</b>	<b>235,637</b>	<b>1,837,991</b>	<b>(886,646)</b>	<b>-</b>	<b>951,345</b>
Adoption of IFRS 9	-	-	-	-	-	-	-	-
Issue of 3,172,583 units (2021: 5,462,421 units)								
- Capital value (at net asset value per unit at the beginning of the period)	91,996	-	-	91,996	416,188	-	-	416,188
- Element of loss	(2,237)	-	-	(2,237)	(49,012)	-	-	(49,012)
Total proceeds on issue of units	89,759	-	-	89,759	367,176	-	-	367,176
Redemption of 6,634,097 units (2021: 6,422,329 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(146,320)	-	-	(146,320)	(743,696)	-	-	(743,696)
- Element of income	4,036	-	-	4,036	123,421	-	-	123,421
- Income already paid on redemption	-	-	-	-	-	-	-	-
Total payments on redemption of units	(142,284)	-	-	(142,284)	(620,275)	-	-	(620,275)
Total comprehensive loss for the period	-	(12,592)	-	(12,592)	-	(187,584)	-	(187,584)
Distribution during the period	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(12,592)	-	(12,592)	-	(187,584)	-	(187,584)
<b>Net assets as at the end of the period</b>	<b>1,356,355</b>	<b>(1,185,835)</b>	<b>-</b>	<b>170,521</b>	<b>1,584,892</b>	<b>(1,074,230)</b>	<b>-</b>	<b>510,662</b>
<b>Accumulated loss</b>								
- Realised		(1,105,204)				(966,283)		
- Unrealised		(68,039)				79,637		
		(1,173,243)				(886,646)		
Accounting income available for distribution:								
- Relating to capital gains		-				-		
- Excluding capital gains		-				-		
Net Income / (loss) available for distribution		(12,592)				(187,584)		
<b>Accumulated loss carried forward</b>		<b>(1,185,835)</b>				<b>(1,074,230)</b>		
<b>Accumulated loss carried forward</b>								
- Realised		(1,179,905)				(995,127)		
- Unrealised		(5,930)				(79,103)		
		(1,185,835)				(1,074,230)		
					Rupees			Rupees
Net asset value per unit at the beginning of the period				<u>71.9274</u>				<u>112.1021</u>
Net asset value per unit at end of the period				<u>67.6430</u>				<u>91.7647</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 Stock Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the nine months ended March 31, 2023*

	2023	2022
	----- Rupees in '000 -----	
<b>Cash flows from operating activities</b>		
Net loss for the period before taxation	(12,592)	(187,584)
<b>Adjustments for Non-cash items:</b>		
Mark-up on deposits with banks	(5,432)	(3,385)
Dividend income	(13,488)	(26,910)
Capital loss on sale of investments - net	16,974	154,924
Income on Government Securities	(138)	(331)
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	5,930	79,103
	<b>(8,746)</b>	15,817
<b>Decrease / (Increase) in assets</b>		
Investments - net	<b>37,060</b>	178,193
Advances, deposits, prepayments and other receivables	-	539,830
	<b>37,060</b>	718,023
<b>Increase / (Decrease) Increase in liabilities</b>		
Payable to the Management Company	<b>(1,473)</b>	(5,026)
Payable to the Trustee	<b>(32)</b>	(128)
Payable to the Securities and Exchange Commission of Pakistan	<b>(108)</b>	(283)
Accrued expenses and other liabilities	<b>(192)</b>	(569,677)
	<b>(1,805)</b>	(575,114)
Mark-up on bank deposits received	5,852	3,488
Dividend received	11,167	23,656
<b>Net cash generated from operating activities</b>	<b>43,528</b>	185,870
<b>Cash flows from financing activities</b>		
Amount received on issue of units	<b>89,759</b>	367,176
Payments against redemption of units	<b>(142,284)</b>	(620,275)
<b>Net cash used in financing activities</b>	<b>(52,525)</b>	(253,099)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(8,997)</b>	(67,229)
Cash and cash equivalents at beginning of the year	<b>47,889</b>	102,568
<b>Cash and cash equivalents at end of the year</b>	<b>38,893</b>	35,339

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 Stock Fund

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

For the nine months ended March 31, 2023

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### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Stock Fund (the Fund) was established under a Trust Deed, dated August 09, 2007, executed between HBL Asset Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on August 21, 2007.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from August 29, 2007 to August 31, 2007.
- 1.4 The principal activity of the Fund is to provide long-term capital growth by investing primarily in a diversified pool of equities and equities related instruments.
- 1.5 VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (March 31, 2022: AM++) and the outlook on the rating has been assigned as 'Stable'
- 1.6 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 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 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 March 31, 2023.

#### 2.2 Basis of measurement

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

#### 2.3 Functional and presentation currency

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

## 2.4 Use of judgments and estimates

The preparation of the 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 year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) classification and valuation of financial assets ; and
- (ii) impairment of financial assets

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information 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 this condensed interim financial information 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, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
<b>4.</b>	<b>BANK BALANCES</b>	<b>Note</b>	
	Balances with banks in:		
	Savings accounts	4.1 38,877	47,871
	Current accounts	16	18
		<u>38,893</u>	<u>47,889</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 8% - 20.75% (June 30, 2022: 7.80% - 16.70%) per annum.

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
<b>5.</b>	<b>INVESTMENTS</b>	<b>Note</b>	
	<b>Financial assets at fair value through profit or loss account</b>		
	- Listed equity securities	5.1 167,350	223,548
		<u>167,350</u>	<u>223,548</u>

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

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

Name of the Investee Company	Number of shares					Carrying Cost As At Mar 31, 2023	Market Value As At Mar 31, 2023	Unrealized appreciation / (diminution) at Mar 31, 2023	2023		Par value as a percentage of issued capital of the investee company
	As at July 01, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at Mar 31, 2022				Total Investments	Net Assets	
<b>INSURANCE</b>											
IGI LIFE INSURANCE LIMITED	77,000	-	-	77,000	-	-	-	-	0.00%	0.00%	0.00%
TPL Insurance Limited	35,500	-	-	35,500	-	-	-	-	0.00%	0.00%	0.00%
	112,500	-	-	112,500	-	-	-	-	0.00%	0.00%	
<b>TEXTILE COMPOSITE</b>											
Gul Ahmed Textile Mills Ltd	86,800	-	-	86,800	-	-	-	-	0.00%	0.00%	0.00%
	86,800	-	-	86,800	-	-	-	-	0.00%	0.00%	
<b>CEMENT</b>											
Attock Cement Pakistan Ltd	137,200	-	-	137,200	-	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Ltd.	-	60,051	-	30,051	30,000	3,367	3,377	10	2.02%	1.98%	1.70%
D G Khan Cement Co.Ltd.	-	297,500	-	225,500	72,000	3,089	3,162	72	1.89%	1.85%	1.64%
Fauji Cement Company Limited	-	828,000	33,875	580,875	281,000	3,391	3,361	(31)	2.01%	1.97%	2.04%
Kohat Cement Ltd	-	38,500	-	38,500	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Ltd	-	68,844	-	68,844	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Ltd	-	699,000	-	437,000	262,000	6,643	6,807	164	4.07%	3.99%	4.96%
Pioneer Cement Limited	-	191,105	-	191,105	-	-	-	-	0.00%	0.00%	0.00%
	137,200	2,183,000	33,875	1,709,075	645,000	16,491	16,706	215	9.98%	9.80%	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
Hub Power Company Ltd	113,558	110,000	-	223,500	58	4	4	0	0.00%	0.00%	0.00%
Nishat Power Limited	-	139,500	-	139,500	-	-	-	-	0.00%	0.00%	0.00%
	113,558	249,500	-	363,000	58	4	4	-	0.00%	0.00%	
<b>ENGINEERING</b>											
Mughal Iron & Steel Inds Ltd	20,889	59,500	-	-	80,389	4,527	3,950	(577)	2.36%	2.32%	3.20%
	20,889	59,500	-	-	80,389	4,527	3,950	(577)	2.36%	2.32%	
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
Millat Tractors Ltd	-	5,500	-	5,500	-	-	-	-	0.00%	0.00%	0.00%
	-	5,500	-	5,500	-	-	-	-	0.00%	0.00%	
<b>PHARMACEUTICALS</b>											
AGP Limited	-	46,500	-	-	46,500	2,719	2,520	(199)	1.51%	1.48%	0.17%
The Searle Company Ltd	9,532	34,500	2,383	-	46,415	2,980	2,389	(591)	1.43%	1.40%	2.51%
	9,532	81,000	2,383	-	92,915	5,700	4,910	(790)	2.93%	2.88%	
<b>FOOD &amp; ALLIED INDUSTRIES</b>											
The Organic Meat Company Limited	277,449	81,000	-	358,449	-	-	-	-	0.00%	0.00%	0.00%
<b>GLASS &amp; CERAMICS</b>											
Tariq Glass Industries Ltd	-	75,500	-	-	75,500	5,241	5,314	74	3.18%	3.12%	10.28%
	-	75,500	-	-	75,500	5,241	5,314	74	3.18%	3.12%	
<b>MISCELLANEOUS</b>											
Pakistan Aluminium Beverage Cans Limited	-	23,000	-	23,000	-	-	-	-	0.00%	0.00%	0.00%
TPL Properties Limited	-	220,000	-	220,000	-	-	-	-	0.00%	0.00%	0.00%
	-	243,000	-	243,000	-	-	-	-	0.00%	0.00%	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Ltd	-	7,500	-	3,985	3,515	5,594	5,319	(275)	3.18%	3.12%	0.32%
Oil & Gas Development Co Ltd	229,055	262,500	-	330,100	161,455	13,967	13,459	(508)	8.04%	7.89%	0.38%
Pakistan Oilfields Ltd	17,231	21,550	-	27,560	11,221	4,727	4,476	(251)	2.67%	2.62%	0.47%
Pakistan Petroleum Ltd	264,619	352,344	-	399,833	217,130	15,061	13,888	(1,173)	8.30%	8.14%	1.10%
	510,905	643,894	-	761,478	393,321	39,348	37,142	(2,207)	22.19%	21.78%	
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Attock Petroleum Ltd	-	13,459	-	13,459	-	-	-	-	-	-	0.00%
Pakistan State Oil Company Ltd	61,341	36,900	-	94,738	3,503	430	413	(17)	0.25%	0.24%	0.07%
Sui Northern Gas Pipeline Ltd	-	501,000	-	375,682	125,318	5,299	4,899	(400)	2.93%	2.87%	1.98%
	61,341	551,359	-	483,879	128,821	5,729	5,312	(418)	0	0	
<b>REFINERY</b>											
Attock Refinery Ltd	51,500	77,000	-	84,000	44,500	7,416	7,576	160	4.53%	4.44%	5.22%
National Refinery Ltd	21,400	9,960	-	31,360	-	-	-	-	0.00%	0.00%	0.00%
	72,900	86,960	-	115,360	44,500	7,416	7,576	160	4.53%	4.44%	

Name of the Investee Company	Number of shares					Carrying Cost As At Mar 31, 2023	Market Value As At Mar 31, 2023	Unrealized appreciation / (diminution) at Mar 31, 2023	2023		Par value as a percentage of issued capital of the investee company
	As at July 01, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at Mar 31, 2022				Total Investments	Net Assets	
<b>COMMERCIAL BANKS</b>											
Bank Al-Falah Ltd	172,100	313,000	-	484,900	200	6	6	(0)			0.00%
Bank Al-Habib Limited	5	-	-	5	-	-	-	-	0.00%	0.00%	0.00%
BankIslami Pakistan Limited	-	152,000	-	152,000	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	104,018	80,500	-	158,500	26,018	645	566	(79)	0.34%	0.33%	0.28%
Habib Bank Ltd*	97,158	453,000	-	389,658	160,500	11,640	11,761	121	7.03%	6.90%	1.09%
Habib Metropolitan Bank Ltd	125,000	-	-	125,000	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Ltd	56,389	-	-	2,126	54,263	6,673	6,240	(433)	3.73%	3.66%	0.49%
Meezan Bank Ltd	42,296	74,500	3,729	29,800	90,725	10,001	8,637	(1,364)	5.16%	5.07%	0.85%
Standard Chartered Bank (Pakistan) Ltd	677,000	-	-	677,000	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	137,907	255,980	-	272,520	121,367	12,991	12,933	(58)	7.73%	7.58%	0.99%
	1,411,873	1,328,980	3,729	2,291,509	453,073	41,957	40,144	(1,813)	0	0	
<b>FERTILIZER</b>											
Engro Corporation Ltd	64,010	64,700	-	122,710	6,000	1,719	1,661	(58)	0.99%	0.97%	0.11%
Engro Fertilizers Limited	101,439	212,003	-	233,886	79,556	6,448	6,748	300	4.03%	3.96%	0.60%
Fauji Fertilizer Co Ltd	143,704	39,000	-	180,392	2,312	240	231	(9)	0.14%	0.14%	0.02%
	309,153	315,703	-	536,988	87,868	8,407	8,640	233	5.16%	5.07%	
<b>CHEMICAL</b>											
Descon Oxychem Ltd	-	243,500	-	161,000	82,500	2,068	2,200	133	1.31%	1.29%	8.09%
Engro Polymer & Chemicals Ltd	29,000	159,500	-	112,500	76,000	3,576	3,555	(21)	2.12%	2.08%	0.84%
Lotte Chemical Pakistan Ltd	-	105,500	-	-	105,500	2,679	2,674	(5)	1.60%	1.57%	0.70%
	29,000	508,500	-	273,500	264,000	8,323	8,430	107	5.04%	4.94%	
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Octopus Digital Limited	-	45,000	-	45,000	-	-	-	-	0.00%	0.00%	0.00%
Avanceon Limited	-	156,682	-	92,500	64,182	4,854	4,109	(745)	2.46%	2.41%	3.33%
Hum Network Ltd	200,000	125,000	-	325,000	-	-	-	-	0.00%	0.00%	0.00%
Netsol Technologies	-	106,300	-	106,300	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	-	37,400	-	15,300	22,100	10,828	10,212	(616)	6.10%	5.99%	2.00%
TPL Tracker Limited	1,546,500	5,000	-	-	1,551,500	13,418	13,948	530	8.33%	8.18%	8.29%
TRG Pakistan Ltd	-	72,700	-	63,700	9,000	1,039	954	(84)	0.57%	0.56%	0.24%
	1,746,500	548,082	-	647,800	1,646,782	30,138	29,223	(915)	17.46%	17.14%	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>											
AT-Tahur Limited	-	78,500	7,850	86,350	-	-	-	-	0.00%	0.00%	0.00%
Unity Foods Limited	236,900	240,000	-	476,900	-	-	-	-	0.00%	0.00%	0.00%
	236,900	318,500	7,850	563,250	-	-	-	-	0.00%	0.00%	
<b>Total as at Mar 31, 2023</b>	<b>5,136,500</b>	<b>7,279,978</b>	<b>47,837</b>	<b>8,552,088</b>	<b>3,912,227</b>	<b>173,281</b>	<b>167,350</b>	<b>(5,930)</b>			
<b>Total as at June 30, 2022</b>	<b>14,659,974</b>	<b>19,892,197</b>	<b>159,882</b>	<b>29,575,553</b>	<b>5,136,500</b>	<b>291,587</b>	<b>223,548</b>	<b>(65,992)</b>			

\*Sponsor of the Management Company

5.1.1 Investments include shares having market value aggregating to Rs. 44.59 million (June 30, 2022: Rs. 121.21 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

5.1.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 2.62 million at March 31, 2022 (June 30, 2022: Rs. 3.45 million) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

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

Particulars	Issue date	Face value				Balance as at March 31, 2023				Market value as a percentage of	
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments	
(Rupees)											
Market treasury bills - 3-months											
Market treasury bills	2-Jun-22	-	25,000	25,000	-	-	-	-	-	-	
Total as at March 31, 2023						-	-	-	-	-	
Total as at June 30, 2022						-	-	-	-	-	

	<b>(Un-Audited)</b>	(Audited)
	<b>March 31,</b>	June 30,
	<b>2023</b>	2022
<b>Note</b>	----- (Rupees in '000) -----	

### 6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with National Clearing Company of Pakistan Limited	<b>2,500</b>	2,500
Security deposit with Central Depository Company of Pakistan Limited	<b>100</b>	100
Advance tax	<b>511</b>	511
Advance against subscription of Term Finance Certificates (TFC)	<b>25,000</b>	25,000
Prepaid annual listing fee	<b>-</b>	-
	<b>28,111</b>	28,111
Less: Provision in respect of advance against subscription of term finance certificates	<b>(25,000)</b>	(25,000)
	<b>3,111</b>	3,111

### 7. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee	<b>294</b>	409
Sindh Sales Tax	<b>38</b>	53
Sales load payable	<b>-</b>	889
Selling and marketing payable	<b>447</b>	877
Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>81</b>	105
	<b>860</b>	2,333

7.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. Currently, the management fee is charged at the rate of 2% of average annual net assets of the fund (June 30, 2022: 2%) during the period.

7.2 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.

7.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its discretion has currently determined a capping of 1.05% (June 30, 2022, 0.08% to 1.05%) of the average annual net assets of the Fund for charging of selling and marketing expenses which has also been approved by the Board of Directors of the Management Company.

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

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

#### 8. ACCRUED EXPENSES AND OTHER LIABILITIES

Federal Excise Duty	8.1	<b>37,838</b>	37,838
Provision for Sindh Workers' Welfare Fund	8.2	-	737
Withholding tax payable		<b>787</b>	
Auditors remuneration		<b>229</b>	508
Payable to broker		<b>241</b>	352
Others		<b>808</b>	660
		<b>39,903</b>	40,095

- 8.1 The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 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 by Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 37.838 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2022 would have been higher by Rs. 15.01 per unit (June 30, 2022: 11.55 per unit).

#### 9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

#### 10. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2022 to its unit holders.

#### 11. EARNINGS PER UNIT

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

#### 12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

Details of the transactions with connected persons and balances with them are as follows:

		(Un-Audited) Nine Months ended March 31,	
		2023	2022
		----- (Rupees in '000) -----	
<b>12.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Management Fee including sales tax thereon	3,403	13,255
	Allocation of expenses related to registrar services, accounting, operation and valuation services	828	3,185
	Selling and marketing expense	1,581	6,117
	<b>Habib Bank Limited - Sponsor</b>		
	Bank charges paid	5	5
	Mark-up on deposits with banks earned	11	1,080
	Dividend income earned	445	1,617
	<b>Executives and their relatives</b>		
	Issuance of Nil units (March 31, 2022: 1,579 units)	-	145
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee remuneration	340	1,326
	Central Depository service charges	146	149
	<b>HBL Equity Fund</b>		
	Sale of equity securities	-	1,090
	<b>MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Trustee</b>		
	Issuance of Nil units (March 31, 2021 : 522 units)	-	-
	Redemption of Nil units (March 31, 2021 : 326,476 units)	-	-
	<b>DCCL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee</b>		
	Issuance of 9,404 units (March 31, 2022 : 88,944 units)	644	7,900
	Redemption of 103,540 units (March 31, 2021 : 414,440 units)	7,136	-
	<b>HBL Cash Fund</b>		
	Sale of T-Bill (3 Months)	24,732	-
		(Un-Audited) March 31,	(Audited) June 30,
<b>12.2</b>	<b>Balances outstanding as at period / year end</b>	2023	2022
		----- (Rupees in '000) -----	
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee	294	409
	Sindh Sales Tax	38	53
	Sales load payable	-	889
	Selling and marketing payable	447	877
	Allocation of expenses related to registrar services, accounting, operation and valuation services	81	105
	<b>Habib Bank Limited - Sponsor</b>		
	Bank balances	111	7,920
	Payable against redemption	-	-
	Mark-up receivable	11	34

	(Un-Audited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----		
<b>HBL Micro Finance Bank (Formerly First Micro Finance Bank)</b>		
- Associate		
Bank Balance	500	9
Mark-up receivable	231	
<b>Directors and Executives of the Management Company and their relatives</b>		
<b>Unit holder having 10% or more than 10% of Investment</b>		
Investment held in the Fund: 1,579 units (June 30, 2022: Nil units)	107	114
<b>MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Trustee</b>		
Investment held in the Fund: Nil units (June 30, 2022: Nil units)	-	-
<b>Jaffer Brothers (Private) Limited and Associated Companies Staff Provident Fund</b>		
- Connected Party due to more than 10% units		
Outstanding 715,854 (2022: 715,854) units	48,190	51,490
<b>MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee</b>		
Investment held in the Fund: 48,324 units (June 30, 2022: 142,460 units)	3,253	10,247
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable including sales tax thereon	33	58
Sindh Sales Tax	4	7
Security deposit	100	100

### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2023 (Un-Audited)						
		Carrying Amount			Fair Value			
		Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	<b>Note</b>	----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>								
Investments								
- Listed equity securities								
		167,350	-	167,350	167,350	-	-	167,350
		167,350	-	167,350	167,350	-	-	167,350
<b>Financial assets not measured at fair value</b>								
	13.1							
Bank balances								
		-	38,893	38,893				
Dividend receivable and accrued mark-up								
		-	3,343	3,343				
Receivable against sale of securities								
		-	8,514	8,514				
Advances, deposits and other receivables								
		-	2,600	2,600				
		-	53,350	53,350				
<b>Financial liabilities not measured at fair value</b>								
	13.1							
Payable to the Management Company								
		-	822	822				
Payable to the Trustee								
		-	29	29				
Accrued expenses and other liabilities								
		-	1,278	1,278				
		-	2,129	2,129				

		June 30, 2022 (Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	<b>Note</b>	----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>								
Investments - Listed equity securities								
		223,548	-	223,548	223,548	-	-	223,548
		223,548	-	223,548	223,548	-	-	223,548
<b>Financial assets not measured at fair value</b>								
	13.1							
Bank balances								
		-	47,889	47,889				
Dividend receivable and accrued mark-up								
		-	1,442	1,442				
Receivable against sale of securities								
		-	2,278	2,278				
Advances, deposits and other receivables								
		-	3,111	3,111				
		-	54,720	54,720				
<b>Financial liabilities not measured at fair value</b>								
	13.1							
Payable to the Management Company								
		-	2,333	2,333				
Payable to Trustee								
		-	65	65				
Payable against purchase of investment								
		-	-	-				
Accrued expenses and other liabilities								
		-	1,520	1,520				
		-	3,918	3,918				

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

#### 14. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2023 is 5.81%, which includes 0.42% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

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**15. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 28, 2023

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

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

**17. GENERAL**

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Equity Fund**

## FUND INFORMATION

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

**HBL Equity Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at March 31, 2023*

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	6,997	31,362
Investments	5	340,306	791,276
Dividend and profit receivable		6,085	1,517
Receivable against sale of investments		22,281	5,354
Advance, Deposits and prepayments		2,929	2,915
<b>Total assets</b>		<b>378,598</b>	<b>832,424</b>
<b>Liabilities</b>			
Payable to the Management Company	6	1,924	7,101
Payable to the Trustee		133	180
Payable to Securities and Exchange Commission of Pakistan		81	309
Payable against purchase of investments		15,285	-
Accrued expenses and other liabilities	7	7,287	6,757
<b>Total liabilities</b>		<b>24,710</b>	<b>14,347</b>
<b>Net assets</b>		<b>353,888</b>	<b>818,077</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>353,888</b>	<b>818,077</b>
		----- (Number of Units) -----	
<b>Number of units in issue</b>		<b>5,170,666</b>	<b>10,643,257</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>68.4414</b>	<b>76.8634</b>

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

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

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

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

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

**HBL Equity Fund**  
**Condensed Interim Income Statement and Other Comprehensive Income (Un-audited)**  
*For the nine months and quarter ended March 31, 2023*

	Note	Nine months ended		Quarter ended	
		March 31,		March 31,	
		2023	2022	2023	2022
----- (Rupees in '000) -----					
<b>Income</b>					
Capital (loss) on sale of investments - net		(46,531)	(197,168)	(28,524)	(76,444)
Income on Govt Securities		71	20	-	-
Dividend income		28,338	46,853	7,429	18,292
Profit on bank deposits		2,618	1,700	597	391
		(15,504)	(148,595)	(20,498)	(57,761)
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit and loss - held-for-trading' - net		(13,015)	(350,396)	14,841	(20,834)
		(28,519)	(498,991)	(5,657)	(78,595)
<b>Expenses</b>					
Remuneration of the Management Company	6.1 & 6.2	8,112	28,622	1,979	7,680
Sindh Sales Tax on remuneration of the Management Company		1,055	-	258	-
Remuneration of the Trustee		917	2,279	224	662
Annual fee to Securities and Exchange Commission of Pakistan		81	253	20	68
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	2,231	6,994	544	2,018
Selling and marketing expenses	6.4	4,259	13,360	1,039	3,717
Securities transaction costs and bank charges		6,856	696	2,651	496
Auditors' remuneration		385	372	127	110
Printing and postage expenses		135	151	9	151
Fees and subscription		21	5,790	7	97
		24,052	58,517	6,858	14,999
<b>Net (loss) from operating activities</b>		(52,571)	(557,508)	(12,515)	(93,594)
Provision for Sindh Workers' Welfare Fund	8	-	8,197	-	11,361
<b>Net (loss) for the period before taxation</b>		(52,571)	(549,311)	(12,515)	(82,233)
Taxation	9	-	-	-	-
<b>Net (loss) for the period after taxation</b>		(52,571)	(549,311)	(12,515)	(82,233)
<b>Allocation of net income / loss for the period</b>					
Income already paid on units redeemed		-	-	-	-
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	-	-	-
		-	-	-	-
<b>Earnings per unit</b>	10				

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Equity Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the nine months and quarter ended March 31, 2023*

	Nine months ended March 31,		Quarter ended, March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net Income / (loss) for the period after taxation	(52,571)	(549,311)	(12,515)	(82,233)
Other comprehensive income for the period				
Item that may be reclassified subsequently to income statement	-	-	-	-
<b>Total comprehensive Income / (loss) for the period</b>	<b>(52,571)</b>	<b>(549,311)</b>	<b>(12,515)</b>	<b>(82,233)</b>

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

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

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

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



**HBL Equity Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
*For the nine months ended March 31, 2023*

	Nine months ended	
	March 31,	
	2023	2022
Note	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Net (loss) for the period after taxation	(52,571)	(549,311)
<b>Adjustments for:</b>		
Dividend Income	(28,338)	(46,853)
Profit on bank deposits	(2,618)	(1,720)
Capital (gain) on sale of investments - net	46,531	197,168
Unrealised diminution on re-measurement of investments at fair value through 'profit and loss - held-for-trading' - net	13,015	350,396
	<b>(23,981)</b>	<b>(50,320)</b>
<b>Decrease in assets</b>		
Investments - net	391,424	317,128
Receivable against sale of investments	(16,927)	(1,821)
Deposits, prepayments and other receivables	(14)	(145)
Advance for purchase of investment	-	8,563
	<b>374,483</b>	<b>323,725</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(5,177)	2,285
Payable to the Trustee	(47)	(41)
Payable to Securities and Exchange Commission of Pakistan	(228)	17
Payable against purchase of investments	15,285	(554,112)
Payable against redemption of units	-	(25,079)
Accrued expenses and other liabilities	530	(13,206)
	<b>10,363</b>	<b>(590,136)</b>
<b>Net cash generated from / (used in) operations</b>		
	<b>360,865</b>	<b>(316,731)</b>
Dividend received	22,360	39,088
Profit received on bank deposits	4,028	1,929
	<b>26,388</b>	<b>41,017</b>
<b>Net cash generated from operating activities</b>		
	<b>387,253</b>	<b>(275,714)</b>
<b>Cash flows (used) from financing activities</b>		
Amount received on issue of units	20,276	666,783
Payment against redemption of units	(431,894)	(1,069,750)
<b>Net cash (used in) financing activities</b>		
	<b>(411,618)</b>	<b>(402,967)</b>
<b>Net (decrease) in cash and cash equivalents</b>		
	<b>(24,365)</b>	<b>(678,681)</b>
Cash and cash equivalents at beginning of the period	31,362	701,869
Cash and cash equivalents at end of the period	6,997	23,188

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

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

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

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

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

# **HBL Equity Fund**

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

*For the nine months ended March 31, 2023*

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

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

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

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

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

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company

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

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

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ('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 International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2022.

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## 2.2 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

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees, except otherwise stated.

## 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 except as explained in note 3.6.
- 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 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 3.6.
- 3.5 The 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.
- 3.6 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
In saving accounts	4.1	6,496	30,658
In current accounts		<u>501</u>	<u>704</u>
		<u><u>6,997</u></u>	<u><u>31,362</u></u>

- 4.1 These accounts carry rate of return from 15.5% to 20.75% per annum (2022: 13% to 17% per annum).

## 5. INVESTMENTS

Financial assets at fair value through profit or loss - held-for-trading

- Listed equity securities

5.1	<u>340,306</u>	<u>791,276</u>
	<u><u>340,306</u></u>	<u><u>791,276</u></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 otherwise stated.

