

# HBL

ASSET MANAGEMENT LTD.  
ایس ایٹ مینجمنٹ لمیٹڈ

AMC Rating : AM2+ by VIS



## HALF YEARLY REPORT

For the Half Year ended December 31, 2019

MOVING TOWARDS  
**EXCELLENCE**

# TABLE OF CONTENTS

---

---

<i>Corporate Information</i>	04
<i>Report of The Directors of The Management Company</i>	05 - 15
<b>HBL Income Fund</b>	
<i>Fund Information</i>	17
<i>Trustee Report to the Unit Holders</i>	18
<i>Independent Auditors' Review Report to the unit holders</i>	19
<i>Condensed Interim Statement of Assets and Liabilities</i>	20
<i>Condensed Interim Income Statement</i>	21
<i>Condensed Interim Statement of Comprehensive Income</i>	22
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	23
<i>Condensed Interim Cash Flow Statement</i>	24
<i>Notes to the Condensed Interim Financial Information</i>	25 - 37
<b>HBL Government Securities Fund</b>	
<i>Fund Information</i>	39
<i>Trustee Report to the Unit Holders</i>	40
<i>Independent Auditors' Review Report to the unit holders</i>	41
<i>Condensed Interim Statement of Assets and Liabilities</i>	42
<i>Condensed Interim Income Statement</i>	43
<i>Condensed Interim Statement of Comprehensive Income</i>	44
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	45
<i>Condensed Interim Cash Flow Statement</i>	46
<i>Notes to the Condensed Interim Financial Information</i>	47 - 59
<b>HBL Money Market Fund</b>	
<i>Fund Information</i>	61
<i>Trustee Report to the Unit Holders</i>	62
<i>Independent Auditors' Review Report to the unit holders</i>	63
<i>Condensed Interim Statement of Assets and Liabilities</i>	64
<i>Condensed Interim Income Statement</i>	65
<i>Condensed Interim Statement of Comprehensive Income</i>	66
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	66
<i>Condensed Interim Cash Flow Statement</i>	67
<i>Notes to the Condensed Interim Financial Information</i>	68 - 77
<b>HBL Cash Fund</b>	
<i>Fund Information</i>	79
<i>Trustee Report to the Unit Holders</i>	80
<i>Independent Auditors' Review Report to the unit holders</i>	81
<i>Condensed Interim Statement of Assets and Liabilities</i>	82
<i>Condensed Interim Income Statement</i>	83
<i>Condensed Interim Statement of Comprehensive Income</i>	84
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	84
<i>Condensed Interim Cash Flow Statement</i>	85
<i>Notes to the Condensed Interim Financial Information</i>	86 - 99

# TABLE OF CONTENTS

---

---

## **HBL Stock Fund**

<i>Fund Information</i>	101
<i>Trustee Report to the Unit Holders</i>	102
<i>Independent Auditors' Review Report to the unit holders</i>	103
<i>Condensed Interim Statement of Assets and Liabilities</i>	104
<i>Condensed Interim Income Statement</i>	105
<i>Condensed Interim Statement of Comprehensive Income</i>	106
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	107
<i>Condensed Interim Cash Flow Statement</i>	108
<i>Notes to the Condensed Interim Financial Information</i>	109 - 119

## **HBL Equity Fund**

<i>Fund Information</i>	121
<i>Trustee Report to the Unit Holders</i>	122
<i>Independent Auditors' Review Report to the unit holders</i>	123
<i>Condensed Interim Statement of Assets and Liabilities</i>	124
<i>Condensed Interim Income Statement</i>	125
<i>Condensed Interim Statement of Comprehensive Income</i>	126
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	127
<i>Condensed Interim Cash Flow Statement</i>	128
<i>Notes to the Condensed Interim Financial Information</i>	129 -140

## **HBL Energy Fund**

<i>Fund Information</i>	142
<i>Trustee Report to the Unit Holders</i>	143
<i>Independent Auditors' Review Report to the unit holders</i>	144
<i>Condensed Interim Statement of Assets and Liabilities</i>	145
<i>Condensed Interim Income Statement</i>	146
<i>Condensed Interim Statement of Comprehensive Income</i>	147
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	148
<i>Condensed Interim Cash Flow Statement</i>	149
<i>Notes to the Condensed Interim Financial Information</i>	150 - 160

## **HBL Multi Asset Fund**

<i>Fund Information</i>	162
<i>Trustee Report to the Unit Holders</i>	163
<i>Independent Auditors' Review Report to the unit holders</i>	164
<i>Condensed Interim Statement of Assets and Liabilities</i>	166
<i>Condensed Interim Income Statement</i>	167
<i>Condensed Interim Statement of Comprehensive Income</i>	168
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	169
<i>Condensed Interim Cash Flow Statement</i>	170
<i>Notes to the Condensed Interim Financial Information</i>	171- 181

# TABLE OF CONTENTS

---

---

## **HBL Financial Planning Fund**

<i>Fund Information</i>	183
<i>Trustee Report to the Unit Holders</i>	184
<i>Independent Auditors' Review Report to the unit holders</i>	185
<i>Condensed Interim Statement of Assets and Liabilities</i>	186
<i>Condensed Interim Income Statement</i>	187 - 188
<i>Condensed Interim Cash Flow Statement</i>	189
<i>Condensed Interim Statement of Comprehensive Income</i>	190 - 191
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	192 - 195
<i>Notes to the Condensed Interim Financial Information</i>	196 - 208

## **HBL Growth Fund**

<i>Fund Information</i>	210
<i>Trustee Report to the Unit Holders</i>	211
<i>Independent Auditors' Review Report to the unit holders</i>	212
<i>Condensed Interim Statement of Assets and Liabilities</i>	213
<i>Condensed Interim Income Statement</i>	214
<i>Condensed Interim Statement of Comprehensive Income</i>	215
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	216
<i>Condensed Interim Cash Flow Statement</i>	217
<i>Notes to the Condensed Interim Financial Information</i>	218 - 229

## **HBL Investment Fund**

<i>Fund Information</i>	231
<i>Trustee Report to the Unit Holders</i>	232
<i>Independent Auditors' Review Report to the unit holders</i>	233
<i>Condensed Interim Statement of Assets and Liabilities</i>	234
<i>Condensed Interim Income Statement</i>	235
<i>Condensed Interim Statement of Comprehensive Income</i>	236
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	237
<i>Condensed Interim Cash Flow Statement</i>	238
<i>Notes to the Condensed Interim Financial Information</i>	239 - 250

# CORPORATE INFORMATION

---

---

## Management Company

HBL Asset Management Limited

## Board of Directors (Composition as of February 13, 2020)

Chairman	Mr. Atif Aslam Bajwa	(Independent Director)
Directors	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shahid Ghaffar	(Independent Director)
	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Aamir Hasan Irshad	(Non-Executive Director)
	Mr. Raymond H. Kotwal	(Non-Executive Director)

## Audit Committee

Chairman	Mr. Shabbir Hussain Hashmi	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shahid Ghaffar	(Independent Director)
	Mr. Raymond H. Kotwal	(Non-Executive Director)

## Human Resource Committee

Chairman	Mr. Atif Aslam Bajwa	(Independent Director)
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Raymond H. Kotwal	(Non-Executive Director)

## Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Aamir Hasan Irshad	(Non-Executive Director)

## Company Secretary & Chief Financial Officer

Mr. Noman Qurban

## AMC Rating

AM2+ (Positive Outlook)

## Legal Advisors

Mandviwalla & Zafar, Advocates and Legal Consultants,  
Mandviwalla Chambers, C-15, Block-2, Clifton, Karachi.

## Website

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

## Head Office & Registered Office

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

# REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2019

---

---

## 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 and HBL Financial Planning Fund, HBL Growth Fund & HBL Investment Fund the Funds) for the half year ended December 31, 2019.

### Economic Review

Policy steps taken over the last two years continue to lead to improvement in the macros as the economy is showing signs of recovery in the shape of decline in Current Account deficit, better FX reserves position and stable exchange rate. These stability measures have led to slowdown in GDP growth and higher inflation in the near term.

Policy makers allowed PKR depreciation of 10.0% during 1HFY20 to address the overvaluation of the currency to improve overall trade balance of the country. The Real Effective Exchange Rate has reached 95 indicating that the currency is trading below fair value. Central bank continued the monetary tightening by raising benchmark interest rates by 100bps during 1HFY20. These changes led to some respite in trade data (SBP) showed export growth of 4% in 1HFY20 compared to decline in import by 21%, dragging 1HFY20 trade deficit by 39% to USD 9.82bn. Remittances also showed encouraging trend as it witnessed an uptick of 3% in 1HFY20 clocking at USD 11.4bn. These factors led the Current Account Deficit (CAD) for 1HFY20 to decrease by 75% YoY to USD 2.1bn (1.5% of GDP) compared to USD 8.6bn (5.8% of GDP) during same period last year. Slowdown in CAD was a welcome effect but it was coupled with overall slowdown in domestic economy with 5.9% decline in LSM during 5MFY20 compared to decline of 0.9% during 5MFY19. Foreign exchange reserves increased to USD 17.9bn while SBP reserves stands at USD 11.3bn.

Average headline CPI inflation was 11.1% in 1HFY20, much higher than the 6.0% recorded during the 1HFY19 on account of higher average oil prices and currency depreciation. We expect headline inflation to remain high in the near term due to elevated food prices. However the inflation is expected to fall sharply in 2HCY20 due to high base effect.

Moving ahead, we believe the tough economic environment is likely to continue with sluggish business activities and inflationary pressures. The focus would remain on meeting FATF requirements, fiscal management and government compliance with the IMF quarterly targets.

### Money Market Review

SBP continued its monetary tightening policy in 1HFY20 to control the rising current account deficit and in anticipation of increasing inflationary pressures. Yields across shorter tenors increased by 50-90bps due to cumulative increase of 100 bps in SBP policy rate with 100bps in July-19. Secondary market yields of 3, 5 and 10-year PIBs decreased by 221, 297 and 272 bps respectively while yields of 3, 6 and 12 month T-Bills increased by 65, 50 and -3 bps respectively. Government of Pakistan raised PKR 1,117bn (excluding non-competitive bids) through the PIB auction against a target of PKR 625bn to re-profile the government debt as a part of IMF program. Latest cut-off yields stood at 11.75%, 11.19% and 10.99% for the 3year, 5-year and 10 year PIB respectively.

During the half, Government shifted its borrowing from central bank to scheduled banks. Government retired PKR 740bn from central bank against borrowing of PKR 159bn during same period last year. Meanwhile, Government borrowing from banks increased by PKR 927bn during the period. Government largely managed its borrowing requirements through domestic sources, and largely from scheduled banks.

In the monetary policy held in Jan-20, SBP kept the policy rate at 13.25%. Going forward, we foresee inflation to decline from current levels due to normalization of food prices and high base effect. We expect a cut in SBP policy rate by 100-150 bps in the calendar year.

### Stock Market Review

Pakistan Equity Markets witnessed a surge in the outgoing half as external account stabilized and overall investor sentiment turned

---

---

positive amid improving macros.

The benchmark KSE100 Index surged 6,834 points to close at 40,735 points (+20%). Majority of the sectors witnessed bullish momentum due to cheap valuations as market rerated from its lows. Due to rising interest rates and PKR depreciation, Banking and Oil & Gas Exploration sectors remained in the lime light. Cement, Engineering and pharmaceutical sector also made a comeback in the latter half of 1HFY20.

Foreigners turned net buyers in the market after four years, investing equities worth USD8mn during the half ended Dec-19. Individuals were the largest net buyers with net buy of USD140mn. On the flip side, mutual fund, insurance companies and banks divested USD19.6mn, USD52.6mn and USD90.7mn respectively.

Moving ahead, Pakistan equities are expected to gain further traction due to cheaper valuation and expected cut in policy rate. Moreover, market participants would closely watch out for inflation numbers and foreign flows. We will maintain our strategic focus towards "bottom-up" approach and align exposure towards stocks with strong earnings potential.

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

### **HBL Income Fund**

The total income and net income of the Fund was Rs. 99.02 million and Rs. 80.30 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 106.1134 per unit as on June 30, 2019 which increased to Rs. 111.9968 per unit as on December 31, 2019 thereby giving an annualized return of 11.00%. During the same period, the benchmark (6 Month KIBOR) return was 13.69%. The size of Fund was Rs. 1.32 billion as on December 31, 2019 as compared to Rs. 1.51 billion at the start of the year.

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

### **HBL Government Securities Fund**

The total income and net income of the Fund was Rs. 209.24 million and Rs. 173.86 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 105.8419 per unit as on June 30, 2019 which increased to Rs. 112.7639 per unit as on December 31, 2019 thereby giving an annualized return of 12.97%. During the same period the benchmark (6 Month PKRV Rates) return was 13.54%. The size of Fund was Rs. 3.39 billion as on December 31, 2019 as compared to Rs. 2.12 billion at the start of the year.

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

### **HBL Money Market Fund**

The total income and net income of the Fund was Rs. 568.68 million and Rs. 505.43 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.2200 per unit as on June 30, 2019 which increased to Rs. 108.6643 per unit as on December 31, 2019 thereby giving an annualized return of 12.50%. During the same period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 12.68%. The size of Fund was Rs. 9.16 billion as on December 31, 2019 as compared to Rs. 6.25 billion at the start of the year.

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

### **HBL Cash Fund**

The total income and net income of the Fund was Rs. 690.67 million and Rs. 627.79 million respectively during the period ended December 31, 2019. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 100.8886 per unit as on June 30, 2019. The NAV of the Fund was Rs 101.8912 per unit as on December 31, 2019 (after incorporating interim monthly dividends of Rs. 5.3526 per unit); thereby giving an annualized return of 12.82%. During the same period, the benchmark (70% 3M PKRV & 30% 3M

---

---

deposit rates) return was 12.68%. The size of Fund was Rs 10.66 billion as on December 31, 2019 as compared to Rs. 8.81 billion at the start of the year.

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

#### **HBL Stock Fund**

The total and net income of the Fund was Rs. 431.47 million and Rs. 382.41 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs 89.7221 per unit as on June 30, 2019. The NAV of the Fund was Rs. 106.5659 per unit as on December 31, 2019; thereby giving a return of 18.77%. During the same period, the benchmark KSE 30 index yielded a return of 21.90%. The size of Fund was Rs 2.48 billion as on December 31, 2019 as compared to Rs. 2.15 billion at the start of the year.

#### **HBL Equity Fund**

The total and net income of the Fund was Rs. 59.70 million and Rs. 52.52 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 93.3868 per unit as on June 30, 2019. The NAV of the Fund was Rs. 112.4512 per unit as on December 31, 2019; thereby giving a return of 20.41%. During the same period, the benchmark KSE 100 index yielded a return of 20.16%. The size of Fund was Rs. 0.33 billion as on December 31, 2019 as compared to Rs. 0.25 billion at the start of the year.

#### **HBL Energy Fund**

The total and net income of the Fund was Rs. 133.40 million and Rs. 117.55 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 11.1201 per unit as on June 30, 2019. The NAV of the Fund was Rs. 13.0799 per unit as on December 31, 2019; thereby giving a return of 17.62%. During the same period, the benchmark KSE 30 index yielded a return of 21.90%. The size of Fund was Rs. 0.87 billion as on December 31, 2019 as compared to Rs. 0.73 billion at the start of the year.

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

The total and net income of the Fund was Rs. 34.16 million and Rs. 30.07 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs 95.6506 per unit as on June 30, 2019. The NAV of the Fund was Rs 110.7617 per unit as on December 31, 2019; thereby giving a return of 15.80%. During the same period, the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a return of 14.30%. The size of Fund was Rs 0.20 billion as on December 31, 2019 as compared to Rs. 0.20 billion at the start of the year.

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

The Fund comprises of three sub funds (plans) namely Active allocation plan, Conservative allocation plan and Strategic allocation plan.

The Fund as a whole earned a total and net income of Rs. 21.83 million and Rs. 20.46 million respectively during the period under review. The fund size of the fund stood at Rs. 0.29 billion as on December 31, 2019.

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. 9.41 million and Rs 8.88 million respectively. The net assets of the Active allocation plan stood at Rs. 0.08 billion representing Net Asset Value (NAV) of Rs. 109.8632 per unit as at December 31, 2019 as compared to Net Asset Value (NAV) of 96.9864 per unit as at the start of the year, thereby giving a return of 13.28% as compared to its Benchmark return of 15.90%.

---

---

### **Conservative Allocation Plan**

During the period under review, the Conservative allocation plan earned total and net income of Rs. 4.43 million and Rs. 4.15 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.05 billion representing Net Asset Value (NAV) of Rs. 112.6474 per unit as at December 31, 2019 as compared to Net Asset Value (NAV) of Rs. 103.8264 as at the start of the year, thereby giving a return of 8.50% as compared to its Benchmark return of 9.35%.

### **Strategic Allocation Plan**

During the period from July 01, 2019 to October 10, 2019, the Strategic allocation plan earned a total and net income of Rs. 2.67 million and Rs. 2.46 million respectively. The Plan marks its maturity on October 10, 2019.

### **Special Income Plan**

HBL Financial Planning Fund – Special Income Plan launched its operations on September 16, 2019.

During the period from September 16, 2019 to December 31, 2019, the Plan earned a total and net income of Rs. 5.31 million and Rs. 4.98 million respectively. The net assets of the Special Income Plan stood at Rs. 0.15 billion representing Net Asset Value (NAV) per unit of Rs. 103.3029 as at December 31, 2019. The Plan posted a return of 3.30% as compared to its Benchmark return of 3.93% during the period under review.

### **HBL Growth Fund**

The Fund as a whole earned a total and net income of Rs. 586.65 million and Rs. 431.06 million respectively during the period under review. The size of the fund stood at Rs. 8.47 billion as on December 31, 2019 as compared to Rs. 9.31 billion at the start of the year.

Performance review of each class is presented below:

#### **HBL Growth Fund – Class ‘A’**

HBL Growth Fund – Class ‘A’ earned a total income and net income of Rs. 132.92 million and Rs. 49.03 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 22.3615 per unit as on December 31, 2019 as compared to Rs. 17.1016 as at June 30, 2019, thereby giving a return of 30.76%. During the same period the benchmark KSE 100 index yielded a return of 20.16%. The size of Class ‘A’ was Rs. 6.34 billion as on December 31, 2019 as compared to Rs. 4.84 billion at the start of the year.

#### **HBL Growth Fund – Class ‘B’**

HBL Growth Fund – Class ‘B’ earned a total and net income of Rs. 453.73 million and Rs. 382.04 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 19.0781 per unit as on December 31, 2019 as compared to Rs. 16.0884 as at June 30, 2019, thereby giving a return of 18.58%. During the same period the benchmark KSE 100 index yielded a return of 20.16%. The size of Class ‘B’ was Rs. 2.13 billion as on December 31, 2019 as compared to Rs. 4.46 billion at the start of the year.

### **HBL Investment Fund**

The Fund as a whole earned a total and net income of Rs. 415.34 million and Rs. 338.75 million respectively during the period under review. The size of the fund stood at Rs. 3.76 billion as on December 31, 2019 as compared to Rs. 4.06 billion at the start of the year.

Performance review of each class is presented below:

---

---

**HBL Investment Fund – Class ‘A’**

HBL Investment Fund – Class ‘A’ earned a total and net income of Rs. 49.46 million and Rs. 18.64 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 7.9955 per unit as on December 31, 2019 as compared to Rs. 6.0597 as at June 30, 2019, thereby giving a return of 31.95%. During the same period the benchmark KSE 100 index yielded a return of 20.16%. The size of Class ‘A’ was Rs. 2.27 billion as on December 31, 2019 as compared to Rs. 1.72 billion at the start of the year.

**HBL Investment Fund – Class ‘B’**

HBL Investment Fund – Class ‘B’ earned a total and net income of Rs. 365.87 million and Rs. 319.91 million respectively during the period ended December 31, 2019. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 9.9577 per unit as on December 31, 2019 as compared to Rs. 8.4072 as at June 30, 2019, thereby giving a return of 18.44%. During the same period the benchmark KSE 100 index yielded a return of 20.16%. The size of Class ‘B’ was Rs. 1.49 billion as on December 31, 2019 as compared to Rs. 2.34 billion at the start of the year.

**MANAGEMENT COMPANY RATING**

The VIS Credit Rating Company Limited has reaffirmed the management quality rating to ‘AM2+’ (AM Two Plus) to the Management Company and the outlook on the assigned rating has been assessed as ‘Positive’.

**Acknowledgement**

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

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

On behalf of the Board of  
HBL Asset Management Limited

**Chief Executive Officer**

## انتظامی کمیٹی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسٹ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت اپنی رپورٹ بشمول ایچ بی ایل انکم فنڈ، ایچ بی ایل گورنمنٹ سکیورٹیز فنڈ، ایچ بی ایل مٹی 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 اور ایچ بی ایل فنانشل پلاننگ فنڈ، ایچ بی ایل گروتھ فنڈ اور ایچ بی ایل انویسٹمنٹ فنڈ (دی فنڈز) کے مالیاتی حسابات برائے سال ختمہ 31 دسمبر 2019ء پیش کر رہے ہیں۔

## اقتصادی جائزہ

گزشتہ دو برسوں کے دوران کئی پالیسی اقدامات کیے گئے جس کے نتیجے میں میکروز میں بہتری آئی جیسا کہ معیشت نے کرنٹ اکاؤنٹ خسارے میں کمی کی صورت، بہتر فارن ایکسچین ریروز پوزیشن اور مستحکم زرمبادلہ کی شرح کے اشارے ظاہر کیے۔

پالیسی سازوں نے مالی سال 20 کی پہلی ششماہی کے دوران پاک روپے کی قدر میں 10.0% کمی کی اجازت کرنی کی اور ویلیو ایڈیشن سے نمٹنے کی وجہ سے دی تا کہ ملک کا مجموعی تجارتی توازن بہتر ہو سکے۔ ریٹل انفلیکشن ایکسچینج ریٹ 95 تک پہنچا جس سے ظاہر ہوا کہ کرنسی فیئر ویلیو سے نیچے ٹریڈ کر رہی ہے۔ مرکزی بینک نے بیچ مارک شرح سود کو مالی سال 20 کی پہلی ششماہی کے دوران 100 پی پی ایس تک بڑھانے کے ذریعے مالیاتی سخت نظم و ضبط برقرار رکھا۔ ان تبدیلیوں کے نتیجے میں تجارتی خسارہ (SBP) میں کچھ قرا آ گیا جبکہ مالی سال 20 کی پہلی ششماہی میں برآمدی گروتھ میں 4% اضافہ ہوا اور پورٹ 21% تک کم ہو گئی جس کی وجہ سے مالی سال 20 کی پہلی ششماہی میں تجارتی خسارہ 39% تک گر کر 9.82 امریکی ڈالر ہو گیا۔ زرتزیلاٹ نے بھی حوصلہ افزا رجحان ظاہر کیا جیسا کہ بہمالی سال 20 کی پہلی ششماہی میں 3% تک بڑھ کر 11.4 بلین یو ایس ڈالر ہو گیا۔ ان عناصر کی وجہ سے کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) مالی سال 20 کی پہلی ششماہی کے لیے 75% تک کم ہو کر 2.1 ارب امریکی ڈالر ہو گیا (جی ڈی پی کا 1.5%) جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ 8.6 بلین یو ایس ڈالر (جی ڈی پی کا 5.8%) تھا۔ سی اے ڈی میں ست روپی ایک خوش آئند رد عمل تھا تاہم اس کے ساتھ مقامی معیشت میں مجموعی ست روپی رہی اور مالی سال 20 کے پہلے پانچ ماہ کے دوران ایل ایس ایم میں 5.9% کمی آئی جبکہ مالی سال 19 کے پہلے پانچ ماہ کے دوران اس کے مقابلے میں 0.9% کمی آئی تھی۔ غیر ملکی زرمبادلہ کی ذخائر 17.9 ارب امریکی ڈالر تک بڑھے جبکہ ایس بی پی کے ذخائر 11.3 ارب یو ایس ڈالر پر برقرار تھے۔

الی سال 20 کی پہلی ششماہی میں اوسطاً ہیڈ لائن سی پی آئی افراط زر کی شرح 11.1% جو مالی سال 19 کی پہلی ششماہی کے مقابلے میں بہت زیادہ تھی جیسا کہ اس مدت میں 6.0% ریکارڈ کی گئی تھی جس کی وجہ بلند تر اوسطاً تیل کے نرخ اور کرنسی کی قدر میں کمی تھی۔ ہم توقع کرتے ہیں کہ بڑھتے ہوئے فوڈ پرائسز کی وجہ سے مستقبل قریب میں سرکردہ افراط زر کی شرح بلند رہے گی تاہم تقویمی سال 20 میں بلند تر بنیادی اثرات کی وجہ سے افراط زر میں تیزی سے کمی کا امکان ہے۔

آگے بڑھتے ہوئے ہمیں ایک سخت معاشی صورتحال کا سامنا کرنے کا یقین ہے کیونکہ سست رفتار کاروباری سرگرمیوں اور افراط زر کا ممکنہ باؤ برقرار رہے گا۔ اس وقت توجہ ایف اے ٹی ایف کی شرائط پوری کرنے، مالیاتی بندوبست اور آئی ایم ایف کے سہ ماہی اہداف پر حکومتی عمل درآمد پر ہے۔

## معنی مارکیٹ کا جائزہ

ایس بی پی نے مالی سال 20 کی پہلی ششماہی میں اپنی سخت مالیاتی نظم و ضبط کی پالیسی کو برقرار رکھا تا کہ بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کو کم کیا جائے اور افراط زر کے بڑھتے ہوئے دباؤ کو کم کیا جاسکے۔ تمام مختصر مدتیوں میں پیداواری صلاحیت ایس بی پی پالیسی میں ریٹ میں جولائی 19 میں 100 bps کے ساتھ مجموعی طور پر 100 bps بڑھنے کے باعث 50-90 bps تک بڑھ گئی۔ تین، پانچ اور دس سالہ پی آئی بی کی سینڈری مارکیٹ کی پیداوار بالترتیب 272، 297 و 221 تک گھٹ گئی جبکہ تین، چھ اور بارہ ماہ کے ٹی بلز بالترتیب 3-، 50 & 65 bps تک بڑھ گئے حکومت پاکستان نے آئی ایم ایف پروگرام کے حصے کے طور پر حکومتی قرضہ ری۔ پروفاصل کرنے کے لیے 625 ارب پاک روپے کے ہدف کے تحت پی آئی بی نیلام کے ذریعے 1,117 ارب روپے (ماسوائے غیر مسابقتی بڈز) بڑھا دیے۔ تازہ ترین کٹ آف پیداوار بالترتیب تین سال، پانچ سال اور دس سال کے لیے 11.75%، 11.19% اور 10.99% پر برقرار ہے۔

ششماہی کے دوران حکومت نے اپنے قرضہ جات کو مرکزی بینک سے شیڈولڈ بینکوں پر منتقل کیا۔ حکومت نے گزشتہ سال کی اسی مدت کے دوران 159 ارب روپے کے قرضہ جات کے برخلاف بینٹل بینک سے 740 ارب روپے ریٹائر کیے۔ اسی کے دوران حکومت کے بینکوں سے قرضے اس مدت کے دوران 927 ارب روپے تک بڑھ گئے۔ حکومت وسیع طور پر اپنے قرضوں کی ضروریات مقامی وسائل بالخصوص شیڈولڈ بینکوں سے پوری کر رہی ہے۔

جنوری۔ 20 میں وضع کی گئی مانیٹری پالیسی میں ایس بی پی نے اپنا پالیسی ریٹ 13.25% پر برقرار رکھا۔ آگے بڑھتے ہوئے ہم افراط زر کی شرح موجودہ سطحوں سے کم ہوتے ہوئے دیکھ رہے ہیں جس کی وجہ غذائی اشیاء کی قیمتوں کا عمومی سطح پر آنا اور بلند تر بنیادی اثرات ہیں۔ ہم توقع کرتے ہیں رواں تقویمی سال میں ایس بی پی کا پالیسی ریٹ 150-100 بی پی ایس تک کم ہو جائے گا۔

اسٹاک مارکیٹ کا جائزہ

پاکستان ایکویٹی مارکیٹس نے جانے والی ششماہی میں اضافے کا رجحان دیکھا کیونکہ بیرونی کھاتے مستحکم ہوئے اور مجموعی طور پر انویسٹر کے رجحانات بہتر ہوئے ہوئے میکرو ڈیٹا کے باوجود مثبت نظر آئے۔ شیخ مارکیٹ KSE 100 انڈیکس 6,834 پوائنٹس کے اضافے کے ساتھ 40,735 پوائنٹس (+20%) پر بند ہوا۔ بیشتر شعبوں نے کم مالیت کی ویلیو ایڈیشنز کے باعث تیز رفتاری کا مظاہرہ کیا جیسا کہ مارکیٹ اپنی کم تر سطح سے بحال ہونا شروع ہو گئی تھی۔ بڑھتے ہوئے شرح سود اور پاک روپے کی قدر میں کمی کے باعث بینکنگ اور اسٹاکس ایگزیکیوٹو سیکٹرز سرفہرست رہے۔ انجینئرنگ اور فارماسیوٹیکل سیکٹرز نے بھی مالی سال 20 کی پہلی ششماہی کے آخری حصے میں بہتری ظاہر کی۔

چار برسوں کے بعد مارکیٹ میں غیر ملکی جو خالص خریداروں میں شامل ہوئے، انہوں نے دسمبر۔ 19 کو ختم ہونے والی ششماہی کے دوران 8 ملین یو ایس ڈالر مالیت کی ایکویٹیز میں سرمایہ کاری کی۔ انفرادی سرمایہ کار سب سے وسیع تر خالص سرمایہ کار رہے جنہوں نے 140 ملین یو ایس ڈالر کی سرمایہ کاری کی۔ دوسری جانب میوچل فنڈ، انشورنس کمپنیوں اور بینکوں نے بالترتیب 19.6 ملین یو ایس ڈالر، 52.6 امریکی ڈالر اور 90.7 یو ایس ڈالر کی سرمایہ کاری واپس لی۔

آگے بڑھتے ہوئے پاکستان ایکویٹیز کے بارے میں امکان ہے کہ کم تر ویلیو ایڈیشن کے باعث مزید کھینچ کر فائدہ حاصل کیا جائے گا اور توقع ہے کہ پالیسی ریٹ میں کمی ہوگی۔ مزید برآں مارکیٹ میں موجود ادارے انتہائی باریک بینی سے افراط زر کے اعداد و شمار اور غیر ملکی بہاؤ پر نگاہ رکھیں گے۔ ہم اپنی اسٹریٹیجک توجہ کا مرکز ”بانڈ۔ اپ“ پر وچ برقرار رکھیں گے اور مستحکم آمدنی کی صلاحیت کے ساتھ اسٹاکس کے ضمن میں ایکویٹی پوزیشن رکھیں گے۔

فنڈ کی کارکردگی اور پے آؤٹس

ایچ بی ایل انکم فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2019 کو ختم ہونے والی مدت کے لیے بالترتیب 99.02 ملین روپے اور 80.30 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 106.1134 روپے فی یونٹ تھی جو 31 دسمبر 2019 کو بڑھ کر 111.9968 روپے فی یونٹ ہو گئی جس کے ذریعے 11.00% کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران شیخ مارکیٹ (چھ ماہ کاٹی بور) منافع 13.69% تھا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 1.32 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.51 ملین روپے رہا تھا۔ جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے A(f) فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2019 کو ختم ہونے والی مدت کے لیے بالترتیب 209.24 ملین روپے اور 173.86 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 105.8419 روپے فی یونٹ تھی جو 31 دسمبر 2019 کو بڑھ کر 112.7639 روپے فی یونٹ ہو گئی جس کے ذریعے 12.97% کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران شیخ مارکیٹ (چھ ماہ PKRV ریٹس) منافع 13.54% تھا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 3.39 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.12 ملین روپے رہا تھا۔ جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے A+(f) فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل منی مارکیٹ فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2019 کو ختم ہونے والی مدت کے لیے بالترتیب 568.68 ملین روپے اور 505.43 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV)

30 جون 2019 کے مطابق 102.2200 روپے فی یونٹ تھی جو 31 دسمبر 2019 کو بڑھ کر 108.6643 روپے فی یونٹ ہو گئی جس کے ذریعے %12.50 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران شیخ مارک (3M PKRY) اور %30 ڈپازٹس ریٹس) منافع %12.68 تھا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 9.16 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 6.25 بلین روپے رہا تھا۔  
 سہی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے (f) AA فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

#### ایچ بی ایل کیش فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2019 کو ختم ہونے والی مدت کے لیے بالترتیب 690.67 بلین روپے اور 627.79 بلین روپے رہی۔ فنڈ کی فی یونٹ قبل از منافع منقسمہ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 100.8886 روپے فی یونٹ تھی۔ 31 دسمبر 2019 کے مطابق فنڈ کا این اے وی 101.8912 روپے فی یونٹ (5.3526 روپے فی یونٹ کا عبوری ماہانہ منافع منقسمہ تشکیل دینے کے بعد) ہو گیا جس کے ذریعے %12.82 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران شیخ مارک (3M PKRY) اور %30 ڈپازٹس ریٹس) منافع %12.68 تھا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 10.66 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 8.81 بلین روپے رہا تھا۔  
 سہی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے (f) AA فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

#### ایچ بی ایل اسٹاک فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2019 کو ختم ہونے والی مدت کے لیے بالترتیب 431.47 بلین روپے اور 382.41 بلین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 89.7221 روپے فی یونٹ تھی۔ 31 دسمبر 2019 کو فنڈ کا این اے وی 106.5658 روپے فی یونٹ ہو گیا جس کے ذریعے %18.77 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران شیخ مارک کے ایس ای 30 انڈیکس نے %21.90 کا منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 2.48 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.15 بلین روپے رہا تھا۔

#### ایچ بی ایل ایکویٹی فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2019 کو ختم ہونے والی مدت کے لیے بالترتیب 59.70 بلین روپے اور 52.52 بلین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 93.3868 روپے فی یونٹ تھی۔ 31 دسمبر 2019 کو فنڈ کا این اے وی 112.4512 روپے فی یونٹ ہو گیا جس کے ذریعے %20.41 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران شیخ مارک کے ایس ای 30 انڈیکس نے %20.16 کا منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 0.33 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.25 بلین روپے رہا تھا۔

#### ایچ بی ایل انرجی فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2019 کو ختم ہونے والی مدت کے لیے بالترتیب 133.40 بلین روپے اور 117.55 بلین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 11.1201 روپے فی یونٹ تھی۔ 31 دسمبر 2019 کو فنڈ کا این اے وی 13.0799 روپے فی یونٹ ہو گیا جس کے ذریعے %17.62 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران شیخ مارک کے ایس ای 30 انڈیکس نے %21.90 کا منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 0.87 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.73 بلین روپے رہا تھا۔

#### ایچ بی ایل ملٹی ایسیٹ فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2019 کو ختم ہونے والی مدت کے لیے بالترتیب 34.16 بلین روپے اور 30.07 بلین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 95.6506 روپے فی یونٹ تھی۔ 31 دسمبر 2019 کو فنڈ کا این اے وی 110.7617 روپے فی یونٹ ہو گیا جس کے ذریعے %15.80 کا ایک سالانہ منافع دیا گیا۔ اسی مدت

کے دوران شیخ مارک انڈیکس (روزانہ اوسطاً جمع شدہ منافع کے ایس ای 100 اور سچھ ماہ PKRV ریٹس) نے 14.30% کا منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 0.20 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.20 بلین روپے رہا تھا۔

#### ایچ بی ایل فنانشل پلاننگ فنڈ

فنڈ تین ذیلی فنڈز (پلانز) بنام ایکٹو ایلیویشن پلان، کنزرویٹو ایلیویشن پلان اور اسٹریٹیجک ایلیویشن پلان پر مشتمل ہے۔ فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 21.83 بلین روپے اور 20.46 بلین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 0.29 ارب روپے پر موجود تھا۔

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

#### ایکٹو ایلیویشن پلان

زیر جائزہ مدت کے دوران ایکٹو ایلیویشن پلان نے بالترتیب 9.41 بلین روپے اور 8.88 بلین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ ایکٹو ایلیویشن پلان کے خالص اثاثہ جات 0.08 ارب روپے پر موجود تھے جو 31 دسمبر 2019 کے مطابق 109.8632 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں جبکہ اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات (NAV) کی مالیت 96.9864 روپے فی یونٹ تھی اور اس کے ذریعے 13.28% کا منافع اس کے 15.90% کے شیخ مارک منافع کے برخلاف دیا گیا۔

#### کنزرویٹو ایلیویشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلیویشن پلان نے بالترتیب 4.43 بلین روپے اور 4.15 بلین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کنزرویٹو ایلیویشن پلان کے خالص اثاثہ جات 0.05 ارب روپے پر موجود تھے جو 31 دسمبر 2019 کے مطابق 112.6474 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں جبکہ اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات (NAV) کی مالیت 103.8264 روپے فی یونٹ تھی اور اس کے ذریعے 8.50% کا منافع اس کے 9.35% کے شیخ مارک منافع کے برخلاف دیا گیا۔

#### اسٹریٹیجک ایلیویشن پلان

کیم جولائی 2019 سے، 10 اکتوبر 2019 کی مدت کے دوران اسٹریٹیجک ایلیویشن پلان نے بالترتیب 2.67 بلین روپے اور 2.46 بلین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ پلان نے، 10 اکتوبر 2019 کو اپنی چھوڑنی کی مدت مکمل کی۔

#### اسپیشل انکم پلان

ایچ بی ایل فنانشل پلاننگ فنڈ۔ اسپیشل انکم پلان نے 16 ستمبر 2019 کو اپنے آپریٹنگ کا آغاز کیا۔

16 ستمبر 2019 سے 31 دسمبر 2019 تک کی مدت کے دوران پلان نے بالترتیب 5.31 بلین روپے اور 4.98 بلین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ اسپیشل انکم پلان کے خالص اثاثہ جات 0.15 ارب روپے پر موجود تھے جو 31 دسمبر 2019 کے مطابق 103.3029 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں۔ پلان نے 3.30% کا منافع زیر جائزہ مدت کے دوران 3.93% کے شیخ مارک منافع کے مقابلے میں ظاہر کیا۔

#### ایچ بی ایل گروتھ فنڈ

فنڈ نے مکمل طور پر زیر جائزہ مدت کے دوران بالترتیب 586.65 ملین روپے اور 431.06 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 8.47 ارب روپے پر موجود تھا جو اس کے مقابلے میں سال کے آغاز پر 9.31 ارب روپے پر تھا۔