	Number of Shares				Market Value			Par value as a percentage of issued capital of the investee company	
	As at July 1, 2022	Purchases during the year	Bonus / right issues	Sales during the period	As at March 31, 2023	As at March 31, 2023 (Rupees in '000)	As a percentage of net assets		As a percentage of total investments
<b>AUTOMOBILE ASSEMBLER</b>									
Millat Tractors Ltd	-	4,539	-	4,539	-	-	0.00%	0.00%	0.00
	-	4,539	-	4,539	-	-	0.00%	0.00%	
<b>CEMENT</b>									
Attock Cement Pakistan Limited	653,800	22,500	-	676,300	-	-	0.00%	0.00%	0.00
Cherat Cement Company Limited.	-	294,952	-	294,952	-	-	-	-	
D G Khan Cement Company Limited	-	1,878,500	-	1,304,500	574,000	25,204	7.12%	0.13%	0.07
Fauji Cement Company Limited	-	1,348,500	-	1,348,500	-	-	-	-	
Kohat Cement Limited	-	29,000	-	29,000	-	-	0.00%	0.00%	
Lucky Cement Limited	-	27,000	-	27,000	-	-	0.00%	0.00%	0.01
Maple Leaf Cement Factory Limited	-	3,210,255	-	2,472,255	738,000	19,173	5.42%	0.14%	0.07
Pioneer Cement Limited	-	906,500	-	906,500	-	-	-	0.00%	0.24
	653,800	7,717,207	-	7,059,007	1,312,000	44,378	12.54%	0.27%	
<b>CHEMICAL</b>									
Engro Polymer & Chemicals Ltd	97,500	150,000	-	247,500	-	-	0.00%	0.00%	
	97,500	150,000	-	247,500	-	-	0.00%	0.00%	0.00
<b>COMMERCIAL BANKS</b>									
Bank Al-Falah Ltd	269,125	249,391	-	518,516	-	-	-	-	0.00
Meezan Bank Ltd	-	623,300	-	383,300	240,000	22,848	6.46%	0.02%	6.71
Faysal Bank Limited	422,440	780,500	-	1,201,500	1,440	31	0.01%	0.00%	0.01
Standard Chartered Bank (Pakistan) Limited	2,955,500	58,500	-	3,014,000	-	-	0.00%	0.00%	0.05
Habib Bank Limited	439,880	1,260,800	-	1,310,680	390,000	28,579	8.08%	0.03%	8.40
MCB Bank Limited	170,000	42,000	-	212,000	-	-	-	0.00%	0.00
United Bank Limited	560,486	203,036	-	463,522	300,000	31,968	9.03%	0.02%	9.39
	4,817,431	3,217,527	-	7,103,518	931,440	83,427	23.58%	0.07%	
<b>ENGINEERING</b>									
International Steels Limited	-	232,000	-	-	232,000	9,839	2.78%	0.05%	0.03
Mughal Iron & Steel Industries Limited	215,781	136,000	-	215,781	136,000	6,682	1.89%	0.05%	0.02
	215,781	368,000	-	215,781	368,000	16,521	4.67%	0.10%	
<b>FERTILIZER</b>									
Engro Fertilizer Limited	50,402	646,651	-	353,570	343,483	29,134	8.23%	0.03%	8.56
Fauji Fertilizer Company Limited	547,404	370,272	-	917,676	-	-	0.00%	0.00%	0.00
Engro Corporation Limited	177,750	329,503	-	507,253	-	-	0.00%	0.00%	
	775,556	1,346,426	-	1,778,499	343,483	29,134	8.23%	0.03%	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>									
Oil & Gas Development Company	559,500	1,223,000	-	1,417,000	365,500	30,468	8.61%	0.01%	0.09
Mari Petroleum Company Limited	3,500	6,050	-	9,550	-	-	0.00%	0.00%	
Pakistan Oilfields Limited	31,425	51,578	-	83,003	-	-	0.00%	0.00%	
Pakistan Petroleum Limited	616,861	1,565,205	-	1,730,066	452,000	28,910	8.17%	0.02%	0.09
	1,211,286	2,845,833	-	3,239,619	817,500	59,378	16.78%	0.03%	
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Sui Northern Gas Pipeline Ltd	-	2,883,607	-	2,061,607	822,000	32,132	9.08%	0.13%	9.44
Pakistan State Oil Company Limited	242,846	401,579	-	644,203	222	26	0.01%	0.00%	0.01
	242,846	3,285,186	-	2,705,810	822,222	32,158	9.09%	0.13%	
<b>PHARMACEUTICALS</b>									
AGP Limited	-	97,500	-	-	97,500	5,285	1.49%	0.00%	0.02
Ferozsons Laboratories Limited	43,900	-	-	43,900	-	-	0.00%	0.00%	
The Searle Company Limited	356	95,000	89	30,000	65,445	3,369	0.95%	0.04%	0.00
	44,256	192,500	89	73,900	162,945	8,654	2.44%	0.04%	1.65%

	Number of Shares				Market Value				Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the year	Bonus / right issues	Sales during the period	As at March 31, 2023	As at March 31, 2023 (Rupees in '000)	As a percentage of net assets	As a percentage of total investments	
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Limited	-	1,534,356	-	1,524,356	10,000	675	0.19	0.00%	0.20
Nishat Power Limited	-	137,000.00	-	137,000.00	-	-	-	-	0.00
	-	1,671,356	-	1,661,356	10,000	675	19.00%	0.00%	20.00%
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
Avanceon Limited	-	684,060	-	684,060	-	-	-	0.00%	0.00
Hum Network Limited	900,000	225,000	-	1,125,000	-	-	0.00%	0.00%	
Netsol Technologies	-	581,000	-	581,000	-	-	0.00%	0.00%	0.23
Systems Limited	5,142	136,900	-	127,129	14,913	6,891	1.95%	0.01%	2.02
TPL Trakker Limited	8,140,500	-	-	4,265,500	3,875,000	34,836	9.84%	0.21%	10.24
	9,045,642	1,626,960	-	6,782,689	3,889,913	41,727	11.79%	0.22%	
<b>TEXTILE COMPOSITE</b>									
Azgard Nine Ltd	820,500	-	-	820,500	-	-	0.00%	0.00%	0.70
Gul Ahmed Textile Mills Limited	227,800	-	-	227,800	-	-	0.00%	0.00%	0.11
Interloop Limited	91,133	-	-	91,133	-	-	0.00%	0.00%	3.32
	1,139,433	-	-	1,139,433	-	-	0.00%	0.00%	
<b>INSURANCE</b>									
IGI Holdings Limited	219,500	-	-	219,500	-	-	0.00%	0.00%	0.00
IGI LIFE INSURANCE LIMITED	934,500	7,500	-	942,000	-	-	0.00%	0.00%	0.00
TPL Insurance Limited	1,036,500	-	75,250	935,000	176,750	3,726	1.05%	0.23%	0.01
	2,190,500	7,500	75,250	2,096,500	176,750	3,726	1.05%	0.23%	
<b>MISCELLANEOUS</b>									
TPL Properties Limited	612,000	2,604,493	-	3,216,493	-	-	-	-	0.00
	612,000	2,604,493	-	3,216,493	-	-	-	-	0.00
<b>GLASS &amp; CERAMICS</b>									
Tariq Glass Industries Ltd	-	88,500	-	2,445	86,055	6,057	1.71%	0.12%	1.78
	-	88,500	-	2,445	86,055	6,057	1.71%	0.12%	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>									
Unity Foods Limited	636,379	1,212,463	-	1,848,842	-	-	0.00%	0.00%	0.00
	636,379	1,212,463	-	1,848,842	-	-	0.00%	0.00%	
<b>REFINERY</b>									
Attock Refinery Limited	151,400	516,737	-	583,137	85,000	14,471	4.09%	0.10%	4.25
National Refinery Limited	129,135	60,000	-	189,135	-	-	0.00%	0.00%	0.00
	280,535	576,737	-	772,272	85,000	14,471	4.09%	0.10%	
<b>Total March 31, 2023</b>	<b>21,962,945</b>	<b>26,915,227</b>	<b>75,339</b>	<b>39,948,203</b>	<b>9,005,308</b>	<b>340,306</b>	<b>1</b>	<b>0</b>	
As at June 30, 2022						<u>791,276</u>			

\*Sponsor of the management company

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

- 5.1.1 The above investments include shares with market value aggregating to Rs. 127.74 million (June 2021: Rs. 154.6 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 1.994 million at March 31, 2022 (June 30, 2022: Rs. 1.806 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

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

Issue date	Tenure	Face value				Market value As at March 31, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at March 31, 2023			
----- Rupees in '000 -----								
2-Jun-22	3 Months	-	15,000,000	15,000,000	-	-	0.00%	0.00%
<b>Total - As at March 31, 2023</b>		-	15,000,000	15,000,000	-	-	0.00%	0.00%
<b>Total - As at June 30, 2022</b>		-	-	-	-	-	0.00%	0.00%

6. PAYABLE TO MANAGEMENT COMPANY	Note	March 31, 2023	June 30, 2022
		(Un-Audited)	Audited
		----- (Rupees in '000) -----	
Remuneration of the Management Company	6.1	630	1,572
Sindh Sales tax on remuneration of the Management Company	6.2	82	204
Sales load payable		-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	173	1,013
Selling and marketing expenses	6.4	1,039	4,312
		<b>1,924</b>	<b>7,101</b>

6.1 As per the amendment introduced through SRO 639(I)/2019, dated June 20, 2019, in regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the year, the fee has been charged, accordingly, at the rate ranging between 1.7% to 2% of average annual net assets of the Fund. The fee is being charged at the rate of 2% from October 1, 2019 onwards. The fee is payable monthly in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2019: 13 %) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 As per Regulation 60(3)(s) of the NBFC Regulations, previously fee and expenses related to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) were chargeable to the CIS, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower.

However, SECP vide S.R.O. 639(I)/2019 dated June 20, 2019 has removed the maximum limit of 0.1%. During the year, the fee has been charged at the rate 0.55% of the average annual net assets of the Fund.

6.4 As per SECP vide its circular No. SCD/PRDD/Circular/361/2016, dated December 30, 2016, selling and marketing expenses was chargeable to open end equity, asset allocation and index funds only, upto maximum 0.4% of the average annual net assets of the fund or the actual expense, whichever is lower.

However, circular No. SCD/PRDD/Circular/04/2019, dated July 5, 2019, issued by SECP, supersedes all previous circulars issued with respect to selling and marketing expenses, according to which, selling and marketing expenses is allowed on all categories of open end mutual funds, except fund of funds with no cap. During the year, the fee has been charged at the rate 1.05% of the average annual net assets of the Fund.

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Federal Excise Duty	7.1	5,685	5,685
Withholding tax payable		856	325
Brokerage payable		492	489
Auditors' remuneration		64	125
Printing and other related cost		83	9
Others		107	124
		<b>7,287</b>	<b>6,757</b>

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2023 would have been higher by Re. 1.099 per unit (June 30, 2022: Re. 0.5341 per unit).

## **8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

## **9. TAXATION**

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2023 to its unit holders.

## **10. EARNINGS PER UNIT**

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

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

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

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

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

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

11.1	Transactions during the period	Nine months ended March 31,	
		2023	2022
		----- (Rupees in '000) -----	
<b>HBL Asset Management Limited - Management Company</b>			
	Remuneration of the Management Company	25,329	25,329
	Sindh Sales Tax on remuneration of the Management Company	253	253
	Allocation of expenses related to registrar services, accounting, operation and valuation services	2,231	6,994
	Sales load paid	1,271	1,271
	Issue units Nil (2022: Nil units)	-	-
	Redemption of Nil (2022: 345,975 units)	-	36,666
<b>Directors and Executives of the Management Company</b>			
	Issue of 2,534 units (2022: 34,771 units)	200	4,129
	Redemption of 2,534 units (2022: 53,616 units)	191	6,588
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
	Trustee remuneration	917	2,279
	Central Depository Service charges	226	226
<b>Habib Bank Limited - associated company</b>			
	Redemption of 2,990,876 (2022: 1,413,425 units)	229,297	150,000
	Bank charges	101	101
	Profit on bank deposits	385	385
<b>Habib MicroFinance Bank Limited - associated company</b>			
	Profit on bank deposits	156	-
<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan</b>			
	Issue of Nil units (2022: 22,814 units)	-	2,404
	Redemption of 256,101 units (2022: 97,650 units)	19,115	12,592
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan</b>			
	Issue of Nil units (2022: 64,571 units)	-	7,227
	Redemption of 60,518 units (2022: 78,422 units)	4,463	7,678
<b>CDC Trustee - Punjab Pension Fund Trust- Related party due to holding more than 10 percent</b>			
	Redemption of 1,692,360 units (2022: 271,771 units)	124,463	32,300
<b>HBL Stock Fund Under Common Management*</b>			
	Purchase of equity securities	-	57,259

	March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	----- (Rupees in '000) -----	
<b>11.2 Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company	630	1,572
Sindh sales tax on remuneration of the Management Company	82	204
Sales load payable	-	-
Selling and marketing expenses	1,039	4,312
Allocation of expenses related to registrar services, accounting, operation and valuation services	173	1,013
<b>Habib Bank Limited - associated company</b>		
Bank balances	19,151	2,916
Units held in the Fund: Nil units (June 30, 2022 :2,990,876 units)	-	229,889
<b>Habib MicroFinace Bank Limited - associated company</b>		
Bank balances	43	-
Profit Receivable	48	-
<b>Directors and Executives of the Management Company</b>		
Units held in the Fund: 894 units (June 30, 2022 :1,786 units)	61	137
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	71	176
CDS Charges payable	62	4
Security deposit	2,600	100
<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan</b>		
Units held in the Fund: Nil (June 30, 2022: 256,101 units)	-	19,685
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan</b>		
Units held in the Fund: Nil (June 30, 2022: 60,518 units)	-	4,652
<b>CDC Trustee - Punjab Pension Fund Trust- Related party due to holding more than 10 percent</b>		
Units held in the Fund: Nil (June 30, 2022: 1,692,360 units)	-	130,081
<b>The Citizens Foundation- Related party due to holding more than 10 percent</b>		
Units held in the Fund: 754,236 (June 30, 2022: 754,236 units)	51,232	57,973

## 12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2023							
		Carrying amount			Fair Value				
	Note	Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
At fair value through profit or loss account - held-for-trading - Listed equity securities									
		340,306	-	-	340,306	340,306	-	-	340,306
		<b>340,306</b>	<b>-</b>	<b>-</b>	<b>340,306</b>	<b>340,306</b>	<b>-</b>	<b>-</b>	<b>340,306</b>
<b>Financial assets not measured at fair value</b>									
	12.1								
Bank balances		-	6,997	-	6,997				
Dividend and profit receivable		-	6,085	-	6,085				
Receivable against sale of investments		-	22,281	-	22,281				
		<b>-</b>	<b>35,363</b>	<b>-</b>	<b>35,363</b>				
<b>Financial liabilities not measured at fair value</b>									
	12.1								
Payable to the Management Company		-	-	1,924	1,924				
Payable to the Trustee		-	-	133	133				
Accrued expenses and other liabilities		-	-	746	746				
		<b>-</b>	<b>-</b>	<b>2,803</b>	<b>2,803</b>				
June 30, 2022									
		Carrying amount			Fair Value				
	Note	Fair value through profit or loss - held-for-trading	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
At fair value through profit or loss - held-for-trading - Listed equity securities									
		791,276	-	-	791,276	-	-	791,276	791,276
		<b>791,276</b>	<b>-</b>	<b>-</b>	<b>791,276</b>	<b>-</b>	<b>-</b>	<b>791,276</b>	<b>791,276</b>
<b>Financial assets not measured at fair value</b>									
	12.1								
Bank balances		-	31,362	-	31,362				
Dividend receivable and accrued mark-up		-	1,517	-	1,517				
Receivable against sale of investments		-	5,354	-	5,354				
Deposits		-	2,915	-	2,915				
		<b>-</b>	<b>41,148</b>	<b>-</b>	<b>41,148</b>				
<b>Financial liabilities not measured at fair value</b>									
	12.1								
Payable to the Management Company		-	-	7,101	7,101				
Payable to the Trustee		-	-	180	180				
Accrued expenses and other liabilities		-	-	682	682				
Payable against redemption of units		-	-	-	-				
		<b>-</b>	<b>-</b>	<b>7,963</b>	<b>7,963</b>				

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

**12.2 Transfers during the period**

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

**13. TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended March 31, 2023 is 5.93% (March 31, 2022 3.47%) which includes 0.45% (March 31, 2022 0.26%) representing government levy and SECP fee.

**14. DATE OF AUTHORISATION FOR ISSUE**

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 28, 2023.

**15. GENERAL**

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

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Energy Fund**

## FUND INFORMATION

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Name of Fund	HBL Energy Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited Habib Bank Limited Soneri Bank Limited JS Bank Limited Allied Bank Limited Khushali Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited National Bank Limited HBL Micro Finance Bank Limited

**HBL Energy Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT MARCH 31, 2023*

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	27,493	24,197
Investments	5	248,055	427,791
Dividends and profit receivable		234	664
Deposits and prepayments		3,074	3,074
Receivable against sale of investment		13,430	-
<b>TOTAL ASSETS</b>		292,286	455,726
<b>LIABILITIES</b>			
Payable to the Management Company	6	1,301	3,558
Payable to the Trustee		49	91
Payable to Securities and Exchange Commission of Pakistan		48	128
Accrued expenses and other liabilities	7	15,788	15,385
Payable against purchase of investment		13,533	
Unclaimed dividend		5,382	5,382
<b>TOTAL LIABILITIES</b>		36,101	24,544
<b>NET ASSETS</b>		256,185	431,182
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		256,185	431,182
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	----- (Number of units) -----	
<b>Number of units in issue</b>	15	26,160,014	43,714,002
		----- (Rupees) -----	
<b>Net assets value per unit</b>		9.7930	9.8637

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

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

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

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

**HBL Energy Fund**  
**Condensed Interim Income Statement And Other Comprehensive Income (Un-audited)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2023	2022	2023	2022
----- (Rupees in '000) -----					
<b>INCOME</b>					
Capital loss on sale of investments - net		(21,029)	(55,412)	8,902	(25,481)
Dividend income		32,711	54,393	(3,233)	18,449
Income from Government Securities		-	48	(47.83)	-
Profit on bank deposits		2,955	1,551	1,907	503
		14,637	580	7,528	(6,529)
Unrealised diminution on re-measurement of investments classified as financial asset at 'fair value through profit or loss'- net		(7,370)	(112,978)	95,942	(9,666)
		7,267	(112,398)	103,470	(16,195)
<b>EXPENSES</b>					
Remuneration of the Management Company		5,457	11,485	(2,479)	3,549
Remuneration of the Trustee		546	1,149	(248)	355
Annual fee to Securi		48	102	(22)	32
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,328	2,918	(603)	987
Selling and marketing expenses		2,535	5,459	(1,152)	1,772
Securities transaction costs		2,386	963	1,682	259
Auditors' remuneration		2	223	(221)	-
Settlement and bank charges		431	340	207	116
Fees and subscription		28	236	(146)	62
Printing charges		75	60	30	15
		12,836	22,935	(2,952)	7,147
Net (loss) / Income for the period from operating activities		(5,569)	(135,333)	106,422	(23,342)
Provision for Sindh Workers' Welfare Fund	7.2	-	7,319	-	-
Net (loss) / Income for the period before taxation		(5,569)	(128,014)	106,422	(23,342)
Taxation	9	-	-	-	-
Net (loss) / Income for the period after taxation		(5,569)	(128,014)	106,422	(23,342)
<b>Allocation of net income for the period</b>					
Income already paid on redemption of units		-	-	-	-
Accounting income available for distribution:					
Relating to capital gains		-	-	-	-
Excluding capital gains		-	-	-	-
Other comprehensive loss for the period		-	-	-	-
Total comprehensive loss for the period		-	-	-	-
<b>Earnings per unit</b>	11				

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Energy Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-audited)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine month ended March 31,					
	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	547,836	(116,654)	431,182	756,966	17,557	774,523
<b>Issuance of 5,953,296 (2021: 78,675,290 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	58,722	-	58,722	136,190	-	136,190
Element of loss	820	-	820	(15,064)	-	(15,064)
<b>Total proceeds on issuance of units</b>	<b>59,542</b>	<b>-</b>	<b>59,542</b>	<b>121,126</b>	<b>-</b>	<b>121,126</b>
<b>Redemption of 23,507,284 (2021: 69,679,998 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(231,869)	-	(231,869)	(180,552)	-	(180,552)
Income already paid on redemption of units	-	-	-	-	-	-
Element of income	2,899	-	2,899	21,605	-	21,605
<b>Total payments on redemption of units</b>	<b>(228,970)</b>	<b>-</b>	<b>(228,970)</b>	<b>(158,947)</b>	<b>-</b>	<b>(158,947)</b>
Total comprehensive loss for the period	-	(5,569)	(5,569)	-	(128,014)	(128,014)
	<u>378,408</u>	<u>(122,223)</u>	<u>256,185</u>	<u>719,145</u>	<u>(110,457)</u>	<u>608,688</u>
Undistributed income brought forward						
Realised		(47,215)			1,772	
Unrealised		(69,439)			15,785	
		(116,654)			17,557	
<b>Accounting income available for distribution</b>						
Relating to capital gains		-			-	
Excluding capital gains		-			-	
Net Income / (Loss) available for distribution		(5,569)			(128,014)	
<b>Undistributed income carried forward</b>		<u>(122,223)</u>			<u>(110,457)</u>	
<b>Undistributed income carried forward</b>						
Realised		(114,853)			2,521	
Unrealised		(7,370)			(112,978)	
		<u>(122,223)</u>			<u>(110,457)</u>	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			<u>9.8637</u>			<u>11.9855</u>
Net assets value per unit at end of the period			<u>9.7930</u>			<u>9.9915</u>

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

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

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

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

**HBL Energy Fund**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Note	Nine months ended March 31,	
		2023	2022
		----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss) / Income for the period before taxation		(5,569)	(128,014)
Adjustments for:			
Capital loss on sale of investments - net		21,029	55,412
Dividend income		(32,711)	(54,393)
Profit on bank deposits		(2,955)	(1,551)
Income on Government securities		-	(48)
Unrealised diminution on re-measurement of investments classified at 'fair value through profit or loss' - net		7,370	112,978
		<u>(12,836)</u>	<u>(15,616)</u>
<b>Decrease / (Increase) in assets</b>			
Investments - net		151,441	1,244
Deposits and prepayments		-	36,122
		151,441	37,366
<b>(Decrease) / Increase in liabilities</b>			
Payable to the Management Company		(2,257)	(618)
Payable to the Trustee		(42)	(38)
Payable to Securities and Exchange Commission of Pakistan		(80)	(55)
Accrued expenses and other liabilities		403	(25,114)
Unclaimed dividend		-	-
		<u>(1,976)</u>	<u>(25,825)</u>
<b>Cash generated from / (used in) operations</b>			
Dividend received		32,687	54,369
Income Received from government securities		-	48
Profit received on bank deposits		3,408	1,552
		<u>36,095</u>	<u>55,969</u>
<b>Net cash generated from / (used in) operating activities</b>			
		172,724	51,894
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received against issuance of units		59,542	121,126
Amount paid against redemption of units		(228,970)	(158,947)
Net cash (used in) / generated from financing activities		<u>(169,428)</u>	<u>(37,821)</u>
Net increase in cash and cash equivalents		3,296	14,073
Cash and cash equivalents at beginning of the period		24,197	13,030
Cash and cash equivalents at end of the period	4	<u>27,493</u>	<u>27,103</u>

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

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

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

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

# **HBL Energy Fund**

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

### **FOR THE NINE MONTHS ENDED MARCH 31, 2023**

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

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

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

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

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

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

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

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

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

VIS Credit Rating Company has assigned an asset manager rating of 'AM1 (Stable Outlook)' to the HBL Asset Management Company Limited as at March 31, 2023.

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

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## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2022.

2.1.4 This condensed interim financial information is unaudited and has not been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the nine months March 31, 2023 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2023.

### **2.2 Basis of measurement**

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

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

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

This condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees, except otherwise stated.

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

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022, unless otherwise stated

- 3.2 The preparation of this condensed interim financial information in conformity with 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 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, standards effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2022.

		<b>March 31, 2023 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	----- (Rupees in '000) -----	
<b>4</b>	<b>BANK BALANCES</b>		
	In saving accounts	27,482	24,186
	In Current Accounts	11	11
		<u><b>27,493</b></u>	<u><b>24,197</b></u>

- 4.1 Mark-up rates on these accounts range between 8% to 20.75% per annum (June 30, 2022: 9% to 17% per annum).

		<b>March 31, 2023 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
<b>5</b>	<b>INVESTMENTS</b>		
	<b>Financial assets at 'fair value through profit or loss'</b>		
	Listed equity securities	248,055	427,791

## 5.1 Investment in listed equity securities - Financial Assets at 'fair value through profit or loss'

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

Name of the Investee Company	Notes	Number of shares					As at March 31, 2023			Market value as percentage of		Par value as a percentage of issued capital of the investee company
		As at July 1, 2021	Purchases during the period	Bonus Issue	Sales during the period	As at March 31, 2022	Carrying Amount	Market Value	Unrealised appreciation/(diminution) on re-measurement of investments	Total investments	Net assets	
(Rupees in '000)												
<b>POWER GENERATION &amp; DISTRIBUTION</b>												
Engro Powergen Qadirpur Ltd		-	238,000	-	238,000	-	-	-	-	0.00%	0.00%	0.00%
Hub Power Company Ltd		887,119	987,996	-	1,616,285	258,830	18,038	17,479	(559)	7.05%	6.82%	0.02%
Kot Addu Power Company Ltd		-	663,784	-	289,000	374,784	10,598	9,029	(1,569)	3.64%	3.52%	0.04%
Nishat Chunian Power Ltd		-	301,500	-	301,500	-	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited		-	1,193,050	-	914,387	278,663	5,616	5,044	(572)	2.03%	1.97%	0.08%
Saif Power Limited		-	262,500	-	-	262,500	5,113	5,429	316	2.19%	2.12%	6.79%
		<b>887,119</b>	<b>3,646,830</b>	<b>-</b>	<b>3,359,172</b>	<b>1,174,777</b>	<b>39,365</b>	<b>36,980</b>	<b>(2,386)</b>	<b>14.91%</b>	<b>14.43%</b>	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>												
Mari Petroleum Company Ltd		29,439	23,670	-	36,098	17,011	28,806	25,743	(3,063)	10.38%	10.05%	0.02%
Oil & Gas Development Co Ltd		835,691	961,000	-	1,185,991	610,700	49,317	50,908	1,591	20.52%	19.87%	0.01%
Pakistan Oilfields Ltd		123,940	111,300	-	189,649	45,591	18,940	18,186	(754)	7.33%	7.10%	0.02%
Pakistan Petroleum Ltd		980,994	1,455,226	-	1,614,218	822,002	55,364	52,575	(2,789)	21.19%	20.52%	0.04%
		<b>1,970,064</b>	<b>2,551,196</b>	<b>-</b>	<b>3,025,956</b>	<b>1,495,304</b>	<b>152,426</b>	<b>147,412</b>	<b>(5,015)</b>	<b>59.43%</b>	<b>57.54%</b>	
<b>OIL &amp; GAS MARKETING COMPANIES</b>												
Attock Petroleum Ltd		24,300	86,485	12,325	123,067	43	13	13	(0)	0.01%	0.00%	0.00%
Pakistan State Oil Company Ltd		408,437	332,810	-	738,858	2,389	302	282	(20)	0.11%	0.11%	0.00%
Sui Northern Gas Pipeline Ltd		-	2,799,490	-	2,190,433	609,057	24,760	23,808	(952)	9.60%	9.29%	0.10%
		<b>432,737</b>	<b>3,218,785</b>	<b>12,325</b>	<b>3,052,358</b>	<b>611,489</b>	<b>25,075</b>	<b>24,102</b>	<b>(973)</b>	<b>9.72%</b>	<b>9.41%</b>	
<b>REFINERY</b>												
Attock Refinery Ltd		120,500	481,776	-	369,902	232,374	38,559	39,562	1,003	15.95%	15.44%	0.27%
National Refinery Ltd		137,222	63,800	-	201,022	-	-	-	-	0.00%	0.00%	0.00%
		<b>257,722</b>	<b>545,576</b>	<b>-</b>	<b>570,924</b>	<b>232,374</b>	<b>38,559</b>	<b>39,562</b>	<b>1,003</b>	<b>15.95%</b>	<b>15.44%</b>	
<b>Total - As at March 31, 2023</b>		<b>3,547,642</b>	<b>9,962,387</b>	<b>12,325</b>	<b>10,008,410</b>	<b>3,513,944</b>	<b>255,425</b>	<b>248,055</b>	<b>(7,370)</b>	<b>100.00%</b>	<b>96.83%</b>	
<b>Total - As at June 30, 2022</b>		<b>7,360,670</b>	<b>2,372,187</b>	<b>-</b>	<b>6,185,215</b>	<b>3,547,642</b>	<b>497,230</b>	<b>427,791</b>	<b>(69,439)</b>	<b>100.00%</b>	<b>99.21%</b>	

5.2 These above investments include shares having market value of Rs. 57.80 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.

- Oil and Gas Development Company Limited (326,000 shares)

- Pakistan Petroleum Limited (255,000 shares)

The Hub Power Company Limited (100,000 shares)

Mari Petroleum Company Limited (5,000 shares)

5.3 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.28 million at March 31, 2023 (June 30, 2022: Rs.0.411 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>6</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration to the Management Company	438	778
	Sindh Sales Tax on Management Company's remuneration	57	101
	Sales load payable	5	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	120	501
	Selling and marketing expenses	681	2,174
	Sale load payable		4
		<u>1,301</u>	<u>3,558</u>

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>7</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty	7.1 13,920	13,920
	Provision for Sindh Workers' Welfare Fund	7.2 -	-
	Auditors' remuneration	444	647
	Payable to brokers	570	112
	Withholding tax payable	414	389
	Zakat payable	251	251
	NCCPL charges payable	37	36
	Other payables	152	30
		<u>15,788</u>	<u>15,385</u>

7.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.920 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2023 would have been higher by Rs. 0.53 per unit (June 30, 2022: Rs. 0.32 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

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**9 TAXATION**

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2021 to its unit holders.