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

ایچ بی ایل گروتھ فنڈ - کلاس 'اے'

ایچ بی ایل گروتھ فنڈ - کلاس 'اے' نے 31 دسمبر 2019 کو ختم ہونے والی مدت کے دوران بالترتیب 132.92 ملین روپے اور 49.03 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'اے' کی فی یونٹ خالص اثاثہ جات کی مایرت (NAV) 30 جون 2019 کے 17.1016 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019 کے مطابق 22.3615 روپے فی یونٹ تھی جس کے ذریعے 30.76% کا ایک منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 20.16% کا منافع حاصل کیا تھا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 6.34 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 4.84 ملین روپے رہا تھا۔

ایچ بی ایل گروتھ فنڈ - کلاس 'بی'

ایچ بی ایل گروتھ فنڈ - کلاس 'بی' نے 31 دسمبر 2019 کو ختم ہونے والی مدت کے دوران بالترتیب 453.73 ملین روپے اور 382.04 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'بی' کی فی یونٹ خالص اثاثہ جات کی مایرت (NAV) 30 جون 2019 کے 16.0884 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019 کے مطابق 19.0781 روپے فی یونٹ تھی جس کے ذریعے 18.58% کا ایک منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 20.16% کا منافع حاصل کیا تھا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 2.13 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 4.46 ملین روپے رہا تھا۔

ایچ بی ایل انویسٹمنٹ فنڈ

فنڈ نے مکمل طور پر زیر جائزہ مدت کے دوران بالترتیب 415.34 ملین روپے اور 338.75 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 3.76 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 4.06 ملین روپے رہا تھا۔

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

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے'

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے' نے 31 دسمبر 2019 کو ختم ہونے والی مدت کے دوران بالترتیب 49.46 ملین روپے اور 18.64 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'اے' کی فی یونٹ خالص اثاثہ جات کی مایرت (NAV) 30 جون 2019 کے 6.0597 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019 کے مطابق 7.9955 روپے فی یونٹ تھی جس کے ذریعے 31.95% کا ایک منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 20.16% کا منافع حاصل کیا تھا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 2.27 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.72 ملین روپے رہا تھا۔

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی'

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی' نے 31 دسمبر 2019 کو ختم ہونے والی مدت کے دوران بالترتیب 365.87 ملین روپے اور 319.91 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'بی' کی فی یونٹ خالص اثاثہ جات کی مایرت (NAV) 30 جون 2019 کے 8.4072 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2019 کے مطابق 9.9577 روپے فی یونٹ تھی جس کے ذریعے 18.44% کا ایک منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 20.16% کا منافع حاصل کیا تھا۔ فنڈ کا حجم 31 دسمبر 2019 کے مطابق 1.49 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.49 ارب روپے رہا تھا۔

---

---

کے مقابلے میں سال کے آغاز میں 2.34 بلین روپے رہا تھا۔

انتظامی کمپنی کی ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے انتظامی کمپنی کے لیے بیجمنٹ کوالٹی ریٹنگ '+AM2' (اے ایم ٹو پلس) کی دوبارہ توثیق کی اسے اور توثیق کردہ ریٹنگ پراڈکٹ لک 'شبث' ظاہر کیا ہے۔

اعتراف

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے اپنے معزز یونٹ۔ ہولڈرز کا ان کے مستقل تعاون اور سرپرستی کے لیے شکریہ ادا کرنا چاہتا ہے۔ اس سلسلے میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور ایم سی بی فنانشل سروسز لمیٹڈ بطور ٹرسٹی، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ تعاون اور رہنمائی پر ان کو خراج تحسین پیش کرتے ہیں۔ بورڈ اپنے اسٹاف کی انتھک کاوشوں اور مخلصانہ جدوجہد پر ان کو بھی خراج تحسین پیش کرنا چاہتا ہے

منجانب بورڈ

ایچ جی ایل ایس ایف بیجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

---

---

# **HBL**

## **Income Fund**

## FUND INFORMATION

---

---

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL INCOME FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Income Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

We would like to draw unit holders' attention towards the fact that the exposure of the Fund in unlisted Term Finance Certificates of JS Bank Limited (JSBL) reached to 11.29% of the net assets; thus the Fund is in non-compliance of Regulation 55(5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) which states that the exposure of Collective Investment Scheme to any single entity shall not exceed an amount equal to 10% of its total net assets. This breach is prevailing since December 2018 and we have reported this issue to the Commission. The Management Company has also reported the matter to the Commission explaining the circumstances surrounding the breach. The Commission in its response dated July 23, 2019 has allowed the management to regularize the exposure breach as soon as possible. Accordingly, the Management Company has off loaded some of the excess exposure during the period and intent to align it on availability of competitive bid in the market.

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited  
Karachi, February 28, 2020





**Deloitte Yousuf Adil**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

Tel: +92 (0) 21 3454 6494-7  
Fax: +92 (0) 21- 3454 1314

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

## **Auditors' report to the unit holders on review of Condensed interim financial information**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Income Fund** (the Fund) as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of other comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2019 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of other comprehensive income, for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

### **Scope of Review**

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

### **Conclusion**

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

  
**Chartered Accountants**

**Engagement Partner**  
Hena Sadiq

**Date:** February 25, 2020  
**Place:** Karachi

Member of  
**Deloitte Touche Tohmatsu Limited**

**HBL Income Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at December 31, 2019*

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	690,904	552,761
Investments	5	639,561	1,008,166
Accrued mark-up		19,352	16,285
Advances, deposits and prepayments	6	30,617	30,639
<b>Total assets</b>		<b>1,380,434</b>	<b>1,607,851</b>
<b>Liabilities</b>			
Payable to the Management Company	7	3,747	3,054
Payable to the Trustee		109	198
Payable to Securities and Exchange Commission of Pakistan		151	1,478
Accrued expenses and other liabilities	8	57,609	92,378
<b>Total liabilities</b>		<b>61,616</b>	<b>97,108</b>
<b>Net assets</b>		<b>1,318,818</b>	<b>1,510,743</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,318,818</b>	<b>1,510,743</b>
<b>Contingencies and commitments</b>	14		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>11,775,486</b>	<b>14,237,061</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>111.9968</b>	<b>106.1134</b>

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

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

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

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

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

**HBL Income Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the half year and quarter ended December 31, 2019*

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2019	2018	2019	2018
------(Rupees in '000)-----					
<b>Income</b>					
Mark-up on deposit with banks		45,773	48,045	20,638	27,425
Mark-up / return on investments		58,743	48,647	30,400	22,518
Dividend income		164	12,807	164	7,949
Unrealised (loss) / gain on remeasurement of investments classified as fair value through profit or loss		(11,639)	(6,455)	(10,578)	3,676
Capital gain / (loss) on sale of investments - net		5,889	(7,988)	(3,124)	(6,033)
Other Income		94	4	94	(2)
		<b>99,024</b>	<b>95,060</b>	<b>37,594</b>	<b>55,533</b>
Reversal of provision against non-performing Term Finance Certificates	5.1.1.2	-	6,186	-	1,548
		<b>99,024</b>	<b>101,246</b>	<b>37,594</b>	<b>57,081</b>
<b>Expenses</b>					
Remuneration of the Management Company		9,363	16,618	5,465	8,060
Remuneration of the Trustee		641	1,555	313	750
Annual fee of Securities and Exchange Commission of Pakistan		151	836	74	397
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,221	1,114	370	528
Selling and Marketing		4,419	-	1,479	-
Settlement and bank charges		906	1,428	514	490
Auditors' remuneration		219	190	122	97
Legal and professional charges		4	-	-	-
Listing fee		13	13	6	7
Rating fee		149	139	73	71
		<b>17,086</b>	<b>21,893</b>	<b>8,416</b>	<b>10,400</b>
<b>Net income from operating activities</b>		<b>81,938</b>	<b>79,353</b>	<b>29,178</b>	<b>46,681</b>
Provision for Sindh Workers' Welfare Fund	8.2	(1,638)	(1,587)	(583)	(824)
<b>Net income for the period before taxation</b>		<b>80,300</b>	<b>77,766</b>	<b>28,595</b>	<b>45,857</b>
Taxation	9.	-	-	-	-
<b>Net income for the period after taxation</b>		<b>80,300</b>	<b>77,766</b>	<b>28,595</b>	<b>45,857</b>
<b>Allocation of net income for the period</b>					
Income already paid on redemption of units		16,949	13,672	13,271	7,757
Accounting income available for distribution:					
- Relating to capital losses		-	-	(7,684)	(1,958)
- Excluding capital gains		63,351	64,094	23,008	40,058
		<b>63,351</b>	<b>64,094</b>	<b>15,324</b>	<b>38,100</b>
<b>Net income for the period after taxation</b>		<b>80,300</b>	<b>77,766</b>	<b>28,595</b>	<b>45,857</b>

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL Income Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the half year and quarter ended December 31, 2019*

	Half year ended December 31,		Quarter ended, December 31,	
	2019	2018	2019	2018
----- (Rupees in '000) -----				
Net income for the period after taxation	80,300	77,766	28,595	45,857
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>80,300</b>	<b>77,766</b>	<b>28,595</b>	<b>45,857</b>

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

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

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

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

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

**HBL Income Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)**  
*For the half year ended December 31, 2019*

	2019			Half year ended December 31, 2018				
	Capital Value	Undistributed Income	Unrealised (loss) / income of investment	Total	Capital Value	Undistributed Income	Unrealised (loss) / income of investment	Total
-----Rupees in '000'-----								
<b>Net assets at beginning of the year</b>	<b>1,388,862</b>	<b>121,881</b>	<b>-</b>	<b>1,510,743</b>	2,230,273	226,959	(772)	2,456,460
Adoption of IFRS 9						(772)	772	
Issue of 5,284,876 units (2018: 8,946,463 units)								
- capital value (at NET asset value PER unit at the beginning of the period)	560,796	-	-	560,796	946,437	-	-	946,437
- Element of income	15,651	-	-	15,651	17,559	-	-	17,559
Total proceeds on issuance of units	576,447	-	-	576,447	963,996	-	-	963,996
Redemption of 7,746,451 units (2018: 12,415,620 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(822,001)	-	-	(822,001)	(1,313,437)	-	-	(1,313,437)
- Element of loss	-	-	-	-	(9,427)	-	-	(9,427)
- Income already paid on redemption of units	(9,722)	(16,949)	-	(26,671)	-	(13,671)	-	(13,671)
	(831,723)	(16,949)	-	(848,672)	(1,322,864)	(13,671)	-	(1,336,535)
Total comprehensive income for the period	-	80,300	-	80,300	-	77,765	-	77,765
Refund of Capital	-	-	-	-	(13,463)	-	-	(13,463)
Distribution during the period	-	-	-	-	-	(107,938)	-	(107,938)
Total comprehensive income for the period	-	80,300	-	80,300	(13,463)	(30,173)	-	(43,636)
<b>Net assets at end of the year</b>	<b>1,133,586</b>	<b>185,232</b>	<b>-</b>	<b>1,318,818</b>	1,857,942	182,343	-	2,040,285
<b>Undistributed income brought forward</b>								
- Realised		125,538				224,607		
- Unrealised		(3,657)				2,352		
		121,881				226,959		
Adoption of IFRS 9						(772)		
Accounting income available for distribution								
- Relating to capital losses		-				-		
- Excluding capital losses		63,351				64,094		
		63,351				64,094		
Distribution during the period		-				(107,939)		
<b>Undistributed income carried forward</b>		<b>185,232</b>				<b>182,343</b>		
<b>Undistributed income carried forward</b>								
- Realised		196,871				188,798		
- Unrealised		(11,639)				(6,455)		
		185,232				182,343		
					(Rupees)		(Rupees)	
<b>Net assets value per unit at beginning of the period</b>				<b>106.1134</b>				<b>111.2890</b>
<b>Net assets value per unit at end of the period</b>				<b>111.9968</b>				<b>109.6712</b>

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Income Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
*For the half year ended December 31, 2019*

	Half year ended December 31,	
	2019	2018
Note	----- (Rupees in '000') -----	
<b>Cash flows from operating activities</b>		
Net income for the period before taxation	80,300	77,766
<b>Adjustments</b>		
Mark-up on deposit with banks	(45,773)	(48,045)
Mark-up / return on investments	(58,743)	(48,647)
Dividend income	(164)	(12,807)
Provision for Sindh Workers' Welfare Fund	1,638	1,587
Unrealised loss on remeasurement of investments classified as fair value through profit or loss	11,639	6,455
Capital gain/(loss) on sale of investments - net	(5,889)	7,988
	<u>(16,992)</u>	<u>(15,703)</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	362,855	230,402
Advances, deposits and other receivables	22	40,802
	362,877	271,204
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	693	(901)
Payable to Central Depository Company of Pakistan Limited - Trustee	(89)	(87)
Payable to the Securities and Exchange Commission of Pakistan	(1,327)	(1,906)
Accrued expenses and other liabilities	(36,407)	342
	<u>(37,130)</u>	<u>(2,552)</u>
<b>Net cash generated from operating activities</b>	308,755	252,949
Dividend received	164	12,807
Profit received	101,449	89,888
	<u>101,613</u>	<u>102,695</u>
<b>Net cash generated from operating activities</b>	410,368	355,644
<b>Cash flows from financing activities</b>		
Amount received on issue of units	576,447	963,996
Payment against redemption of units	(848,672)	(1,336,535)
Distribution paid	-	(121,401)
<b>Net cash used in financing activities</b>	<u>(272,225)</u>	<u>(493,940)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	138,143	(138,296)
Cash and cash equivalents at beginning of the period	552,761	1,242,036
<b>Cash and cash equivalents at end of the period</b>	4 <u>690,904</u>	<u>1,103,740</u>

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

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

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

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

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

# **HBL Income Fund**

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

*For the half year ended December 31, 2019*

---

---

### **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.

VIS Credit Rating Agency has reassigned management quality rating of 'AM2+' (positive outlook) to the Management Company on December 31, 2019 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**

#### **2.1.1 Statement of compliance**

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, 2019.

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

---

---

**2.2 Basis of measurement**

This condensed interim financial information has been prepared under the historical cost convention, except that certain investments are measured 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. Amounts in this condensed financial information have been rounded off to the nearest thousand rupees, unless otherwise stated.

**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, 2019.

**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, 2019.

**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, 2019 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.

**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, 2019.

		<b>December 31, 2019 (Un-Audited)</b>	June 30, 2019 (Audited)
	<b>Note</b>	----- <b>(Rupees in '000)</b> -----	
<b>4. BANK BALANCES</b>			
Balances with bank - Savings accounts	4.1 & 4.2	<u><b>690,904</b></u>	<u>552,761</u>

**4.1** Mark-up rates on these accounts range between 10.28% - 14.75% (June 30, 2019: 10.28% - 13.75%) per annum.

**4.2** This includes balance maintained with a related party amounting to Rs. 50,737 (June 30, 2019: Rs. 20,735).

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5. INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss</b>	5.1		
- Term finance certificates and sukuk bonds - Listed	5.1.1	170,308	84,325
- Term finance certificates and sukuk bonds - Unlisted	5.1.2	303,468	755,925
- Investment in Government securities	5.1.5	94,088	-
<b>Financial assets at amortised cost</b>			
- Commercial papers	5.2	71,697	167,916
		<b>639,561</b>	<b>1,008,166</b>

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

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

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

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Market value / Carrying value* as at December 31, 2019	Market value as a percentage of	
						Total Investments	Net Assets
	----- Number of certificates -----				Rupees in '000'		
<b>Commercial Banks</b>							
JS Bank Limited	1,900	-	636	1,264	113,655	17.77	8.62
	1,900	-	636	1,264	113,655	18	9
<b>Financial Services</b>							
Saudi Pak Leasing Company Limited - note 5.1.1.1*	2,000	-	-	2,000	-	-	-
	2,000	-	-	2,000	-	-	-
<b>Technology and Communicaton</b>							
Worldcall Telecom Limited - note 5.1.1.2*	23,750	-	-	23,750	-	-	-
	23,750	-	-	23,750	-	-	-
<b>Chemicals</b>							
Dawood Hercules Chemical Limited** (Sukuk)	940	-	230	710	56,652	8.86	4.30
	940	-	230	710	56,652	9	4
	<b>28,590</b>	<b>-</b>	<b>866</b>	<b>27,724</b>	<b>170,308</b>	<b>27</b>	<b>13</b>
<b>Cost of investments at December 31, 2019</b>					<b>181,712</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.

- 5.1.1.1** 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.

- 5.1.1.2** 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 till December 31, 2019 Rs. 7.576 million has been received leaving outstanding balance as at December 31, 2019 of Rs. 40.191 million.

**5.1.2 Term finance certificates and sukuk bonds - Unlisted**

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of	
						Total Investments	Net Assets
----- Number of certificates -----					Rupees in '000'		
<b>Commercial Banks</b>							
Bank of Punjab *	2,050	-	500	1,550	152,317	23.82	11.55
JS Bank Limited	7,450	-	-	7,450	35,344	5.53	2.68
	9,500	-	500	9,000	187,661	29.34	14.23
<b>Chemicals</b>							
Agritech Limited	2,000	-	-	2,000	-	-	-
Agritech Limited (4 <sup>th</sup> issue)	430	-	-	430	-	-	-
Ghani Gases Limited	200	-	-	200	9,750	1.52	0.74
	2,630	-	-	2,630	9,750	1.52	0.74
<b>Investment Companies</b>							
Jahangir Siddiqui & Company Limited	10,000	-	-	10,000	49,601	7.76	3.76
Jahangir Siddiqui & Company Limited	15,100	-	-	15,100	56,456	8.83	4.28
	25,100	-	-	25,100	106,057	16.58	8.04

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of	
						Total Investments	Net Assets
----- Number of certificates -----					Rupees in '000'		
<b>Technology and communication</b>							
TPL Corporation Limited *	500	-	500	-	-	-	-
<b>Power Generation and Distribution</b>							
Hub Power Company Limited	36,600	-	36,600	-	-	-	-
Hub Power Company Limited	-	1,000	1,000	-	-	-	-
	36,600	1,000	37,600	-	-	-	-
<b>Others</b>							
New Allied Electronics Industries (Private) Limited note 5.1.2.1*	9,000	-	-	9,000	-	-	-
New Allied Electronics Industries (Private) Limited - Sukuk note 5.1.2.1*	9,000	-	-	9,000	-	-	-
	18,000	-	-	18,000	-	-	-
<b>Total</b>	<b>91,900</b>	<b>1,000</b>	<b>38,600</b>	<b>54,300</b>	<b>303,468</b>	<b>47</b>	<b>23</b>

Cost of investments at December 31, 2019

307,636

\* 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.

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

**5.1.3** Details of non-compliant investments with the investment limit specified by Regulation 55 sub regulation 5 of the NBFC Regulations

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
----- (Rupees in '000') -----						
JS Bank Limited (note 5.1.3.1)	TFC	148,999	-	148,999	11.30	10.79
Bank of Punjab (note 5.1.3.1)	TFC	152,317	-	152,317	11.55	11.03

**5.1.3.1** The exposure limit in a single entity as a percentage of net assets exceeded by 1.3% and 1.55% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations. The disclosure for breach of exposure limit is made as required by the circular no. 16 of 2010 dated July 07, 2010 by SECP. Exposure limit exceeded the prescribed limit of 10% due to reduction of fund size, subsequent to the purchase of investment.