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

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

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

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

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

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

	<b>Nine months ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Un-Audited)</b>	<b>(Un-Audited)</b>
	<b>----- (Rupees in '000) -----</b>	
<b>10.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	4,829	10,164
Sindh Sales Tax on remuneration of the Management Company	628	1,321
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,328	2,918
Selling and marketing expenses	2,535	5,459
<b>Habib Bank Limited - Sponsor</b>		
Bank charges	18	17
Redemption of 12,419,913 (2021: 281,215) units	123,232	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	546	1,149
CDS charges	57	36
CDC Annual Fee	-	105

		Nine months ended	
		March 31,	
		2023	2022
		(Un-Audited)	(Un-Audited)
		----- (Rupees in '000) -----	
<b>Directors and Executives of the Management Company</b>			
	Issue of 2,128,219 (2022: 26,380) units	21,337	270
	Redemption of 430,552 (2022: 457,993) units	4,324	4,651
<b>DCCL Trustee HBL Financial Planning Fund</b>			
<b>- Conservative Allocation Plan - Associate</b>			
	Issue of 452,480 (2021: 16,674,442) units	4,445	-
<b>Rohtas Associates (PVT) LTD</b>			
<b>- Holding more than 10% of Units</b>			
	Redemption of 6,277,914 (2022: Nil) units	57,629	-
		March 31,	June 30,
		2023	2022
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
<b>10.2</b>	<b>Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>			
	Management fee payable	438	778
	Sindh Sales Tax on Management Company's remuneration	57	101
	Allocation of expenses related to registrar services, accounting, operation and valuation services	120	501
	Selling and marketing expenses	681	2,174
	Sale load payable		4
<b>Habib Bank Limited - Sponsor</b>			
	Bank balances	27,493	1,297
	Units held: Nil ( June 30, 2022: 12,419,913) units	-	122,506
<b>MCB Bank Limited - Connected Person</b>			
<b>- Holding more than 10% of Units</b>			
	Bank balances	12,973	12,289
	Units held: 6,468,401 ( June 30, 2022: 6,468,400) units	63,181	63,802
<b>HBL Micro Finance Bank (Formerly: First Micro Finance Bank)</b>			
<b>- Associate</b>			
	Bank balances	21	9
<b>DCCL Trustee HBL Financial Planning Fund</b>			
<b>- Conservative Allocation Plan - Associate</b>			
	Units held: 495,879 ( June 30, 2022: 6,277,914) units	4,856	61,923
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
	Trustee fee payable	49	78
	Sindh Sales Tax payable on Trustee		10
	CDS charges payable	3	3
	Security deposit	300	300

	<b>March 31, 2023 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
	----- (Rupees in '000) -----	

**Directors and Executives of the Management Company**

Units held: 1,646,478 (June 30, 2022: Nil) units

16,082

-

**Rohtas Associates (PVT) LTD**

**- Holding more than 10% of Units**

Units held: Nil ( June 30, 2022: 6,277,914) units

-

61,923

**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 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

		March 31, 2023 (Un-Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
	Investments - Listed equity securities	248,055	-	248,055	248,055	-	-	248,055
		248,055	-	248,055	248,055	-	-	248,055
<b>Financial assets not measured at fair value</b>								
12.1	Bank balances	-	27,493	27,493				
	Dividend and profit receivable	-	234	234				
	Receivable against sale of investment - 36,357 36,357		13,430	13,430				
	Deposits	-	2,800	2,800				
		-	43,957	43,957				
<b>Financial liabilities not measured at fair value</b>								
12.1	Payable to the Management Company	-	1,239	1,239				
	Payable to the Trustee	-	43	43				
	Accrued expenses and other liabilities	-	1,203	1,203				
	Unclaimed dividend	-	5,382	5,382				
		-	7,867	7,867				
		June 30, 2022 (Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
	Investments - Listed equity securities	427,791	-	427,791	427,791	-	-	427,791
		427,791	-	427,791	427,791	-	-	427,791
<b>Financial assets not measured at fair value</b>								
12.1	Bank balances	-	24,197	24,197				
	Dividend and other receivable	-	664	664				
	Receivable against sale of investment - 36,357 36,357		-	-				
	Deposits		2,800	2,800				
		-	27,661	27,661				
<b>Financial liabilities not measured at fair value</b>								
12.1	Payable to the Management Company	-	3,457	3,457				
	Payable to the Trustee	-	81	81				
	Accrued expenses and other liabilities	-	15,385	15,385				
	Unclaimed dividend	-	5,382	5,382				
		-	24,305	24,305				

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

## 12.2 Transfers during the period

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

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**13 TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the nine months ended March 31, 2023 is 5.32% (March 2022: 3.39%) which includes 0.41% (March 2022: 0.25%) representing government levy and SECP fee.

**14 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 28, 2023.

**15 GENERAL**

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

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

In continuation of note 1 to annual audited financial statements for the year ended June 30, 2022, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Multi Asset Fund**

## FUND INFORMATION

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

**HBL Multi Asset Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at March 31, 2023*

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- Rupees in '000-----	
<b>Assets</b>			
Bank balances	6	12,080	29,527
Investments	7	91,499	78,651
Dividend receivable and accrued mark-up		1,845	769
Receivable against sale of investments		1,731	10
Advances, deposits and prepayments	8	2,985	2,976
<b>Total assets</b>		<b>110,140</b>	<b>111,933</b>
<b>Liabilities</b>			
Payable to the Management Company	9	354	480
Payable to the Trustee		20	25
Payable to the Securities and Exchange Commission of Pakistan		14	37
Payable against purchase of investments		-	-
Accrued expenses and other liabilities	10	7,042	7,168
<b>Total liabilities</b>		<b>7,430</b>	<b>7,710</b>
<b>Net assets</b>		<b>102,710</b>	<b>104,223</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>102,710</b>	<b>104,223</b>
<b>Contingencies and Commitments</b>			
	11	-----Number of units-----	
<b>Number of units in issue</b>		<b>1,094,593</b>	<b>1,120,780</b>
		-----Rupees-----	
<b>Net assets value per unit</b>		<b>93.8339</b>	<b>92.9902</b>

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

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

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

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

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

**HBL Multi Asset Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For The Nine Months and Quarter Ended March 31, 2023*

	Nine Months ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
	-----Rupees in '000-----			
<b>Income</b>				
Dividend income	4,366	5,425	1,517	2,502
Mark-up on deposits with banks	2,698	2,195	1,020	582
Mark-up / return on investments	1,891	2,204	925	906
Capital loss on sale of investments - net	(1,472)	(7,817)	(14)	(1,795)
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds	-	-	-	-
Other income	-	-	-	-
	<b>7,483</b>	<b>2,007</b>	<b>3,448</b>	<b>2,195</b>
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(1,836)	(14,835)	(151)	(3,777)
	<b>5,647</b>	<b>(12,828)</b>	<b>3,297</b>	<b>(1,582)</b>
<b>Expenses</b>				
Remuneration of the Management Company	1,567	3,337	578	1,058
Remuneration of the Trustee	157	334	58	106
Annual fee to Securities and Exchange Commission of Pakistan	14	30	5	10
Allocation of expenses related to registrar services, accounting, operation and valuation services	243	517	90	163
Auditors' remuneration	338	376	98	97
Securities transaction costs	835	372	503	62
Settlement and bank charges	300	269	81	88
Fee and subscription	47	143	35	1
Selling and marketing expense	336	716	124	227
Printing charges	67	60	15	60
	<b>3,904</b>	<b>6,154</b>	<b>1,587</b>	<b>1,872</b>
<b>Net (Loss) / Income from operating activities</b>	<b>1,743</b>	<b>(18,982)</b>	<b>1,710</b>	<b>(3,454)</b>
Provision for Sindh Workers' Welfare Fund	-	5,562	-	-
<b>Net (loss) / Income for the period before taxation</b>	<b>1,743</b>	<b>(13,420)</b>	<b>1,710</b>	<b>(3,454)</b>
Taxation	-	-	-	-
<b>Net (Loss) / Income for the period after taxation</b>	<b>1,743</b>	<b>(13,420)</b>	<b>1,710</b>	<b>(3,454)</b>
<b>Allocation of income for the period</b>				
Net (Loss) / income for the period after taxation	1,743	-	1,710	-
Income already paid on redemption of units	-	-	-	-
Accounting income available for distribution:	<b>1,743</b>	<b>-</b>	<b>1,710</b>	<b>-</b>
Accounting income available for distribution:				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	1,743	-	1,710	-
	<b>1,743</b>	<b>-</b>	<b>1,710</b>	<b>-</b>

Note

12

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

## HBL Multi Asset Fund

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

For The Nine Months and Quarter Ended March 31, 2023

	Nine Months ended		Quarter ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	-----Rupees in '000-----			
Net (Loss) / Income for the period after taxation	1,743	(13,420)	1,710	(3,454)
Other comprehensive (loss) / income for the period	-	-	-	-
<b>Total comprehensive loss / Income for the period</b>	<b>1,743</b>	<b>(13,420)</b>	<b>1,710</b>	<b>(3,454)</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Multi Asset Fund**  
**Statement of Movement in Unitholders' Fund (Un-Audited)**  
*For The Nine Months Ended March 31, 2023*

	2023				2022			
	Capital Value	Undistributed Income / (Accumulated loss)	Unrealised income / (loss) on investment	Total	Capital Value	Undistributed Income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
	(Rupees in '000)							
<b>Net assets at beginning of the period</b>	155,539	(51,316)	-	104,223	220,838	(18,401)	-	202,437
Issue of 385,676 units (2022: 188,356 units)								
- Capital value (at net asset value per unit at the beginning of the period)	35,864	-	-	35,864	21,237	-	-	21,237
- Element of loss	(780)	-	-	(780)	(596)	-	-	(596)
Total proceeds on issuance of units	35,084	-	-	35,084	20,641	-	-	20,641
Redemption of 411,863 units (2022: 246,015 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(38,299)	-	-	(38,299)	(27,737)	-	-	(27,737)
- Element of income	(41)	-	-	(41)	811	-	-	811
Total payments on redemption of units	(38,340)	-	-	(38,340)	(26,926)	-	-	(26,926)
Net (loss) / Gain for the period after taxation	-	1,743	-	1,743	-	(13,420)	-	(13,420)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	1,743	-	1,743	-	(13,420)	-	(13,420)
<b>Net assets at end of the period</b>	152,283	(49,573)	-	102,710	214,553	(31,821)	-	182,732
<b>(Accumulated loss) / undistributed income brought forward</b>								
- Realised		(36,538)				713		
- Unrealised		(14,778)				(19,114)		
		(51,316)				(18,401)		
Accounting income available for distribution:								
- Relating to capital gains		-				-		
- Excluding capital gains		-				-		
Total comprehensive (loss) for the period		1,743				(13,420)		
<b>Accumulated loss carried forward</b>		(49,573)				(31,821)		
<b>Accumulated loss carried forward</b>								
- Realised		(47,737)				(16,986)		
- Unrealised		(1,836)				(14,835)		
		(49,573)				(31,821)		
					Rupees			Rupees
<b>Net assets value per unit at beginning of the period</b>				<u>92.9902</u>				<u>94.0814</u>
<b>Net assets value per unit at end of the period</b>				<u>93.8339</u>				<u>110.1080</u>

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Multi Asset Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For The Nine Months Ended March 31, 2023*

	March 31,	
	2023	2022
	-----Rupees in '000-----	
<b>Cash flows from operating activities</b>		
Net loss for the period before taxation	1,743	(13,420)
<b>Adjustments for non-cash items:</b>		
Capital loss on sale of investments - net	1,472	7,817
Profit from bank deposits	(2,698)	(2,195)
Return from investments	(1,891)	(2,204)
Dividend income	(4,366)	(5,425)
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	1,836	14,835
	<b>(3,904)</b>	<b>(592)</b>
<b>Decrease / (increase) in assets</b>		
Investments	(17,877)	(21,129)
Advances, deposits and prepayments	(9)	(63)
	<b>(17,886)</b>	<b>(21,192)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(126)	(77)
Payable to the Trustee	(5)	(3)
Payable to the Securities and Exchange Commission of Pakistan	(23)	(11)
Accrued expenses and other liabilities	(126)	(5,860)
	<b>(280)</b>	<b>(5,951)</b>
<b>Net cash generated from operations</b>	<b>(22,070)</b>	<b>(27,735)</b>
Profits received on bank deposits	3,184	2,246
Markup received on investments	1,544	2,230
Dividend income received	3,151	3,879
	<b>7,879</b>	<b>8,355</b>
<b>Net cash generated from operating activities</b>	<b>(14,191)</b>	<b>(19,380)</b>
<b>Cash flows from financing activities</b>		
Amount received on issue of units	35,084	20,641
Payment against redemption of units	(38,340)	(26,926)
<b>Net cash used in financing activities</b>	<b>(3,256)</b>	<b>(6,285)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(17,447)</b>	<b>(25,665)</b>
Cash and cash equivalents at beginning of the period	29,527	54,922
<b>Cash and cash equivalents at end of the period</b>	<b>12,080</b>	<b>29,257</b>

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

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

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

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

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

# **HBL Multi Asset Fund**

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

### ***For The Nine Months Ended March 31, 2023***

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

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

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

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 fund has been categorised as a balanced fund as per the criteria laid down by SECP for categorization of open-end Collective Investment Scheme (CISs).

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

VIS Credit Rating Company has assigned a management quality rating of AM1' (Stable outlook) to the Management Company.

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

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

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

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

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

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

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

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### 2.3 Functional and presentation currency

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

### 4. USE OF ESTIMATES AND JUDGEMENTS

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

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

### 5. FINANCIAL RISK MANAGEMENT

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

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
	Note	-----Rupees in '000-----	
6. BANK BALANCES			
Balances with banks in:			
Savings accounts	6.1	<u>12,080</u>	<u>29,527</u>

6.1 This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 5.00% - 20.30% per annum (June 30, 2022: 4.00% - 17.56% per annum).

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
	Note	-----Rupees in '000-----	
7. INVESTMENTS			
<b>Financial assets at fair value through profit or loss</b>			
- Listed equity securities	7.1	60,511	70,473
- Term finance certificates	7.2	7,817	3,350
- Investment in T-bills	7.3	23,171	-
<b>Financial assets At amortised Cost</b>			
- Sukuk certificates	7.4	-	4,828
		<u>91,499</u>	<u>78,651</u>

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

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

Name of Investee Company	Number of Shares				As at March 31, 2023	Market value as at March 31, 2023 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
<b>Automobile Assembler</b>									
Millat Tractors Limited	-	1,200	-	1,200	-	-	-	-	-
	-	<b>1,200</b>	-	<b>1,200</b>	-	-	-	-	-
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
Air Link Communication Ltd	-	5,000	-	5,000	-	-	-	-	-
Avanceon Limited	24,925	69,075	-	94,000	-	-	-	-	-
Hum Network Ltd	150,000	-	-	150,000	-	-	-	-	-
Netsol Technologies Systems Limited	-	20,000	-	20,000	-	-	-	-	-
TPL Trakker Limited	-	25,200	-	25,200	-	-	-	-	-
	213,000	8,500	-	11,500	210,000	1,888	2.06	1.84	0.01%
	<b>387,925</b>	<b>127,775</b>	-	<b>305,700</b>	<b>210,000</b>	<b>1,888</b>			
<b>REFINERY</b>									
Attock Refinery Ltd	8,500	62,140	-	70,640	-	-	-	-	-
National Refinery Ltd	6,980	8,500	-	15,480	-	-	-	-	-
	<b>15,480</b>	<b>70,640</b>	-	<b>86,120</b>	-	-	-	-	-
<b>Food and Personal Care Products</b>									
Unity Foods Limited	67,500	32,500	-	100,000	-	-	-	-	-
	<b>67,500</b>	<b>32,500</b>	-	<b>100,000</b>	-	-	-	-	-
<b>FOOD &amp; ALLIED INDUSTRIES</b>									
The Organic Meat Company Limited	96,347	-	-	96,347	-	-	-	-	-
	<b>96,347</b>	-	-	<b>96,347</b>	-	-	-	-	-
<b>INSURANCE</b>									
IGI Holding Limited	9,200	-	-	9,200	-	-	-	-	-
	<b>9,200</b>	-	-	<b>9,200</b>	-	-	-	-	-
<b>Cement</b>									
Attock Cement Pakistan Limited	-	15,000	-	15,000	-	-	-	-	-
Cherat Cement Company Limited	-	32,000	-	32,000	-	-	-	-	-
D G Khan Cement Co. Limited	-	219,000	-	121,500	97,500	4,281	4.68	4.17	0.02%
Fauji Cement Company Limited	-	114,500	-	114,500	-	-	-	-	-
Lucky Cement Limited	-	12,702	-	12,702	-	-	-	-	-
Maple Leaf Cement Factory Limited	57,812	521,326	-	382,138	197,000	5,118	5.59	4.98	0.04%
Pioneer Cement Limited	-	66,100	-	66,100	-	-	-	-	-
	<b>57,812</b>	<b>980,628</b>	-	<b>743,940</b>	<b>294,500</b>	<b>9,399</b>			
<b>Chemical</b>									
Descon Oxychem Ltd	-	43,500	-	43,500	-	-	-	-	-
Engro Polymer & Chemicals Limited	12,500	69,000	-	81,500	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	41,000	-	-	41,000	1,039	1.14	1.01	0.00%
Lucky Core Industries Limited	-	1,000	-	1,000	-	-	-	-	-
	<b>12,500</b>	<b>154,500</b>	-	<b>126,000</b>	<b>41,000</b>	<b>1,039</b>			
<b>Commercial Banks</b>									
Bank Alfalah Limited	78,100	35,000	-	113,100	-	-	-	-	-
Faysal Bank Limited	72,750	82,000	-	154,000	750	16	0.02	0.02	0.00%
Habib Bank Limited	37,071	283,125	-	234,196	86,000	6,302	6.89	6.14	0.01%
MCB Bank Limited	24,400	28,500	-	52,900	-	-	-	-	-
Meezan Bank Limited	13,000	80,476	1,300	94,776	-	-	-	-	-
Standard chartered Bank (Pakistan) Limited	140,000	-	-	140,000	-	-	-	-	-
United Bank Limited	60,900	69,530	-	49,900	80,530	8,581	9.38	8.35	0.01%
	<b>426,221</b>	<b>578,631</b>	<b>1,300</b>	<b>838,872</b>	<b>167,280</b>	<b>14,899</b>			

Name of Investee Company	Number of Shares				As at March 31, 2023	Market value as at March 31, 2023 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
<b>Engineering</b>									
International Steels Limited	-	55,000	-	-	55,000	2,333	2.55	2.27	0.01%
Mughal Iron & Steel Inds Limited	16,613	35,169	-	16,000	35,782	1,758	1.92	1.71	0.01%
	<b>16,613</b>	<b>90,169</b>	<b>-</b>	<b>16,000</b>	<b>90,782</b>	<b>4,091</b>			
<b>Fertilizers</b>									
Engro Corporation Limited	25,850	57,700	-	83,550	-	-	-	-	-
Engro Fertilizer Limited	3,000	172,000	-	106,944	68,056	5,773	6.31	5.62	0.01%
Fauji Fertilizer Company Limited	56,312	80,391	-	136,703	-	-	-	-	-
	<b>85,162</b>	<b>310,091</b>	<b>-</b>	<b>327,197</b>	<b>68,056</b>	<b>5,773</b>			
<b>Oil &amp; Gas Exploration</b>									
Mari Petroleum Company Limited Oil & Gas Development Company Limited	755	1,550	-	2,305	-	-	-	-	-
Pakistan Oilfields Limited	50,600	181,700	-	154,300	78,000	6,502	7.11	6.33	0.00%
Pakistan Petroleum Limited	2,900	14,500	-	17,400	-	-	-	-	-
	<b>58,900</b>	<b>279,085</b>	<b>-</b>	<b>218,985</b>	<b>119,000</b>	<b>7,611</b>	<b>8.32</b>	<b>7.41</b>	<b>0.01%</b>
	<b>113,155</b>	<b>476,835</b>	<b>-</b>	<b>392,990</b>	<b>197,000</b>	<b>14,113</b>			
<b>Oil &amp; Gas Marketing Companies</b>									
Attock Petroleum Limited	-	2,000	-	2,000	-	-	-	-	-
Pakistan State Oil Company Ltd	18,004	42,500	-	60,084	420	50	0.05	0.05	0.00%
Sui Northern Gas Pipeline Limited	-	535,824	-	423,324	112,500	4,398	4.81	4.28	0.02%
	<b>18,004</b>	<b>580,324</b>	<b>-</b>	<b>485,408</b>	<b>112,920</b>	<b>4,448</b>			
<b>Pharmaceuticals</b>									
AGP Limited	-	27,500	-	-	27,500	1,491	1.63	1.45	0.00%
The Searle Company Limited	1,169	21,000	280	49	22,400	1,153	1.26	1.12	0.01%
	<b>1,169</b>	<b>48,500</b>	<b>280</b>	<b>49</b>	<b>49,900</b>	<b>2,644</b>			
<b>Glass &amp; Ceramics</b>									
Tariq Glass Industries Limited	-	31,500	-	-	31,500	2,217	2.42	2.16	0.04%
	<b>-</b>	<b>31,500</b>	<b>-</b>	<b>-</b>	<b>31,500</b>	<b>2,217</b>			
<b>Power Generation and Distribution</b>									
Hub Power Company Limited	39,483	61,517	-	101,000	-	-	-	-	-
	<b>39,483</b>	<b>61,517</b>	<b>-</b>	<b>101,000</b>	<b>-</b>	<b>-</b>			
<b>Textile Composite</b>									
Gul Ahmed Textile Mills Ltd	13,600	-	-	13,600	-	-	-	-	-
Interloop Limited	9,000	-	-	9,000	-	-	-	-	-
Kohinoor Textile Mills Ltd	10,500	-	-	10,500	-	-	-	-	-
Nishat Mills Limited	8,000	-	-	8,000	-	-	-	-	-
	<b>41,100</b>	<b>-</b>	<b>-</b>	<b>41,100</b>	<b>-</b>	<b>-</b>			
<b>MISCELLANEOUS</b>									
TPL Properties Limited	57,000	64,000	-	121,000	-	-	-	-	-
	<b>57,000</b>	<b>64,000</b>	<b>-</b>	<b>121,000</b>	<b>-</b>	<b>-</b>			
	<b>1,444,671</b>	<b>3,608,810</b>	<b>1,580</b>	<b>3,792,123</b>	<b>1,262,938</b>	<b>60,511</b>			
<b>Cost of investments at March 31, 2023</b>						<b>141,187</b>			

7.1.1 Investments include shares having market value aggregating to Rs. 19.836 million (June 30, 2022: 30.695 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

7.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 274,593 at March 31, 2023 (June 30, 2022: Rs 371,924 ) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

## 7.2 Term Finance Certificates - Fair value through profit and loss

### 7.2.1 Term Finance Certificates - Unlisted

All Term Finance Certificates and Sukuk bonds have a face value of Rs. 100,000 each unless stated otherwise.

Investee Company	Number of certificates				Market value as at March 31, 2023 (Rupees in '000)	Market value as a percentage of	
	As at July 01, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023		Total Investments	Net Assets
<b>Commercial Banks</b>							
The Hub Power Holding Limited	50	-	-	50	5,100	5.6%	5.0%
TPL Trakker Limited	4	-	-	4	2,717	3.0%	2.6%
	<b>54</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>7,817</b>	<b>8.54%</b>	<b>7.61%</b>
Cost of investments at March 31, 2023					<b>7,683</b>		

7.2.2 Significant terms and conditions of Term Finance Certificates outstanding at March 31, 2023 are:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
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#### Term Finance Certificates - Unlisted

TPL Traker Sukuk	666,667	3 month KIBOR + 3.0%	March 30, 2021	March 30, 2026
The Hub Power Holding Limited	100,000	6 month KIBOR + 2.5%	November 11, 2020	November 11, 2025

### 7.3 T-bills - At fair value through profit or loss

	Maturity Date	As at July 1, 2022	Placements made during the period	Matured / Sale during the period	Amortised Cost as at March 31, 2023	Market value as at March 31, 2023	Market value as a percentage of	
							Total Investment of fund	Net Assets of fund
------(Rupees in '000)-----							-----%-----	
United Bank Limited	25-Aug-22	-	25,000	25,000	-	-	-	-
Bank Alfalah limited	8-Sep-22	-	20,000	20,000	-	-	-	-
Bank Alfalah limited	22-Sep-22	-	20,000	20,000	-	-	-	-
Bank Alfalah limited	6-Oct-22	-	13,000	13,000	-	-	-	-
Bank Alfalah limited	29-Dec-22	-	5,000	5,000	-	-	-	-
Bank Alfalah limited	17-Nov-22	-	10,000	10,000	-	-	-	-
Bank Alfalah limited	9-Mar-23	-	25,000	25,000	-	-	-	-
Bank Alfalah limited	1-Jun-23	-	24,000	-	24,000	23,171	25.3%	22.6%
		-	142,000	118,000	24,000	23,171	25.3%	22.6%

### 7.4 Sukuk certificates - At amortised cost

	Maturity Date	Face Value		Carring Value as at March 31, 2023	Carring Value as Percentage of Total Investment	Carring Value as Percentage of Net Asset
		As at July 01, 2022	Placement During the period			
------(Rupees in '000)-----						
<b>Power Generation &amp; Distribution</b>						
The Hub Power Company Limited	12-Nov-22	50	-	50	-	0.00%
<b>Total</b>		<b>50</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>0.00%</b>

(Un-Audited) (Audited)  
March 31, June 30,  
2023 2022  
-----Rupees in '000-----

### 8. ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited	100	100
Prepaid annual listing fee	9	-
Advance tax	375	376
	<b>2,985</b>	<b>2,976</b>

### 9. PAYABLE TO THE MANAGEMENT COMPANY

Management fee	176	219
Sindh Sales Tax	23	28
Sales load payable	-	2
Allocation of expenses related to registrar services, accounting, operation and valuation services	31	38
Selling and marketing payable	124	193
	<b>354</b>	<b>480</b>

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
		-----Rupees in '000-----	
<b>10.</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Auditors' remuneration	192	374
	Federal Excise Duty	6,610	6,610
	Dividend Payable	3	3
	Payable to brokers	175	115
	Other payables	62	66
		<u>7,042</u>	<u>7,168</u>

10.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal which was filed by tax authorities against the order by the Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to Mar 30, 2023 aggregating to Rs. 6.610 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2023 would have been higher by Rs. 6.0388 per unit (June 30, 2022: 5.8977 per unit).

#### 11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

#### 12. TAXATION

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

#### 13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

### 13.1 Transactions during the period

	Nine months ended	
	March 31,	
	2023	2022
	-----Rupees in '000-----	
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	1,567	3,337
Allocation of expenses related to registrar services, accounting, operation and valuation services	243	517
Selling and marketing cost payable	336	716
Issuance of 384,754 Units (2022: Nil Units)	35,000	-
<b>Habib Bank Limited - Sponsor</b>		
Redemption of 315,978 Units (2022: Nil Units)	29,443	
Bank charges paid during the period	33	3
Mark-up earned during the period	261	222
Mark-up received during the period	249	246
Dividend income earned during the period	185	545
Purchase of 283,125 Shares ( Mar 2022: 104,800 shares)	20,375	1,267
Sale of 234,196 Shares ( Mar 2022: 6,700 Shares)	17,766	841

	Nine months ended	
	March 31,	
	2023	2022
	-----Rupees in '000-----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	157	334
Central Depository service charges	28	18
<b>HBL Income Fund</b>		
Sale of Bank of Punjab Term finance Certificate	-	13,500
<b>HBL Cash Fund</b>		
Sale of T-Bill	25,000	-
<b>Executive and Key Management Personal</b>		
Redemption of 20,218 Units	1,850	-
	(Un-Audited)	(Audited)
	March 31,	June 30,
	2023	2022
	-----Rupees in '000-----	
<b>13.2 Amounts outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee payable	176	219
Sales tax payable	23	28
Sales load payable	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	31	38
Selling and Marketing Cost	124	193
<b>Habib Bank Limited - Sponsor</b>		
Investment held in the Fund: Nil units (June 2022: 315,978 units)	-	29,383
Bank balances	1,804	28,221
Mark-up receivable on deposits with bank	12	322
Outstanding Balance of Shares 86,000 ( Jun 2022: 37,071 Shares)	6,302	3,386
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	219	22
Sindh Sales Tax	28	3
Security Deposit	100	100

	(Un-Audited) March 31, 2023	(Audited) June 30, 2022
	-----Rupees in '000-----	
<b>Mr. Rafiuddin Zakir Mahmood Connected Persons Due to 10% and more</b>		
Investment held in the Fund: 312,940 units (June 2022: 312,940 units)	<b>29,237</b>	29,100
<b>Executive and Key Management Personnel</b>		
Investment held in the Fund: 1,289 units (June 2022: 21,508 units)	120.00	2,000

#### 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2023						
		Carrying amount			Fair Value			
		Mandatorily at Fair value	Amortized cost	Total	Level 1	Level 2	Level 3	Total
		through profit or loss						
Note		(Rupees in '000)						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
<b>Investments</b>								
	Listed equity securities	60,511	-	60,511	60,511	-	-	60,511
	Term Finance Certificates	7,817	-	7,817	-	7,817	-	7,817
		<b>68,328</b>	<b>-</b>	<b>68,328</b>				
<b>Financial assets not measured at fair value</b>								
14.1	Bank balances	-	12,080	12,080				
	Dividend receivable and accrued mark-up	-	1,845	1,845				
	Advances, deposits and other receivables	-	2,985	2,985				
	Term Finance Certificates	-	-	-				
	Commercial Paper	-	-	-				
		<b>-</b>	<b>16,910</b>	<b>16,910</b>				
<b>Financial liabilities not measured at fair value</b>								
14.2	Payable to the Management Company	-	331	331				
	Payable to the SECP	-	14	14				
	Payable to the Trustee	-	20	20				
	Payable against purchase of investments	-	-	-				
	Accrued expenses and other liabilities	-	432	432				
		<b>-</b>	<b>797</b>	<b>797</b>				
		June 30, 2022						
		Carrying amount			Fair Value			
		Mandatorily at Fair value	Amortized cost	Total	Level 1	Level 2	Level 3	Total
		through profit or loss						
		(Rupees in '000)						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
<b>Investments</b>								
	- Listed equity securities	70,473	-	70,473	70,473	-	-	70,473
	- Term finance certificates	3,350	-	3,350	-	3,350	-	3,350
		<b>73,823</b>	<b>-</b>	<b>73,823</b>				
<b>Financial assets not measured at fair value</b>								
	Bank balances	-	29,527	29,527				
	Dividend receivable and accrued mark-up	-	769	769				
	Receivable against sale of investments	-	10	10				
	Advances, deposits and other receivables	-	2,976	2,976				
	Term Finance Certificate and Sukuks Bonds	-	4,828	4,828				
		<b>-</b>	<b>38,110</b>	<b>38,110</b>				
<b>Financial liabilities not measured at fair value</b>								
	Payable to the Management Company	-	480	480				
	Payable to the Trustee	-	25	25				
	Accrued expenses and other liabilities	-	558	558				
		<b>-</b>	<b>1,063</b>	<b>1,063</b>				

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

#### 14.2 Transfers during the period

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



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# **HBL**

## **Financial Planning Fund**

## FUND INFORMATION

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Name of Fund	HBL Financial Planning Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Digital Custodian Company Limited (DCCL)
Bankers	Habib Bank Limited JS Bank Limited Soneri Bank Limited

**HBL Financial Planning Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
**AS AT MARCH 31, 2023**

	Note	March 31, 2023 (Un-Audited)			June 30, 2022 (Audited)			
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
		(Rupees in '000)						
<b>ASSETS</b>								
Bank balances	4	406	288	694	62,479	1,278	12	63,769
Investments	5	68,474	40,661	109,135	24,375	77,306	-	101,681
Mark-up accrued		-	-	-	-	-	-	-
Preliminary expenses and flotation costs		-	-	-	110	141	-	251
Advances and prepayments		45	14	59	45	16	-	61
<b>TOTAL ASSETS</b>		<b>68,925</b>	<b>40,963</b>	<b>109,888</b>	<b>87,009</b>	<b>78,741</b>	<b>12</b>	<b>165,762</b>
<b>LIABILITIES</b>								
Payable to the Management Company	6	15	119	134	918	13	-	931
Payable to the Trustee		6	3	9	2	6	-	8
Payable to Securities and Exchange Commission of Pakistan		7	7	14	7	13	3	23
Payable against redemption of units		-	-	-	-	-	-	-
Accrued expenses and other liabilities	7	177	38	215	203	89	9	301
<b>TOTAL LIABILITIES</b>		<b>205</b>	<b>167</b>	<b>372</b>	<b>1,130</b>	<b>121</b>	<b>12</b>	<b>1,263</b>
<b>NET ASSETS</b>		<b>68,720</b>	<b>40,796</b>	<b>109,516</b>	<b>85,879</b>	<b>78,620</b>	<b>-</b>	<b>164,499</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>								
		<b>68,720</b>	<b>40,796</b>	<b>109,516</b>	<b>85,879</b>	<b>78,620</b>	<b>-</b>	<b>164,499</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		8						
		(Number of Units)						
Number of units in issue		851,578	340,370	1,191,949	85,879	78,620	-	164,499
		(Rupees)						
Net assets value per unit		80.6977	119.8564		74.1068	111.7040	-	

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 Financial Planning Fund**  
**Condensed Interim Income Statement (Un-audited)**  
**FOR THE NINE MONTHS AND PERIOD ENDED MARCH 31, 2023**

	For the nine months ended March 31, 2023			For the nine months ended March 31, 2022		For the period ended to September 13, 2021	
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	(Rupees in '000)						
<b>Income</b>							
Capital gain on sale of investments - net	906	743	1,649	(692)	368	176	(148)
Dividend income	2,091	1	2,092	-	1	1,358	1,359
Mark-up on bank deposits	181	145	326	38	34	21	93
Back-end load	-	-	-	-	-	-	-
	3,178	889	4,067	(654)	403	1,555	1,304
Unrealized appreciation / (diminution) on re-measurement of investments classified as 'fair value through profit or loss' - net	865	2,683	3,548	(8,550)	(415)	-	(8,965)
	4,043	3,572	7,615	(9,204)	(12)	1,555	(7,661)
<b>Expenses</b>							
Remuneration of the Management Company	7	7	14	4	6	4	14
Sindh Sales Tax on remuneration of the Management Company	1	1	2	1	1	1	3
Remuneration of the Trustee	30	33	63	27	42	15	84
Sindh Sales Tax on remuneration of the Trustee	4	4	8	4	5	2	11
Annual fee to the Securities and Exchange Commission of Pakistan	7	7	14	6	9	3	18
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	67	73	140	59	94	34	187
Amortisation of preliminary expenses and flotation costs	108	141	249	201	173	-	374
Auditors' remuneration	134	123	257	99	88	49	236
Fees and subscription	17	16	33	76	84	11	171
Bank charges	-	-	-	8	5	79	92
Printing Charges	11	-	11	29	37	4	70
	386	405	791	514	544	202	1,260
<b>Net income / (loss) from operating activities</b>	3,657	3,167	6,824	(9,718)	(556)	1,353	(8,921)
Provision for Sindh Workers' Welfare Fund	-	-	-	406	332	466	1,204
<b>Net income / (loss) for the period before taxation</b>	3,657	3,167	6,824	(9,312)	(224)	1,819	(7,717)
Taxation	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	3,657	3,167	6,824	(9,312)	(224)	1,819	(7,717)
<b>Allocation of net income for the period</b>							
Income already paid on redemption of units	117	718		-	-	162	
Accounting income available for distribution							
Relating to capital gains	1,670	2,449		-	-	176	
Excluding capital gains	1,870	-		-	-	1,481	
	3,540	2,449		(9,312)	(224)	1,657	
	3,657	3,167		(9,312)	(224)	1,819	

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 Financial Planning Fund**  
**Condensed Interim Income Statement (Un-audited)**  
**FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2023 (CONTINUED)**

	For the quarter ended March 31, 2023			For the quarter ended March 31, 2022			
	Active	Conservative	Total	Active	Conservative	Special	Total
	Allocation	Allocation		Allocation	Allocation	Income	
	Plan	Plan		Plan	Plan	Plan	
Note ----- (Rupees in '000) -----							
<b>Income</b>							
Capital gain on sale of investments - net	2	57	59	199	348	-	547
Dividend income	2,091	-	2,091	-	1	-	1
Mark-up on bank deposits	-	(1)	(1)	7	11	-	18
Back-end load	-	-	-	-	-	-	-
	2,093	56	2,149	206	360	-	566
Unrealized (diminution) / appreciation on re-measurement of investments classified as 'fair value through profit or loss' - net	610	1,039	1,649	(1,742)	66	-	(1,676)
	2,703	1,095	3,798	(1,536)	426	-	(1,110)
<b>Expenses</b>							
Remuneration of the Management Company	1	1	2	1	2	-	3
Sindh Sales Tax on remuneration of the Management Company	-	-	-	1	-	-	1
Remuneration of the Trustee	15	8	23	8	16	-	24
Sindh Sales Tax on remuneration of the Trustee	2	1	3	2	2	-	4
Annual fee to the Securities and Exchange Commission of Pakistan	4	1	5	2	3	-	5
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	33	18	51	17	36	-	53
Amortisation of preliminary expenses and flotation costs	-	24	24	66	55	-	121
Auditors' remuneration	44	40	84	32	29	-	61
Fees and subscription	4	4	8	28	35	-	63
Bank charges	-	-	-	2	2	-	4
Printing Charges	2	-	2	4	37	-	41
	105	97	202	163	217	-	380
<b>Net income / (loss) from operating activities</b>	2,598	998	3,596	(1,699)	209	-	(1,490)
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-	-
<b>Net income / (loss) for the period before taxation</b>	2,598	998	3,596	(1,699)	209	-	(1,490)
Taxation	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	2,598	998	3,596	(1,699)	209	-	(1,490)
<b>Earnings per unit</b>							

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 Financial Planning Fund**  
**Condensed Statement of Comprehensive Income**  
**FOR THE NINE MONTHS AND PERIOD ENDED MARCH 31, 2023**

	For the nine months ended March 31, 2023			For the nine months ended March 31, 2022		For the period ended to September 13, 2021	
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	(Rupees in '000)						
Net income / (loss) for the period after taxation	3,657	3,167	6,824	(9,312)	(224)	1,819	(7,717)
Other comprehensive income							
Items that will be reclassified subsequently to income statement	-	-	-	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	<u>3,657</u>	<u>3,167</u>	<u>6,824</u>	<u>(9,312)</u>	<u>(224)</u>	<u>1,819</u>	<u>(7,717)</u>

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 Financial Planning Fund**  
**Statement of Movement In Unitholders' Fund**  
**FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2023 (CONTINUED)**

	For the quarter ended March 31, 2023			For the quarter ended March 31, 2022			
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	(Rupees in '000)						
Net income / (loss) for the period after taxation	2,598	998	3,596	(1,699)	209	-	(1,490)
Other comprehensive income							
Items that will be reclassified subsequently to income statement	-	-	-	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	<u>2,598</u>	<u>998</u>	<u>3,596</u>	<u>(1,699)</u>	<u>209</u>	<u>-</u>	<u>(1,490)</u>

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 Financial Planning Fund

## Condensed Interim Statement of Cashflow

### FOR THE NINE MONTHS AND PERIOD ENDED MARCH 31, 2023

Note	For the nine months ended March 31, 2023			For the nine months ended March 31, 2021		For the period ended to September 13, 2020	
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	(Rupees in '000)						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net income / (loss) for the period before taxation	3,657	3,167	6,824	(9,312)	(224)	1,819	(7,717)
Adjustments for:							
Capital (gain) on sale of investment - net	(906)	(743)	(1,649)	692	(368)	(176)	148
Dividend income	(2,091)	(1)	(2,092)	-	(1)	(1,358)	(1,359)
Mark-up on bank deposits	(181)	(145)	(326)	(38)	(34)	(21)	(93)
Unrealized (appreciation) / diminution on re-measurement of investments classified as 'fair value through profit or loss' - net	(865)	(2,683)	(3,548)	8,550	415	-	8,965
Back-end load	-	-	-	-	-	-	-
Provision of Sindh Workers' Welfare fund	-	-	-	(406)	(332)	-	(738)
Amortisation of preliminary expenses and flotation costs	108	141	249	201	173	-	374
	(278)	(264)	(542)	(313)	(371)	264	(420)
<b>Decrease / (increase) in assets</b>							
Investments - net	(42,326)	40,071	(2,255)	15,707	(19,807)	88,325	84,225
Advances and prepayments	-	2	2	(9)	(18)	-	(27)
	(42,326)	40,073	(2,253)	15,698	(19,825)	88,325	84,198
<b>(Decrease) / Increase in liabilities</b>							
Payable to the Management Company	(903)	106	(797)	(5)	4	(15)	(16)
Payable to the Trustee	4	(3)	1	(2)	1	(8)	(9)
Payable to Securities and Exchange Commission of Pakistan	-	(6)	(6)	(6)	(3)	(21)	(30)
Accrued expenses and other liabilities	(26)	(51)	(77)	(123)	(1,590)	(1,257)	(2,970)
	(925)	46	(879)	(136)	(1,588)	(1,301)	(3,025)
Cash generated from / (used in) operations	(43,529)	39,855	(3,674)	15,249	(21,784)	87,288	80,753
Dividend received	2,091	1	2,092	-	1	1,358	1,359
Mark-up received on bank deposits	181	145	326	38	34	21	93
Back-end load	-	-	-	-	-	-	-
Net cash generated from / (used in) operating activities	(41,257)	40,001	(1,256)	15,287	(21,749)	88,667	82,205
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Amount received on issue of units	46,031	5,184	51,215	1,042	21,881	2,552	25,475
Amount paid on redemption of units	(66,847)	(46,175)	(113,022)	(16,318)	(971)	(90,880)	(108,169)
Dividend paid	-	-	-	-	-	(1,416)	(1,416)
Net cash (used in) / generated from financing activities	(20,816)	(40,991)	(61,807)	(15,276)	20,910	(89,744)	(84,110)
Net (decrease) / increase in cash and cash equivalents during the period	(62,073)	(990)	(63,063)	11	(839)	(1,077)	(1,905)
Cash and cash equivalents at the beginning of the period	62,479	1,278	63,757	237	1,598	1,089	2,924
Cash and cash equivalents at the end of the period	406	288	694	248	759	12	1,019

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 Financial Planning Fund**  
**Statement of Unit Holder's Fund**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine months ended March 31, 2023			Nine months ended March 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Accumulated loss	Total
	Active Allocation Plan					
	(Rupees in '000)					
<b>Net assets at beginning of the period</b>	100,204	(14,325)	85,879	56,275	1,525	57,800
<b>Issuance of 594,827 units (2022: 9,734 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	44,081	-	44,081	1,127	-	1,127
Element of income / (loss)	1,950	-	1,950	(85)	-	(85)
<b>Total proceeds on issuance of units</b>	46,031	-	46,031	1,042	-	1,042
<b>Redemption of 902,096 units (2022: 149,433 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(66,851)	-	(66,851)	(17,298)	-	(17,298)
Income already paid on redemption of units	-	(117)	(117)	-	-	-
Element of income	121	-	121	980	-	980
<b>Total payments on redemption of units</b>	(66,730)	(117)	(66,847)	(16,318)	-	(16,318)
Total comprehensive income / (loss) for the period	-	3,657	3,657	-	(9,312)	(9,312)
<b>Net assets at end of the period</b>	79,505	(10,785)	68,720	40,999	(7,787)	33,212
<b>Accumulated (loss) / undistributed income brought forward</b>						
Realised (loss) / income		1,032			(2,360)	
Unrealized loss		(15,357)			3,885	
		(14,325)			1,525	
<b>Accounting income available for distribution</b>						
Relating to capital gains		1,670			7,023	
Excluding capital gains		1,870			55	
		3,540			7,078	
Total comprehensive loss for the period		3,657			(9,312)	
<b>Undistributed income / accumulated (loss) carried forward</b>		(10,785)			(709)	
<b>Undistributed income / accumulated (loss) carried forward</b>						
Realised (loss) / income		(11,650)			10,075	
Unrealized (loss)		865			(8,550)	
		(10,785)			1,525	
			(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the period</b>			74.1068			115.7579
<b>Net assets value per unit at end of the period</b>			80.6977			92.3552

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 Financial Planning Fund**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine months ended March 31, 2023			Nine months ended March 31, 2022		
	Conservative Allocation Plan					
	Capital value	Undistributed	Total	Capital value	Undistributed	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	71,779	6,841	78,620	42,154	8,966	51,120
Issuance of 43,423 units (2022: 190,471 units)						
Capital value (at net asset value per unit at the beginning of the period)	4,851	-	4,851	21,944	-	21,944
Element of income	333	-	333	(63)	-	(63)
Total proceeds on issuance of units	5,184	-	5,184	21,881	-	21,881
Redemption of 406,877 units (2022: 8,498 units)						
Capital value (at net asset value per unit at the beginning of the period)	(45,450)	-	(45,450)	(979)	-	(979)
Income already paid on redemption of units	-	(718)	(718)	-	-	-
Element of income	(7)	-	(7)	8	-	8
Total payments on redemption of units	(45,457)	(718)	(46,175)	(971)	-	(971)
Total comprehensive income for the period	-	3,167	3,167	-	(224)	(224)
Net assets at end of the period	31,506	9,290	40,796	63,064	8,742	71,806
Undistributed income brought forward						
Realised income		11,138			7,975	
Unrealized (loss) / income		(4,297)			991	
		6,841			8,966	
Accounting income available for distribution						
Relating to capital gains		2,449			-	
Excluding capital gains		-			-	
		2,449			-	
Undistributed income carried forward		9,290			8,966	
Undistributed income carried forward						
Realised income		6,607			9,381	
Unrealized income / (loss)		2,683			(415)	
		9,290			8,966	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			111.7040			115.2069
Net assets value per unit at end of the period			119.8564			114.7642

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 Financial Planning Fund**

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

### **FOR THE NINE MONTHS ENDED MARCH 31, 2023**

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

HBL Financial Planning Fund (the Fund), was established under the Trust Deed executed between HBL Asset Management Limited as the Management Company and Digital Custodian Company Limited (DCCL) as the Trustee. The Trust Deed was executed on March 22, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 14, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton. The Fund commenced its operations from October 10, 2017.

The Fund is an open ended fund of fund scheme and the Fund is listed on Pakistan Stock Exchange Limited. The Fund currently has three different plans; namely, Active Allocation Plan, Conservative Allocation Plan and Special Income Plan (collectively referred as 'Plans'). The units of Conservative Allocation Plan and Active Allocation Plan were initially offered to public (IPO) from September 11, 2017 to October 10, 2017, the units of Strategic Allocation Plan were offered from August 07, 2017 to October 10, 2017 and the units of Special Income Plan were offered from June 11, 2019 to September 13, 2019. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund is perpetual, however, the Allocation Plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans may be offered for a limited subscription period.

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

- The "Active Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active asset allocation between equity scheme(s), income scheme(s) and money market scheme(s) based on the Fund Manager's outlook on the asset classes.
- The "Conservative Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of investments in equity scheme(s), income scheme(s) and money market scheme(s). This Allocation Plan is suitable for investors who have moderate risk tolerance and have a short to medium term investment horizon.
- The "Strategic Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between equity scheme(s), income scheme(s) and money market scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. The plan commenced on October 11, 2017 for the duration of 24 months (two years) and matured on October 10, 2019.
- The "Special Income Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between income scheme(s) and money market scheme(s) based on fundamental analysis of economic indicators, interest rate environment, market liquidity conditions and a strategy of minimizing risk and volatility. The duration of this plan is 24 months (two years). However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause no.10.4 of the offering document of the Fund. HBL Financial Planning Fund - Special Income Plan is due to mature on September 16, 2021, unless the Management Company decides otherwise.

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

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Title to the assets of the Fund are held in the name of DCCL as the Trustee of the Fund.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2022, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2022.

2.1.4 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2023.

### **2.2 Basis of measurement**

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

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

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

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

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

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2022.

		March 31, 2023 (Un-Audited)				June 30, 2022 (Audited)				
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	
	Note	----- (Rupees in '000) -----								
<b>4</b>	<b>BANK BALANCES</b>									
	In savings accounts	4.1	406	288	-	694	62,479	1,278	12	63,769
4.1	This represents bank accounts held with various banks. Mark-up rates on these accounts range between 14.5% to 15.5% per annum (June 30, 2022: 8% to 12.5% per annum).									
<b>5</b>	<b>INVESTMENTS</b>									
	Financial assets classified at fair value through profit or loss									
	Units of mutual funds	5.1	68,474	40,661	-	109,135	24,375	77,306	-	101,681

## 5.1 Units of Mutual Funds

Name of investee funds	Number of units				As at March 31, 2023			Market value as a percentage of	
	As at July 1, 2022	Purchases during the period	Redemptions during the period	As at March 31, 2023	Carrying amount	Market value	Appreciation / (diminution)	Net assets of the plan	Total investments of the plan
(Rupees in '000)									
<b>Active Allocation Plan</b>									
HBL Cash Fund	-	671,847	4,829	667,018	67,609	68,474	865	99.64	100.00
HBL Equity Fund	256,101	-	256,101	-	-	-	-	-	-
HBL Money Market Fund	11,931	-	11,931	-	-	-	-	-	-
HBL Income Fund	31,089	587,211	618,300	-	-	-	-	-	-
As at March 31, 2023 (Un-Audited)	299,121	1,259,058	891,161	667,018	67,609	68,474	865	99.64	100
<b>Conservative Allocation Plan</b>									
HBL Cash Fund	137	41,274	-	41,411	4,215	4,251	36	10.42	10.45
HBL Equity Fund	60,519	-	60,519	-	-	-	-	-	-
HBL Energy Fund	-	495,879	-	495,879	4,870	4,856	(14)	11.90	11.94
HBL Stock Fund	142,460	9,404	103,540	48,324	3,451	3,269	(182)	8.01	8.04
HBL Income Fund	504,125	13,926	302,406	215,645	24,115	26,809	2,694	65.71	65.93
HBL Money Market Fund	60,495	-	47,588	12,907	1,327	1,476	149	3.62	3.63
As at March 31, 2023 (Un-Audited)	767,736	560,483	514,053	814,166	37,978	40,661	2,683	99.67	100
<b>Total as at March 31, 2023 (Un-Audited)</b>	<b>1,066,857</b>	<b>1,819,541</b>	<b>1,405,214</b>	<b>1,481,184</b>	<b>105,587</b>	<b>109,135</b>	<b>3,548</b>		
<b>Total as at June 30, 2022</b>	<b>1,778,169</b>	<b>995,705</b>	<b>1,707,016</b>	<b>1,066,858</b>	<b>121,335</b>	<b>101,681</b>	<b>(19,654)</b>		

Note	March 31, 2023 (Un-Audited)			June 30, 2022 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	(Rupees in '000)			(Rupees in '000)			

## 6 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable of the Management Company	6.1	-	1	1	1	2	-	3
Sindh Sales Tax payable on the Management Company's remuneration	6.2	-	-	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	12	7	19	4	11	-	15
Sales Load		3	111	114	913	-	-	913
		15	119	134	918	13	-	931

## 7 ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Sindh Workers' Welfare Fund	7.1	-	-	-	-	-	-	-
Withholding tax payable		-	-	-	-	-	-	-
Printing charges payable		-	7	7	19	39	-	58
Auditors' remuneration		36	31	67	57	50	-	107
Others		141	-	141	127	-	9	136
		177	38	215	203	89	9	301

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2023 (June 30, 2022: Nil).

## 9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains, whether realised or unrealized, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute at least 90% of the Fund's accounting income, as reduced by the capital gains, whether realised or unrealized, for the year ending June 30, 2021, to its unit holders.

## 10 EARNINGS PER UNIT

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

## 11 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include HBL Asset Management Limited, being the Management Company, Habib Bank Limited, being the Sponsor, MCB Financial Services Limited, being the Trustee of the Fund, 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 the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.

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

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

	For the nine months ended March 31, 2023				For the nine months ended March 31, 2022			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	(Rupees in '000)				(Rupees in '000)			
	(Un-Audited)							

### 11.1 Transactions during the period

#### HBL Asset Management Limited - Management Company

Remuneration of the Management Company	7	7	-	14	4	6	4	14
Sindh Sales Tax on remuneration of the Management Company	1	1	-	2	1	1	1	3
Allocation of expenses related to registrar services, accounting, operation and valuation services	67	73	-	140	59	94	34	187
Issue of 581,329 (2022: 174,164) units	45,000	-	-	45,000	-	20,000	-	20,000

#### Habib Bank Limited - Sponsor

Bank charges	-	-	-	-	8	5	79	92
Mark-up on bank deposits	37	32	-	69	37	32	817	886

	For the nine months ended March 31, 2023				For the nine months ended March 31, 2022			
	Active	Conservative	Special	Total	Active	Conservative	Special	Total
	Allocation	Allocation	Income		Allocation	Allocation	Income	
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	
(Rupees in '000)				(Rupees in '000)				
----- (Un-Audited) -----								
<b>MCB Financial Services Limited - Trustee</b>								
Remuneration of the Trustee	30	33	-	63	27	42	15	84
Sindh Sales Tax on remuneration of the Trustee	4	4	-	8	4	5	2	11
<b>Executives of the Management</b>								
Issue of 1,598 (2022: Nil) units	125	-	-	125	-	-	-	-
Issue of 669 (2022: Nil) units	-	77	-	77	-	-	-	-
Redemption of 669 (2022: Nil) units	-	78	-	78	-	-	-	-
<b>Asif Nadeem Minhas - Connected Person due to 10% holding</b>								
Issue of Nil (2022: 1,173) units	-	-	-	-	-	-	124	124
Redemption of Nil (2022: 99,593) units	-	-	-	-	-	-	17,531	17,531
Dividend Income	-	-	-	-	-	-	124	124
<b>Anwar Ahmad Syed - Connected Person due to 10% holding</b>								
Issue of Nil (2022: 2,971) units	-	-	-	-	-	-	172	172
Redemption of Nil (2022: 206,900) units	-	-	-	-	-	-	9,900	9,900
Dividend Income	-	-	-	-	-	-	172	172
<b>Shazia Afshan Minhas - Connected Person due to 10% holding</b>								
Issue of Nil (2022: 2,971) units	-	-	-	-	-	-	314	314
Redemption of Nil (2022: 206,900) units	-	-	-	-	-	-	21,870	21,870
Dividend Income	-	-	-	-	-	-	314	314
<b>HBL Income Fund - CIS managed by the Management Company</b>								
Purchase of 587,211 (2022: 802) units	65,752	-	-	65,752	94	-	-	94
Redemption of 618,300 (2022: 63,039) units	70,608	-	-	70,608	7,345	-	-	7,345
Purchase of 13,926 (2022: 496,711) units	-	1,641	-	1,641	-	58,506	-	58,506
Redemption of 302,406 (2022: 78,541) units	-	34,782	-	34,782	-	9,280	-	9,280
<b>HBL Stock Fund - CIS managed by the Management Company</b>								
Purchase of 9,404 (2022: 88,944) units	-	644	-	644	-	7,900	-	7,900
Redemption of 103,540 (2022: Nil) units	-	7,136	-	7,136	-	-	-	-
<b>HBL Cash Fund - CIS managed by the Management Company</b>								
Purchase of 671,847 (2022: Nil) units	68,099	-	-	68,099	-	-	-	-
Purchase of 41,274 (2022: 8) units	-	4,201	-	4,201	-	1	-	1
Purchase of Nil (2022: 884,451) units	-	-	-	-	-	-	1,359	1,359
Redemption of 4,829 (2022: 14,995) units	491	-	-	491	1,522	-	-	1,522
Redemption of 884,451 (2022: 884,451) units	-	-	-	-	-	-	884,451	884,451
Dividend income	2,091	1	-	2,092	-	1	1,359	1,360
<b>HBL Equity Fund - CIS managed by the Management Company</b>								
Purchase of Nil (2022: 22,814) units	-	-	-	-	2,404	-	-	2,404
Purchase of Nil (2022: 64,571) units	-	-	-	-	-	7,227	-	7,227
Redemption of 256,101 (2022: 97,650) units	19,115	-	-	19,115	12,592	-	-	12,592
Redemption of 60,519 (2022: 78,422) units	-	4,463	-	4,463	-	7,678	-	7,678
----- (Un-Audited) -----								
	For the nine months ended March 31, 2023				For the nine months ended March 31, 2022			
	Active	Conservative	Special	Total	Active	Conservative	Special	Total
	Allocation	Allocation	Income		Allocation	Allocation	Income	
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	
(Rupees in '000)				(Rupees in '000)				
<b>HBL Energy Fund - CIS managed by the Management Company</b>								
Purchase of 495,879 (2022: Nil) units	-	4,870	-	4,870	-	-	-	-
<b>HBL Money Market Fund - CIS managed by the Management Company</b>								
Purchase of Nil (2022: 29,841) units	-	-	-	-	3,253	-	-	3,253
Purchase of Nil (2022: 77,499) units	-	-	-	-	-	8,378	-	8,378
Redemption of 11,931 (2022: Nil) units	1,308	-	-	1,308	-	-	-	-
Redemption of 47,588 (2022: 415,418) units	-	5,045	-	5,045	-	45,245	-	45,245