**5.1.4** Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at December 31, 2019 are as follows:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
<b>Term Finance Certificates and Sukuk bonds - Listed</b>				
Dawood Hercules Corporation Limited - Sukuk	80,000	3 months KIBOR + 1.0%	November 16, 2017	November 16, 2022
JS Bank Limited - TFC	99,920	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	5,000	6 months KIBOR + 1.4%	March 6, 2018	March 6, 2023
JS Bank Limited - TFC	4,994	6 months KIBOR + 1.4%	December 14, 2016	December 16, 2023
TPL Corp Ltd. - TFC	66,667	3 months KIBOR + 1.5%	December 19, 2017	December 18, 2019
Bank Of Punjab - TFC	99,880	6 months KIBOR + 1.0%	December 23, 2016	December 23, 2026
Jahangir Siddiqui & Company Ltd - TFC	3,750	6 months KIBOR + 1.4%	July 18, 2017	July 18, 2022
JS Bank Limited - Sukuk	99,960	6 months KIBOR + 1.4%	December 29, 2017	December 29, 2024
Jahangir Siddiqui & Company Ltd - TFC	3,125	6 months KIBOR + 1.65%	June 24, 2016	June 24, 2021
JS Bank Limited - TFC	4,996	6 months KIBOR + 1.0%	December 14, 2016	December 16, 2023
Bank Of Punjab - TFC	99,920	6 months KIBOR + 1.0%	December 23, 2016	December 23, 2028
Ghani Gases Limited - Sukuk	54,167	3 months KIBOR + 1.0%	February 2, 2017	February 2, 2023

**5.1.5 Investment in Government Securities**

Issue Date	Tenure	Face value				Market Value as a percentage of			
		As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Market value as at December 31, 2019	Total Investments	Net Assets	
----- Rupees in '000 -----									
<b>Treasury bill</b>									
September 12, 2019	12 months	-	500,000	500,000	-	-	-	-	-
November 7, 2019	12 months	-	1,000,000	1,000,000	-	-	-	-	-
December 19, 2019	12 months	-	300,000	300,000	-	-	-	-	-
October 24, 2019	12 months	-	600,000	600,000	-	-	-	-	-
October 26, 2019	12 months	-	500,000	500,000	-	-	-	-	-

Issue Date	Tenure	Face value			Market Value as a percentage of			
		As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Market value as at December 31, 2019	Total Investments	Net Assets
----- Rupees in '000 -----								
October 24, 2019	3 months	-	500,000	500,000	-	-	-	-
November 7, 2019	6 months	-	1,000,000	1,000,000	-	-	-	-
October 24, 2019	6 months	-	500,000	500,000	-	-	-	-
October 10, 2019	12 months	-	500,000	500,000	-	-	-	-
		-	5,400,000	5,400,000	-	-	-	-
<b>Pakistan Investment Bonds</b>								
July 12, 2018	10 years	-	75,000	75,000	-	-	-	-
September 19, 2019	10 years	-	100,000	-	100,000	94,088	-	-
July 12, 2018	3 years	-	575,000	575,000	-	-	-	-
September 19, 2019	3 years	-	350,000	350,000	-	-	-	-
July 12, 2018	5 years	-	371,900	371,900	-	-	-	-
September 19, 2019	5 years	-	350,000	350,000	-	-	-	-
		-	1,821,900	1,721,900	100,000	94,088	-	-
<b>Grand total</b>		-	<b>7,221,900</b>	<b>7,121,900</b>	<b>100,000</b>	<b>94,088</b>	-	-
<b>Cost of investments at December 31, 2019</b>					<b><u>90,155</u></b>			

**5.2** This includes Rs. 71.696 million placed with TPL Corporaton Limited, having rate of return of 15.90%.

**5.3** The investment in equity securities represents spread transactions entered into the by the Fund. The Fund purchases equity securities in ready settlement market and sells the securities in future settlement market on the same day, resulting in spread income due to differences in ready and future stock prices. There are no outstanding equity investments as at December 31, 2019.

	December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
<b>6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Security deposit with National Clearing Company of Pakistan Limited	5,391	5,285
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	24,980	24,970
Prepaid expenses	146	284
	<b>32,615</b>	<b>32,637</b>
Less: Provision against overdue installments of term finance certificates and sukuk bonds	<b>1,998</b>	<b>1,998</b>
	<b>30,617</b>	<b>30,639</b>
<b>7. PAYABLE TO THE MANAGEMENT COMPANY</b>		
Management fee	1,612	1,660
Sindh Sales Tax	210	216
Sales load payable	323	558
Allocation of expenses related to registrar services, accounting, operation and valuation services	123	124
Selling & Marketing expenses payable	1,479	496
	<b>3,747</b>	<b>3,054</b>
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration	211	295
Federal Excise Duty payable	8.1 27,578	27,578
Dividend payable	2,745	29,735
Other payables	558	326
Capital gain tax payable	272	293
Withholding tax payable	79	9,624
Provision for Sindh Workers' Welfare Fund	8.2 26,166	24,527
	<b>57,609</b>	<b>92,378</b>

**8.1** The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in the note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, 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 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 December 31, 2019 would have been higher by Rs. 2.342 per unit (June 30, 2019: 1.9371 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 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

In view of the above, the Management Company, being prudent, recognized provision for SWWF amounting to Rs. 26.166 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2019 would have been higher by Rs. 2.222 per unit (June 30, 2019: Rs. 1.723 per unit)

---

---

**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. 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.

**10. TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended December 31, 2019 is 1.25% (December 31, 2018: 1.06%), which includes 0.20% (December 31, 2018: 0.20%) representing government levy, Worker's Welfare Fund and SECP fee.

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

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/ year end, if not disclosed elsewhere in the condensed interim financial statements are as follows:

	<b>Half year ended</b>	
	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(Un-Audited)</b>	<b>(Un-Audited)</b>
	<b>----- (Rupees in '000) -----</b>	
<b>11.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee inclusive of sales tax	<b>9,363</b>	16,618
Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>1,221</b>	1,114
Selling & Marketing expenses	<b>4,419</b>	-
Issuance of nil units (2018: 27,655 units)	-	2,926
Redemption of nil units (2018: 1,211,327 units)	-	129,374
Dividend paid	-	6,359
Refund of capital: nil units (2018 :27,571 units)	-	2,917
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	<b>31</b>	20
Issuance of nil units (2018: 493,384 units)	-	52,195
Redemption of nil units (2018: 3,365,559 units)	-	360,000
Mark-up earned during the period	<b>2,950</b>	594

		Half year ended	
		December 31,	
		2019	2018
		(Un-Audited)	(Un-Audited)
		----- (Rupees in '000) -----	
<b>MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - CIS Managed by the Management Company</b>			
Issuance of nil units (2018: 30,098 units)		-	3,184
Redemption of 745,067 units (2018: Nil units)		<b>81,178</b>	-
Refund of capital nil units (2018:30,098 units)		-	3,184
Dividend paid		-	3,184
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration		<b>641</b>	1,555
CDC charges		<b>27</b>	78
<b>Executives and their relatives</b>			
Issuance of Nil units (2018: 3,220 units)		-	341
Redemption of 5,165 units (2018: nil units)		<b>551</b>	-
<b>CDC trustee - HBL Government Securities Fund</b>			
Sale of Bank Of Punjab - Term finance certificate		<b>50,201</b>	-
<b>CDC trustee - HBL Cash Fund</b>			
Sale of the Hub Power Company Limited - Sukuk certificate		<b>187,022</b>	-
<b>CDC trustee - HBL Islamic Asset Fund</b>			
Purchase of TPL corporation limited commerical papers		<b>19,844</b>	-
		<b>December 31,</b>	<b>June 30,</b>
		<b>2019</b>	<b>2019</b>
		<b>(Un-Audited)</b>	<b>(Audited)</b>
		----- (Rupees in '000) -----	
<b>11.2</b>	<b>Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>			
Management fee		<b>1,612</b>	1,660
Sindh Sales Tax		<b>210</b>	216
Sales Load payable		<b>323</b>	558
Allocation of expenses related to registrar services, accounting, operation and valuation services		<b>123</b>	124
Selling & marketing expenses payable		<b>1,479</b>	496
<b>Habib Bank Limited - Sponsor</b>			
Investment held by HBL in the Fund: 2,000,000 units (June 30, 2019: 2,000,000 units)		<b>223,994</b>	212,227
Bank balances with HBL		<b>50,737</b>	20,735
<b>MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - CIS Manager by the Management Company</b>			
Investment held in the Fund: Nil units (June 30, 2019: 745,068 units)		-	79,062
<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate</b>			
Investment held in the Fund: 77,566 units (June 30, 2019: 77,566 units)		<b>8,687</b>	8,231

	Half year ended	
	December 31,	
	2019	2018
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
<b>Pakistan Society For The Welfare Of Mentally Retarded Children- Related Party due to holding more than 10 percent</b>		
Investment held in the Fund: Nil units (June 30, 2019: 1,507,558 units)	-	159,972
<b>Executives and their relatives</b>		
Investment held in the Fund: 79,488 units (June 30, 2019: 84,654 units)	8,902	8,983
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	96	175
Sindh Sales tax	13	23
Security deposit	100	100
CDC Charges	5	-
<b>The First Microfinance Bank-Associate</b>		
Bank balances	10	10

## 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. 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.

		December 31, 2019 (Un-Audited)						
		Carrying amount			Fair Value			
		At fair value through profit and loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>								
Investments								
	- Investment in Government Securities	94,088	-	94,088	94,088	-	-	94,088
	- Term finance certificates and sukuk bonds	473,776	-	473,776	170,308	303,468	-	473,776
		<u>567,864</u>	<u>-</u>	<u>567,864</u>	<u>264,396</u>	<u>303,468</u>	<u>-</u>	<u>567,864</u>
<b>Financial assets not measured at fair value</b> 12.1								
	Investments	-	71,697	71,697				
	Bank balances	-	690,904	690,904				
	Accrued mark-up	-	19,352	19,352				
	Deposits	-	5,491	5,491				
		<u>-</u>	<u>787,444</u>	<u>787,444</u>				
<b>Financial liabilities not measured at fair value</b> 12.1								
	Payable to the Management Company	-	3,747	3,747				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	109	109				
	Accrued expenses and other liabilities	-	3,514	3,514				
		<u>-</u>	<u>7,370</u>	<u>7,370</u>				
		June 30, 2019 (Audited)						
		Carrying amount			Fair Value			
		At Fair Value through profit and loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>								
Investments								
	- Term finance certificates and sukuk bonds	840,250	0	840,250	84,325	755,925	-	840,250
		<u>840,250</u>	<u>-</u>	<u>840,250</u>	<u>84,325</u>	<u>755,925</u>	<u>-</u>	<u>840,250</u>
<b>Financial assets not measured at fair value</b> 12.1								
	Investment	-	167,916	167,916				
	Bank balances	-	552,761	552,761				
	Accrued mark-up	-	16,285	16,285				
	Deposits	-	5,385	5,385				
		<u>-</u>	<u>742,347</u>	<u>742,347</u>				
<b>Financial liabilities not measured at fair value</b> 12.1								
	Payable to Management Company	-	3,054	3,054				
	Payable to Trustee	-	198	198				
	Accrued expenses and other liabilities	-	30,356	30,356				
		<u>-</u>	<u>33,608</u>	<u>33,608</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 reprice frequently. Therefore, their carrying amounts are reasonable approximation of fair value.

**13. 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, 2019, 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-Complaint 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>
				----- (Rupees in '000)-----	
New Allied Electronics Industries (Private) Limited	TFC	19,025	19,025	-	-
New Allied Electronics Industries (Private) Limited	Sukuk	44,149	44,149	-	-
Agritech Limited	TFC	9,992	9,992	-	-
Saudi Pak Leasing Company Limited	TFC	5,550	5,550	-	-
World Call Telecom Limited	TFC	41,581	41,581	-	-

The above securities have ratings lower than investment grade.

**14. CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

**15. DATE OF AUTHORISATION FOR ISSUE**

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 13, 2020.

**16. GENERAL**

**16.1** This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and statement of comprehensive income for the quarter ended December 31, 2018 have not been reviewed.

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

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

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

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

---

---

# **HBL**

## **Government Securities Fund**

## FUND INFORMATION

---

---

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL GOVERNMENT SECURITIES FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Government Securities Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 26, 2020





Tel: +92 21 3568 3030  
Fax: +92 21 3568 4239  
www.bdo.com.pk

2nd Floor, Block-C  
Lakson Square, Building No.1  
Sarwar Shaheed Road  
Karachi-74200  
Pakistan

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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL GOVERNMENT SECURITIES FUND ("the Fund") as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2019 and December 31, 2018 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 13 FEB 2020

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Raheel Shah Nawaz

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**HBL Government Securities Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At December 31, 2019*

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	-----Rupees in '000-----	
<b>ASSETS</b>			
Bank balances	4	1,251,962	2,013,539
Investments	5	2,090,063	1,127,529
Mark-up / interest receivable		88,816	23,146
Advances, deposits and prepayments	6	1,468	1,718
<b>TOTAL ASSETS</b>		<u>3,432,309</u>	<u>3,165,932</u>
<b>LIABILITIES</b>			
Payable to the Management Company	7	10,587	10,329
Payable to the Trustee	8	207	224
Payable to Securities and Exchange Commission of Pakistan	9	281	670
Payable against redemption of units		-	20,774
Accrued expenses and other liabilities	10	31,956	1,017,653
<b>TOTAL LIABILITIES</b>		<u>43,031</u>	<u>1,049,650</u>
<b>NET ASSETS</b>		<u>3,389,278</u>	<u>2,116,282</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>3,389,278</u>	<u>2,116,282</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	-----Number of units-----	
<b>Number of units in issue</b>		<u>30,056,394</u>	<u>19,994,755</u>
		-----Rupees-----	
<b>Net assets value per unit</b>		<u>112.7639</u>	<u>105.8419</u>

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

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

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

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

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

**HBL Government Securities Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the Half Year and Quarter Ended December 31, 2019*

	Note	Half year ended December 31		Quarter ended December 31	
		2019	2018	2019	2018
-----Rupees in '000-----					
<b>INCOME</b>					
Capital gain / (loss) on sale of investments - net		20,608	686	1,286	(186)
Income from Government securities		85,677	1,000	53,017	600
Income from term finance certificates and sukuk		10,268	-	5,403	-
Income from money market placements		677	1,525	-	1,122
Income from Margin Trading System		-	165	-	150
Mark-up on bank deposits		84,953	18,485	39,716	9,045
		<u>202,183</u>	<u>21,861</u>	<u>99,422</u>	<u>10,731</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net		7,059	-	7,489	-
		<u>209,242</u>	<u>21,861</u>	<u>106,911</u>	<u>10,731</u>
<b>EXPENSES</b>					
Remuneration of the Management Company	7.1	15,443	2,566	9,940	1,233
Sindh sales tax on remuneration of the Management Company	7.2	2,008	334	1,292	184
Remuneration of the Trustee		912	335	412	158
Sindh sales tax on remuneration of the Trustee		119	44	54	20
Annual fee to the Securities and Exchange Commission of Pakistan		281	168	159	79
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	3,339	224	1,765	106
Selling and marketing expense	7.4	7,720	-	3,180	-
Auditors' remuneration		223	223	111	111
Fees and subscription		151	149	75	38
Securities transaction and settlement costs		1,242	411	436	207
Bank charges		396	34	245	19
		<u>31,834</u>	<u>4,488</u>	<u>17,668</u>	<u>2,155</u>
<b>Net income for the period from operating activities</b>		<u>177,408</u>	<u>17,373</u>	<u>89,243</u>	<u>8,576</u>
Provision for Sindh Workers' Welfare Fund	10.2	(3,548)	(347)	(1,782)	(171)
<b>Net income for the period before taxation</b>		<u>173,860</u>	<u>17,026</u>	<u>87,461</u>	<u>8,405</u>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<u>173,860</u>	<u>17,026</u>	<u>87,461</u>	<u>8,405</u>
<b>Allocation of net income for the period</b>					
Income already paid on redemption of units		37,702	10,245	25,708	7,673
Accounting income available for distribution:					
Relating to capital gains		23,005	151	5,765	-
Excluding capital gains		113,153	6,630	55,988	732
		<u>136,158</u>	<u>6,781</u>	<u>61,753</u>	<u>732</u>
		<u>173,860</u>	<u>17,026</u>	<u>87,461</u>	<u>8,405</u>
Earnings per unit	13				

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

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

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

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

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

**HBL Government Securities Fund**  
**Condensed Statement of Comprehensive Income (Un-Audited)**  
*For the Half Year and Quarter Ended December 31, 2019*

	Half year ended December 31		Quarter ended December 31	
	2019	2018	2019	2018
	-----Rupees in '000-----			
Net income for the period after taxation	173,860	17,026	87,461	8,405
Other comprehensive income for the period				
Items that will be reclassified subsequently to income statement	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-
Total comprehensive income for the period	<u>173,860</u>	<u>17,026</u>	<u>87,461</u>	<u>8,405</u>

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

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

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

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

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

**HBL Government Securities Fund**  
**Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)**  
*For the Half Year and Quarter Ended December 31, 2019*

	Half year ended December 31					
	2019			2018		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in '000-----						
Net assets at beginning of the period	2,041,657	74,625	2,116,282	229,135	84,502	313,637
<b>Issuance of 27,386,859 units (2018: 5,538,275 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	2,898,677	-	2,898,677	585,254	-	585,254
Element of income	98,172	-	98,172	8,220	-	8,220
<b>Total proceeds on issuance of units</b>	<b>2,996,849</b>	<b>-</b>	<b>2,996,849</b>	<b>593,474</b>	<b>-</b>	<b>593,474</b>
<b>Redemption of 17,325,218 units (2018: 6,479,646 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(1,833,734)	-	(1,833,734)	(684,733)	-	(684,733)
Income already paid on redemption of units	-	(37,702)	(37,702)	-	(10,245)	(10,245)
Element of loss	(26,277)	-	(26,277)	(7,066)	-	(7,066)
<b>Total payments on redemption of units</b>	<b>(1,860,011)</b>	<b>(37,702)</b>	<b>(1,897,713)</b>	<b>(691,799)</b>	<b>(10,245)</b>	<b>(702,044)</b>
Total comprehensive income for the period	-	173,860	173,860	-	17,026	17,026
Refund of capital	-	-	-	(196)	-	(196)
Distribution for the period	-	-	-	-	(13,295)	(13,295)
	-	173,860	173,860	(196)	3,731	3,535
<b>Net assets at end of the period</b>	<b>3,178,495</b>	<b>210,783</b>	<b>3,389,278</b>	<b>130,614</b>	<b>77,988</b>	<b>208,602</b>
<b>Undistributed income brought forward</b>						
Realised income		74,572			84,502	
Unrealised income		53			-	
		74,625			84,502	
Accounting income available for distribution						
Relating to capital gains		23,005			151	
Excluding capital gains		113,153			6,630	
		136,158			6,781	
Distribution for the period		-			(13,295)	
<b>Undistributed income carried forward</b>		<b>210,783</b>			<b>77,988</b>	
<b>Undistributed income carried forward</b>						
Realised income		210,783			77,988	
Unrealised income		-			-	
		210,783			77,988	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			105.8419			110.4244
Net assets value per unit at end of the period			112.7639			109.8533

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

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

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

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

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

**HBL Government Securities Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
*For the Half Year Ended December 31, 2019*

	Note	Half year ended	
		December 31	
		2019	2018
		-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		173,860	17,026
Adjustments for:			
Capital gain on sale of investments - net		(20,608)	(686)
Mark-up on bank deposits		(84,953)	(18,485)
Income from Government securities		(85,677)	(1,000)
Income from term finance certificates and sukus		(10,268)	
Income from money market placements		(677)	(1,525)
Income from margin trading system		-	(165)
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net		(7,059)	-
		<u>(35,382)</u>	<u>(4,835)</u>
<b>(Increase) / decrease in assets</b>			
Investments - net		(1,883,771)	(49,279)
Receivable against margin trading system		-	(1,769)
Mark-up / interest receivable		(74,533)	-
Advances, deposits and prepayments		250	160
		<u>(1,958,054)</u>	<u>(50,888)</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to the Management Company		258	386
Payable to the Trustee		(17)	33
Payable to the Securities and Exchange Commission of Pakistan		(389)	(346)
Accrued expenses and other liabilities		184	1,236
		<u>36</u>	<u>1,309</u>
Cash used in operations		<u>(1,993,400)</u>	<u>(54,414)</u>
Income received from Government securities		50,347	411
Income received from term finance certificates and sukus		9,997	-
Income received from margin trading system		-	146
Mark-up received on bank deposits		94,087	17,960
		<u>154,431</u>	<u>18,517</u>
Net cash used in operating activities		<u>(1,838,969)</u>	<u>(35,897)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipts from issue of units		2,996,849	593,474
Payment against redemption of units		(1,918,487)	(702,199)
Dividend paid		(970)	(13,491)
Net cash generated from / (used in) financing activities		<u>1,077,392</u>	<u>(122,216)</u>
Net decrease in cash and cash equivalents		<u>(761,577)</u>	<u>(158,113)</u>
Cash and cash equivalents at the beginning of the period		<u>2,013,539</u>	<u>332,785</u>
Cash and cash equivalents at end of the period	4	<u>1,251,962</u>	<u>174,672</u>

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

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

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

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

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

# **HBL Government Securities Fund**

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

*For the Half Year Ended December 31, 2019*

---

---

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

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

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

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

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

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

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

JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2+' (AM Two Plus) to the Management Company and assigned stability rating of A+(f) to the Fund as at December 31, 2019 and December 30, 2019, respectively.