	For the nine months ended March 31, 2023				For the nine months ended March 31, 2022			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	(Rupees in '000)				(Rupees in '000)			
<b>11.2 Balances outstanding as at period / year end</b>	(Un-Audited)							
<b>HBL Asset Management Limited - Management Company</b>								
Remuneration payable of the Management Company	-	1	-	1	1	2	-	3
Sindh Sales Tax payable on remuneration of the Management Company	-	-	-	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	12	7	-	19	4	11	-	15
Sales load payable	-	-	-	-	913	-	-	913
Units Held 581,239 (June 2022: Nil)	46,905	-	-	46,905	-	-	-	-
Units Held 263,657 (June 2022: 263,657)	-	31,567	-	31,567	-	29,451	-	29,451
<b>Habib Bank Limited - Sponsor</b>								
Bank balances	392	190	-	582	62,466	1,187	11	63,664
<b>MCB Financial Services Limited - Trustee</b>								
Remuneration payable of the Trustee	5	3	-	8	2	5	-	7
Sindh Sales Tax payable on remuneration of the Trustee	1	-	-	1	-	1	-	1
	March 31, 2023 (Un-Audited)				June 30, 2022 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	(Rupees in '000)				(Rupees in '000)			
<b>Patient Welfare Association - Connected Person due to 10% holding</b>								
Units held: Nil (June 30, 2022: 400,000)	-	-	-	-	-	44,682	-	44,682
<b>Ahmed Jamal Mir - Connected Person* due to 10% holding</b>								
Units held: 33,500 (June 30, 2022: 33,500)	2,702	-	-	2,702	2,483	-	-	2,483
<b>Qadeer Baig - Connected Person* due to 10% holding</b>								
Units held: 34,462 (June 30, 2022: 34,462)	2,780	-	-	2,780	2,554	-	-	2,554
<b>Ishtiaq Ahmad - Connected Person due to 10% holding</b>								
Units held: 51,478 (June 30, 2022: Nil)	4,152	-	-	4,152	3,815	-	-	3,815
<b>Shahbaz Khaliq - Connected Person due to 10% holding</b>								
Units held: 50,353 (June 30, 2022: Nil)	4,061	-	-	4,061	3,732	-	-	3,732
<b>Saleem Poput Tejani - Connected Person due to 10% holding</b>								
Units held: 30,697 (June 30, 2022: 30,697)	2,476	-	-	2,476	2,275	-	-	2,275
<b>HBL Income Fund - CIS managed by the Management Company</b>								
Units held: 28,150 (June 30, 2022: 31,089)	-	-	-	-	3,464	-	-	3,464
Units held: 215,645 (June 30, 2022: 504,124)	-	26,809	-	26,809	-	56,175	-	56,175
<b>HBL Stock Fund - CIS managed by the Management Company</b>								
Units held: 48,324 (June 30, 2022: 142,460)	-	3,269	-	3,269	-	10,247	-	10,247
<b>HBL Cash Fund - CIS managed by the Management Company</b>								
Units held: 667,018 (June 30, 2022: Nil)	68,474	-	-	68,474	-	14	-	14
Units held: 41,411 (June 30, 2021: 124)	-	4,251	-	4,251	-	13	-	13
<b>HBL Money Market Fund - CIS managed by the Management Company</b>								
Units held: 29,841 (June 30, 2022: 11,931)	-	-	-	-	1,226	-	-	1,226
Units held: 12,907 (June 30, 2022: 60,495)	-	1,476	-	1,476	-	6,218	-	6,218
<b>HBL Equity Fund - CIS managed by the Management Company</b>								
Units held: Nil (June 30, 2022: 256,101)	-	-	-	-	19,685	-	-	19,685
Units held: Nil (June 30, 2022: 60,519)	-	-	-	-	-	4,652	-	4,652
<b>HBL Energy Fund - CIS managed by the Management Company</b>								
Units held: 495,879 (June 30, 2022: Nil)	-	4,856	-	4,856	-	-	-	-

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

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**12 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

		March 31, 2023 (Un-Audited)						
		Active Allocation Plan						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>		Note ----- (Rupees in '000) -----						
		68,474	-	68,474	68,474	-	-	68,474
		68,474	-	68,474	68,474	-	-	68,474
<b>Financial assets not measured at fair value</b>		12.1						
	Bank balances	-	406	406				
		-	406	406				
<b>Financial liabilities not measured at fair value</b>		12.1						
	Payable to the Management Company	-	15	15				
	Payable to the Trustee	-	5	5				
	Accrued expenses and other liabilities	-	38	38				
		-	58	58				

		June 30, 2022 (Audited)						
		Active Allocation Plan						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>		Note ----- (Rupees in '000) -----						
		24,375	-	24,375	24,375	-	-	24,375
		24,375	-	24,375	24,375	-	-	24,375
<b>Financial assets not measured at fair value</b>		12.1						
	Bank balances	-	62,479	62,479				
		-	62,479	62,479				
<b>Financial liabilities not measured at fair value</b>		12.1						
	Payable to the Management Company	-	134	134				
	Payable to the Trustee	-	4	4				
	Accrued expenses and other liabilities	-	71	71				
		-	209	209				

		March 31, 2023 (Un-Audited)						
		Conservative Allocation Plan						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>		Note ----- (Rupees in '000) -----						
	Investments	40,661	-	40,661	40,661	-	-	40,661
		40,661	-	40,661	40,661	-	-	40,661
<b>Financial assets not measured at fair value</b>		12.1						
	Bank balances	-	288	288				
		-	288	288				
<b>Financial liabilities not measured at fair value</b>		12.1						
	Payable to the Management Company	-	119	119				
	Payable to the Trustee	-	3	3				
	Accrued expenses and other liabilities	-	31	31				
		-	153	153				

		June 30, 2022 (Audited)						
		Conservative Allocation Plan						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		Note ----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>								
	Investments	77,306	-	77,306	77,306	-	-	77,306
		<u>77,306</u>	<u>-</u>	<u>77,306</u>	<u>77,306</u>	<u>-</u>	<u>-</u>	<u>77,306</u>
<b>Financial assets not measured at fair value</b>								
	Bank balances	-	1,278	1,278				
		<u>-</u>	<u>1,278</u>	<u>1,278</u>				
<b>Financial liabilities not measured at fair value</b>								
	Payable to the Management Company	-	13	13				
	Payable to the Trustee	-	4	4				
	Payable against redemption of units	-	-	-				
	Accrued expenses and other liabilities	-	1,122	1,122				
		<u>-</u>	<u>1,139</u>	<u>1,139</u>				

		June 30, 2022 (Audited)						
		Special Income Plan						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		Note ----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>								
	Investments	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial assets not measured at fair value</b>								
	Bank balances	-	12	12				
		<u>-</u>	<u>12</u>	<u>12</u>				
<b>Financial liabilities not measured at fair value</b>								
	Payable to the Management Company	-	-	-				
	Payable to the Trustee	-	-	-				
	Accrued expenses and other liabilities	-	9	9				
		<u>-</u>	<u>9</u>	<u>9</u>				

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

## 12.2 Transfers during the period

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

## 13 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016, dated July 20, 2016, issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the nine months ended March 31, 2023 is 1.15% and 1.11% (March 31, 2022: 1.32% and 0.87%), which includes 0.04% and 0.04% (March 31, 2022: 0.03% and 0.02%) representing government levy and SECP fee, of the Active Allocation Plan, Conservative Allocation Plan and Special Income Plan.

## 14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorized for issue on April 28, 2023 by the Board of Directors of the Management Company.

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**15 GENERAL**

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

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

For HBL Asset Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director

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# **HBL**

## **Growth Fund**

## FUND INFORMATION

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Name of Fund	HBL Growth Fund
Name of Auditor	A.F.Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited Allied Bank Limited HBL Micro Finance Bank Limited Moblink Micro Finance Bank Limited Khushhali Micro Finance Bank Limited U Micro Finance Bank Limited National Bank Limited

**HBL Growth Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at March 31, 2023*

	March 31, 2023 (Un-Audited)			June 30, 2022 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
<b>Note</b>	----- (Rupees in '000) -----						
<b>Assets</b>							
Bank balances	4	777,909	265,367	1,043,276	455,453	275,981	731,434
Investments	5	3,613,479	864,171	4,477,650	5,041,449	1,024,391	6,065,840
Dividend receivable and accrued mark-up		21,392	15,861	37,253	14,076	2,536	16,612
Receivable against sale of investment		-	24,109	24,109	-	10,444	10,444
Deposits, prepayments and other receivables		1,449	4,127	5,576	1,206	4,127	5,333
<b>Total assets</b>		<b>4,414,229</b>	<b>1,173,635</b>	<b>5,587,864</b>	<b>5,512,184</b>	<b>1,317,479</b>	<b>6,829,663</b>
<b>Liabilities</b>							
Payable to the Management Company	6	8,428	4,506	12,934	9,832	8,998	18,830
Payable to the Trustee		520	174	694	588	276	864
Payable to the Securities and Exchange Commission of Pakistan		775	144	919	1,179	302	1,481
Payable against purchase of investment		-	20,316	20,316	-	1,614	1,614
Accrued expenses and other liabilities	7	290	131,270	131,560	442	126,824	127,266
Unclaimed dividend		-	131,814	131,814	-	131,967	131,967
<b>Total liabilities</b>		<b>10,013</b>	<b>288,224</b>	<b>298,237</b>	<b>12,041</b>	<b>269,981</b>	<b>282,022</b>
<b>Net assets</b>		<b>4,404,216</b>	<b>885,411</b>	<b>5,289,627</b>	<b>5,500,143</b>	<b>1,047,498</b>	<b>6,547,641</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>4,404,216</b>	<b>885,411</b>	<b>5,289,627</b>	<b>5,500,143</b>	<b>1,047,498</b>	<b>6,547,641</b>
<b>Contingencies and commitments</b>							
	8	-----Number of units-----					
Number of units in issue		<u>283,500,000</u>	<u>74,520,948</u>		<u>283,500,000</u>	<u>81,232,399</u>	
		----- (Rupees) -----					
Net assets value per unit		<u>15.5352</u>	<u>11.8814</u>		<u>19.4009</u>	<u>12.8951</u>	

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Growth Fund

## Condensed Interim Income Statement (Un-Audited)

### For the Nine Months and Quarter ended March 31, 2023

Note	Nine Months ended March 31, 2023			Nine Months ended March 31, 2022			Quarter ended March 31, 2023			Quarter ended March 31, 2022		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)											
<b>Income</b>												
Capital gain/(loss) on sale of investments - net	(97)	(91,081)	(91,178)	(36)	(115,071)	(115,107)	-	(59,065)	(59,065)	(2)	(26,596)	(26,598)
Dividend income	347,983	58,387	406,370	333,117	81,699	414,816	-	18,640	18,640	-	27,489	27,489
Mark-up on deposits with banks	68,055	26,218	94,273	15,310	14,004	29,314	33,378	9,476	42,854	8,618	5,212	13,830
Mark-up on investments	10,890	193	11,083	8,997	720	9,717	-	-	-	4,126	314	4,440
	426,831	(6,283)	420,548	357,388	(18,648)	338,740	33,378	(30,949)	2,429	12,742	6,419	19,161
Unrealised (loss)/gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	-	(31,220)	(31,220)	-	(300,420)	(300,420)	-	25,004	25,004	-	(55,527)	(55,527)
	426,831	(37,503)	389,328	357,388	(319,068)	38,320	33,378	(5,945)	27,433	12,742	(49,108)	(36,366)
<b>Expenses</b>												
Remuneration of the Management Company	65,719	16,233	81,952	77,534	27,093	104,627	19,625	5,046	24,671	23,743	8,080	31,823
Remuneration of the Trustee	5,101	939	6,040	5,842	1,533	7,375	1,544	296	1,840	1,805	460	2,265
Annual fee to the Securities and Exchange Commission of Pakistan	775	144	919	915	240	1,155	231	45	276	280	72	352
Allocation of expenses related to registrar services, accounting, operation and valuation services	21,325	3,951	25,276	25,158	6,865	32,023	6,368	1,228	7,596	7,704	2,238	9,942
Selling and marketing expense	-	7,542	7,542	-	12,859	12,859	-	2,344	2,344	-	4,025	4,025
Settlement and bank charges	21	971	992	9	238	247	-	769	769	9	53	62
Auditors' remuneration	397	70	467	411	90	501	144	40	184	119	13	132
Fees and subscription	1,372	28	1,400	1,743	559	2,302	230	(527)	(297)	55	130	185
Printing and Postage	78	10	88	47	-	47	3	1,000	4	11	-	11
Securities transaction charges	-	9,880	9,880	-	3,799	3,799	-	4,634	4,634	-	401	401
	94,788	39,768	134,556	111,659	53,276	164,935	28,145	13,877	42,022	33,726	15,472	49,198
<b>Net income/(loss) operating activities</b>	<b>332,043</b>	<b>(77,271)</b>	<b>254,772</b>	<b>245,729</b>	<b>(372,344)</b>	<b>(126,615)</b>	<b>5,233</b>	<b>(19,822)</b>	<b>(14,589)</b>	<b>(20,984)</b>	<b>(64,580)</b>	<b>(85,564)</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare fund	-	-	-	2,065	50,977	53,042	<sup>s</sup>	<sup>s</sup>	-	-	-	-
<b>Net income/(loss) for the period before taxation</b>	<b>332,043</b>	<b>(77,271)</b>	<b>254,772</b>	<b>247,794</b>	<b>(321,367)</b>	<b>(73,573)</b>	<b>5,233</b>	<b>(19,822)</b>	<b>(14,589)</b>	<b>(20,984)</b>	<b>(64,580)</b>	<b>(85,564)</b>
Taxation	9	-	-	-	-	-	-	-	-	-	-	-
<b>Net income/(loss) for the period after taxation</b>	<b>332,043</b>	<b>(77,271)</b>	<b>254,772</b>	<b>247,794</b>	<b>(321,367)</b>	<b>(73,573)</b>	<b>5,233</b>	<b>(19,822)</b>	<b>(14,589)</b>	<b>(20,984)</b>	<b>(64,580)</b>	<b>(85,564)</b>
<b>Allocation of net income for the period:</b>												
Net income for the period after taxation	332,043	-	-	247,794	-	-	-	-	-	-	-	-
Income already paid on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-
	<b>332,043</b>	<b>-</b>	<b>-</b>	<b>247,794</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accounting income available for distribution:</b>												
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	332,043	-	-	247,794	-	-	-	-	-	-	-	-
	<b>332,043</b>	<b>-</b>	<b>-</b>	<b>247,794</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Earnings per unit

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Growth Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the Nine Months and Quarter ended March 31, 2023*

	Nine Months Ended March 31,						Quarter Ended March 31,					
	2023			2022			2023			2022		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----											
Net income/(loss) for the period after taxation	332,043	(77,271)	254,772	247,794	(321,367)	(73,573)	5,233	(19,822)	(14,589)	(20,984)	(64,580)	(85,564)
Items that will not be reclassified to income statement												
Unrealised diminution on re-measurement of investments classified as fair value through other comprehensive income	(1,427,970)	-	(1,427,970)	(1,742,180)	-	(1,742,180)	(118,835)	-	(118,835)	(433,045)	-	(433,045)
<b>Total comprehensive loss for the period</b>	<b>(1,095,927)</b>	<b>(77,271)</b>	<b>(1,173,198)</b>	<b>(1,494,386)</b>	<b>(321,367)</b>	<b>(1,815,753)</b>	<b>(113,602)</b>	<b>(19,822)</b>	<b>(133,424)</b>	<b>(454,029)</b>	<b>(64,580)</b>	<b>(518,609)</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Growth Fund**  
**Condensed Interim Statement of Cash Flow (Un-Audited)**  
*For the Nine Months ended March 31, 2023*

	2023			2022		
	Class A	Class B	Total	Class A	Class B	Total
	Note -----(Rupees in '000)-----					
<b>Cash flow from operating activities</b>						
Net Income/(loss) for the period before taxation	332,043	(77,271)	254,772	247,794	(321,367)	(73,573)
<b>Adjustments of non-cash items</b>						
Capital gain on sale of investments - net	97	91,081	91,178	36	115,071	115,107
Unrealised gain/(loss) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	-	31,220	31,220	-	300,420	300,420
Dividend income	(347,983)	(58,387)	(406,370)	(333,117)	(81,699)	(414,816)
Income on Government securities	(10,890)	(193)	(11,083)	(8,997)	(720)	(9,717)
Mark-up on deposits with banks	(68,055)	(26,218)	(94,273)	(15,310)	(14,004)	(29,314)
	(94,788)	(39,768)	(134,556)	(109,594)	(2,299)	(111,893)
<b>(Increase) / Decrease in assets</b>						
Receivable against sale of investments	10,793	38,112	48,905	8,961	(38,672)	(29,711)
Receivable against sale of investments	-	(13,665)	(13,665)	-	43,044	43,044
Security deposits	(243)	-	(243)	(392)	9,294	8,902
	10,550	24,447	34,997	8,569	13,666	22,235
<b>Increase / (decrease) in liabilities</b>						
Payable to Management Company	(1,404)	(4,492)	(5,896)	(3,023)	(1,472)	(4,495)
Payable to Central Depository Company of Pakistan Limited - Trustee	(68)	(102)	(170)	(150)	(70)	(220)
Payable to the Securities and Exchange Commission of Pakistan	(404)	(158)	(562)	(395)	(110)	(505)
Payable against purchase of investment	-	18,702	18,702	-	(46,891)	(46,891)
Accrued expenses and other liabilities	(152)	4,446	4,294	(2,162)	(52,014)	(54,176)
Unclaimed dividend	-	(153)	(153)	-	(1,124)	(1,124)
	(2,028)	18,243	16,215	(5,730)	(101,681)	(107,411)
Cash (used in) / generated from operations	(86,266)	2,922	(83,344)	(106,755)	(90,314)	(197,069)
Dividend received	345,703	44,509	390,212	330,837	63,133	393,970
Mark-up received on bank deposit	63,020	26,772	89,792	13,163	14,398	27,562
	408,723	71,281	480,004	344,000	77,531	421,532
<b>Net cash generated from operating activities</b>	322,457	74,203	396,660	237,245	(12,783)	224,462
<b>Cash flow from financing activities</b>						
Amount received on issue of units	-	476	476	-	62,105	62,105
Amount paid on redemption of units	-	(85,292)	(85,292)	-	(179,696)	(179,696)
Dividend paid	-	-	-	-	-	-
<b>Net cash used in financing activities</b>	-	(84,816)	(84,816)	-	(117,591)	(117,591)
Net increase in cash and cash equivalents	322,457	(10,613)	311,844	237,245	(130,374)	106,871
Cash and cash equivalents at beginning of the period	455,453	275,981	731,434	236,374	381,491	617,865
Cash and cash equivalents at end of the period	777,910	265,367	1,043,277	473,619	251,117	724,736

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Growth Fund

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

### For the Nine Months ended March 31, 2023

	2023					2022										
	Class A		Class B			Class A		Class B			Class A		Class B			
	Capital value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on issue of certificates	Total	Capital value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on issue of certificates	Total	Capital value	Undistributed Income	Total
	(Rupees)															
<b>Net assets at beginning of the period</b>	2,835,000	(2,963,741)	3,621,072	2,007,812	5,500,143	(514,254)	1,561,752	1,047,498	2,835,000	(3,196,781)	5,197,691	2,007,812	6,843,722	(319,699)	2,180,577	1,860,878
Transfer from premium on issue of certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of 283,500,000 Class B units at the time of conversion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of 3,612,469 units (2022: 3,597,979 units)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	533	-	533	-	-	-	-	-	46,393	-	46,393
- Element of loss	-	-	-	-	-	(57)	-	(57)	-	-	-	-	-	15,712	-	15,712
Total proceeds on issuance of units	-	-	-	-	-	476	-	476	-	-	-	-	-	62,105	-	62,105
Redemption of 2,763,183 units (2022: 10,288,029 units)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	(87,078)	-	(87,078)	-	-	-	-	-	(132,665)	-	(132,665)
- Amount paid out of element of income	-	-	-	-	-	1,787	-	1,787	-	-	-	-	-	(47,031)	-	(47,031)
Income already paid on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payment on redemption of units	-	-	-	-	-	(85,292)	-	(85,292)	-	-	-	-	-	(179,696)	-	(179,696)
Income available for distribution	-	332,043	(1,427,970)	-	(1,095,927)	-	(77,271)	(77,271)	-	247,794	(1,742,180)	-	(1,494,386)	-	(321,367)	(321,367)
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution during the year period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income for the period less distribution</b>	-	332,043	(1,427,970)	-	(1,095,927)	-	(77,271)	(77,271)	-	247,794	(1,742,180)	-	(1,494,386)	-	(321,367)	(321,367)
<b>Net assets at end of the period</b>	2,835,000	(2,631,698)	2,193,103	2,007,812	4,404,216	(599,070)	1,484,481	885,411	2,835,000	(2,948,987)	3,455,511	2,007,812	5,349,336	(437,290)	1,859,210	1,421,920
<b>Undistributed loss brought forward</b>																
- Realised		(2,963,741)					2,005,914			(3,196,781)					2,014,667	
- Unrealised		-					(444,162)			-					165,910	
		(2,963,741)					1,561,752			(3,196,781)					2,180,577	
Transfer from premium on issue of certificates		-					-			-					-	
Transferred to Class B - Segment on conversion of Fund		-					-			-					-	
<b>Accounting income available for distribution:</b>																
- Relating to capital gains		-					-			-					-	
- Excluding capital gains		332,043					-			-					-	
Net Income/(loss) available for distribution		332,043					(77,271)			247,794					(321,367)	
Distribution during the period		-					-			-					-	
		(2,631,698)					1,484,481			(2,948,987)					1,859,210	
<b>(Accumulated loss) / Undistributed income carried forward</b>																
- Realised		(2,631,698)					1,515,701			(2,948,987)					2,159,630	
- Unrealised		-					(31,220)			-					(300,420)	
		(2,631,698)					1,484,481			(2,948,987)					1,859,210	
	(Rupees)															
<b>Net assets value per unit at beginning of the period</b>	19.4009						12.8951			24.1401					19.9059	
<b>Net assets value per unit at end of the period</b>	15.5352						11.8814			18.8689					16.3828	

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Growth Fund**

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

*For The Nine Months ended March 31, 2023*

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

- 1.1 HBL Growth Fund was established under a Trust Deed, HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to following for each certificate held:

- One Class-A Unit of the Fund was issued to every Certificate Holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.5 VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (December 31, 2021: AM++) and the outlook on the rating has been assigned as 'Stable'
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

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## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

2.1.1 This condensed interim financial information 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 ("IFRSs") issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and requirements of the Trust Deed.

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

2.1.2 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 the condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2023.

### **2.2 Basis of measurement**

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

### **2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

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

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

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

3.2 The preparation of this condensed interim financial information 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, 2022 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in the condensed interim financial information.

	Class A	March 31, 2023 Class B	Total	Class A	June 30, 2022 Class B	Total
	----- (Rupees in '000) -----					
<b>4. BANK BALANCES</b>						
Balances with banks in:						
Savings account	<b>777,909</b>	<b>265,367</b>	<b>1,043,276</b>	455,453	275,981	731,434

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 8% to 20.75% p.a (June 30, 2022: 8% to 17.40% p.a).

		Class A	(Unaudited) March 31 2023 Class B	Total	Class A	(Audited) June 30, 2022 Class B	Total
		----- (Rupees in '000) -----					
<b>5. INVESTMENTS</b>	<b>Note</b>						
<b>At fair value through profit or loss</b>							
- Listed equity securities	5.1	-	<b>864,171</b>	<b>864,171</b>	-	1,024,391	1,024,391
<b>At fair value through other comprehensive income</b>							
- Listed equity securities	5.2	<b>3,613,479</b>	-	<b>3,613,479</b>	5,041,449	-	5,041,449
<b>At fair value through profit or loss</b>							
- Market treasury bills	5.3		-	-	-	-	-
		<b>3,613,479</b>	<b>864,171</b>	<b>4,477,650</b>	5,041,449	1,024,391	6,065,840

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

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

Name of the Investee Company	Number of shares				Balance as at March 31, 2023			Percentage in relation to			
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>CLASS B</b>	(Number of shares)				(Rupees in '000)						
<b>INSURANCE</b>											
IGI Holdings Limited	295,400	2,000	-	297,400	-	-	-	-	0.00%	0.00%	0.00%
IGI LIFE INSURANCE LIMITED	434,500	125,000	-	559,500	-	-	-	-	0.00%	0.00%	0.00%
TPL Insurance Limited	756,695	6,000	206,675	582,695	386,675	9,626	8,151	(1,475)	0.92%	0.69%	0.51%
	<u>1,486,595</u>	<u>133,000</u>	<u>206,675</u>	<u>1,439,595</u>	<u>386,675</u>	<u>9,626</u>	<u>8,151</u>	<u>(1,475)</u>			
<b>TEXTILE COMPOSITE</b>											
Azgard Nine Ltd	1,486,000	-	-	1,486,000	-	-	-	-	0.00%	0.00%	0.00%
Gul Ahmed Textile Mills Ltd	620,327	-	-	620,327	-	-	-	-	0.00%	0.00%	0.00%
Interloop Limited	184,172	-	-	184,172	-	-	-	-	0.00%	0.00%	0.00%
	<u>2,290,499</u>	<u>-</u>	<u>-</u>	<u>2,290,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
<b>CEMENT</b>											
Attock Cement Pakistan Ltd	778,000	93,000	-	871,000	-	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Ltd.	-	717,400	-	717,400	-	-	-	-	0.00%	0.00%	0.00%
D G Khan Cement Co.Ltd.	-	3,326,465	-	2,003,465	1,323,000	57,811	58,093	282	6.56%	4.95%	0.30%
Fauji Cement Company Limited	-	1,240,000	-	1,240,000	-	-	-	-	0.00%	0.00%	0.00%
Kohat Cement Ltd	43,800	39,100	-	82,900	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Ltd	26,424	15,000	-	41,424	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Ltd	228,096	5,502,673	-	4,082,468	1,648,301	41,364	42,823	1,459	4.84%	3.65%	0.31%
Pioneer Cement Limited	-	1,992,836	-	1,992,836	-	-	-	-	0.00%	0.00%	0.00%
	<u>1,076,320</u>	<u>12,926,474</u>	<u>-</u>	<u>11,031,493</u>	<u>2,971,301</u>	<u>99,175</u>	<u>100,916</u>	<u>1,741</u>			
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
Hub Power Company Ltd	473,956	1,800,735	-	1,870,191	404,500	27,431	27,316	(115)	3.09%	2.33%	0.03%
Nishat Power Limited	-	173,000	-	173,000	-	-	-	-	0.00%	0.00%	0.00%
	<u>473,956</u>	<u>1,973,735</u>	<u>-</u>	<u>2,043,191</u>	<u>404,500</u>	<u>27,431</u>	<u>27,316</u>	<u>(115)</u>			
<b>ENGINEERING</b>											
International Steels Limited	-	580,000	-	-	580,000	27,415	24,598	(2,818)	2.78%	2.10%	0.13%
Mughal Iron & Steel Inds Ltd	383,490	340,000	-	383,490	340,000	19,693	16,704	(2,988)	1.89%	1.42%	0.14%
	<u>383,490</u>	<u>920,000</u>	<u>-</u>	<u>383,490</u>	<u>920,000</u>	<u>47,108</u>	<u>41,302</u>	<u>(5,806)</u>			
<b>AUTOMOBILE ASSEMBLER</b>											
Millat Tractors Ltd	-	2,900	-	2,900	-	-	-	-	0.00%	0.00%	0.00%
	<u>-</u>	<u>2,900</u>	<u>-</u>	<u>2,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
<b>GLASS &amp; CERAMICS</b>											
Tariq Glass Industries Ltd	-	315,442	-	114,442	201,000	14,519	14,148	(370)	1.60%	1.21%	0.27%
	<u>-</u>	<u>315,442</u>	<u>-</u>	<u>114,442</u>	<u>201,000</u>	<u>14,519</u>	<u>14,148</u>	<u>(370)</u>			
<b>PHARMACEUTICALS</b>											
AGP Limited	-	245,000	-	-	245,000	14,328	13,279	(1,049)	1.50%	1.13%	0.01%
Ferozsons Laboratories Ltd	40,300	-	-	40,300	-	-	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	18,440	-	-	18,440	-	-	-	-	0.00%	0.00%	0.00%
The Searle Company Ltd	3,926	240,000	981	80,000	164,907	9,851	8,489	(1,362)	0.96%	0.72%	0.09%
	<u>62,666</u>	<u>485,000</u>	<u>981</u>	<u>138,740</u>	<u>409,907</u>	<u>24,179</u>	<u>21,768</u>	<u>(2,411)</u>			
<b>FOOD &amp; ALLIED INDUSTRIES</b>											
The Organic Meat Company Limited	1,491,283	10,000	-	1,501,283	-	-	-	-	0.00%	0.00%	0.00%
	<u>1,491,283</u>	<u>10,000</u>	<u>-</u>	<u>1,501,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
<b>MISCELLANEOUS</b>											
TPL Properties Limited	783,000	2,979,629	-	3,762,629	-	-	-	-	0.00%	0.00%	0.00%
	<u>783,000</u>	<u>2,979,629</u>	<u>-</u>	<u>3,762,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Ltd	18,353	10,107	-	28,460	-	-	-	-	0.00%	0.00%	0.00%
Oil & Gas Development Co Ltd	397,729	2,402,171	-	1,881,400	918,500	77,400	76,566	(834)	8.65%	6.52%	0.02%
Pakistan Oilfields Ltd	48,125	98,350	-	146,475	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Ltd	312,800	3,130,200	-	2,300,000	1,143,000	82,441	73,106	(9,334)	8.26%	6.23%	0.06%
	<u>777,007</u>	<u>5,640,828</u>	<u>-</u>	<u>4,356,335</u>	<u>2,061,500</u>	<u>159,840</u>	<u>149,672</u>	<u>(10,168)</u>			
<b>OIL &amp; GAS MARKETING COMPANIES</b>											

Name of the Investee Company	Number of shares				Balance as at March 31, 2023			Percentage in Relation to			
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Ltd	267,244	612,500	-	879,744	-	-	-	-	0.00%	0.00%	-
Sui Northern Gas Pipeline Ltd	-	5,174,207	-	3,160,707	2,013,500	84,916	78,708	(6,208)	8.89%	6.71%	0.32%
	267,244	5,786,707	-	4,040,451	2,013,500	84,916	78,708	(6,208)			
<b>REFINERY</b>											
Attock Refinery Ltd	130,000	1,188,141	-	1,080,015	238,126	40,574	40,541	(33)	4.58%	3.45%	0.28%
National Refinery Ltd	113,000	100,000	-	213,000	-	-	-	-	0.00%	0.00%	0.00%
	243,000	1,288,141	-	1,293,015	238,126	40,574	40,541	(33)			
<b>COMMERCIAL BANKS</b>											
Bank Al-Falah Ltd	762,000	686,124	-	1,448,124	-	-	-	-	0.00%	0.00%	0.00%
Bank Al-Habib Limited	367,317	-	-	367,317	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	1,228,250	2,323,537	-	3,534,537	17,250	456	376	(81)	0.04%	0.03%	0.00%
Habib Bank Ltd	729,924	2,394,338	-	2,080,262	1,044,000	76,490	76,504	15	8.64%	6.52%	0.07%
MCB Bank Ltd	263,004	100,500	-	363,504	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Ltd	-	1,102,982	-	747,128	355,854	36,851	33,877	(2,974)	3.83%	2.89%	0.03%
Standard Chartered Bank (Pakistan) Ltd	2,481,000	46,000	-	2,527,000	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	649,455	490,305	-	357,960	781,800	87,690	83,309	(4,382)	9.41%	7.10%	0.06%
	6,480,950	7,143,786	-	11,425,832	2,198,904	201,488	194,066	(7,422)			
<b>FERTILIZER</b>											
Engro Corporation Ltd	151,488	557,750	-	709,238	-	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizers Limited	-	1,286,000	-	427,000	859,000	74,344	72,860	(1,484)	8.23%	6.21%	6.00%
Fauji Fertilizer Co Ltd	503,485	359,833	-	863,318	-	-	-	-	0.00%	0.00%	0.00%
	654,973	2,203,583	-	1,999,556	859,000	74,344	72,860	(1,484)			
<b>CHEMICAL</b>											
Descon Oxychem Ltd	-	857,500	-	857,500	-	-	-	-	0.00%	0.00%	0.00%
Engro Polymer & Chemicals Ltd	145,500	598,000	-	743,500	-	-	-	-	0.00%	0.00%	0.00%
	145,500	1,455,500	-	1,601,000	-	-	-	-			
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Avanceon Limited	135,975	700,556	-	836,531	-	-	-	-	0.00%	0.00%	0.00%
Netsol Technologies	-	1,177,346	-	1,177,346	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	-	308,053	-	265,053	43,000	21,272	19,869	(1,403)	2.24%	1.69%	0.04%
TPL Trakker Limited	9,431,000	1,732,000	-	612,000	10,551,000	90,918	94,853	3,936	10.71%	8.08%	0.56%
	9,566,975	3,917,955	-	2,890,930	10,594,000	112,190	114,722	2,532			
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>											
Unity Foods Limited	915,007	1,065,200	-	1,980,207	-	-	-	-	0.00%	0.00%	0.00%
	915,007	1,065,200	-	1,980,207	-	-	-	-			
<b>Total as at March 31, 2023 (Unaudited)</b>	<b>27,098,465</b>	<b>48,247,880</b>	<b>207,656</b>	<b>52,295,588</b>	<b>23,258,413</b>	<b>895,391</b>	<b>864,171</b>	<b>(31,220)</b>			
<b>Total June 30, 2022 (Audited)</b>	<b>27,563,139</b>	<b>34,457,033</b>	<b>320,488</b>	<b>35,242,195</b>	<b>27,098,465</b>	<b>1,468,552</b>	<b>1,024,391</b>	<b>(444,162)</b>			

\*Sponsor of the Management Company

5.1.1 These investments includes shares having market value of 97.26 million (June 30, 2022: 127.81 million) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Pakistan Stock Exchange.

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.66 million at March 31, 2023 (June 30, 2022: Rs. 0.867 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

## 5.2 Listed equity securities - At fair value through other comprehensive income

Name of the Investee Company	Number of shares				Balance as at 31 March 2023			Percentage in Relation to			
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2023	Carrying Value	Market Value	Unrealised appreciation	Net Assets of the fund	Total Investments	Investee Paid up Capital
<b>CLASS A</b>											
<b>Oil and Gas Marketing Companies</b>											
Pakistan State Oil Company Limited	27,364,904	-	-	-	27,364,904	1,307,980	3,226,049	1,918,069	73.25%	73.08%	5.83%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	112,395	387,431	275,035	8.80%	8.78%	1.56%
<b>Total March 31, 2023 (Unaudited)</b>	<b>37,276,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,276,150</b>	<b>1,420,375</b>	<b>3,613,479</b>	<b>2,193,104</b>			
<b>Total June 30, 2022 (Audited)</b>	<b>37,276,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,276,150</b>	<b>1,420,377</b>	<b>5,041,449</b>	<b>3,621,072</b>			

5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 29.88 million at March 31, 2023 (June 30, 2022: Rs. 39.187) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end

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

### HBL Growth Fund Class A

Particulars	Issue date	Face value				Balance as at March 31, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	Total investments
(Rupees in '000)										
Market treasury bills- 3-months										
Market treasury bills	2-Jun-22	-	400,000	400,000	-	-	-	-	-	-
Market treasury bills	25-Aug-22	-	410,000	410,000	-	-	-	-	-	-
Market treasury bills	6-Oct-22	-	400,000	400,000	-	-	-	-	-	-
<b>Total as at March 31, 2023</b>										
<b>Total as at June 30, 2022</b>										

### HBL Growth Fund Class B

Particulars	Issue date	Face value				Balance as at March 31, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	Total investments
(Rupees in '000)										
Market treasury bills- 3-months										
Market treasury bills	2-Jun-22	-	35,000	35,000	-	-	-	-	-	-
Market treasury bills	6-Oct-22	-	50,000	50,000	-	-	-	-	-	-
<b>Total as at March 31, 2023</b>										
<b>Total as at June 30, 2022</b>										

6.	PAYABLE TO MANAGEMENT COMPANY	(Unaudited) March 31, 2023			(Audited) June 30, 2022		
		Class - A	Class - B	Total	Class - A	Class - B	Total
	Management fee	5,631	1,536	7,167	6,569	1,809	8,378
	Sindh sales tax	732	200	932	854	235	1,089
	Sale load payable	-	2	2	-	-	-
	Allocation of expenses relating to registrar services, accounting, operation and valuation services	2,065	423	2,488	2,409	1,245	3,654
	Selling and marketing expenses	-	2,345	2,345	-	5,709	5,709
		<b>8,428</b>	<b>4,506</b>	<b>12,934</b>	<b>9,832</b>	<b>8,998</b>	<b>18,830</b>

- 6.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. As per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, it was advised to HBL AMC to take up the matter at their Board level for lowering the rate of management fee keeping in view the passive nature of investments in Class A units of HBL Investment Fund and in the best interest of the certificate holders. Subsequently, management of HBL AMC in its 83rd Board meeting held on February 10, 2021 has approved the reduction in rate of 2% to 1.5% effective from February 10, 2021. Currently, the management fee is charged at the rate of 1.5% to 2% (June 30, 2022: 1.5% and 2%) of average annual net assets of the fund for Class A and Class B, respectively.
- 6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).  
The Management Company based on its discretion has charged 0.55% of the average annual net assets of the Fund during the period ended March 31, 2023 (June 30, 2022: 0.55% for Class A and 0.55% to 1.35% for Class B) for Class A and Class B. respectively.
- 6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its discretion has currently determined at the rates nil (June 30, 2022: nil) for Class A and 1.05% (June 30, 2022: 1.05% to 1.85%) for Class B of the average annual net assets) of the Fund for charging of selling and marketing expenses which has also been approved by the Board of Directors of the Management Company. However, as per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, Management Company ceased to charge selling and marketing expenses to the certificate holders of Class A with effect from November 01, 2020.

7.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Unaudited)			(Audited)		
			Class - A	Class - B	Total	Class - A	Class B	Total
	Provision for Sindh Workers' Welfare Fund		-	-	-	-	-	-
	Provision for Federal Excise Duty	7.1	-	125,303	125,303	-	125,303	125,303
	Brokerage		-	4,587	4,587	-	287	287
	Auditors' remuneration		266	91	357	396	150	546
	National Clearing Company Pakistan Limited Charges		-	31	31	-	30	30
	Withholding tax		24	276	300	46	74	120
	Others		-	982	982	-	980	980
			290	131,270	131,560	442	126,824	127,266

### 7.1 FEDERAL EXERCISE 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, 2022, and the appeal filed by tax authorities against the order passed by Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

The Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 125.303 million (June 30, 2022: Rs. 125.303 million). Had the provision not been made, the Net Asset Value per unit of Class-B as at March 31, 2023 would have been higher by Re. 1.68 (June 30, 2022: Re. 1.543) per unit.

### 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at March 31, 2023 and as at June 30, 2022.

### 9. TAXATION

The Fund's income 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 is also exempt from the provision of Section 113 (minimum tax) under the Clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. 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.

### 10 EARNING PER UNIT

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

### 11 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio for the period ended March 31, 2023 is 2.45% and 5.55% which includes 0.24% and 0.46% representing government levy, and SECP fee of the Class A and Class B respectively. (2022: 1.83% and 3.34% which includes 0.17% and 0.25% representing government levy, and SECP fee of the Class A and Class B respectively)

## 12 TRANSACTION AND BALANCES WITH CONNECTED PERSONS

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

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

Details of the transactions with connected persons and balances with them are as follows:

	Nine Months Ended March 31, 2023			Nine Months Ended March 31, 2022		
	Class A	Class B	Total	Class A	Class B	Total
<b>12.1 Transactions during the period</b>	----- (Rupees in '000) -----					
<b>HBL Asset Management Limited - Management Company</b>						
Remuneration of the Management Company	58,158	14,365	72,524	68,614	23,976	92,590
Sales tax on remuneration of the management company	7,561	1,868	9,428	8,920	3,117	12,037
Allocation of expenses related to registrar services, accounting, operation and valuation services	21,325	3,951	25,276	25,158	6,865	32,023
Selling and marketing expense	-	7,542	7,542	-	12,859	12,859
<b>Habib Bank Limited - Sponsor</b>						
Dividend income	-	2,649	2,649	-	3,697	3,697
Mark-up on deposits with banks	-	131	131	-	77	77
Bank charges	-	-	-	-	-	-
<b>Central Depository Company of Pakistan Limited-Trustee</b>						
Trustee Fee	5,101	939	6,040	5,842	1,533	7,375
Annual Listing Fee	233	28	260	751	76	828
CDS Charges	-	274	274	-	228	228
<b>Directors and Executives of the Management Company</b>						
Redemption of Nil Units (Mar 2022: 123,052 Units)	-	-	-	-	2,363	2,363
	March 31, 2023			June 30, 2022		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
<b>12.2 Balances at period end</b>						
<b>HBL Asset Management Company Limited - Management Company</b>						
Payable to Management Company	5,631	1,536	7,167	6,569	1,809	8,378
Sindh sales tax on remuneration of Management Company	732	200	932	854	235	1,089
Allocation of expenses relating to registrar services, accounting, operation and valuation services	2,065	423	2,488	2,409	1,245	3,654
Selling and marketing expense payable	-	2,345	2,345	-	5,709	5,709

	March 31, 2023			June 30, 2022		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
<b>Habib Bank Limited - Sponsor</b>						
Banks Balances- savings accounts	-	1,819	1,819	-	1,691	1,691
<b>HBL Microfinance Bank Limited (formerly: The First Microfinance Bank) - Associate</b>						
Banks balances	59,144	330	-	932	9	941
Mark-up Receivable	10,054	-	-	-	-	-
<b>MCB Bank Limited- Connected person - due to holding more than 10% Units</b>						
Banks Balance - savings account	3	-	3	-	-	-
Mark-up Receivable	-	-	-	-	-	-
Units held: 43,482,858 Units (June 2022: 43,482,858 Units)	434,829	-	434,829	434,829	-	434,829
<b>Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% Units</b>						
Units held: 30,406,721 Units (June 2022: 30,406,721 Units)	304,067	-	304,067	304,067	-	304,067
Units held: 15,000,000 Units (June 2022: 15,000,000 Units)	-	176,966	176,966	-	193,427	193,427
<b>CDC - Trustee National Investment Unit Trust - Associate</b>						
Units held: 6,646,800 Units (June 2022: 6,646,800 Units)	66,468	-	66,468	66,468	-	66,468
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee remuneration payable	520	174	694	588	195	783
Security deposit with trustee	100	175	275	-	175	175
CDS charges payable	-	31	31	-	81	81
<b>State Life Insurance Corp. Of Pakistan - CP More Than 10% Units</b>						
Units held: 12,024,904 Units (June 2022: 12,024,904 Units)	120,249	-	120,249	-	-	-
Units held: 12,384,663 Units (June 2022: 12,384,663 Units)	-	146,111	146,111	-	159,701	159,701
<b>Jubilee General Insurance Company Limited - associate</b>						
Units held: 142,500 Units (June 2022: 142,500 Units)	1,425	-	1,425	-	-	-
Units held: 146,124 Units (June 2022: 146,124 Units)	-	1,724	1,724	-	1,884	1,884
<b>Directors and Executives of the Management Company</b>						
Units held: 18,000 Units (June 2022: 18,000 Units)	180	-	180	180	-	180
Units held: 18,000 Units (June 2022: 18,000 Units)	-	212	212	-	232	232

### 13. Fair Value Of Financial Instruments

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

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

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

- Fair value measurements using quoted price (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.

#### 13.1

	Class A							
	March 31, 2023 (Un-audited)				Fair Value			
	Carrying amount				Level 1	Level 2	Level 3	Total
	Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Total				
----- (Rupees in '000) -----								
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investment in listed equity securities	-	-	-	-	-	-	-	-
Investment in government securities	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>								
Bank balances	-	-	777,909	777,909				
Dividend and profit receivable	-	-	21,392	21,392				
Security Deposit	-	-	145	145				
	-	-	799,446	799,446				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	8,428	8,428				
Payable to trustee	-	-	520	520				
Payable to Securities and Exchange Commission of Pakistan	-	-	775	775				
Accrued expenses and other liabilities	-	-	266	266				
	-	-	9,989	9,989				

## 13.2

	Class B							
	March 31, 2023 (Unaudited)							
	Carrying amount				Fair Value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)								
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investment in listed equity securities	5	-	-	5	5	-	-	5
				5	5	-	-	5
<b>Financial assets not measured at fair value</b>								
Bank balances	-	-	265,367	265,367				
Dividend and profit receivable	-	-	15,861	15,861				
Security Deposit	-	-	2,677	2,677				
			283,905	283,905				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	4,506	4,506				
Payable to trustee	-	-	174	174				
Payable to Securities and Exchange Commission Of Pakistan	-	-	144	144				
Accrued expenses and other liabilities	-	-	5,691	5,691				
			10,515	10,515				
Class A								
June 30, 2022 (Audited)								
	Carrying amount			Total	Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	At amortised cost		Level 1	Level 2	Level 3	Total
(Rupees in '000)								
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investment in listed equity securities	-	5,041,449	-	5,041,449	5,041,449	-	-	5,041,449
		5,041,449		5,041,449	5,041,449			5,041,449
<b>Financial assets not measured at fair value</b>								
Bank balances	-	-	455,453	455,453				
Dividend and profit receivable	-	-	14,076	14,076				
Security Deposit	-	-	100	100				
			469,629	469,629				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	9,832	9,832				
Payable to trustee	-	-	588	588				
Accrued expenses and other liabilities	-	-	442	442				
			10,862	10,862				
Class B								
June 30, 2022 (Audited)								
	Carrying amount			Total	Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	At amortised cost		Level 1	Level 2	Level 3	Total
(Rupees in '000)								
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investment in listed equity securities	1,024,391	-	-	1,024,391	1,024,391	-	-	1,024,391
	1,024,391			1,024,391	1,024,391			1,024,391
<b>Financial assets not measured at fair value</b>								
Bank balances	-	-	275,981	275,981				
Dividend and profit receivable	-	-	2,536	2,536				
Security Deposit	-	-	3,546	3,546				
			282,063	282,063				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	8,998	8,998				
Payable to trustee	-	-	276	276				
Accrued expenses and other liabilities	-	-	126,824	126,824				
			136,098	136,098				

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

**14. Date Of Authorisation For Issue**

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 28, 2023.

**15. General**

15.1 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of this condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended March 31, 2023 have not been reviewed.

15.2 In continuation of note 1 to annual audited financial statements for the year ended June 30, 2022, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

For HBL Asset Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director

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# **HBL**

## **Investment Fund**

## FUND INFORMATION

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Name of Fund	HBL Investment Fund
Name of Auditor	A.F. Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited JS Bank Limited Habib Bank Limited Soneri Bank Limited Habib Metropolitan Bank Limited Zarai Taraqati Bank Limited National Bank Limited Allied Bank Limited Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited HBL Micro Finance Bank Limited

**HBL Investment Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at March 31, 2023*

	March 31, 2023 (Un-Audited)			June 30, 2022 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
<b>Note</b> ----- (Rupees in '000) -----							
<b>Assets</b>							
Banks balances	4	262,494	156,197	418,691	154,016	148,160	302,176
Investments	5	1,303,681	427,677	1,731,358	1,843,635	701,672	2,545,307
Dividend receivable and accrued mark-up		7,735	6,680	14,415	4,967	5,441	10,408
Receivable against sale of investments		-	30,290	30,290	-	4,384	4,384
Advances, deposits and prepayments		642	3,819	4,461	111	3,819	3,930
<b>Total assets</b>		<b>1,574,552</b>	<b>624,663</b>	<b>2,199,215</b>	<b>2,002,729</b>	<b>863,476</b>	<b>2,866,205</b>
<b>Liabilities</b>							
Payable to the Management Company	6	3,001	2,270	5,271	3,574	6,694	10,268
Payable to the Trustee		247	88	335	273	187	460
Payable to the Securities and Exchange Commission of Pakistan		279	80	359	428	227	655
Payable against purchase of investment		-	25,595	25,595	-	-	-
Accrued expenses and other liabilities	7	509	58,723	59,232	352	57,707	58,059
Unclaimed dividend		-	85,360	85,360	-	85,372	85,372
<b>Total liabilities</b>		<b>4,036</b>	<b>172,116</b>	<b>176,152</b>	<b>4,627</b>	<b>150,187</b>	<b>154,814</b>
<b>Net assets</b>		<b>1,570,516</b>	<b>452,547</b>	<b>2,023,063</b>	<b>1,998,102</b>	<b>713,289</b>	<b>2,711,391</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,570,516</b>	<b>452,547</b>	<b>2,023,063</b>	<b>1,998,102</b>	<b>713,289</b>	<b>2,711,391</b>
<b>Contingencies and commitments</b>							
	8	----- Number of units -----					
<b>Number of units in issue</b>		<b>284,125,000</b>	<b>76,606,888</b>		<b>284,125,000</b>	<b>110,303,665</b>	
----- (Rupees) -----							
<b>Net assets value per unit</b>		<b>5.5276</b>	<b>5.9074</b>		<b>7.0325</b>	<b>6.4666</b>	

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Investment Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the nine months and quarter ended March 31, 2023*

Note	Nine months ended March 31,						Quarter ended March, 31					
	2023			2022			2023			2022		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	------(Rupees in '000)-----											
<b>Income</b>												
Capital gain/(loss) on sale of investments - net	(30)	(52,219)	(52,249)	(8)	(93,472)	(93,480)	-	(41,964)	(41,964)	(1)	(33,871)	(33,872)
Dividend income	120,995	31,102	152,097	117,263	58,843	176,106	1	10,008	10,009	-	20,543	20,543
Mark-up on deposits with banks	23,139	16,892	40,031	5,520	8,433	13,953	11,589	7,261	18,850	3,021	3,320	6,341
Mark-up on Government securities	3,504	-	3,504	2,637	28	2,665	-	-	-	1,306	-	1,306
Back end load income	-	-	-	-	-	-	-	-	-	-	-	-
	147,608	(4,225)	143,383	125,412	(26,168)	99,244	11,590	(24,695)	(13,105)	4,326	(10,008)	(5,682)
Unrealised (loss)/gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	-	(16,807)	(16,807)	-	(217,734)	(217,734)	-	23,326	23,326	-	(33,218)	(33,218)
	147,608	(21,032)	126,576	125,412	(243,902)	(118,490)	11,590	(1,369)	10,221	4,326	(43,226)	(38,900)
<b>Expenses</b>												
Remuneration of Management Company	23,661	9,095	32,756	28,185	20,406	48,591	7,006	2,531	9,537	8,643	6,140	14,783
Remuneration of Trustee	2,231	619	2,850	2,430	1,321	3,751	688	184	872	758	404	1,162
Annual fee to the Securities and Exchange Commission of Pakistan	279	80	359	333	181	514	82	22	104	102	55	157
Selling & marketing expense	-	4,226	4,226	-	9,685	9,685	-	1,176	1,176	-	3,057	3,057
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,677	2,213	9,890	9,146	5,170	14,316	2,273	615	2,888	2,805	1,698	4,503
Securities transaction costs	-	4,464	4,464	-	3,022	3,022	(904)	1,862	958	-	389	389
Auditors' remuneration	286	151	437	324	185	509	92	32	124	94	59	153
Printing charges	53	15	68	39	-	39	-	-	-	11	-	11
Fee and subscription charges	1,042	476	1,518	1,108	63	1,171	1,042	131	1,173	362	20	382
Settlement & bank charges	10	210	220	3	614	617	1	41	42	3	179	182
Conversion expense from closed end to open end fund	-	-	-	-	-	-	-	-	-	-	-	-
	35,239	21,549	56,788	41,568	40,647	82,215	10,280	6,594	16,874	12,778	12,001	24,779
<b>Net Income/(loss) from operating activities</b>	112,369	(42,581)	69,788	83,844	(284,549)	(200,705)	1,310	(7,963)	(6,653)	(8,452)	(55,227)	(63,679)
Provision for Sindh Workers' Welfare Fund	-	-	-	634	29,166	29,800	-	-	-	(0)	-	(0)
<b>Net Income/(loss) for the period before taxation</b>	112,369	(42,581)	69,788	84,478	(255,383)	(170,905)	1,310	(7,963)	(6,653)	(8,452)	(55,227)	(63,679)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income/(loss) for the period after taxation</b>	112,369	(42,581)	69,788	84,478	(255,383)	(170,905)	1,310	(7,963)	(6,653)	(8,452)	(55,227)	(63,679)
<b>Allocation of net income/(loss) for the period:</b>												
Net income for the period after taxation	112,369	-	-	84,478	-	-	-	-	-	-	-	-
Income already paid on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-
	112,369	-	-	84,478	-	-	-	-	-	-	-	-
Accounting income available for distribution:												
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	112,369	-	-	84,478	-	-	-	-	-	-	-	-
	112,369	-	-	84,478	-	-	-	-	-	-	-	-

Earning per unit 10

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Investment Fund**  
**Condensed Interim Statement Of Comprehensive Income (Un-Audited)**  
*For the nine months and quarter ended March 31, 2023*

	Nine Months ended March 31,						Quarter ended March 31,					
	2023			2022			2023			2022		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	------(Rupees in '000)-----											
Net Income/(loss) for the period after taxation	112,369	(42,581)	69,788	84,478	(255,383)	(170,905)	1,310	(7,963)	(6,653)	(8,452)	(55,227)	(63,679)
Items that will not be reclassified to income statement												
Unrealized gain/(loss) on re-measurement of investments classified as fair value through other comprehensive income	(539,954)	-	(539,954)	(631,043)	-	(631,043)	(68,820)	-	(68,820)	(159,909)	-	(159,909)
<b>Total comprehensive loss for the period</b>	<b>(427,585)</b>	<b>(42,581)</b>	<b>(470,167)</b>	<b>(546,565)</b>	<b>(255,383)</b>	<b>(801,948)</b>	<b>(67,510)</b>	<b>(7,963)</b>	<b>(75,474)</b>	<b>(168,361)</b>	<b>(55,227)</b>	<b>(223,588)</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Investment Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
*For the nine months ended March 31, 2023*

	Nine Months Ended March 31					
	2022			2022		
	Class A	Class B	Total	Class A	Class B	Total
<b>Note</b>	------(Rupees in '000)-----					
<b>Cash flow from operating activities</b>						
Net income/(loss) for the period before taxation	112,369	(42,581)	69,787	84,478	(255,383)	(170,905)
<b>Adjustments of non-cash items</b>						
Capital loss on sale of investment	30	52,219	52,249	8	93,472	93,480
Unrealised gain/(loss) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	-	16,807	16,807	-	217,734	217,734
Dividend income	(120,995)	(31,102)	(152,097)	(117,263)	(58,843)	(176,106)
Mark-up on deposits with banks	(23,139)	(16,892)	(40,031)	(5,520)	(8,433)	(13,953)
	(31,735)	(21,549)	(53,284)	(38,297)	(11,453)	(49,750)
<b>(Increase) / Decrease in assets</b>						
Investments	(30)	204,969	204,938	(9)	(27,239)	(27,248)
Receivable against sale of investments	-	(25,906)	(25,906)	-	32,361	32,361
Advances, deposits and prepayments	(531)	-	(531)	(387)	6,897	6,510
	(561)	179,063	178,501	(396)	12,019	11,623
<b>Increase / (decrease) in liabilities</b>						
Payable to Management Company	(573)	(4,424)	(4,997)	(1,112)	(1,026)	(2,138)
Payable to Central Depository Company of Pakistan Limited - Trustee	(26)	(99)	(125)	(53)	(64)	(117)
Payable to the Securities and Exchange Commission of Pakistan	(149)	(147)	(296)	(143)	(85)	(228)
Payable against purchase of investment	-	25,595	25,595	-	(25,906)	(25,906)
Unclaimed dividend	-	(12)	(12)	-	(48)	(48)
Redemption payable	-	-	-	-	-	-
Accrued expenses and other liabilities	157	1,016	1,173	(1,012)	(30,288)	(31,300)
	(591)	21,929	21,338	(2,320)	(57,417)	(59,737)
Cash (used in) / generated from operations	(32,887)	179,442	146,556	(41,013)	(56,851)	(97,864)
Dividend received	120,142	28,571	148,713	116,410	45,173	161,583
Mark-up received on bank deposit	21,224	18,184	39,408	4,784	8,016	12,800
	141,366	46,755	188,121	121,194	53,189	174,383
<b>Net cash generated from operating activities</b>	<b>108,479</b>	<b>226,197</b>	<b>334,677</b>	<b>80,181</b>	<b>(3,662)</b>	<b>76,519</b>
<b>Cash flow from financing activities</b>						
Amount received on issue of units	-	398	398	-	48,956	48,956
Amount paid on redemption of units	-	(218,558)	(218,558)	-	(109,372)	(109,372)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(218,160)</b>	<b>(218,160)</b>	<b>-</b>	<b>(60,416)</b>	<b>(60,416)</b>
Net increase in cash and cash equivalents	108,479	8,037	116,516	80,181	(64,078)	16,103
<b>Cash and cash equivalents at beginning of the period</b>	<b>154,016</b>	<b>148,160</b>	<b>302,176</b>	<b>80,798</b>	<b>216,276</b>	<b>297,074</b>
<b>Cash and cash equivalents at end of the period</b>	<b>262,494</b>	<b>156,197</b>	<b>418,692</b>	<b>160,979</b>	<b>152,198</b>	<b>313,176</b>

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

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Investment Fund

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

For the nine months ended March 31, 2023

	Nine Months ended March 31,															
	2023				2022				2022							
	Class A		Class B		Class A		Class B		Class A		Class B					
Capital value	Undistributed Income	Unrealised income / (loss) on investment	Total	Capital value	Undistributed Income	Total	Capital value	(Accumulated loss)	Unrealised income/ (loss) on investment	Premium on issue of certificates	General reserve	Total	Capital value	(Accumulated loss)	Total	
(Rupees in '000)																
Net assets at beginning of the period	2,841,250	(2,169,291)	1,326,143	1,998,102	1,311,779	(598,490)	713,289	2,841,250	(2,247,274)	1,898,233	-	-	2,492,209	1,495,225	(108,625)	1,386,600
Issue of 121,474 units (2022: 5,566,098 units)	-	-	-	-	786	-	786	-	-	-	-	-	-	35,994	-	35,994
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	(387)	-	(387)	-	-	-	-	-	-	12,962	-	12,962
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	399	-	399	-	-	-	-	-	-	48,956	-	48,956
Redemption of 33,818,251 units (2022:12,482,290 units)	-	-	-	-	(218,689)	-	(218,689)	-	-	-	-	-	-	(80,718)	-	(80,718)
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Amount paid out of element of income	-	-	-	-	129	-	129	-	-	-	-	-	-	(28,654)	-	(28,654)
Relating to net income for the year after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payment on redemption of units	-	-	-	-	(218,558)	-	(218,558)	-	-	-	-	-	-	(109,372)	-	(109,372)
Total comprehensive loss for the period	-	112,369	(539,954)	(427,585)	-	(42,581)	(42,581)	-	84,478	(631,043)	-	(546,565)	-	(255,383)	(255,383)	
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net income for the period less distribution	-	112,369	(539,954)	(427,585)	-	(42,581)	(42,581)	-	84,478	(631,043)	-	(546,565)	-	(255,383)	(255,383)	
Net assets at end of the period	2,841,250	(2,056,922)	786,189	1,570,516	1,093,620	(641,071)	452,547	2,841,250	(2,162,796)	1,267,190	-	-	1,945,644	1,434,809	(364,008)	1,070,801
Undistributed (loss)/income brought forward																
- Realised		(2,169,291)				(303,315)			(2,247,274)						(228,362)	
- Unrealised		-				(295,175)			-						119,737	
		(2,169,291)				(598,490)			(2,247,274)						(108,625)	
Accounting income available for distribution:																
- Relating to capital gains															246,155	
- Excluding capital gains															314	
Net income/(loss) available for distribution		112,369				(42,581)			84,478						(255,383)	
Accumulated loss carried forward		(2,056,922)				(641,071)			(2,162,796)						(364,008)	
Accumulated loss carried forward																
- Realised		(2,056,922)				(624,264)			(2,162,796)						(146,274)	
- Unrealised		-				(16,807)			-						(217,734)	
		(2,056,922)				(641,071)			(2,162,796)						(364,008)	
Net assets value per unit at beginning of the period	(Rupees)															
	7.0325			6.4666			7.0325			6.4666			6.4666			
Net assets value per unit at end of the period	5.5276			5.9074			6.8478			6.8478			8.3217			

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For HBL Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# **HBL Investment Fund**

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

*For the nine months ended March 31, 2023*

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

- 1.1 HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to following for each certificate held:

- One Class-A Unit of the Fund was issued to every Certificate Holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange Limited. Whereas Class-B Units can be redeemed at the redemption price.