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 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 IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2019.
- 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, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 2.1.4** This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.
- 2.1.5** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

**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 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, 2019.
- 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, 2019.
- 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 the annual financial statements of the Fund for the year ended June 30, 2019.

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, 2019.

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	-----Rupees in '000-----	
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	1,243,092	2,009,536
In current accounts		8,870	4,003
		<u>1,251,962</u>	<u>2,013,539</u>

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 8.0% to 14.50% per annum (June 30, 2019: 8.0% to 13.6% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 6.628 million (June 30, 2019: Rs. 140.432 million).

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	-----Rupees in '000-----	
<b>5 INVESTMENTS</b>			
Financial assets			
At fair value through profit or loss	5.1	2,090,063	1,028,205
At amortized cost	5.2	-	99,324
		<u>2,090,063</u>	<u>1,127,529</u>

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

Government securities			
Market treasury bills	5.1.1	-	984,996
Pakistan Investment Bonds	5.1.2	2,006,786	89
GoP Ijara Sukuk Certificates	5.1.4	-	-
		<u>2,006,786</u>	<u>985,085</u>
Term Finance Certificates and Sukuk Bonds	5.1.5	83,277	43,120
		<u>2,090,063</u>	<u>1,028,205</u>

### 5.1.1 Market Treasury Bills

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2019	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2019	Purchases during the period	Sales/matured during the period	As at December 31, 2019					
Rupees in '000										
July 12, 2018	3 Month	-	50,000	50,000	-	-	-	-	-	-
April 25, 2019	3 Month	-	4,000,000	4,000,000	-	-	-	-	-	-
May 23, 2019	3 Month	1,000,000	3,150,000	4,150,000	-	-	-	-	-	-
July 18, 2019	3 Month	-	16,695,000	16,695,000	-	-	-	-	-	-
August 1, 2019	3 Month	-	4,250,000	4,250,000	-	-	-	-	-	-
August 16, 2019	3 Month	-	3,000,000	3,000,000	-	-	-	-	-	-
August 29, 2019	3 Month	-	3,000,000	3,000,000	-	-	-	-	-	-
September 12, 2019	3 Month	-	700,000	700,000	-	-	-	-	-	-
September 26, 2019	3 Month	-	650,000	650,000	-	-	-	-	-	-
October 10, 2019	3 Month	-	1,290,000	1,290,000	-	-	-	-	-	-
October 24, 2019	3 Month	-	3,499,000	3,499,000	-	-	-	-	-	-
November 7, 2019	3 Month	-	1,000,000	1,000,000	-	-	-	-	-	-
December 19, 2019	3 Month	-	700,000	700,000	-	-	-	-	-	-
Total - As at December 31, 2019		1,000,000	41,984,000	42,984,000	-	-	-	-	-	-
Total - As at June 30, 2019		-	50,704,400	49,704,400	1,000,000	984,910	984,996	86	46.54%	87.36%

### 5.1.2 Pakistan Investment Bonds

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2019	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at December 31, 2019					
Rupees in '000										
July 12, 2018	3 Years	100	2,217,100	1,725,200	492,000	457,956	456,472	(1,484)	13%	22%
July 12, 2018	5 Years	-	2,081,400	2,081,400	-	-	-	-	-	-
July 12, 2018	10 Years	-	75,000	75,000	-	-	-	-	-	-
July 25, 2019	10 Years	-	1,000,000	1,000,000	-	-	-	-	-	-
August 22, 2019	10 Years	-	600,000	-	600,000	610,613	613,080	2,467	18%	29%
September 19, 2019	3 Years	-	1,600,000	700,000	900,000	840,697	843,146	2,449	25%	40%
September 19, 2019	5 Years	-	700,000	700,000	-	-	-	-	-	-
September 19, 2019	10 Years	-	100,000	-	100,000	90,154	94,088	3,934	3%	5%
Total - As at December 31, 2019		100	8,373,500	6,281,600	2,092,000	1,999,420	2,006,786	7,366	59%	96%
Total - As at June 30, 2019		-	6,939,500	6,939,400	100	91	89	(2)	0.004%	0.008%

5.1.3 These Pakistan Investment Bonds (PIBs) carry effective yield ranging from 11.26% to 12.16% per annum (June 30, 2019: 11.90%).

### 5.1.4 GoP Ijara Sukuk Certificates

Issue date	Tenure	Face value				Balance as at December 31, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at December 31, 2019	Carrying value	Market value	Appreciation / (diminution)		
Rupees in '000										
June 17, 2018	3 Years	-	410,000,000	410,000,000	-	-	-	-	-	-
Total - As at December 31, 2019		-	410,000,000	410,000,000	-	-	-	-	-	-
Total - As at June 30, 2019		-	735,000	735,000	-	-	-	-	-	-

### 5.1.5 Term Finance Certificates and Corporate Sukuk Bonds

Name of the investee company	Number of units				Balance as at December 31, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments	
	As at July 1, 2019	Purchases during the period	Sales during the period	As at December 31, 2019	Carrying value	Market value As at December 31, 2019	Appreciation / (diminution)			
(Rupees in '000)										
<b>Term finance certificates - unlisted</b>										
Askari Bank Limited	7,000	-	-	7,000	34,143	34,143	-	1.007%	1.634%	
Bank of Punjab	-	500	-	500	49,441	49,134	(307)	1.450%	2.351%	
	7,000	500	-	7,500	83,584	83,277	(307)	2.457%	3.984%	
<b>Corporate sukuk bonds - listed</b>										
Dawood Hercules Corporation Limited	100	-	100	-	-	-	-	-	-	
<b>Corporate sukuk bonds - unlisted</b>										
The Hub Power Company Limited	-	1,000	1,000	-	-	-	-	-	-	
Total - as at December 31, 2019	7,100	1,500	1,100	7,500	83,584	83,277	(307)	2.457%	3.984%	
Total - as at June 30, 2019	-	17,290	10,190	7,100	43,151	43,120	(31)	1.950%	3.824%	

5.1.6 These Term Finance Certificates and Sukuk Bonds carry mark-up at the rate ranging from 14.45% to 15.10% per annum (2019: 12.30% to 12.67%).

5.1.7 Significant terms and conditions of Term Finance Certificates as at December 31, 2019 are as follows:

Name of the investee company	Remaining principal (per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
<b>Term finance certificates - unlisted</b>				
Askari Bank Limited	4,990	6 months KIBOR +1.20%	30-Sep-14	30-Sep-24
Bank of Punjab	99,880	6 months KIBOR +1.00%	23-Dec-16	23-Dec-26

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	-----Rupees in '000-----	
5.2 <b>Financial assets at amortized cost:</b>			
Commercial paper	5.2.1	-	99,324

### 5.2.1 Commercial paper

Name of the investee company	As at July 1, 2019	Placement made during the period	Income accrued	Matured during the period	As at December 31, 2019	Percentage of net assets	Percentage of total investment
----- (Rupees in '000) -----							
The Hub Power Company Limited	99,324	-	676	100,000	-	-	-
Total - as at December 31, 2019	99,324	-	676	100,000	-	-	-
Total - as at June 30, 2019	-	146,856	4,468	52,000	99,324	4.693%	8.809%

5.2.2 Commercial paper issued by The Hub Power Company Limited carried mark-up at the rate of 12.11% (June 30, 2019: 12.11%) and has been matured in July 22, 2019.

5.3 **Net unrealized appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss**

	December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	-----Rupees in '000-----	
Market value of investments	2,090,063	1,028,205
less: carrying value of investments	(2,083,004)	(1,028,152)
	<u>7,059</u>	<u>53</u>

## 6 ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with:

Central Depository Company of Pakistan Limited		100	100
National Clearing Company of Pakistan limited		767	767
		<u>867</u>	<u>867</u>
Prepaid expenses	6.1	210	460
Advance tax	6.2	391	391
		<u>1,468</u>	<u>1,718</u>

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

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

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>-----Rupees in '000-----</b>	
<b>7 PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration of the Management Company	7.1	3,434	2,233
Sindh Sales Tax payable on the Management Company's remuneration	7.2	446	290
Sales load payable		2,917	6,684
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	610	179
Selling and marketing expense	7.4	3,180	943
		<u>10,587</u>	<u>10,329</u>

- 7.1** As per the offering document of the Fund, the Management Company charges a fee at the rate of 1.25% of the average annual net assets on daily basis of the Scheme subject to the guidelines issued by the Commission from time to time. However, on December 28, 2017, second supplement to the offering document was issued according to which the management company was to charge a fee at the rate of 12.5% of gross earnings with floor of 1% and cap of 1.25% of the average annual net assets on daily basis of the Scheme effective from January 15, 2018. During the period, the fee has been charged at the rate ranging between 0.65% to 1.36% of the daily annual net assets of the Fund. The fee is being charged at the rate of 1.25% from October 16, 2019 onwards. The fee is payable monthly in arrears.
- 7.2** The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

**7.3** As per Regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. Previously, such expenses were chargeable maximum upto 0.1% of the average annual net assets on daily basis of the Scheme 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 period, the fee has been charged at the rate ranging between 0.1% to 0.3% of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.22% from October 16, 2019 onwards.

**7.4** 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 Scheme or the actual cost, 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 can be charged to all categories of open end mutual funds, except fund of funds with no cap. During the period, the fee has been charged at the rate ranging between 0.4% to 0.75% of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.75% from July 8, 2019 onwards.

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	-----Rupees in '000-----	
<b>8 PAYABLE TO THE TRUSTEE</b>			
Trustee fee payable	8.1	202	221
CDS charges payable		5	3
		207	224

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

Earlier, the Trustee fee was charged as per the details disclosed in note 10.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019. CDC, vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged at the rate of 0.2% of the average annual net assets of the Fund. During the period, Management Company has charged the Trustee fee at the rate of 0.06% from July 1, 2019 to August 7, 2019, and at the rate of 0.065% from August 8, 2019 to December 31, 2019.

**8.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	-----Rupees in '000-----	
<b>9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee payable	9.1	281	670

**9.1** Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

**10 ACCRUED EXPENSES AND OTHER LIABILITIES**

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>-----Rupees in '000-----</b>	
Provision for Federal Excise Duty	10.1	15,531	15,531
Provision for Sindh Workers' Welfare Fund	10.2	11,196	7,648
Withholding tax payable		829	7,708
Auditors' remuneration		220	282
Printing charges		153	183
Payable against purchase of investment		-	984,910
Payable against issuance of units		3,600	-
Zakat payable		232	232
Dividend payable		31	1,002
Others		164	157
		<b>31,956</b>	<b>1,017,653</b>

**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, 2019, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2019 would have been higher by Re. 0.5167 per unit (June 30, 2019: Re. 0.7767 per unit).

**10.2** The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is the same as disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019 and a constitutional petition filed by certain CISs, through their trustees, in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, is pending adjudication.

As at December 31, 2019, the provision in relation to SWWF amounted to Rs. 11.196 million. Had the provision not been made, the net asset value per unit as at December 31, 2019 would have been higher by Re. 0.3725 (June 30, 2019: Re. 0.3825) per unit.

**11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2019 (June 30, 2019: Nil).

**12 TAXATION**

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

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

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

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

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

Transactions and balances with parties who were connected persons due to holding 10% or more units 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>Half year ended</b>	
	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
	<b>(Un-Audited)</b>	<b>(Un-Audited)</b>
	<b>-----Rupees in '000-----</b>	
<b>14.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	15,443	2,566
Sindh Sales Tax on remuneration of the Management Company	2,008	334
Sales load paid	15,959	30
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,339	224
Selling and marketing expense	7,720	-
Issue of Nil (2018: 915,008) units	-	95,000
Redemption of Nil (2018: 1,753,587) units	-	189,048
Dividend paid	-	4,355
<b>Habib Bank Limited - Sponsor</b>		
Bank charges	341	13
Mark-up on bank deposits	6,870	121
<b>HBL Financial Planning Fund Strategic Allocation Plan</b>		
<b>- Fund under common management</b>		
Issue of 345,994 (2018: Nil) units	36,967	-
Redemption of 658,073 (2018: Nil) units	72,496	-
<b>HBL Financial Planning Fund Special Income Plan</b>		
<b>- Fund under common management</b>		
Issue of 1,220,437 (2018: Nil) units	133,000	-

	Half year ended	
	December 31	
	2019	2018
	(Un-Audited)	(Un-Audited)
	-----Rupees in '000-----	
<b>Executive of the Management Company</b>		
Issue of 37,450 (2018: 19,346) units	4,026	2,110
Redemption of 38,857 (2018: 19,346) units	4,257	2,115
<b>CDC Trustee - HBL Income Fund</b>		
Purchase of Bank of Punjab - Term Finance Certificate	50,201	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	912	335
Sindh Sales Tax payable on the Trustee fee	119	44
Central Depository service charges	47	8
	<b>December 31,</b>	<b>June 30,</b>
	<b>2019</b>	<b>2019</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 - Management Company</b>		
Remuneration payable to the Management Company	3,434	2,233
Sindh Sales Tax on remuneration of the Management Company	446	290
Sales load payable	2,917	6,684
Allocation of expenses related to registrar services, accounting, operation and valuation services	610	179
Selling and marketing payable	3,180	943
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	15,497	144,445
Profit receivable	2,733	343
<b>HBL Financial Planning Fund Strategic Allocation Plan - Fund under common management</b>		
Units held: Nil (June 30, 2019: 312,079)	-	33,031
<b>HBL Financial Planning Fund Special Income Plan - Fund under common management</b>		
Units held: 1,220,437 (June 30, 2019: Nil)	137,621	-

	December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	-----Rupees in '000-----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	202	221
CDS charges payable	5	3
Security deposit	100	100
<b>Executives of the Management Company</b>		
Units held: 13,996 (June 30, 2019: 23,111)	1,578	2,446

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the 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.

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.

		December 31, 2019 (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>Financial assets measured at fair value</b>	15.1							
Pakistan investment bonds		2,006,786	-	2,006,786	-	2,006,786	-	2,006,786
Term finance certificates and corporate sukuk bonds		83,277	-	83,277	-	83,277	-	83,277
		<u>2,090,063</u>	<u>-</u>	<u>2,090,063</u>	<u>-</u>	<u>2,090,063</u>	<u>-</u>	<u>2,090,063</u>
<b>Financial assets not measured at fair value</b>	15.2							
Bank balances		-	1,251,962	1,251,962				
Commercial paper		-	-	-				
Mark-up / interest receivable		-	88,816	88,816				
Deposits		-	867	867				
		<u>-</u>	<u>1,341,645</u>	<u>1,341,645</u>				
<b>Financial liabilities not measured at fair value</b>	15.2							
Payable to Management Company		-	10,141	10,141				
Payable to the Trustee		-	183	183				
Accrued expenses and other liabilities		-	4,163	4,163				
		<u>-</u>	<u>14,487</u>	<u>14,487</u>				
		June 30, 2019 (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>Financial assets not measured at fair value</b>	15.2							
Bank balances		-	2,013,539	2,013,539				
Commercial paper		-	99,324	99,324				
Profit / interest receivable		-	23,146	23,146				
Deposits		-	867	867				
		<u>-</u>	<u>2,136,876</u>	<u>2,136,876</u>				
<b>Financial liabilities not measured at fair value</b>	15.2							
Payable to the Management Company		-	10,039	10,039				
Payable to the Trustee		-	199	199				
Payable against redemption of units		-	20,774	20,774				
Accrued expenses and other liabilities		-	986,529	986,529				
		<u>-</u>	<u>1,017,541</u>	<u>1,017,541</u>				

### 15.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in Pakistan Investment Bond, Fund uses rates which are derived from PKRV and PKFRV rates at reporting date per certificate multiplied by the number of certificates held as at period end and investment in Corporate Sukuk Bonds and Term Finance Certificates is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012 at reporting date.

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

### 15.3 Transfers during the period

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

## 16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2019 is 1.27% (December 31, 2018: 1.09%) which includes 0.22% (December 31, 2018: 0.20%) representing Government levy and SECP fee

---

---

**17 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 13, 2020.

**18 GENERAL**

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

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

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

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

---

---

# **HBL**

## **Money Market Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Money Market Fund
Name of Auditor	Deloitte Yousuf Adil 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 JS Bank Limited Dubai Islamic Bank Limited MCB Bank Limited
Fund Rating	AA(f) (JCR-VIS)

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



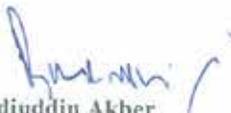
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL MONEY MARKET FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Money Market Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 26, 2020







**Deloitte Yousuf Adil**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

Tel: +92 (0) 21 3454 6494-7  
Fax: +92 (0) 21- 3454 1314

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

## **Auditors' report to the unit holders on review of Condensed Interim Financial Information**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Money Market Fund** (the Fund) as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of other comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2019 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of other comprehensive income, for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

### **Scope of Review**

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

### **Conclusion**

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

*Deloitte Yousuf Adil*  
**Chartered Accountants**

**Engagement Partner**  
Hena Sadiq

**Date:** February 25, 2020  
**Place:** Karachi

Member of  
**Deloitte Touche Tohmatsu Limited**

**HBL Money Market Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at December 31, 2019*

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	8,019,541	5,485,942
Investments	5	1,135,911	1,423,742
Accrued mark-up		102,331	55,136
Deposits and prepayments		264	117
<b>Total assets</b>		<b>9,258,047</b>	<b>6,964,937</b>
<b>Liabilities</b>			
Payable to the Management Company	6	11,546	5,843
Payable to the Trustee		544	1,038
Payable to Securities and Exchange Commission of Pakistan		889	5,486
Payable against purchase of investments		-	492,454
Accrued expenses and other liabilities	7	89,463	207,378
<b>Total liabilities</b>		<b>102,442</b>	<b>712,199</b>
<b>Net assets</b>		<b>9,155,605</b>	<b>6,252,738</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>9,155,605</b>	<b>6,252,738</b>
<b>Contingencies and commitments</b>	8		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>84,255,894</b>	<b>61,169,427</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>108.6643</b>	<b>102.2200</b>

The annexed notes 1 to 14 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 Money Market Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the half year ended December 31, 2019*

	Note	Half year ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
(Rupees in '000)					
<b>Income</b>					
Mark-up on deposits with banks		338,721	139,428	261,749	51,591
Mark-up / return on investments		233,675	198,301	47,887	121,410
Capital loss on sale of investments - net		(3,686)	(7,021)	(2,865)	(6,550)
Unrealised loss on re-measurement of investments classified as Financial asset at fair value through profit and loss		(33)	(17)	-	(17)
		<b>568,678</b>	<b>330,691</b>	<b>306,772</b>	<b>166,434</b>
<b>Expenses</b>					
Remuneration of the Management Company		38,957	37,887	24,290	18,952
Remuneration of the Trustee		3,051	3,771	1,636	1,777
Annual fee of Securities and Exchange Commission of Pakistan		889	2,959	503.07	1,383
Allocation of expenses related to registrar services, accounting, operation and valuation services		4,136	3,945	1,090.22	1,844
Settlement and bank charges		559	317	452.05	158
Auditors' remuneration		322	299	169.28	149
Fee and Subscription		157	149	81	86
Securities transaction cost		217	3	109	2
Selling and Marketing expenses		4,647	-	-	-
		<b>52,937</b>	<b>49,330</b>	<b>28,332</b>	<b>24,351</b>
<b>Net income from operating activities</b>		<b>515,741</b>	<b>281,361</b>	<b>278,440</b>	<b>142,083</b>
Provision for Sindh Workers' Welfare Fund	7.2	(10,315)	(5,627)	(5,568)	(2,841)
<b>Net income for the period before taxation</b>		<b>505,426</b>	<b>275,734</b>	<b>272,872</b>	<b>139,242</b>
Taxation	9	-	-	-	-
<b>Net income for the period after taxation</b>		<b>505,426</b>	<b>275,734</b>	<b>272,872</b>	<b>139,242</b>
<b>Allocation of income for the period</b>					
Income already paid on redemption of units		104,497	86,480	85,773	74,599
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		400,929	-	187,066	64,643
		<b>400,929</b>	<b>189,254</b>	<b>187,100</b>	<b>64,643</b>
<b>Net income for the period after taxation</b>		<b>505,426</b>	<b>275,734</b>	<b>272,872</b>	<b>139,242</b>

The annexed notes 1 to 14 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 Money Market Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the half year ended December 31, 2019*

	Half year ended		Quarter ended,	
	December 31,		December 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net income for the period after taxation	505,426	275,734	272,872	139,242
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>505,426</b>	<b>275,734</b>	<b>272,872</b>	<b>139,242</b>

The annexed notes 1 to 14 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 Money Market Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For the half year ended December 31, 2019*

	Half year ended December 31,	
	2019	2018
Note	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Net income for the period before taxation	505,426	275,734
<b>Adjustments for non-cash items:</b>		
Capital loss on sale of investments - net	3,686	7,021
Mark-up / return on investments	(233,675)	(198,301)
Profit on bank deposits	(338,721)	(139,428)
Unrealised diminution on re-measurement of investments classified as Financial asset at fair value through profit and loss	33	17
Provision for Sindh Worker's Welfare Fund	10,315	5,627
	(52,937)	(49,330)
<b>(Decrease) / increase in assets</b>		
Investments - net	284,112	(4,687,637)
Advances , deposits, prepayments and other receivables	(147)	(149)
	283,965	(4,687,786)
<b>Increase / (Decrease) in liabilities</b>		
Payable to the Management Company	5,703	1,537
Payable to the Trustee	(494)	581
Payable to the Securities and Exchange Commission of Pakistan	(4,597)	(1,105)
Payable against purchase of investment	(492,454)	3,445,617
Accrued expenses and other liabilities	(128,230)	377
	(620,072)	3,447,007
	(389,044)	(1,290,109)
Bank profit received	299,763	108,799
Income on investments received	225,439	192,426
	525,201	301,225
<b>Net cash generated / (used in) from operating activities</b>	<b>136,158</b>	<b>(988,884)</b>
<b>Cash flows from financing activities</b>		
Amount received on issue of units	6,902,357	6,888,868
Payment against redemption of units	(4,504,916)	(6,613,314)
Cash dividend paid	-	(348,317)
<b>Net cash generated /(used in) from financing activities</b>	<b>2,397,442</b>	<b>(72,763)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,533,599</b>	<b>(1,061,647)</b>
Cash and cash equivalents at beginning of the period	5,485,942	7,298,928
<b>Cash and cash equivalents at end of the period</b>	<b>8,019,541</b>	<b>6,237,281</b>

The annexed notes 1 to 14 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 Money Market Fund**

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

*For the half year ended December 31, 2019*

---

---

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

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

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

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 has re assigned a management quality rating of AM2+' (positive outlook) to the Management Company and fund stability rating of AA(f) to the fund on December 31, 2019

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 condensed 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 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, 2019.

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 December 31, 2019.

---

---

## 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. Amounts in this condensed financial information has been rounded off to the nearest thousand rupees, unless otherwise stated.

2.4 The directors of the Management Company declare that this condensed interim financial information give a true and fair view of the Fund.

## 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, 2019.

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 recognized 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, 2019.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting periods beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The 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, 2019.

		(Un-Audited) December 31, 2019	(Audited) June 30, 2019
4.	<b>BANK BALANCES</b>	----- (Rupees in '000) -----	
	Balances with bank in:		
	- Saving account	4.1 8,019,541	2,185,942
	- Term deposit receipts	-	600,000
	- Call deposit receipts	-	2,700,000
		<u>8,019,541</u>	<u>5,485,942</u>

4.1 Mark-up on these accounts ranges between 11.00% - 14.50% per annum (June 30, 2019: 4.00% - 13.6% per annum).

5. INVESTMENTS	Note	(Un-Audited)	(Audited)
		December 31, 2019	June 30, 2019
		----- (Rupees in '000) ---	
Financial asset at fair value through profit and loss			
- Government Securities	5.1	23,883	492,498
Financial assets at amortised cost			
- Commercial Paper	5.2	437,028	931,244
- Letter of placement	5.3	675,000	-
		<u>1,135,911</u>	<u>1,423,742</u>

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

Issue Date	Tenure	Face value				Market Value as at December 31, 2019	Market value as a percentage of	
		As at July 1, 2019	Purchases during the year	Sales / Matured during the year	As at December 31, 2019		Total Investments	Net Assets
----- (Rupees in '000) -----								
<b>Treasury bills</b>								
May 23, 2019	3 month	500,000	1,200,000	1,700,000	-	-	-	-
July 18, 2019	3 month	-	14,535,000	14,535,000	-	-	-	-
August 1, 2019	3 month	-	4,862,500	4,862,500	-	-	-	-
October 10, 2019	3 month	-	1,525,000	1,525,000	-	-	-	-
October 24, 2019	3 month	-	3,300,000	3,300,000	-	-	-	-
November 7, 2019	3 month	-	1,350,000	1,350,000	-	-	-	-
August 16, 2019	3 month	-	625,000	625,000	-	-	-	-
August 29, 2019	3 month	-	110,000	110,000	-	-	-	-
October 10, 2019	6 month	-	910,000	910,000	-	-	-	-
October 24, 2019	6 month	-	1,500,000	1,500,000	-	-	-	-
November 7, 2019	6 month	-	2,575,000	2,550,000	25,000	23,883	2%	0.26%
<b>Total - As at December 31, 2019</b>		<b>500,000</b>	<b>32,492,500</b>	<b>32,967,500</b>	<b>25,000</b>	<b>23,883</b>	<b>0.02</b>	<b>0.00</b>
<b>Total - As at June 30, 2019</b>		<b>-</b>	<b>109,826,500</b>	<b>109,326,500</b>	<b>500,000</b>	<b>492,498</b>	<b>34.59</b>	<b>7.88</b>

5.2 Particulars	Profit/mark-up rates	Issue date	Maturity Date	Face Value	Amortised Cost	Carrying value as a % of net assets	Carrying value as a % of total investment
----- (Rupees in '000) -----							
K-electric	15.38%	28-Aug-19	28-Feb-20	100,000	97,614	1.07%	8.59%
K-electric	14.74%	19-Sep-19	19-Mar-20	100,000	96,999	1.06%	8.54%
K-electric	14.64%	19-Sep-19	19-Mar-20	250,000	242,415	2.65%	21.34%
				<u>450,000</u>	<u>437,028</u>		

### 5.3 Letter of Placement

Name of Company	As at July 01, 2019	Purchased made during the period	Matured during the period	As at December 31, 2019	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----						
Saudi Pak Ind & Agri Investment Co.	-	450,000	450,000	-	-	-
Pak Oman Investment Company (Pvt)	-	3,281,000	3,281,000	-	-	-
Pak Brunei Investment Co. Ltd.	-	740,000	740,000	-	-	-
Zarai Taraqiyati Bank limited	-	1,425,000	750,000	675,000	59%	7%
<b>Total - As at December 31, 2018</b>	<b>-</b>	<b>5,896,000</b>	<b>5,221,000</b>	<b>675,000</b>	<b>0.59</b>	<b>0.07</b>
<b>Total - As at June 30, 2019</b>	<b>-</b>	<b>3,148,000</b>	<b>3,148,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

5.2.1 Letter of placement carries mark-up range of 14% (June 30, 2019: Nil) per annum and will mature on January 24, 2020.

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	----- (Rupees in '000) -----	
<b>6. PAYABLE TO THE MANAGEMENT COMPANY</b>		
Management fee	6,944	4,714
Sindh sales tax on Management Company's remuneration	903	613
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	501
Sale load payable to management company	3,699	15
	<b>11,546</b>	<b>5,843</b>
	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	----- (Rupees in '000) -----	
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration	319	456
Withholding tax payable	60	30,995
Capital gain tax payable	8,434	2,296
Federal Excise Duty	7.1 41,211	41,211
Provision for Sindh Workers' Welfare Fund	7.2 34,691	24,376
Advance received against units to be issued	2,500	2,500
Dividend payable	1,926	101,223
Others	322	4,321
	<b>89,463</b>	<b>207,378</b>

---

---

**7.1** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan along-with Central Depository Company of Pakistan Limited with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated June 30, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

The Finance Act, 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the period ending December 31, 2019.

However, since the appeal is pending in Supreme Court of Pakistan, the Management Company, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 41.211 million. Had the provision not been made, the Net Asset Value per unit as at December 31, 2019 would have been higher by Rs. 0.489 (June 30, 2019: Rs. 0.674) per unit.

**7.2** The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

As a result of the above recommendations of the MUFAP, the Fund on January 12, 2017, reversed the provision of WWF amounting to Rs. 64.738 million and started recognising provision for SWWF.

As at December 31, 2019, the provision in relation to SWWF amounted to Rs. 34.691 million (June 2018: Rs. 12.371 million). Had the provision not being made, the Net Asset Value per unit as at December 31, 2019 would have been higher by Rs. 0.4117 (June 30, 2019: Rs. 0.398) per unit.

## **8. CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

## **9. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. 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 period ended December 31, 2019 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 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 and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

		(Un-Audited) Half year ended December 31,	
		2019	2018
		----- (Rupees in '000) -----	
<b>10.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee inclusive of Sales tax	38,957	37,887
	Allocation of expenses related to registrar services, accounting, operation and valuation services	4,136	3,945
	Issue of 934,643units (2018: 78,443 units)	101,195	8,063
	Redemption of 692,158units (2018: 1,069,156 units)	75,000	111,111
	<b>Habib Bank Limited - Sponsor</b>		
	Mark-up earned during the period	35,028	21,520
	Issue of nil units (2018:95,212 units)	-	9,715
	Redemption of 4,621,263 units (2018: 324,958 units)	500,000	33,121
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration of the Trustee	3,051	3,771
	<b>Directors, Executives and Key Management personnel</b>		
	Issue of 52,334units (2018: 1,895 units)	5,601	196
	Redemption of 52,258units (2018: 1,627 units)	5,597	169
	<b>Fauji Fertilizer Company Ltd</b>		
	<b>Connected persons due to holding 10% or more units</b>		
	Issue of 20,743,816 units (2018: Nil units)	2,160,000	-
	<b>MCBFSL Trustee HBL Financial Planning Fund</b>		
	Issue of 16,246 units (2018: Nil units)	1,740	-
	Redemption of 159,508 (2018: Nil units)	16,598	-
		(Un-Audited) December 31, 2019	(Audited) June 30, 2019
		----- (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	6,944	4,714
	Sindh Sales Tax	903	613
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	501
	Sales load payable		15
	Investment held in the Fund : 263,596 units (June 30, 2019 : 21,109 units)	28,643	2,158

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	----- (Rupees in '000) -----	
<b>Habib Bank Limited - Sponsor</b>		
Investment held in the Fund : 4,116,245 units (June 30, 2019: 8,737,507 units)	<b>447,289</b>	893,148
Bank balances	<b>3,968,973</b>	503,798
Sales load payable	-	3,833
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	<b>482</b>	919
Sindh Sales tax	<b>62</b>	119
<b>Directors, Executives and Key Management personnel</b>		
Investment held in the Fund : 13,242 units (June 30, 2019: 13,150 units)	<b>1,439</b>	1,349
<b>MCBFSL Trustee HBL Financial Planning Fund- Connected persons</b>		
Investment held in the Fund : 396,163 units (June 30, 2019: 539,425 units)	<b>43,049</b>	55,140
<b>* Fauji Fertilizer Company Ltd due to holding 10% or more units</b>		
Investment held in the Fund : 20,764,373 units (June 30, 2019: Nil units)	<b>2,256,346</b>	-

\* Prior period balances with these parties has not been disclosed as they were not connected person and related parties during prior periods.

## 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 half year ended December 31, 2019 is 0.72% (December 31, 2018: 0.70%) which includes 0.18% (December 31, 2018: 0.17%) 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.



---

---

**13. DATE OF AUTHORISATION FOR ISSUE**

The condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 13, 2020.

**14. GENERAL**

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

**14.2** This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.

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

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

# **HBL**

## **Cash Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Cash Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
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 MCB Bank Limited Allied Bank Limited Dubai Islamic Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited United Bank Limited Sindh Bank Limited Faysal Bank Limited
Fund Rating	'AA(f)' (JCR-VIS)

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL CASH FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Cash Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 24, 2020





Tel: +92 21 3568 3030  
Fax: +92 21 3568 4239  
www.bdo.com.pk

2nd Floor, Block-C  
Lakson Square, Building No.1  
Sarwar Shaheed Road  
Karachi-74200  
Pakistan

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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL CASH FUND ("the Fund") as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2019 and December 31, 2018 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 13 FEB 2020

  
BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Raheel Shahnawaz

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**HBL Cash Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At December 31, 2019*

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	9,349,298	7,064,377
Investments	5	1,250,666	2,693,870
Mark-up receivable		131,049	104,600
Advances, deposits and prepayments	6	1,320	3,384
<b>TOTAL ASSETS</b>		<u>10,732,333</u>	<u>9,866,231</u>
<b>LIABILITIES</b>			
Payable to the Management Company	7	9,704	7,387
Payable to the Trustee	8	716	809
Payable to Securities and Exchange Commission of Pakistan	9	1,009	8,887
Payable against purchase of investments - net		-	984,910
Dividend payable		-	138
Accrued expenses and other liabilities	10	57,689	55,177
<b>TOTAL LIABILITIES</b>		<u>69,118</u>	<u>1,057,308</u>
<b>NET ASSETS</b>		<u>10,663,215</u>	<u>8,808,923</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>10,663,215</u>	<u>8,808,923</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	----- (Number of Units) -----	
<b>Number of units in issue</b>		<u>104,652,994</u>	<u>87,313,394</u>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<u>101.8912</u>	<u>100.8886</u>

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

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

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

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

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

**HBL Cash Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For The Half Year And Quarter Ended December 31, 2019*

	Note	Half year ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
------(Rupees in '000)-----					
<b>Income</b>					
Capital loss on sale of investments - net		(3,378)	(8,350)	(2,239)	(8,002)
Income from Government securities		196,972	237,362	110,363	113,043
Income from money market transactions and placements		125,189	94,297	71,919	57,751
Mark-up on bank deposits		371,891	215,163	193,662	121,898
		<u>690,674</u>	<u>538,472</u>	<u>373,705</u>	<u>284,690</u>
Unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net		-	(30)	-	(30)
		<u>690,674</u>	<u>538,442</u>	<u>373,705</u>	<u>284,660</u>
<b>Expenses</b>					
Remuneration of the Management Company	7.1	26,894	40,952	18,455	26,542
Sindh Sales Tax on remuneration of the Management Company	7.2	3,496	5,324	2,399	3,451
Remuneration of the Trustee	8.1	3,278	4,989	1,762	2,464
Sindh Sales Tax on remuneration of the Trustee	8.2	426	649	229	320
Annual fee to Securities and Exchange Commission of Pakistan		1,009	4,819	543	2,371
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	7,856	6,426	4,132	3,162
Selling and marketing expense	7.4	5,707	-	-	-
Auditors' remuneration		225	221	118	110
Fee and subscription		164	153	89	79
Securities transaction costs and settlement charges		708	444	424	201
Bank charges		294	190	146	108
Printing charges		20	-	20	-
		<u>50,077</u>	<u>64,167</u>	<u>28,317</u>	<u>38,808</u>
<b>Net income for the period from operating activities</b>		<u>640,597</u>	<u>474,275</u>	<u>345,388</u>	<u>245,852</u>
Provision for Sindh Workers' Welfare Fund	10.2	(12,812)	(9,485)	(6,908)	(5,023)
<b>Net income for the period before taxation</b>		<u>627,785</u>	<u>464,790</u>	<u>338,480</u>	<u>240,829</u>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<u>627,785</u>	<u>464,790</u>	<u>338,480</u>	<u>240,829</u>
<b>Allocation of net income for the period</b>					
Income already paid on redemption		27,803	197,309	20,158	167,668
Accounting income available for distribution:					
Relating to capital gains		-	-	-	-
Excluding capital gains		599,982	267,481	318,321	73,161
		<u>599,982</u>	<u>267,481</u>	<u>318,322</u>	<u>73,161</u>
		<u>627,785</u>	<u>464,790</u>	<u>338,480</u>	<u>240,829</u>
Earnings per unit	13				

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

## HBL Cash Fund

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

For The Half Year And Quarter Ended December 31, 2019

	Half year ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	------(Rupees in '000)-----			
Net income for the period after taxation	627,785	464,790	338,480	240,829
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 for the period	<u>627,785</u>	<u>464,790</u>	<u>338,480</u>	<u>240,829</u>

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**HBL Cash Fund**  
**Condensed Interim Statement of Cash Flow (Un-Audited)**  
*For The Half Year Ended December 31, 2019*