- 1.5 VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (March 31, 2022: AM1) and the outlook on the rating has been assigned as 'Stable'
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

### **2. BASIS OF PREPERATION**

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

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

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- 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 requirement of the Trust Deed.

Wherever provisions of and directive 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 requirement of the Trust Deed have been followed.

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 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 March 31, 2023.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

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

- 3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 3.2 The preparation of this condensed interim financial information 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, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

Note	March 31, 2023 (Un-Audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)						
<b>4.</b>	<b>BANK BALANCES</b>					
	Balances with banks in					
	Savings accounts					
4.1	262,494	156,197	418,691	154,016	148,160	302,176

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 8% to 20.75% p.a (June 30, 2022: 8% to 17.4% p.a).

Note	March 31, 2023 (Un-Audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
<b>5.</b>	<b>INVESTMENTS</b>					
	<b>At fair value through profit or loss</b>					
	- Listed equity securities					
5.1	-	427,677	427,677	-	701,672	701,672
	<b>At fair value through other comprehensive</b>					
	- Listed equity securities					
5.2	1,303,681	-	1,303,681	1,843,635	-	1,843,635
	<b>At fair value through profit or loss</b>					
	- Market treasury bills					
5.3	-	-	-	-	-	-
	1,303,681	427,677	1,731,358	1,843,635	701,672	2,545,307

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

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

Name of investee company	Number of Shares					Balance as at March 31, 2023			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2022	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2023	Carrying Value	Market Value	Unrealized appreciation/(depreciation)	Total Investments	Net Assets	
----- (Number of Shares) -----											
----- (Rupees in '000) -----											
<b>CLASS B</b>											
<b>CHEMICAL</b>											
Descon Oxychem Ltd	-	926,000	-	759,000	167,000	4,237	4,454	217	1.04%	0.98%	0.16%
Engro Polymer & Chemicals Ltd	91,500	332,500	-	224,000	200,000	9,484	9,356	(128)	2.19%	2.07%	0.02%
Lotte Chemical Pakistan Ltd	-	274,000	-	-	274,000	6,979	6,946	(33)	1.62%	1.53%	0.02%
	91,500	1,532,500	-	983,000	641,000	20,700	20,756	56			
<b>CEMENT</b>											
Attock Cement Pakistan Ltd	552,600	-	-	552,600	-	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Ltd.	-	255,500	-	174,500	81,000	9,122	9,119	(3)	2.13%	2.02%	0.05%
D G Khan Cement Co.Ltd.	-	853,000	-	519,000	334,000	14,996	14,666	(330)	3.43%	3.24%	0.08%
Fauji Cement Company Limited	-	3,011,500	69,125	2,715,625	365,000	4,452	4,365	(87)	1.02%	0.96%	0.03%
Kohat Cement Ltd	32,300	88,000	-	120,300	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Ltd	20,000	153,952	-	173,952	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Ltd	177,900	1,671,100	-	1,138,000	711,000	18,098	18,472	374	4.32%	4.08%	0.13%
Pioneer Cement Limited	-	849,304	-	849,304	-	-	-	-	0.00%	0.00%	0.00%
	782,800	6,882,356	69,125	6,243,281	1,491,000	46,668	46,622	(46)			

Name of investee company	Number of Shares					Balance as at March 31, 2023			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2022	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2023	Carrying Value	Market Value	Unrealized appreciation/(depreciation)	Total Investments	Net Assets	
------(Number of Shares)-----					------(Rupees in '000')-----						
<b>COMMERCIAL BANKS</b>											
Bank Al-Falah Ltd	345,000	275,731	-	619,797	934	29	27	(2)	0.01%	0.01%	0.00%
Bank Al-Habib Limited	252,000	-	-	252,000	-	-	-	-	0.00%	0.00%	0.00%
BankIslami Pakistan Limited	-	724,000	-	724,000	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	400,500	293,500	-	685,236	8,764	203	191	(12)	0.04%	0.04%	0.00%
Habib Bank Ltd	573,391	1,152,706	-	1,318,193	407,904	29,249	29,891	642	6.99%	6.61%	0.03%
Habib Metropolitan Bank Ltd	-	285,000	-	285,000	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Ltd	198,753	-	-	198,753	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Ltd	-	332,500	-	147,500	185,000	19,941	17,612	(2,329)	4.12%	3.89%	0.02%
Standard Chartered Bank (Pakistan) Ltd	1,848,500	-	-	1,848,500	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	431,433	396,300	-	517,000	310,733	34,311	33,112	(1,200)	7.74%	7.32%	0.03%
	<u>4,049,577</u>	<u>3,459,737</u>	<u>-</u>	<u>6,595,979</u>	<u>913,335</u>	<u>83,734</u>	<u>80,833</u>	<u>(2,902)</u>			
<b>ENGINEERING</b>											
Mughal Iron & Steel Inds Ltd	188,251	164,000	-	188,251	164,000	9,288	8,057	(1,231)	1.88%	1.78%	0.07%
	<u>188,251</u>	<u>164,000</u>	<u>-</u>	<u>188,251</u>	<u>164,000</u>	<u>9,288</u>	<u>8,057</u>	<u>(1,231)</u>			
<b>FERTILIZER</b>											
Engro Corporation Ltd	68,394	227,000	-	279,394	16,000	4,584	4,428	(156)	1.04%	0.98%	0.00%
Engro Fertilizers Limited	48,363	507,114	-	392,400	163,077	13,410	13,832	422	3.23%	3.06%	0.01%
Fauji Fertilizer Co Ltd	394,063	65,000	-	458,600	463	48	46	(1)	0.01%	0.01%	0.00%
	<u>510,820</u>	<u>799,114</u>	<u>-</u>	<u>1,130,394</u>	<u>179,540</u>	<u>18,042</u>	<u>18,307</u>	<u>265</u>			
<b>INSURANCE</b>											
IGI Holdings Limited	189,400	-	-	189,400	-	-	-	-	0.00%	0.00%	0.00%
IGI LIFE INSURANCE LIMITED	307,500	-	-	307,500	-	-	-	-	0.00%	0.00%	0.00%
TPL Insurance Limited	538,189	-	109,791	422,500	225,480	5,621	4,753	(868)	1.11%	1.05%	0.30%
	<u>1,035,089</u>	<u>-</u>	<u>109,791</u>	<u>919,400</u>	<u>225,480</u>	<u>5,621</u>	<u>4,753</u>	<u>(868)</u>			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Ltd	13,966	2,500	-	9,564	6,902	11,819	10,445	(1,375)	2.44%	2.31%	0.01%
Oil & Gas Development Co Ltd	406,500	778,500	-	780,965	404,035	34,610	33,680	(930)	7.88%	7.44%	0.01%
Pakistan Oilfields Ltd	36,375	27,500	-	34,075	29,800	12,608	11,887	(721)	2.78%	2.63%	0.01%
Pakistan Petroleum Ltd	306,200	888,210	-	704,710	489,700	34,970	31,321	(3,649)	7.32%	6.92%	0.02%
	<u>763,041</u>	<u>1,696,710</u>	<u>-</u>	<u>1,529,314</u>	<u>930,437</u>	<u>94,008</u>	<u>87,333</u>	<u>(6,674)</u>			
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Attock Petroleum Ltd	-	23,650	-	23,650	-	-	-	-	0.00%	0.00%	0.00%
Pakistan State Oil Company Ltd	174,992	81,500	-	256,492	-	-	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipeline Ltd	-	1,478,613	-	1,089,000	389,613	16,266	15,230	(1,036)	3.56%	3.37%	0.06%
	<u>174,992</u>	<u>1,583,763</u>	<u>-</u>	<u>1,369,142</u>	<u>389,613</u>	<u>16,266</u>	<u>15,230</u>	<u>(1,036)</u>			
<b>REFINERY</b>											
Attock Refinery Ltd	82,000	235,000	-	176,941	140,059	23,453	23,845	392	5.58%	5.27%	0.16%
National Refinery Ltd	76,797	29,700	-	106,497	-	-	-	-	0.00%	0.00%	0.00%
	<u>158,797</u>	<u>264,700</u>	<u>-</u>	<u>283,438</u>	<u>140,059</u>	<u>23,453</u>	<u>23,845</u>	<u>392</u>			
<b>PHARMACEUTICALS</b>											
AGP Limited	-	122,000	-	-	122,000	7,135	6,612	(523)	1.55%	1.46%	0.00%
Ferozsons Laboratories Ltd	27,900	-	-	27,900	-	-	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	8,730	-	-	8,730	-	-	-	-	0.00%	0.00%	0.00%
The Searle Company Ltd	1,901	122,500	475	-	124,876	7,117	6,429	(688)	1.50%	1.42%	0.07%
	<u>38,531</u>	<u>244,500</u>	<u>475</u>	<u>36,630</u>	<u>246,876</u>	<u>14,252</u>	<u>13,041</u>	<u>(1,211)</u>			
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
Hub Power Company Ltd	302,307	200,000	-	502,307	-	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited	-	456,000	-	456,000	-	-	-	-	0.00%	0.00%	0.00%
	<u>302,307</u>	<u>656,000</u>	<u>-</u>	<u>958,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
<b>TEXTILE</b>											
Sunshine Cloth	50,000	-	-	-	50,000	0	0	-	0.00%	0.00%	0.64%
Mohib Textile	40,820	-	-	-	40,820	0	0	-	0.00%	0.00%	0.27%
Azgard Nine Ltd	921,500	-	-	921,500	-	-	-	-	0.00%	0.00%	0.00%
Gul Ahmed Textile Mills Ltd	387,900	-	-	387,900	-	-	-	-	0.00%	0.00%	0.00%
Interloop Limited	139,576	-	-	139,576	-	-	-	-	0.00%	0.00%	0.00%
	<u>1,539,796</u>	<u>-</u>	<u>-</u>	<u>1,448,976</u>	<u>90,820</u>	<u>0</u>	<u>0</u>	<u>-</u>			
<b>AUTOMOBILE ASSEMBLER</b>											
Millat Tractors Ltd	-	7,890	-	7,890	-	-	-	-	0.00%	0.00%	0.00%
	<u>-</u>	<u>7,890</u>	<u>-</u>	<u>7,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
<b>MISCELLANEOUS</b>											
Pakistan Aluminium Beverage Cans Limited	-	120,000	-	120,000	-	-	-	-	0.00%	0.00%	0.00%
TPL Properties Limited	505,000	1,533,235	-	2,038,235	-	-	-	-	0.00%	0.00%	0.00%
	<u>505,000</u>	<u>1,653,235</u>	<u>-</u>	<u>2,158,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
<b>FOOD &amp; ALLIED INDUSTRIES</b>											
The Organic Meat Company Limited	1,174,729	371,000	-	1,545,729	-	-	-	-	0.00%	0.00%	0.00%
	<u>1,174,729</u>	<u>371,000</u>	<u>-</u>	<u>1,545,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			

Name of investee company	Number of Shares					Balance as at March 31, 2023			Market value as a percentage		Par value as a percentage of issued capital of the investee
	As at July 01, 2022	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2023	Carrying Value	Market Value	Unrealized appreciation/(depreciation)	Total Investments	Net Assets	
	------(Number of Shares)-----					------(Rupees in '000)'-----					
<b>GLASS &amp; CERAMICS</b>											
Tariq Glass Industries Ltd	-	221,000	-	17,500	203,500	14,293	14,324	32	3.35%	3.17%	0.28%
	-	221,000	-	17,500	203,500	14,293	14,324	32			
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>											
AT-Tahir Limited	-	92,500	7,850	100,350	-	-	-	-	0.00%	0.00%	0.00%
Unity Foods Limited	448,816	764,108	-	1,212,924	-	-	-	-	0.00%	0.00%	0.00%
	448,816	856,608	7,850	1,313,274	-	-	-	-			
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Octopus Digital Limited	-	194,000	-	194,000	-	-	-	-	0.00%	0.00%	0.00%
Avanceon Limited	87,225	502,160	-	349,800	239,585	18,592	15,338	(3,254)	3.59%	3.39%	0.12%
Netsol Technologies	-	321,136	-	321,136	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	-	132,833	-	71,200	61,633	30,693	28,478	(2,215)	6.66%	6.29%	0.06%
TPL Trakker Limited	5,981,500	50,500	-	386,500	5,645,500	48,869	50,753	1,884	11.87%	11.21%	0.30%
TRG Pakistan Ltd	-	95,400	-	95,400	-	-	-	-	0.00%	0.00%	0.00%
	6,068,725	1,296,029	-	1,418,036	5,946,718	-	94,569	(3,584)			
<b>Total - As at March 31, 2023 (Un-audited)</b>	<b>17,832,771</b>	<b>21,689,142</b>	<b>187,241</b>	<b>28,146,776</b>	<b>11,562,378</b>	<b>346,324</b>	<b>427,677</b>	<b>(16,807)</b>			
<b>Total - As at June 30, 2022 (Audited)</b>	<b>20,714,241</b>	<b>24,086,088</b>	<b>1,451,479</b>	<b>28,419,037</b>	<b>17,832,771</b>	<b>996,847</b>	<b>701,672</b>	<b>(295,175)</b>			

\*Suspended/Delisted Companies

\*\*Sponsors of Management Company

5.1.1 Investments include shares having market value aggregating to Rs: 73.23 million (June 30, 2022 : Rs 115.672 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Funds's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP.

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.329 million at March 31, 2022 (June 30, 2022: Rs.0.428 million) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

Name of investee company	Number of Shares					Balance as at March 31, 2023			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 issue	Sales during the period	As at March 31, 2023	Carrying Value	Market Value	Unrealized appreciation/(depreciation)	Total Investments	Net Assets	

Class A

OIL & GAS MARKETING COMPANIES

Sui Northern Gas Pipeline Ltd	2,488,024	-	-	-	2,488,024	484,439	1,206,424	721,985	92.54%	76.82%	2.18%
Pakistan State Oil Company Limited	10,233,471	-	-	-	10,233,471	33,053	97,257	64,204	7.46%	6.19%	0.39%
<b>Total - As at March 31, 2023 (Unaudited)</b>	<b>12,721,495</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,721,495</b>	<b>517,491</b>	<b>1,303,681</b>	<b>786,189</b>			
<b>Total - As at June 30, 2022 (Audited)</b>	<b>12,721,495</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,721,495</b>	<b>517,491</b>	<b>1,843,635</b>	<b>(1,326,144)</b>			

5.2.1 The above mentioned shares of Sui Northern Gas Pipelines Limited and Pakistan State Oil Company Limited are frozen/blocked by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 10.05 million at March 31, 2023 (June 30, 2022: Rs. 14.653 m) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

5.3 Market treasury bills - 'at fair value through profit or loss' (Class A)

Particulars	Issue date	Face value				Balance as at March 31, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
		(Rupees)							(%)	
<b>Market treasury bills- 3-months</b>										
Market treasury bills	2-Jun-22	-	130,000,000.00	130,000,000.00	-	-	-	-	-	-
Market treasury bills	25-Aug-22	-	130,000,000.00	130,000,000.00	-	-	-	-	-	-
Market treasury bills	6-Oct-22	-	135,000,000.00	135,000,000.00	-	-	-	-	-	-
<b>Total as at March 31, 2023</b>										
<b>Total as at June 30, 2022</b>										

	March 31, 2023 (Un-Audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
<b>6. PAYABLE TO MANAGEMENT COMPANY</b>	----- (Rupees in '000) -----					
Management fee	2,005	778	2,783	2,388	1,333	3,721
Sindh Sales Tax	261	101	362	310	173	483
Allocation of expenses relating to registrar services, accounting, operation and valuation services	735	214	949	876	918	1,794
Sale load payable	-	1	1	-	-	-
Selling & marketing payable	-	1,176	1,176	-	4,270	4,270
	<b>3,001</b>	<b>2,270</b>	<b>5,271</b>	<b>3,574</b>	<b>6,694</b>	<b>10,268</b>

6.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. As per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, it was advised to HBL AMC to take up the matter at their Board level for lowering the rate of management fee keeping in view the passive nature of investments in Class A units of HBL Investment Fund and in the best interest of the certificate holders. Subsequently, management of HBL AMC in its 83rd Board meeting held on February 10, 2021 has approved the reduction in rate of 2% to 1.5% effective from February 10, 2021. Currently, the management fee is charged at the rate of 1.5% to 2% (June 30, 2022: 1.5% and 2%) of average annual net assets of the fund for Class A and Class B, respectively.

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

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

The Management Company based on its discretion has charged 0.55% of the average annual net assets of the Fund during the period ended March 31, 2023 (June 30, 2022: 0.55% for Class A and 0.55% to 1.35% for Class B) for Class A and Class B. respectively.

6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its discretion has currently determined at the rates nil (June 30, 2022: nil) for Class A and 1.05% (June 30, 2022: 1.05% to 1.85%) for Class B of the average annual net assets) of the Fund for charging of selling and marketing expenses which has also been approved by the Board of Directors of the Management Company. However, as per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, Management Company ceased to charge selling and marketing expenses to the certificate holders of Class A with effect from November 01, 2020.

		March 31, 2023			June 30, 2022		
		(Un-Audited)			(Audited)		
		Class A	Class B	Total	Class A	Class B	Total
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>							
	<b>Note</b>	----- (Rupees in '000) -----					
Provision for Sindh Workers' Welfare Fund	7.1	-	-	-	-	-	-
Provision for Federal Excise Duty	7.2	-	55,961	55,961	-	55,961	55,961
Auditors remuneration		504	164	668	326	182	508
Security transaction charges		-	1,222	1,222	-	362	362
Withholding tax payable		5	191	196	26	89	115
Payable to class A		-	-	-	-	-	-
Other payable		-	1,138	1,138	-	1,113	1,113
Zakat Payable		-	47	47	-	-	-
		<b>509</b>	<b>58,723</b>	<b>59,232</b>	<b>352</b>	<b>57,707</b>	<b>58,059</b>

## 7. FEDERAL EXERCISE DUTY

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

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per certificate of the Fund as at March 31, 2023 would have been higher by Re. 0.73 per certificate (June 30, 2022: Re. 0.51 per certificate) of class B.

## 8. Contingencies & Commitments

There were no contingencies or commitments outstanding as at March 31, 2023 and as at June 30, 2022.

## 9. TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders in cash. The Fund 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 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.

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**10 EARNING PER UNIT**

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

**11 TOTAL EXPENSES RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the period ended March 31, 2023 is 0% and 5.36% which includes 2.59% and 0.43% representing government levy and SECP fee of the Class A and Class B respectively (2022: 1.88% and 3.38% which includes 0.18% and 0.25% representing government levy and SECP fee of the Class A and Class B respectively.)

**12 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS**

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

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

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

Details of the transactions with connected persons and balances with them are as follows:

		Nine Months Ended March 31,					
		2023			2022		
		Class A	Class B	Total	Class A	Class B	Total
		----- Rupees in '000 -----					
<b>12.1</b>	<b>Transactions during the period</b>						
	<b>HBL Asset Management Limited</b>						
	Remuneration of Management Company	20,939	8,049	28,988	24,942	18,058	43,000
	Sindh Sales Tax on remuneration of Management Company	2,723	1,046	3,769	3,243	2,348	5,591
	Reimbursement of fund Operations, accounting and Related costs	7,677	2,213	9,890	9,146	5,170	14,316
	Selling and marketing	-	4,226	4,226	-	9,685	9,685
	<b>Habib Bank Limited - Sponsor</b>						
	Dividend income	-	1,412	1,412	-	2,839	2,839
	Redemption of 31,371,161 unit (2022: Nil Units)	-	203,605	203,605	-	-	-
	Mark-up on deposits with banks	-	48,780	48,780	-	16	16

Nine Months Ended March 31,					
2023			2022		
Class A	Class B	Total	Class A	Class B	Total

----- Rupees in '000 -----

#### MCB Bank Limited

Dividend Income	-	1,281	1,281	-	2,557	2,557
Mark-up on deposits with banks	7	14,091	14,098	7	7,125	7,132

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

Trustee fee	2,231	619	2,850	2,430	1,321	3,751
CDC connection charges	904	202	1,106	653	232	885

#### Directors and Executives of the Management Company

Issuance of 47,692 unit (2022:Nil units)	-	297	297	-	-	-
Redemption of 47,692 unit (2022:205,885 units)	-	285	285	-	2,030	2,030

March 31, 2023 (Un-Audited)			June 30, 2022 (Audited)		
Class A	Class B	Total	Class A	Class B	Total

----- Rupees in '000 -----

#### 12.2 Balances outstanding at the year end

##### HBL Asset Management Limited

Payable to the Management Company	2,005	778	2,783	2,388	1,333	3,721
Sindh Sales tax payable on remuneration to management company	261	101	362	310	173	483
Finance and operational cost	735	214	949	876	918	1,794
Selling and marketing expense	-	1,176	1,176	-	4,270	4,270

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

Trustee fee payable	247	88	335	273	151	424
Security deposit held	100	200	300	100	200	300
CDC Charges Payable	-	37	37	-	36	36

##### MCB Bank Limited

##### Connected Person Due to Holding more than 10% units)

Bank balance	168	818,883	819,051	152	-	152
Mark-up on bank deposit receivable	-	849	849	-	-	-
Outstanding units:66,090,021 (2022: 66,090,021) units	660,900	-	660,900	660,900	-	660,900

##### Related to units of the Fund

##### Habib Bank Limited - Sponsor

Outstanding units :48,662,161 (2022: 48,662,161) units	48,662	-	48,662	486,622	-	486,622
Outstanding units : 373 (2022: 31,371,533) units	-	2	2	-	202,867	202,867
Bank Balance	-	556	556	-	507	507

	March 31, 2023 (Un-Audited)			June 30, 2022 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- Rupees in '000 -----					
<b>Habib Micro Finance Bank - Associate</b>						
Bank Balance	15,512	127	15,639	-	8	8
<b>Jubilee General Insurance Company Limited</b>						
Outstanding units:107,379 (2022: Nil) units	1,004	-	1,004	-	-	-
Outstanding units: 103,333 (2021: 103,333) units	-	608	608	-	668	668
<b>Jubilee General Insurance Company Limited Staff Provident Fund Trust</b>						
Outstanding units:118,454 (2022: 118,454) units	1,184	-	1,184	1,184	-	1,184
Outstanding units:121,940 (2022: 121,940) units	-	717	717	-	789	789
<b>Jubilee General Insurance Company Limited Gratuity Fund Trust</b>						
Outstanding units:224,000 (2022: 224,000) units	2,240	-	2,240	2,240	-	2,240
Outstanding units:230,592 (2022: 230,592) units	-	1,356	1,356	-	1,491	1,491
<b>Aga Khan University Employees Provident Fund Trust</b>						
Outstanding units:588,000 (2022: 588,000) units	5,880	-	5,880	5,880	-	5,880
<b>Aga Khan University Employees Gratuity Fund Trust</b>						
Outstanding units:138,000 (2022: 138,000) units	1,380	-	1,380	1,380	-	1,380
<b>Directors and Executives of the Management Company</b>						
Outstanding units:26,195 (2022: 26,195) units	262	-	262	262	-	262
Outstanding units: 26,813 (2022: 26,812) units	-	158	158	-	173	173
<b>Humera Iqbal -Connected Party due to units more than 10%</b>						
Outstanding units: 9,679,667 (2022: 26,195) units	-	56,908	56,908	-	-	-

### 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

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

Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

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

		Class A March 31, 2023 (Un-audited)				Fair Value			
		Carrying amount				Fair Value			
	Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments - Listed equity securities	-	1,303,681	-	-	1,303,681	1,303,681	-	-	1,303,681
	-	1,303,681	-	-	1,303,681	1,303,681	-	-	1,303,681
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	262,494	262,494				
Dividend and Profit receivable	-	-	-	7,735	7,735				
Advances and security deposit	-	-	-	642	642				
	-	-	-	270,871	270,871				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company		-	-	2,740	2,740				
Payable to Trustee		-	-	219	219				
Accrued expenses and other liabilities		-	-	504	504				
		-	-	3,463	3,463				

		Class B March 31, 2023 (Un-audited)				Fair Value			
		Carrying amount				Fair Value			
	Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments - Listed equity securities	427,677	-	-	-	427,677	427,677	-	-	427,677
	427,677	-	-	-	427,677	427,677	-	-	427,677
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	156,197	156,197				
Dividend and Profit receivable	-	-	-	6,680	6,680				
Receivable against sale of equity	-	-	-	30,290	30,290				
Advances and security deposit	-	-	-	3,819	3,819				
	-	-	-	196,986	196,986				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company		-	-	2,168	2,168				
Payable to Trustee		-	-	78	78				
Payable against purchase of investment		-	-	25,595	25,595				
Accrued expenses and other liabilities		-	-	2,524	2,524				
Unclaimed Dividend		-	-	85,360	85,360				
		-	-	115,725	115,725				

Class A									
June 30, 2022 (Audited)									
Carrying amount					Fair Value				
Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments - Listed equity securities	-	1,843,635	-	-	1,843,635	1,843,635	-	-	1,843,635
	-	1,843,635	-	-	1,843,635	1,843,635	-	-	1,843,635
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	154,016	154,016				
Dividend and Profit receivable	-	-	-	4,967	4,967				
	-	-	-	158,983	158,983				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	-	-	-	3,574	3,574				
Payable to Trustee	-	-	-	273	273				
Accrued expenses and other liabilities	-	-	-	326	326				
	-	-	-	4,172	4,172				

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.

Class B									
June 30, 2022 (Audited)									
Carrying amount					Fair Value				
Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments - Listed equity securities	701,672	-	-	-	701,672	701,672	-	-	701,672
	701,672	-	-	-	701,672	701,672	-	-	701,672
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	148,160	148,160				
Dividend and Profit receivable	-	-	-	5,441	5,441				
	-	-	-	153,601	153,601				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	-	-	-	6,694	6,694				
Payable to Trustee	-	-	-	187	187				
Payable against purchase of investment	-	-	-	-	-				
Accrued expenses and other liabilities	-	-	-	1,657	1,657				
Unclaimed Dividend	-	-	-	85,372	85,372				
	-	-	-	93,910	93,910				

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

**14 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management company on April 28, 2023.

**15 GENERAL**

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

15.2 In continuation of note 1 to annual audited financial statements for the year ended June 30, 2022, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

For HBL Asset Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director

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# **HBL**

## **Financial Sector**

### **Income Fund Plan 1**

## FUND INFORMATION

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Name of Fund	HBL Financial Sector Income Fund Plan 1
Name of Auditor	Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited Soneri Bank Limited Bank Alfalah Limited HBL Micro Finance Bank Ltd Khushhali Microfinance Bank Ltd Mobilink Microfinance Bank Ltd U Microfinance Bank Ltd Finca Microfinance Bank Ltd

**HBL Financial Sector Income Fund Plan 1**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At March 31, 2023*

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4.	18,478,002	43,918,633
Investments	5.	3,990,495	2,047,101
Receivable against margin trading system		194,303	123,160
Accrued mark-up		425,377	251,794
Advances, deposits, prepayments and other receivables	6.	5,060	4,229
Receivable against sale of investments		-	-
<b>Total assets</b>		<b>23,093,237</b>	46,344,917
<b>Liabilities</b>			
Payable to the Management Company	7.	38,774	38,439
Payable to the Trustee		1,585	3,063
Payable to the Securities and Exchange Commission of Pakistan		4,397	2,776
Accrued expenses and other liabilities	8.	122,568	119,526
Payable against purchase of investments		-	351,029
<b>Total liabilities</b>		<b>167,324</b>	514,833
<b>Net assets</b>		<b>22,925,913</b>	45,830,083
<b>Unit holders' fund (as per statement attached)</b>		<b>22,925,913</b>	45,830,083
<b>Contingencies and commitments</b>	9.		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>225,803,009</b>	458,092,829
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>101.5306</b>	100.0454

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

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

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

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

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

**HBL Financial Sector Income Fund Plan 1**  
**Condensed Interim Income Statement (Un-Audited)**  
*For The Nine Months and Quarter Ended March 31, 2023*

	Note	Nine months ended		Quarter ended
		March 31,		March 31,
		2023	2022	2023
(Rupees in '000)				
<b>Income</b>				
Mark-up on deposits with banks		3,089,881	456,989	914,771
Mark-up / return on investments		496,296	8,466	172,232
Unrealised appreciation / (diminution) on revaluation of investments classified as financial asset at fair value through profit or loss - net		31,371	(1)	9,744
Capital gain on sale of investments - net		(27,127)	410	(2,155)
Mark-up on margin trading system		74,414	516	10,541
		<b>3,664,835</b>	<b>466,380</b>	<b>1,105,133</b>
<b>Expenses</b>				
Remuneration of the Management Company		132,738	17,377	45,568
Remuneration of the Trustee		18,632	3,345	5,212
Annual fee to Securities and Exchange Commission of Pakistan		4,397	790	1,230
Allocation of expenses related to registrar services, accounting, operation and valuation services		50,268	3,116	15,377
Selling and marketing expenses		50,268	3,116	15,377
Settlement and bank charges		7,262	83	1,698
Auditors' remuneration		380	157	127
Legal and professional charges		100	-	100
Fee and subscription		689	-	85
Printing and other charges		536	232	96
		<b>265,269</b>	<b>28,216</b>	<b>84,869</b>
<b>Net income from operating activities</b>		<b>3,399,566</b>	<b>438,164</b>	<b>1,020,264</b>
<b>Net income for the period before taxation</b>		<b>3,399,566</b>	<b>438,164</b>	<b>1,020,264</b>
Taxation	10	-	-	-
<b>Net income for the period after taxation</b>		<b>3,399,566</b>	<b>438,164</b>	<b>1,020,264</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation		3,399,566	438,164	1,020,264
Income already paid on redemption of units		518,730	55,405	194,688
		<b>2,880,836</b>	<b>382,759</b>	<b>825,576</b>
Accounting income available for distribution:				
- Relating to capital gains		4,244	410	4,244
- Excluding capital gains		2,876,592	382,349	821,332
		<b>2,880,836</b>	<b>382,759</b>	<b>825,576</b>
		<b>3,399,566</b>	<b>438,164</b>	<b>1,020,264</b>

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Financial Sector Income Fund Plan 1**  
**Condensed Interim Income Statement (Un-Audited)**  
*For The Nine Months and Quarter Ended March 31, 2023*

	Nine months ended		Quarter ended
	March 31,		March 31,
	2023	2022	2023
	----- (Rupees in '000') -----		
<b>Net income for the period after taxation</b>	<b>3,399,566</b>	295,122	<b>1,020,264</b>
Other comprehensive income / (loss) for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>3,399,566</b>	100,783	<b>1,020,264</b>

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



**HBL Financial Sector Income Fund Plan 1**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For The Nine Months Ended March 31, 2023*

	Nine months ended	
	March 31,	
Note	2023	2022
	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Net income for the period before taxation	3,399,566	438,164
<b>Adjustments for non-cash items:</b>		
Mark-up on deposits with banks	(3,089,881)	(456,989)
Mark-up / return on investments	(496,296)	(8,466)
Dividend income	-	-
Mark-up on margin trading system	-	(516)
Unrealised (appreciation) on revaluation of investments classified as financial asset at fair value through profit or loss - net	(31,371)	1
Capital (gain) on sale of investments - net	27,127	(410)
	<b>(190,855)</b>	<b>(28,216)</b>
<b>Increase in assets</b>		
Investments	(1,939,151)	(541,342)
Receivable against margin trading system	(71,143)	(8,466)
Advances, deposits, prepayments and other receivables	(831)	(10,175)
Receivable against sale of investments	-	-
	<b>(2,011,125)</b>	<b>(559,983)</b>
<b>Decrease in liabilities</b>		
Payable to the Management Company	335	13,684
Payable to the Trustee	(1,478)	2,128
Payable to the Securities and Exchange Commission of Pakistan	1,621	790
Accrued expenses and other liabilities	3,042	8,854
Payable against purchase of investments	(351,029)	-
	<b>(347,509)</b>	<b>25,456</b>
<b>Net cash (used) in operating activities</b>	<b>(2,549,489)</b>	<b>(562,743)</b>
Dividend received	-	-
Profit received	3,412,594	156,109
	<b>3,412,594</b>	<b>156,109</b>
<b>Net cash generated / (used) in operating activities</b>	<b>863,105</b>	<b>(406,634)</b>
<b>Cash flows from financing activities</b>		
Amount received on issue of units	143,419,734	61,266,905
Payment against redemption of units	(166,913,094)	(28,745,107)
Distribution paid	(2,810,376)	(309,842)
<b>Net cash used in financing activities</b>	<b>(26,303,736)</b>	<b>32,211,957</b>
<b>Net increase in cash and cash equivalents</b>	<b>(25,440,631)</b>	<b>31,805,323</b>
Cash and cash equivalents at beginning of the period	43,918,633	-
<b>Cash and cash equivalents at end of the period</b>	<b>18,478,002</b>	<b>31,805,323</b>

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

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

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

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

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

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

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

### ***For The Nine Months Ended March 31, 2023***

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

HBL Financial Sector Income Fund Plan 1 ("the Fund") was established under a Trust Deed, dated November 16, 2021, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on December 14, 2021.