	Half year ended December 31,	
	2019	2018
Note-----	(Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	627,785	464,790
Adjustments for:		
Capital loss on sale of investment - net	3,378	8,350
Income from Government securities	(196,972)	(237,362)
Income from money market placements	(125,189)	(94,297)
Mark-up on bank deposits	(371,891)	(215,163)
	<u>(62,889)</u>	<u>(73,682)</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	454,983	(1,922,644)
Advances, deposits and prepayments	2,064	(3,827)
	457,047	(1,926,471)
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	2,318	2,756
Payable to the Trustee	(93)	(34)
Payable to Securities and Exchange Commission of Pakistan	(7,878)	(3,102)
Accrued expenses and other liabilities	2,511	1,641
Dividend payable	(138)	43,842
	<u>(3,280)</u>	<u>45,103</u>
Cash generated from / (used in) operations	390,878	(1,955,050)
Income received from Government securities	196,972	237,362
Income received from money market placement	111,235	81,440
Mark-up received on bank deposits	359,330	173,748
	<u>667,537</u>	<u>492,550</u>
Net cash generated from / (used in) operating activities	1,058,415	(1,462,500)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	8,034,437	16,561,545
Amount paid on redemption of units	(6,284,960)	(17,772,306)
Dividend paid	(522,971)	(979,777)
Net cash generated from / (used in) financing activities	<u>1,226,506</u>	<u>(2,190,538)</u>
Net increase / (decrease) in cash and cash equivalents during the period	2,284,921	(3,653,038)
Cash and cash equivalents at the beginning of the period	7,064,377	10,899,252
Cash and cash equivalents at the end of the period	4 <u><u>9,349,298</u></u>	<u><u>7,246,215</u></u>

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

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

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

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

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

# HBL Cash Fund

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

For The Half Year Ended December 31, 2019

	Half year ended December 31,					
	2019			2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at beginning of the period</b>	8,764,853	44,070	8,808,923	11,727,212	312,522	12,039,734
<b>Issuance of 79,309,465 units (2018: 161,719,040 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	8,001,418	-	8,001,418	16,293,535	-	16,293,535
Element of income	33,019	-	33,019	268,010	-	268,010
<b>Total proceeds on issuance of units</b>	8,034,437	-	8,034,437	16,561,545	-	16,561,545
<b>Redemption of 61,969,864 units (2018: 173,173,598 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(6,252,053)	-	(6,252,053)	(17,447,606)	-	(17,447,606)
Income already paid on redemption of units	-	(27,803)	(27,803)	-	(197,309)	(197,309)
Element of loss	(5,104)	-	(5,104)	(127,391)	-	(127,391)
<b>Total payments on redemption of units</b>	(6,257,157)	(27,803)	(6,284,960)	(17,574,997)	(197,309)	(17,772,306)
<b>Total comprehensive income for the period</b>	-	627,785	627,785	-	464,790	464,790
Annual distribution of Rs. 5.25 per unit declared on July 04, 2018 as cash dividend						
Refund of capital	-	-	-	(319,181)	-	(319,181)
Distribution for the year	-	-	-	-	(277,112)	(277,112)
Interim distribution of Rs. 3.50 per unit declared on December 28, 2018 as cash dividend						
Refund of capital	-	-	-	(132,688)	-	(132,688)
Distribution for the period	-	-	-	-	(250,794)	(250,794)
Interim distribution of Rs. 1.1585 per unit declared on August 02, 2019 as cash dividend						
Refund of capital	(10,589)	-	(10,589)	-	-	-
Distribution for the period	-	(95,237)	(95,237)	-	-	-
Interim distribution of Rs. 1.0317 per unit declared on September 03, 2019 as cash dividend						
Refund of capital	(961)	-	(961)	-	-	-
Distribution for the period	-	(94,473)	(94,473)	-	-	-
Interim distribution of Rs. 1.0471 per unit declared on October 02, 2019 as cash dividend						
Refund of capital	(4,030)	-	(4,030)	-	-	-
Distribution for the period	-	(96,321)	(96,321)	-	-	-
Interim distribution of Rs. 1.1689 per unit declared on November 04, 2019 as cash dividend						
Refund of capital	(5,371)	-	(5,371)	-	-	-
Distribution for the period	-	(111,020)	(111,020)	-	-	-
Interim distribution of Rs. 0.9464 per unit declared on December 03, 2019 as cash dividend						
Refund of capital	(5,373)	-	(5,373)	-	-	-
Distribution for the period	-	(99,595)	(99,595)	-	-	-
	(26,324)	131,139	104,815	(451,869)	(63,118)	(514,987)
<b>Net assets at end of the period</b>	10,515,809	147,406	10,663,215	10,261,891	52,095	10,313,986
<b>Undistributed income brought forward</b>						
Realised income		44,070			312,522	
Unrealised income		-			-	
		44,070			312,522	
<b>Accounting income available for distribution</b>						
Relating to capital gains		-			-	
Excluding capital gains		599,982			267,481	
		599,982			267,481	
<b>Distribution for the period:</b>						
Interim distribution of Rs. 1.1585 per unit declared on August 02, 2019 as cash dividend		(95,237)			-	
Interim distribution of Rs. 1.0317 per unit declared on September 03, 2019 as cash dividend		(94,473)			-	
Interim distribution of Rs. 1.0471 per unit declared on October 02, 2019 as cash dividend		(96,321)			-	
Interim distribution of Rs. 1.1689 per unit declared on November 04, 2019 as cash dividend		(111,020)			-	
Interim distribution of Rs. 0.9464 per unit declared on December 03, 2019 as cash dividend		(99,595)			-	
		(496,646)			(527,908)	
<b>Undistributed income carried forward</b>		147,406			52,095	
<b>Undistributed income carried forward</b>						
Realised income		147,406			52,095	
Unrealised income		-			-	
		147,406			52,095	
				(Rupees)		(Rupees)
<b>Net assets value per unit at beginning of the period</b>			100.8886			106.0021
<b>Net assets value per unit at end of the period</b>			101.8912			100.9932

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

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

Chief Financial Officer

Chief Executive Officer

Director

# HBL Cash Fund

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

For The Half Year Ended December 31, 2019

---

---

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the 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.

JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2+' (AM Two Plus) positive outlook to the Management Company and assigned stability rating of AA(f) to the Fund as at December 31, 2019 and December 30, 2019, 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.

- 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, 2019.
- 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, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 2.1.4** This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.
- 2.1.5** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **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, 2019, 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, 2019.

**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, 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, 2019.

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>4</b>	<b>BANK BALANCES</b>		
	Cash at bank		
	In savings accounts	9,349,298	5,464,377
	Call deposit receipts	-	1,600,000
		<u>9,349,298</u>	<u>7,064,377</u>

**4.1** This represents bank accounts held with various banks. profit rates on these accounts range between 11.25% to 14.35% per annum (June 30, 2019: 8% to 13.60% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 4,165.284 million (June 30, 2019: Rs. 1,333.678 million).

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>5</b>	<b>INVESTMENTS</b>		
	<b>Financial assets</b>		
	At fair value through profit or loss	-	984,996
	At amortized cost	1,250,666	1,708,874
		<u>1,250,666</u>	<u>2,693,870</u>
<b>5.1</b>	<b>Financial assets at fair value through profit or loss</b>		
	Market treasury bills	-	984,996

### 5.1.1 Market Treasury Bills

Issue date	Tenure	As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at December 31, 2019	Balance as at December 31, 2019			Market value as percentage of net assets	Market value as percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
------(Rupees in '000)-----										
May 23, 2019	3 months	1,000,000	3,350,000	4,350,000	-	-	-	-	-	-
June 10, 2019	3 months	-	570,000	570,000	-	-	-	-	-	-
July 18, 2019	3 months	-	20,412,000	20,412,000	-	-	-	-	-	-
August 1, 2019	3 months	-	4,725,000	4,725,000	-	-	-	-	-	-
August 16, 2019	3 months	-	912,000	912,000	-	-	-	-	-	-
August 29, 2019	3 months	-	200,000	200,000	-	-	-	-	-	-
October 10, 2019	3 months	-	6,370,000	6,370,000	-	-	-	-	-	-
October 24, 2018	3 months	-	9,340,000	9,340,000	-	-	-	-	-	-
November 7, 2018	3 months	-	2,655,000	2,655,000	-	-	-	-	-	-
<b>Total - As at December 31, 2019</b>		<b>1,000,000</b>	<b>48,534,000</b>	<b>49,534,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - June 30, 2019</b>		<b>-</b>	<b>156,187,000</b>	<b>155,187,000</b>	<b>1,000,000</b>	<b>984,910</b>	<b>984,996</b>	<b>86</b>	<b>11.18%</b>	<b>36.56%</b>

**December 31,**  
**2019**  
**(Un-Audited)**  
**December 31,**  
**2019**  
**(Audited)**  
**Note**  
**(Rupees in '000)**

### 5.2 Financial assets at amortized cost

Letter of placements	5.2.1	785,000	400,000
Commercial paper	5.2.2	<u>465,666</u>	<u>1,308,874</u>
		<u><u>1,250,666</u></u>	<u><u>1,708,874</u></u>

5.2.1 Letter of placement carry mark-up at the rate of 13.8% per annum (June, 30 2019: 11.35%). This will mature on March 19, 2020.

#### 5.2.2 Commercial paper

Name of investee company	As at July 1, 2019	Placement made during the year	Income accrued	Placement matured during the year	As at December 31, 2019	Percentage of total of investments	Percentage of net assets
------(Rupees in '000)-----							
K Electric Limited	-	433,585	2,794	-	436,379	35%	4.09%
K Electric Limited	-	29,188	75	-	29,263	2%	0.27%
Total - as at December 31, 2019	-	<u>462,773</u>	<u>2,869</u>	-	<u>465,642</u>	<u>37%</u>	<u>4.37%</u>
Total - as at June 30, 2019		<u><u>1,264,769</u></u>	<u><u>44,105</u></u>	-	<u><u>1,308,874</u></u>	<u><u>49%</u></u>	<u><u>15.00%</u></u>

These commercial papers carry mark-up at the rate of 14.64% and 15.38% (June 30, 2019: 11.35%) per annum and will be matured by March 19, 2020 and February 28, 2020 respectively.

6	ADVANCES, DEPOSITS AND PREPAYMENTS	Note	December 31,	June 30,
			2019 (Un-Audited)	2019 (Audited)
			----- (Rupees in '000) -----	
	Security deposit with:			
	Central Depository Company of Pakistan Limited		100	100
			100	100
	Prepaid expenses		259	107
	Advance tax	6.1	961	3,177
			1,320	3,384

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 within stipulated time, as per ITO 2001.

7	PAYABLE TO THE MANAGEMENT COMPANY	Note	December 31,	June 30,
			2019 (Un-Audited)	2019 (Audited)
			----- (Rupees in '000) -----	
	Remuneration to the Management Company	7.1	6,635	5,628
	Sindh sales tax payable on the Management Company's remuneration	7.2	863	732
	Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	1,949	889
	Sales load payable		257	138
			9,704	7,387

7.1 As per the offering document of the Fund, the Management Company shall charge a fee at the rate of 7.5% of gross earnings of the Scheme, calculated on daily basis not exceeding 1% of the average daily net assets of the Scheme and subject to a minimum fee of 0.50% of the average daily net assets of the Scheme, subject to the guidelines as may be issued by the Commission from time to time. During the period, the fee has been charged, at the rate ranging between 0.15% to 0.68% of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.68% from September 1, 2019 onwards. The fee is payable monthly in arrears.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2019: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

7.3 As per Regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. Previously, such expenses were chargeable maximum upto 0.1% of the average annual net assets on daily basis of the Scheme 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 period, the fee has been charged at the rate ranging between 0.1% to 0.2% of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.2% from December 1, 2019 onwards.

- 7.4 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, upto maximum 0.4% of the average annual net assets of the Scheme or the actual cost, 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 can be charged to all categories of open end mutual funds, except fund of funds with no cap. During the period, the fee has been charged at the rate ranging between 0% to 0.5% of the daily annual net assets of the Fund. No fee is being charged from September 1, 2019 onwards.

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>8 PAYABLE TO THE TRUSTEE</b>			
Prepaid expenses	8.1	<u>716</u>	<u>809</u>

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

Earlier, the Trustee fee was charged as per the details disclosed in note 10.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019. CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged at the rate of 0.065% of the average annual net assets of the Fund. During the period, Management Company has charged the Trustee fee accordingly.

- 8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee payable	9.1	<u>1,009</u>	<u>8,887</u>

- 9.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an equity scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty	10.1	7,528	7,528
Provision for Sindh Workers' Welfare Fund	10.2	46,309	33,497
Withholding tax payable		3,183	13,711
Sales Load-payable to the related parties		142	56
Auditors' remuneration		223	313
Printing charges		-	13
Brokerage payable		95	9
Zakat Payable		51	50
Others		158	-
		<u>57,689</u>	<u>55,177</u>

**10.1** The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, 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. 7.528 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2019 would have been higher by Rs. 0.072 per unit (June 30, 2019: Rs. 0.09 per unit).

**10.2** The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare 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, 2019.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 46.309 million as at December 31, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at December 31, 2019 would have been higher by Rs.0.442 per unit (June 30, 2019: Rs.0.38 per unit).

## **11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2019 (June 30, 2019: 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, 2020 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 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:

	<b>Half year ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
<b>14.1 Transaction during the period</b>		
<b>HBL Asset Management Limited</b>		
Remuneration of the Management Company	26,894	40,952
Sindh Sales Tax on remuneration of the Management Company	3,496	5,324
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,856	6,426
Selling and marketing expense	5,707	-
Issuance of 7,470,986 (2018: 740,028) units	758,392	75,204
Redemption of 7,241,923 (2018: 1,296,097) units	735,000	132,175
Dividend paid	3,652	1,068
<b>Central Depository Company Of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	3,278	4,989
Sindh Sales Tax on remuneration of the Trustee	426	649
CDS connection charges	327	3
<b>Habib Bank Limited - Sponsor</b>		
Mark-up on bank deposits	97,237	30,781
Bank charges paid	197	120

	Half year ended December 31,	
	2019	2018
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
<b>Jubilee Life Insurance Company Limited</b>		
Sales of Market Treasury Bills	-	5,000,000
<b>Directors and Executives of the Management Company</b>		
Issuance of 19,193 (2018: 165,049) units	1,946	16,895
Redemption of 24,264 (2018: 16,852) units	2,460	10,767
Dividend Income	39	2,698
<b>HBL Financial Planning Fund - Active Allocation Plan - Associate</b>		
Issue of 74,806 (2018: 261,274) units	7,572	26,858
Redemption of 332,243 (2018: 783,791) units	33,723	79,446
Dividend paid	1,747	1,943
<b>HBL Financial Planning Fund - Conservative Allocation Plan - Associate</b>		
Issue of 1,729 (2018: 69,986) units	176	7,055
Redemption of Nil (2018: 536,334) units	-	55,567
Dividend paid	-	1,842
<b>HBL Financial Planning Fund - Strategic Allocation Plan - Associate</b>		
Issue of 5,435 (2018: 203,493) units	548	21,034
Redemption of 182,477 (2018: 276,450) units	18,456	28,256
Dividend paid	548	554
<b>HBL Financial Planning Fund - Special Income Plan - Associate</b>		
Issue of 46,655 (2018: Nil) units	4,744	-
Dividend paid	107	-
<b>Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units</b>		
Issue of 10,941,152 (2018: Nil) units	1,111,222	-
Redemption of 4,858,690 (2018: Nil) units	494,000	-
Dividend paid	111,571	-
<b>Interloop Holdings (Private) Limited - Connected person due to holding more than 10% units</b>		
Issue of 466,130 (2018: Nil) units	47,027	-
Dividend paid	55,326	-
<b>HBL Income Fund</b>		
Purchase of The Hub Power Company Limited - Sukuk Certificates	187,022	-

		Half year ended December 31,	
		2019	2018
		----- (Un-Audited) -----	
		----- (Rupees in '000) -----	
<b>HBL Islamic Asset Allocation Fund</b>			
Purchase of The Hub Power Company Limited - Sukuk Certificates		101,404	-
Purchase of K-Electric Limited- Commercial paper		29,188	-
		<b>December 31,</b> <b>2019</b>	<b>June 30,</b> <b>2019</b>
		<b>(Un-Audited)</b>	<b>(Audited)</b>
		----- (Rupees in '000) -----	
<b>14.2</b>	<b>Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Limited</b>			
Units held: 548,692 (June 30, 2019: 319,629)		55,907	32,247
Payable to Management Company		6,635	5,628
Sindh sales tax on Management Company's remuneration		863	732
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services		1,949	889
Sales load payable		257	138
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Trustee fee payable		716	809
Security deposit held		100	100
<b>Habib Bank Limited - Sponsor</b>			
Bank balances		4,165,276	1,333,678
Mark-up receivable		44,238	7,131
Sales load payable		142	56
<b>Directors and Executives of the Management Company</b>			
Units held: 5,205 (June 30, 2019: 305,217)		530	30,793
<b>HBL Financial Planning Fund - Active Allocation Plan - Associate</b>			
Units held: 244,732 (June 30, 2019: 502,169)		24,936	50,663
<b>HBL Financial Planning Fund - Conservative Allocation Plan - Associate</b>			
Units held: 1,729 (June 30, 2019: Nil)		176	-
<b>HBL Financial Planning Fund - Strategic Allocation Plan - Associate</b>			
Units held: Nil (June 30, 2019: 177,042)		-	17,862
<b>HBL Financial Planning Fund - Special Income Plan - Associate</b>			
Units held: 46,655 (June 30, 2019: Nil)		4,753	-

	<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	----- (Rupees in '000) -----	
<b>Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units</b>		
Units held: 26,306,779 (June 30, 2019: 20,224,317)	2,680,429	2,040,402
<b>Interloop Holdings (Private) Limited - Connected person due to holding more than 10% units</b>		
Units held: 10,617,952 (June 30, 2019: 10,151,822)	1,081,876	1,024,203

## 15 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).

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

		December 31, 2019 (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 not measured at fair value</b>	15.2							
Bank balances		-	9,349,298	9,349,298				
Investments		-	1,250,666	1,250,666				
Mark-up receivable		-	131,049	131,049				
Deposits		-	100	100				
		-	10,731,013	10,731,013				
<b>Financial liabilities not measured at fair value</b>	15.2							
Payable to the Management Company		-	8,841	8,841				
Payable to the Trustee		-	633	633				
Accrued expenses and other liabilities		-	473	473				
		-	9,948	9,948				
		----- (Rupees in '000) -----						
		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>	15.1							
Investments								
Market treasury bills		984,996	-	984,996	-	984,996	-	984,996
		984,996	-	984,996	-	984,996	-	984,996
<b>Financial assets not measured at fair value</b>	15.2							
Bank balances		-	7,064,377	7,064,377				
Investments		-	1,708,874	1,708,874				
Mark-up receivable		-	104,601	104,601				
Deposits		-	100	100				
		-	8,877,952	8,877,952				
<b>Financial liabilities not measured at fair value</b>	15.2							
Payable to the Management Company		-	6,655	6,655				
Payable to the Trustee		-	716	716				
Accrued expenses and other liabilities		-	391	391				
		-	7,762	7,762				

### 15.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in 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.

**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 December 31, 2019 is 0.63% (2018: 0.58%) which includes 0.18% (2018: 0.16%) representing Government levy and SECP fee.