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

The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.

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

The objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs / Sukuks, bank deposits and short-term money market instruments.

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

VIS Credit Rating Company has assigned a management quality rating of AM1++ (Stable Outlook) to the Management Company on December 31, 2022.

Pursuant to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds, etc, being Specialized Trusts are required to be registered with the Assistant Directorate of Industries and Commerce (Trust Wing), Government of Sindh under Section 12 of the Sindh Trusts Act, 2020. In this regard, the Fund was duly registered on December 06, 2021.

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

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

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

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

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

2.1.2 The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of IAS 34. These 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 these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

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

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

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

3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

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

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
<b>4. BANK BALANCES</b>	<b>Note</b>	----- (Rupees in '000) -----	
Balances with banks in:			
- Savings accounts	4.1	<u>18,478,002</u>	<u>43,918,633</u>
		<u>18,478,002</u>	<u>43,918,633</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 14.50% - 20.75% (June 30, 2022: 6.00% - 18.00%) per annum.

		March 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
<b>5. INVESTMENTS</b>	<b>Note</b>	----- (Rupees in '000) -----	
<b>Financial assets at fair value through profit or loss</b>			
- Term finance certificates - Listed	5.1	900,000	450,000
- Term finance certificates and sukuk bonds - Unlisted	5.2	500,000	-
- 'Investments in ETF	5.5	463,866	-
- GoP Ijara sukuk certificates	5.3	383,780	-
- Investment in Government securities	5.4	1,151,978	438,724
- Listed equity securities (spread transactions)		-	12,042
- Future stock contracts		-	246
		<b>3,399,624</b>	<b>901,012</b>
<b>Financial assets at amortized cost</b>			
- Investment in Commercial paper	5.4.1	590,871	1,146,089
		<b>3,990,495</b>	<b>2,047,101</b>

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

Name of the Investee Company	Number of certificates				Market value as at March 31, 2023	Market value as a percentage of	
	As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023		Total Investments	Net Assets
(Rupees in '000')							
<b>Commercial Banks</b>							
Bank Al-Habib Limited (December 23, 2022)	-	500,000	-	500,000	500,000	12.53	2
Soneri Bank Limited (December 26, 2022)	-	400,000	-	400,000	400,000	10.02	1.74
	-	900,000	-	900,000	900,000	22.55	3.93
	-	900,000	-	900,000	900,000	22.55	3.93
Cost of investments at March 31, 2023					<b>900,000</b>		

#### 5.2 Term finance certificates and sukuk bonds - unlisted

Name of the Investee Company	Number of certificates				Market value as at March 31, 2023	Market value as a percentage of	
	As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023		Total Investments	Net Assets
(Rupees in '000')							
<b>Power generation &amp; distribution</b>							
Bank of Punjab (December 23, 2016)	-	49,890	49,890	-	-	-	-
K-Electric Limited (February 4, 2022)	450,000	-	450,000	-	-	-	-
K-Electric Limited (February 4, 2022)	-	500,000	-	500,000	500,000	12.53	2.18
	-	500,000	-	500,000	500,000	12.53	2.18
	-	500,000	-	500,000	500,000	12.53	2.18
Cost of investments at March 31, 2023					<b>500,000</b>		

5.1.1.1 These corporate sukuk bonds carry profit ranging between 17.51% to 18.77% (June 30, 2022: 11.65%) per annum.

5.1.1.2 Significant terms and conditions of corporate sukuk bonds as at March 31, 2023 is as follows:

	Payment term	Remaining principal (per sukuk bond)	Profit rate (per annum)	Issue date	Maturity date
Corporate sukuk bond - unlisted					
K-electric Limited	Quarterly	100,000	3M K + 1.7%	23-Nov-22	7-Sep-29
BAHL TFC 23-DEC-22	Semi annually	5,000	6M K + 1.35%	23-Dec-22	23-Dec-32
SNBL 23-Dec-22	Semi annually	100,000	6M K + 1.70%	26-Dec-22	26-Dec-32

### 5.3 GoP Ijara sukuk certificates

Issue details	Issue Date	Face Value				Market value as at March 31, 2023	Market value as a percentage of	
		As at July 01, 2022	Purchases during the period	Sales during the period	As at March 31, 2023		Total Investments	Net Assets
----- (Rupees in '000) -----								
GOP Ijarah Sukuk -26	26-Oct-22	-	24,506,265	24,122,485	383,780	383,780	9.62	1.67
<b>Total GOP Ijara investments at March 31, 2023</b>			<b>24,506,265</b>	<b>24,122,485</b>	<b>383,780</b>	<b>383,780</b>		
<b>Total GOP Ijara investments at June 30, 2022</b>			-	-	-	-		

## 5.4 Investment in Government Securities

Issue Date	Tenure	Face value				Market value as at March 31, 2023	Market Value as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at March 31, 2023		Total Investments	Net Assets
----- Rupees in '000 -----								
<b>Treasury bill</b>								
April 21, 2022	3 months	100,000	-	100,000	-	-	-	-
June 30, 2022	3 months	350,000	-	350,000	-	-	-	-
March 27, 2023	3 months	-	1,000,000	1,000,000	-	-	-	-
		450,000	1,000,000	1,450,000	-	-	0.00%	0.00%
<b>Pakistan Investment Bonds</b>								
August 26, 2021	2 years	-	450,000	450,000	-	-	0.00%	0.00%
February 9, 2023	2 years	-	1,000,000	-	1,000,000	984,800	24.68%	4.30%
August 22, 2019	10 years	-	40,000	-	40,000	167,178	4.19%	0.73%
		-	1,490,000	450,000	1,040,000	1,151,978	28.87%	5.02%
<b>Grand total</b>		<b>450,000</b>	<b>2,490,000</b>	<b>1,900,000</b>	<b>1,040,000</b>	<b>1,151,978</b>	<b>28.87%</b>	<b>5.02%</b>
<b>Cost of investments at March 31, 2023</b>						<b>1,156,152</b>		

## 5.5 Investment in Commercial Papers - At Amortised Cost

Particulars	Issue Date	Face value				Market value as at March 31, 2023	Market Value as a percentage of	
		As at July 1, 2022	Income accrued	Sales / Matured during the period	As at March 31, 2023		Total Investments	Net Assets
----- Rupees in '000 -----								
Pak Elektron Limited	1-Feb-22	96,108	-	96,108	-	-	0.00%	0.00%
China Power Hub Generation Company	12-Apr-22	481,654	-	481,654	-	-	0.00%	0.00%
Lucky Electric Power Company	6-May-22	568,327	22,544	-	590,871	590,871	14.81%	2.58%
<b>Total as at March 31, 2023</b>		<b>1,146,089</b>	<b>22,544</b>	<b>577,762</b>	<b>590,871</b>	<b>590,871</b>	<b>14.81%</b>	<b>2.58%</b>



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**9. CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022

**10. TAXATION**

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2022 to its unit holders.

**11. TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2023 is 1.21% (March 31, 2022: 0.14%), which includes 0.10% (March 31, 2022: 0.01%) representing government levy, Worker's Welfare Fund and SECP fee.

**12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS**

Connected persons / related parties comprise 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 the directors of the connected persons.

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

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

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

	Nine months ended	
	March 31,	
	2023	2022
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
<b>12.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee inclusive of sales tax	132,738	17,377
Allocation of expenses related to registrar services, accounting, operation and valuation services	50,268	3,116
Selling and marketing expense	50,268	3,116
Issue of 3,918,245 units (2022: 1,315,353 units)	395,000	132,000
Redemption of 3,962,560 units (2022: Nil units)	400,000	-
Dividend paid 170,510 units	17,059	-
Refund of capital 28,999 units (2022: Nil units)	1,910	-
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	-	-
Mark-up earned during the period	28,132	-

	Nine months ended	
	March 31,	
	2023	2022
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
<b>HBL MicroFinance Bank Limited (Formerly: First MicroFinance Bank Limited) - Associated Company</b>		
Mark-up earned during the period	1,707,724	-
<b>Directors and Executives of the Management Company</b>		
Issue of 851,834 units	86,012	-
Redemption of 872,896 units	88,232	-
Dividend paid 21,405 units	2,141	-
Refund of capital 9,421 units	444	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	18,632	3,345
CDC charges	-	-
<b>HBL Asset Management Limited - Employees Gratuity Fund</b>		
Issue of 51,441 units	5,200	-
Redemption of 990 units	100	-
Dividend paid 2,612 units	261	-
Refund of capital 535 units	-	-
<b>HBL Asset Management Limited - Employees Provident Fund</b>		
Issue of 163,227 units	16,500,000	-
Dividend paid 8,413 units	841,665	-
Refund of capital 1,698 units	-	-
<b>Ibrahim Holdings (Private) Limited</b>		
Connected person due to holding more than 10%		
Issue of 50,350,048 units	5,061,002	-
Dividend paid 8,593,849 units	859,775	-
Refund of capital 237,006 units	-	-
<b>Riaz Textile Mills (Private) Limited</b>		
Connected person due to holding more than 10%		
Issue of 208,292,505 units (2022: 131,246,203 units)	21,042,988	13,188,861
Redemption of 115,402,233 units (2022: 35,499,466 units)	24,943,450	3,562,119
Dividend paid 4,644,055 units	464,616	87,851
Refund of capital 285,650 units	-	-
<b>Fauji Fertilizers Company Ltd</b>		
Issue of Nil units (2022: 131,533,234 units)	-	13,225,779
Redemption of Nil units (2022: 65,607,404 units)	-	6,599,790
Dividend paid	-	967
<b>Unity Food Limited</b>		
Issue of Nil units (2022: 54,284,547 units)	-	5,472,599
Redemption of Nil units (2022: 14,924,571 units)	-	1,500,000
Dividend paid	-	21,297
<b>HBL IPF Debt Sub Fund - Connected Party</b>		
Sell of GOP Ijara sukuk	83,146	-
<b>HBL Money Market Fund - Connected Party</b>		
Sell of Pakistan investment bond	450,000	-
<b>HBL Government Securities Fund - Connected Party</b>		
Purchase of Pakistan Investment Bond	142,857	-
<b>HBL Government Securities Fund - Connected Party</b>		
Purchase of TFC	49,890	-

**12.2 Balances outstanding as at period / year end**

	March 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
<b>HBL Asset Management Limited - Management Company</b>		
Management fee payable	14,470	13,621
Sindh Sales Tax	1,881	1,771
Sales load payable	2,370	174
Selling and marketing payable	15,377	19,409
Allocation of expenses related to registrar services, accounting, operation and valuation services	4,676	2,664
<b>Habib Bank Limited - Sponsor</b>		
Profit Receivable	746	-
Bank balances with HBL	203,327	9,757,407
<b>HBL Micro Finance Bank</b>		
Bank Balances	15,083,788	19,850,586
Profit Receivable	264,738	-
<b>HBL Asset Management Limited</b>		
Units held: 1,500,906 (June 30, 2022: 1,395,938) units	152,388	139,657
<b>Ibrahim Fibres Limited</b>		
Connected person due to holding more than 10% Units held: 98,156,148 (June 30, 2022: 55,802,802)	9,965,853	5,582,814
<b>Riaz Textile Mills (Private) Limited</b>		
Connected person due to holding more than 10% Units held: 51,286,296 (June 30, 2022: 52,200,893)	-	5,222,459
<b>Directors and executives of the Management Company</b>		
Units held: 117,483 (June 30, 2022: 171,415) units	11,928	17,149
<b>Fauji Fertilizers limited</b>		
Units held: Nil (June 30, 2022: 103,023,431) units	-	10,307,020
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	1,403	275
Sindh Sales tax	182	36
Security deposit	100	100
CDC Charges	-	289

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### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2023 (Un-Audited)						
		Carrying amount			Fair Value			
	Note	Fair value through profit or loss	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000')						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
		1,400,000	-	1,400,000	-	1,400,000	-	1,400,000
		1,783,780	-	1,783,780	383,780	1,400,000	-	1,783,780
<b>Financial assets not measured at fair value</b> 13.1								
		-	18,478,002	18,478,002				
		-	425,377	425,377				
		-	5,060	5,060				
			18,908,439	18,908,439				
<b>Financial liabilities not measured at fair value</b> 13.1								
		-	36,893	36,893				
		-	1,403	1,403				
		-	2,898	2,898				
		-	41,193	41,193				

		June 30, 2022 (Audited)						
		Carrying amount			Fair Value			
	Note	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000')						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
		450,000	-	450,000	450,000	-	-	450,000
		-	-	-	-	-	-	-
		438,724	-	438,724	-	438,724	-	438,724
		12,042	-	12,042	12,042	-	-	12,042
		-	1,146,089	1,146,089	-	-	1,146,089	1,146,089
		900,766	1,146,089	2,046,855	462,042	438,724	1,146,089	2,046,855
<b>Financial assets not measured at fair value</b>								
		-	43,918,633	43,918,633				
		-	123,160	123,160				
		-	251,794	251,794				
		-	3,340	3,340				
		-	44,296,927	44,296,927				
<b>Financial liabilities not measured at fair value</b>								
		-	36,668	36,668				
		-	2,711	2,711				
		-	-	-				
		-	351,029	351,029				
		-	527	527				
		-	-	-				
		-	390,935	390,935				

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

**15. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 28, 2023.

**16. GENERAL**

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

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Total Treasury Exchange Traded Fund**

## FUND INFORMATION

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Name of Fund	HBL Total Treasury Exchange Traded Fund
Name of Auditor	Yousuf Adil & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Soneri Bank Limited

**HBL Total Treasury Exchange Traded Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at March 31, 2023*

	Note	(Un-Audited) March 31, 2023 (Rupees in '000)
<b>Assets</b>		
Bank balances	3	11,243
Investments	4	531,473
Accrued mark-up		1,580
Deposits and prepayments	5	496
<b>Total assets</b>		<b>544,792</b>
<b>Liabilities</b>		
Payable to the Management Company	6	917
Payable to the Trustee	7	53
Payable to Securities and Exchange Commission of Pakistan	8	58
Accrued expenses and other liabilities	9	453
<b>Total liabilities</b>		<b>1,481</b>
<b>Net assets</b>		<b>543,311</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>543,311</b>
<b>Contingencies and commitments</b>	10	-
		- (Number of units) -
<b>Number of units in issue</b>		<b>50,000,000</b>
		----- (Rupees) -----
<b>Net assets value per unit</b>		<b>10.8662</b>

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**HBL Total Treasury Exchange Traded Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the Period and Quarter ended on March 31, 2023*

	For the Period from September 12, 2022 to March 31, 2023	For Three Months Period ended March 31, 2023
	Note	(Rupees in '000)
<b>Income</b>		
(Loss) / Gain on sale of investments - net	(64)	3
Mark-up / return on investments	39,827	16,588
Mark-up on Bank Deposit	7,091	6,247
	46,854	22,838
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(386)	(582)
<b>Total Income</b>	<b>46,468</b>	<b>22,256</b>
<b>Expenses</b>		
Remuneration of the Management Company	1,442	665
Sindh Sales Tax on remuneration of the Management Company	187	86
Remuneration of the Trustee	288	132
Sindh Sales Tax on remuneration of the Trustee	38	18
Annual fee to Securities and Exchange Commission of Pakistan	58	27
Allocation of expenses related to registrar services, accounting, operation and valuation services	577	266
Printing & stationery	42	14
Fees and subscription	77	32
Auditor's remuneration	331	133
Bank and settlement charges	68	25
Formation cost	49	22
<b>Total Expenses</b>	<b>3,157</b>	<b>1,404</b>
<b>Net income from operating activities</b>	<b>43,311</b>	<b>20,852</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
<b>Net income for the period before taxation</b>	<b>43,311</b>	<b>20,852</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>43,311</b>	<b>20,852</b>
<b>Allocation of net (loss) / income for the period:</b>		
Accounting (loss) / income available for distribution:		
- Relating to capital gains	-	-
- Excluding capital gains	43,311	20,852
	43,311	20,852

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**Earnings 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 Total Treasury Exchange Traded Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the Period and Quarter ended on March 31, 2023*

	For the Period from September 12, 2022 to March 31, 2023	For Three Months Period ended March 31, 2023
	(Rupees in '000)	
Net loss for the period after taxation	43,311	20,852
Other comprehensive income for the period	-	-
<b>Total comprehensive loss for the period</b>	<b>43,311</b>	<b>20,852</b>

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**HBL Total Treasury Exchange Traded Fund**  
**Condensed Interim Statement of Movement In Unitholders' Fund (Un-Audited)**  
*For The Nine Months Ended March 31, 2023*

	For the Period from September 12, 2022 to March 31, 2023		
	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----		
<b>Net assets at beginning of the period</b>	-	-	-
Issue of 50,000,000 units			
- Capital value (at net asset value per unit at the beginning of the period)	500,000	-	500,000
- Element of income	-	-	-
<b>Total proceeds on issue of units</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>
Redemption of Nil units			
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-
- Element of income	-	-	-
<b>Total payments on redemption of units</b>	<b>-</b>	<b>-</b>	<b>-</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>43,311</b>	<b>43,311</b>
<b>Distribution during the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	43,311	43,311
<b>Net assets at end of the period</b>	<b>500,000</b>	<b>43,311</b>	<b>543,311</b>
<b>Undistributed income brought forward</b>			-
- Realised		-	
- Unrealised		-	
		-	
<b>Accounting income available for distribution</b>			
Relating to capital gains		-	
Excluding capital gains		43,311	
		43,311	
Distribution during the period		-	
<b>Undistributed income carried forward</b>		<b>43,311</b>	
<b>Undistributed income carried forward</b>			
Realised income		43,697	
Unrealised income		(386)	
		43,311	
			Rupees
<b>Net assets value per unit at end of the period</b>			<b>10.8662</b>

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**HBL Total Treasury Exchange Traded Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For The Nine Months Ended March 31, 2023*

	<b>For the Period from September 12, 2022 to March 31, 2023</b>
	<b>(Rupees in '000)</b>
<b>Cash flows from operating activities</b>	
Net income for the period before taxation	43,311
<b>Adjustments</b>	
Loss on sale of investments - net	64
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	386
	43,761
<b>(Increase) in assets</b>	
Investments - net	(531,923)
Accrued mark-up	(1,580)
Deposits and prepayments	(496)
	(533,999)
<b>Increase in liabilities</b>	
Payable to the Management Company	917
Payable to the Trustee	53
Payable to the Securities and Exchange Commission of Pakistan	58
Accrued expenses and other liabilities	453
	1,481
<b>Net cash used in operating activities</b>	<b>(488,757)</b>
<b>Cash flows from financing activities</b>	
Amount received on issue of units	500,000
Payment against redemption of units	-
Dividend paid	-
<b>Net cash generated from financing activities</b>	<b>500,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>11,243</b>
Cash and cash equivalents at beginning of the period	-
<b>Cash and cash equivalents at end of the period</b>	<b>11,243</b>

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

# **HBL Total Treasury Exchange Traded Fund**

## **Notes to the condensed interim financial information (Un-Audited)**

*For The Nine Months Ended March 31, 2023*

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

- 1.1 HBL Total Treasury Exchange Traded Fund (the Fund) was established under a Trust Deed, dated August 16, 2021, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on November 30, 2021. The Fund is registered on December 06, 2021 with Assistant Director of industries and commerce (Trust Wing) Government of Sindh under Section 12A of the Sindh Trusts Act, 2020.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules, 2003) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4 The Fund has been categorised as Exchange Traded Fund as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited.
- 1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited.
- 1.6 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**

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

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

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

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

These financial statements have been prepared under the historical cost convention, except for the investments which are measured at fair value.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousands of Rupees, unless otherwise indicated.

### 2.4 Use of judgments and estimates

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

		<b>(Un-Audited)</b> <b>March 31,</b> <b>2023</b>
	<b>Note</b>	<b>(Rupees in '000)</b>
<b>3. BANK BALANCES</b>		
Balances with banks in:		
Savings accounts	3.1	<u><b>11,243</b></u>

3.1 This represents bank accounts held with different banks. The balance in savings accounts carry expected profit which ranges from 5% to 20.3% per annum.

		<b>(Un-Audited)</b> <b>March 31,</b> <b>2023</b>
	<b>Note</b>	<b>(Rupees in '000)</b>
<b>4 INVESTMENTS</b>		

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

Government Securities - Market Treasury Bills	4.1	<u><b>531,473</b></u>
		<u><b>531,473</b></u>

#### 4.1 Government securities - Market Treasury Bills

Particulars	Issue Date	Face value			Balance as at March 31, 2023		Market value as a percentage of		
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	total investments	net assets
-----Rs. In 000-----							-----%-----		
<b>Market Treasury Bills - 3 -months</b>									
Market treasury bills	July 14, 2022	-	300,000	300,000	-	-	-	-	
Market treasury bills	July 28, 2022	-	350,000	350,000	-	-	-	-	
Market treasury bills	September 22, 2022	-	300,000	300,000	-	-	-	-	
Market treasury bills	September 8, 2022	-	300,000	300,000	-	-	-	-	
Market treasury bills	November 3, 2022	-	300,000	300,000	-	-	-	-	
Market treasury bills	August 25, 2022	-	300,000	300,000	-	-	-	-	
Market treasury bills	October 20, 2022	-	550,000	550,000	-	-	-	-	
Market treasury bills	October 6, 2022	-	300,000	300,000	-	-	-	-	
Market treasury bills	November 17, 2022	-	50,000	50,000	-	-	-	-	
Market treasury bills	December 1, 2022	-	350,000	350,000	-	-	-	-	
Market treasury bills	December 15, 2022	-	400,000	400,000	-	-	-	-	
Market treasury bills	January 26, 2023	-	381,000	-	381,000	377,213	377,000	70.93%	69.39%
Market treasury bills	March 9, 2023	-	160,000	-	160,000	154,646	154,473	29.07%	28.43%
Market treasury bills	August 11, 2022	-	300,000	300,000	-	-	-	-	-
<b>Total as at March 31, 2023</b>					<b>531,859</b>	<b>531,473</b>	<b>100.00%</b>	<b>97.82%</b>	

		<b>(Un-Audited)</b>
		<b>March 31,</b>
		<b>2023</b>
		<b>(Rupees in '000)</b>
<b>5</b>	<b>PRELIMINARY EXPENSE</b>	<b>Note</b>
	Security deposits with Central Depository Company of Pakistan Limited	5.1 <b>100</b>
	Preliminary cost	<u><b>396</b></u>
		<u><u><b>496</b></u></u>
<b>5.1</b>	Formation cost incurred on fund will be ammortized over the period of five years as per SECP's directions.	
<b>6.</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>	
	Management fee	6.1 <b>236</b>
	Sindh Sales Tax on Management Company's remuneration	6.2 <b>31</b>
	Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3 <b>95</b>
	Formation cost payable	<u><b>555</b></u>
		<u><u><b>917</b></u></u>
<b>6.1</b>	As per the offering document of the Fund the maximum limit of management fee is 0.5% per annum of average annual net assets. During the period, management remuneration is charged by the Asset Management Company at the rate of 0.5% of average annual net assets of the Fund. The remuneration is paid monthly in arrears.	
<b>6.2</b>	The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.	
<b>6.3</b>	In accordance with Regulation 60 of the NBFC Regulations, the Management Company may charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The expense charged by the Asset Management Company at the rate of 0.2% of average annual net assets of the fund.	
<b>7</b>	<b>PAYABLE TO THE TRUSTEE</b>	
	Remuneration of the Trustee	7.1 <b>47</b>
	Sindh Sales Tax on remuneration of the Trustee	7.2 <b>6</b>
		<u><b>53</b></u>
<b>7.1</b>	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund.	
	As per the offering document of the Fund the maximum limit of trustee fee is 0.1% per annum of average annual net assets. Therefore trustee fee have been charged as 0.1% per annum of net assets calculated on daily basis. The remuneration is paid to the trustee monthly in arrears.	
<b>7.2</b>	The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.	



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

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

		<b>For the Period from September 12, 2022 to March 31, 2023 (Rupees in '000)</b>
<b>13.1</b>	<b>Transactions during the period</b>	
	<b>HBL Asset Management Limited - Management Company</b>	
	Remuneration of the Management Company	1,442
	Sindh Sales Tax on remuneration of the Management Company	187
	Allocation of expenses related to registrar services, accounting, operation and valuation services	577
	<b>Central Depository Company of Pakistan Limited - Trustee</b>	
	Remuneration of the Trustee	288
	Sindh Sales Tax on remuneration of the Trustee	38
	<b>HBL Cash Fund</b>	
	Sale of T Bill	200,000
	<b>HBL Pension Fund Money Market Sub Fund</b>	
	Sale of T Bill	450,000
	<b>Habib Bank Limited - Authorized Participant</b>	
	Issuance of 50,000,000 units	500,000
		<b>March 31, 2023 (Un-audited)</b>
<b>13.2</b>	<b>Amounts outstanding as at period</b>	<b>(Rupees in '000)</b>
	<b>HBL Asset Management Limited - Management Company</b>	
	Management fee payable	236
	Sales tax payable	31
	Allocation of expenses related to registrar services, accounting, operation and valuation services	95
	Formation Cost payable	555
	<b>Central Depository Company of Pakistan Limited - Trustee</b>	
	Remuneration payable	47
	Sindh Sales Tax	6
	<b>Habib Bank Limited - Authorized Participant</b>	
	Investment held in the Fund: 50,000,000 units	543,311

## 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

	March 31, 2023 (Un-Audited)						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Note</b>	----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>							
Market treasury bills	531,473	-	531,473	-	531,473	-	531,473
	<b>531,473</b>	<b>-</b>	<b>531,473</b>	<b>-</b>	<b>531,473</b>	<b>-</b>	<b>531,473</b>
<b>Financial assets not measured at fair value</b>							
Bank balances	-	11,243	11,243				
Accrued mark-up	-	1,580	1,580				
Deposits and other receivables	-	496	496				
	<b>-</b>	<b>13,319</b>	<b>13,319</b>				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	917	917				
Payable to the Trustee	-	53	53				
Accrued expenses and other liabilities	-	453	453				
	<b>-</b>	<b>1,423</b>	<b>1,423</b>				

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

**15. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at March 31, 2023 is 0.60% which includes 0.05% representing government levies on the Fund such as sales taxes, annual fee to the SECP etc.

**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 April 28, 2023 .

**17. GENERAL**

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

For HBL Asset Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director



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# HBL

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