---

---

**17 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 13, 2020.

**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)**

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

# **HBL**

## **Stock Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Stock Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



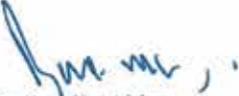
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL STOCK FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Stock Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 24, 2020





## **Auditors' report to the unit holders on review of Condensed Interim Financial Information**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Stock Fund** (the Fund) as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of other comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2019 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of other comprehensive income, for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

### **Scope of Review**

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

### **Conclusion**

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

  
**Chartered Accountants**

**Engagement Partner**  
Hena Sadiq

**Date:** February 25, 2020  
**Place:** Karachi

**HBL Stock Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at December 31, 2019*

		(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	272,133	236,034
Investments	5	2,291,466	1,967,158
Dividend receivable and accrued mark-up		2,605	4,340
Receivable against sale of investments		12,823	36,022
Advances and deposits	6	3,045	3,029
<b>Total assets</b>		<b>2,582,072</b>	<b>2,246,583</b>
<b>Liabilities</b>			
Payable to the Management Company	7	9,565	7,124
Payable to the Trustee		330	302
Payable to the Securities and Exchange Commission of Pakistan		212	4,181
Payable against purchase of investment		4,937	13,603
Accrued expenses and other liabilities	8	83,022	74,856
<b>Total liabilities</b>		<b>98,066</b>	<b>100,066</b>
<b>Net assets</b>		<b>2,484,006</b>	<b>2,146,517</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,484,006</b>	<b>2,146,517</b>
<b>Contingencies and commitments</b>	9		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>23,309,586</b>	<b>23,924,062</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>106.5659</b>	<b>89.7221</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 Stock Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For the half year ended December 31, 2019*

	Note	Half year ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
----- <b>(Rupees in '000)</b> -----					
<b>Income</b>					
Dividend income		59,977	127,373	32,768	63,031
Mark-up on deposits with banks		15,940	30,161	7,790	14,744
Income on Government securities		179	-	179	-
Capital gain/(loss) on sale of investments - net		55,067	(215,827)	74,538	(226,930)
		131,163	(58,293)	115,275	(149,155)
Unrealised gain/(loss) on re-measurement of investments classified as financial asset at fair value through profit or loss - net		300,311	(438,220)	407,465	(316,906)
		431,474	(496,513)	522,740	(466,061)
<b>Expenses</b>					
Remuneration of the Management Company		22,962	65,305	12,701	31,084
Remuneration of the Trustee		1,767	3,835	873	1,692
Annual fee to the Securities and Exchange Commission of Pakistan		212	2,745	112	1,304
Allocation of expenses related to registrar services, accounting, operation and valuation services		2,675	2,890	905	1,376
Selling and marketing expense		7,804	11,558	4,216	5,502
Securities transaction costs		5,077	12,801	2,708	-
Auditors' remuneration		321	447	241	224
Settlement and bank charges		429	890	259	663
Other expenses		11	18	11	18
		41,259	100,489	22,027	41,863
<b>Net Income/(loss) from operating activities</b>		390,215	(597,002)	500,713	(507,924)
Provision for Sindh Workers' Welfare Fund	8.2	(7,804)	-	(7,804)	-
<b>Net Income/(loss) for the period before taxation</b>		382,411	(597,002)	492,909	(507,924)
Taxation	10	-	-	-	-
<b>Net Income/(loss) for the period after taxation</b>		382,411	(597,002)	492,909	(507,924)
<b>Allocation of net income/(loss) for the period:</b>					
Income already paid on redemption of units		7,960	-	7,960	-
Accounting income available for distribution:					
- Relating to capital gains		348,522	-	475,147	-
- Excluding capital gains		25,930	-	9,802	-
		374,452	-	484,949	-
		382,411	(597,002)	492,909	(507,924)

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 Stock Fund

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

For the half year ended December 31, 2019

	Half year ended December 31,		Quarter ended, December 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net income/(loss) for the period after taxation	382,411	(597,002)	492,909	(507,924)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>382,411</b>	<b>(597,002)</b>	<b>492,909</b>	<b>(507,924)</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 Stock Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)**  
*For the half year ended December 31, 2019*

	Half year ended December 31,							
	2019				2018			
	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>	3,154,963	(1,008,446)	-	2,146,517	6,270,547	(378,651)	66,474	5,958,370
Adoption of IFRS 9	-	-	-	-	-	66,474	(66,474)	-
Issue of 5,419,361 units (2018: 5,396,462 units)								
- Capital value (at net asset value per unit at the beginning of the period)	486,236	-	-	486,236	577,756	-	-	577,756
- Element of Income	15,828	-	-	15,828	(5,985)	-	-	(5,985)
Total proceeds on issue of units	502,064	-	-	502,064	571,771	-	-	571,771
Redemption of 6,033,837 units (2018: 25,642,518 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(541,368)	-	-	(541,368)	(2,745,340)	-	-	(2,745,340)
- Amount paid out of element of income	-	-	-	-	165,947	-	-	165,947
Relating to net income for the year after taxation	2,342	(7,960)	-	(5,618)	-	-	-	-
Total payments on redemption of units	(539,026)	(7,960)	-	(546,986)	(2,579,393)	-	-	(2,579,393)
Total comprehensive income/(loss) for the period	-	382,411	-	382,411	-	(597,002)	-	(597,002)
Distribution during the period	-	-	-	-	-	-	-	-
Net income/ loss for the period less distribution	-	382,411	-	382,411	-	(597,002)	-	(597,002)
<b>Net assets as at the end of the period</b>	<b>3,118,001</b>	<b>(633,995)</b>	<b>-</b>	<b>2,484,006</b>	<b>4,262,925</b>	<b>(909,179)</b>	<b>-</b>	<b>3,353,746</b>
<b>Accumulated loss</b>								
- Realised		(1,008,446)				(378,651)		
- Unrealised		-				-		
		(1,008,446)				(378,651)		
Accounting income available for distribution:								
- Relating to capital gains		348,522				-		
- Excluding capital gains		25,930				-		
		374,452						
net loss for the period						(597,002)		
Adoption of IFRS 9						66,474		
Distribution during the period						-		
<b>Accumulated loss carried forward</b>		<b>(633,995)</b>				<b>(909,179)</b>		
<b>Accumulated loss carried forward</b>								
- Realised		(934,306)				(470,959)		
- Unrealised		300,311				(438,220)		
		(633,995)				(909,179)		
Net asset value per unit at the beginning of the period				89.7221				107.0620
Net asset value per unit at end of the period				106.5658				94.1788

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 Stock Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
*For the half year ended December 31, 2019*

	2019	2018
Note	----- Rupees in '000 -----	
<b>Cash flows from operating activities</b>		
Net income/(loss) for the period before taxation	382,411	(597,002)
<b>Adjustments for Non-cash items:</b>		
Mark-up on deposits with banks	(15,940)	(30,161)
Dividend income	(59,977)	(127,373)
Income from Government securities	(179)	-
Capital loss on sale of investments - net	(55,067)	215,827
Unrealised gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(300,311)	438,220
	(49,063)	(100,489)
<b>Decrease / (Increase) in assets</b>		
Investments - net	31,249	1,503,667
Advances and deposits	14,516	(318,290)
	45,766	1,185,377
<b>Increase / (Decrease) Increase in liabilities</b>		
Payable to the Management Company	2,441	(8,897)
Payable to the Trustee	28	(105)
Payable to the Securities and Exchange Commission of Pakistan	(3,969)	(2,802)
Accrued expenses and other liabilities	8,166	1,139
	6,666	(10,665)
Mark-up on bank deposits received	16,265	29,662
Dividend received	61,387	138,201
<b>Net cash generated from operating activities</b>	81,021	1,242,086
<b>Cash flows from financing activities</b>		
Amount received on issue of units	502,064	571,771
Payments / Payable against redemption of units	(546,986)	(1,830,529)
Cash dividend paid	-	-
<b>Net cash used in financing activities</b>	(44,922)	(1,258,758)
<b>Net increase/(decrease) in cash and cash equivalents</b>	36,099	(16,672)
Cash and cash equivalents at beginning of the year	236,034	577,518
<b>Cash and cash equivalents at end of the year</b>	4 272,133	560,846

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 Stock Fund**

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

*For the half year ended December 31, 2019*

---

---

#### **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 has assigned a management quality rating of AM2+' (Positive outlook) to the Management Company.
- 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, 2019.

---

---

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

**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, 2019.

**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, 2019,

**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, 2019 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.

4.	BANK BALANCES	Note	(Un-Audited)	(Audited)
			December 31, 2019	June 30, 2019
			----- (Rupees in '000) -----	
Balances with banks in:				
	Savings accounts	4.1	272,120	236,034
	Current accounts		13	-
			<u>272,133</u>	<u>236,034</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 11.15% - 14.05% (June 30, 2019: 8% - 13.6%) per annum.

5.	INVESTMENTS	Note	(Un-Audited)	(Audited)
			December 31, 2019	June 30, 2019
			----- (Rupees in '000) -----	
<b>Financial assets at fair value through profit or loss account</b>				
	- Listed equity securities	5.1	2,281,571	1,967,158
	Government securities	5.2	9,895	-
			<u>2,291,466</u>	<u>1,967,158</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-----					Market value as at December 31, 2019 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019		Total Investments	Net Assets	
<b>INSURANCE</b>									
Adamjee Insurance Co Ltd	661,000	273,000	-	75,000	859,000	36,155	1.58%	1.46%	0.25%
TPL Insurance Limited	-	625,000	-	-	625,000	16,044	0.70%	0.65%	0.83%
<hr/>									
	661,000	898,000	-	75,000	1,484,000	52,199			
<b>TEXTILE COMPOSITE</b>									
Gul Ahmed Textile Mills Ltd	-	1,131,000	-	309,500	821,500	35,415	1.55%	1.43%	0.23%
Interloop Limited	751,250	207,000	-	550,000	408,250	23,699	1.03%	0.95%	4.70%
Kohinoor Textile Mills Ltd	331,000	-	-	331,000	-	-	0.00%	0.00%	0.00%
Nishat Mills Ltd	496,500	465,700	-	512,500	449,700	47,731	2.08%	1.92%	0.13%
<hr/>									
	1,578,750	1,803,700	-	1,703,000	1,679,450	106,845			
<b>CEMENT &amp; Material</b>									
Kohat Cement Ltd	199,500	118,000	-	166,000	151,500	11,726	0.51%	0.47%	0.12%
Lucky Cement Ltd	143,650	170,000	-	80,500	233,150	99,881	4.36%	4.02%	0.07%
Maple Leaf Cement Factory Ltd	-	1,000,000	-	1,000,000	-	-	0.00%	0.00%	-
<hr/>									
	343,150	1,288,000	-	1,246,500	384,650	111,608			
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Limited	1,667,863	475,500	-	668,500	1,474,863	137,678	6.01%	5.54%	0.11%
K-Electric Limited	4,530,000	2,350,000	-	737,000	6,143,000	26,845	1.17%	1.08%	0.02%
Nishat Chunian Power Limited	588,500	9,000	-	597,500	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	788,000	168,000	-	956,000	-	-	0.00%	0.00%	0.00%
<hr/>									
	7,574,363	3,002,500	-	2,959,000	7,617,863	164,523			
<b>ENGINEERING</b>									
International Steels Limited	-	258,500	-	157,500	101,000	5,847	0.26%	0.24%	0.02%
Mughal Iron & Steel Inds Ltd	18,165	-	-	-	18,165	744	0.03%	0.03%	0.01%
<hr/>									
	18,165	258,500	-	157,500	119,165	6,591			

Name of the Investee Company	Number of shares					Market value as at December 31, 2019 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019		Total Investments	Net Assets	
<b>Transport</b>									
Pakistan National Shipping Corp Ltd	66,500	275,500	-	14,500	327,500	30,762	1.34%	1.24%	0.25%
	66,500	275,500	-	14,500	327,500	30,762			
<b>Pharmaceuticals</b>									
AGP Limited	193,000	234,500	-	181,000	246,500	24,490	1.07%	0.99%	0.01%
Highnoon Laboratories Limited	5,000	58,000	-	5,000	58,000	31,161	1.36%	1.25%	0.01%
The Searle Company Ltd	88,681	100,500	-	64,500	124,681	23,532	1.03%	0.95%	0.07%
	286,681	393,000	-	250,500	429,181	79,183			
<b>PAPER &amp; BOARD</b>									
Century Paper & Board Mills Ltd	190,500	115,000	-	73,000	232,500	11,783	0.51%	0.47%	0.16%
	190,500	115,000	-	73,000	232,500	11,783			
<b>GLASS &amp; CERAMICS</b>									
Tariq Glass Industries Ltd	-	96,000	-	96,000	-	-	0.00%	0.00%	0.00%
	-	96,000	-	96,000	-	-			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>									
Mari Petroleum Company Ltd	134,658	40,500	11,011	83,280	102,889	134,795	5.88%	5.43%	0.09%
Oil & Gas Development Co Ltd	1,247,100	586,000	-	593,800	1,239,300	176,377	7.70%	7.10%	0.03%
Pakistan Oilfields Ltd	221,410	61,800	-	87,500	195,710	87,428	3.82%	3.52%	0.08%
Pakistan Petroleum Ltd	806,745	898,900	165,929	715,000	1,156,574	158,613	6.92%	6.39%	0.06%
	2,409,913	1,587,200	176,940	1,479,580	2,694,473	557,212			
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Pakistan State Oil Company Ltd	469,368	325,000	70,873	477,900	387,341	74,230	3.24%	2.99%	0.12%
Sui Northern Gas Pipeline Ltd	485,400	444,000	-	306,000	623,400	47,484	2.07%	1.91%	0.10%
	954,768	769,000	70,873	783,900	1,010,741	121,714			
<b>COMMERCIAL BANKS</b>									
Allied Bank Ltd	670,300	195,100	-	255,000	610,400	58,354	2.55%	2.35%	0.05%
Bank Al-Falah Ltd	2,562,600	1,349,000	-	762,500	3,149,100	143,914	6.28%	5.79%	0.20%
Bank Al-Habib Limited	951,500	600,500	-	280,500	1,271,500	96,837	4.23%	3.90%	0.11%
Bank of Punjab Ltd	4,711,000	3,810,000	-	3,208,000	5,313,000	60,196	2.63%	2.42%	1.00%
Faysal Bank Limited	26,018	-	-	-	26,018	495	0.02%	0.02%	0.00%
Habib Bank Ltd	916,219	527,900	-	1,057,700	386,419	60,830	2.65%	2.45%	0.03%
MCB Bank Ltd	295,300	269,500	-	336,800	228,000	46,726	2.04%	1.88%	0.02%
National Bank of Pakistan Ltd	492,500	1,469,500	-	598,500	1,363,500	59,040	2.58%	2.38%	0.06%
United Bank Limited	577,200	449,200	-	220,500	805,900	132,571	5.79%	5.34%	0.07%
	11,202,637	8,670,700	-	6,719,500	13,153,837	658,963			
<b>FERTILIZER</b>									
Engro Corporation Ltd	495,150	176,500	-	302,700	368,950	127,380	5.56%	5.13%	0.07%
Engro Fertilizers Limited	1,133,000	656,500	-	955,000	834,500	61,277	2.67%	2.47%	0.06%
Fauji Fertilizer Co Ltd	730,000	629,500	-	896,000	463,500	47,031	2.05%	1.89%	0.04%
	2,358,150	1,462,500	-	2,153,700	1,666,950	235,689			
<b>CHEMICAL</b>									
Engro Polymer & Chemicals Ltd	1,686,579	1,327,000	-	1,211,500	1,802,079	59,847	2.61%	2.41%	0.20%
Lotte Chemical Pakistan Ltd	748,500	1,572,000	-	2,320,500	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	13,700	75,800	-	-	89,500	26,712	1.17%	1.08%	0.42%
	2,448,779	2,974,800	-	3,532,000	1,891,579	86,559			
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>									
Thal Limited	204,800	140,000	-	173,500	171,300	57,939	2.53%	2.33%	0.21%
	204,800	140,000	-	173,500	171,300	57,939			
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
Systems Limited	-	63,500	-	63,500	-	-	0.00%	0.00%	
	-	63,500	-	63,500	-	-			
<b>Total as at December 31, 2019</b>	<b>30,298,156</b>	<b>23,797,900</b>	<b>247,813</b>	<b>21,480,680</b>	<b>32,863,189</b>	<b>2,281,571</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying value as at December 31, 2019</b>						<b>1,981,256</b>			

**5.1.1** Investments include shares having market value aggregating to Rs. 340.906 million (June 30, 2019: Rs. 268.127 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. 3.291 million at December 31, 2019 (June 30, 2019: Rs. 2.59 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 Government Securities - Fair value through profit or loss

Issue Date	Tenure	Face Value				Market Value as at June 30, 2019	Total Investments	Market value as a percentage of Net Assets
		As at July 1, 2019	Purchases during the year	Sales / Matured during the year	As at Dec 31, 2019			
Treasury bills								
October 24, 2019	3 months	-	175,000	175,000	-	-	-	-
November 7, 2019	3 months	-	155,000	145,000	10,000	9,895	0.432%	0.398%
							<b>(Un-Audited)</b>	<b>(Audited)</b>
							<b>December 31, 2019</b>	<b>June 30, 2019</b>
							<b>----- (Rupees in '000) -----</b>	

## 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>429</b>	429
Prepaid listing fee	<b>16</b>	-
Advance against subscription of Term Finance Certificates (TFC)	<b>25,000</b>	25,000
	<b>28,045</b>	28,029
Less: Provision in respect of advance against subscription of term finance certificates	<b>(25,000)</b>	(25,000)
	<b>3,045</b>	3,029

		(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>7. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management fee		4,150	3,701
Sindh Sales Tax		540	481
Sales load payable		325	160
Selling and marketing payable		4,215	2,597
Allocation of expenses related to registrar services, accounting, operation and valuation services		334	185
		<u>9,565</u>	<u>7,124</u>
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Federal Excise Duty	8.1	37,838	37,838
Provision for Sindh Workers' Welfare Fund	8.2	42,185	34,381
Withholding tax payable		817	838
Auditors remuneration		321	459
Payable to broker		1,013	558
Others		848	782
		<u>83,022</u>	<u>74,856</u>
<b>8.1</b>	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, 2019, 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 December 31, 2019 would have been higher by Rs. 1.623 per unit (June 30, 2019: 1.58 per unit).		
<b>8.2</b>	<b>PROVISION FOR SINDH WORKERS' WELFARE FUND</b>		
	The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.		
	As there is profit for the half year ended December 31, 2019, a provision of 7.8 million for SWWF has been recognised in this condensed interim financial information. As at December 31, 2019, the provision in relation to SWWF amounted to Rs. 42.185 million (2019: Rs. 34.381 million). Had the provision not being made, the Net Asset Value per unit as at December 31, 2019 would have been higher by Rs.1.810 (June 30, 2019: Rs. 1.437) per unit.		
<b>9. CONTINGENCIES AND COMMITMENTS</b>			
	There are no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.		
<b>10. TAXATION</b>			
	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, 2019 to its unit holders.		

## 11. 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:

	<b>(Un-Audited)</b>	
	<b>Half year ended</b>	
	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
	<b>----- (Rupees in '000) -----</b>	
<b>11.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management Fee including sales tax thereon	<u>22,962</u>	65,305
Allocation of expenses related to registrar services, accounting, operation and valuation services	<u>2,675</u>	2,890
Selling and marketing expense	<u>7,804</u>	11,558
Issue of 1,415,688 units (2018: Nil units)	<u>150,000</u>	-
Redemption of 942,564 units (2018: Nil units)	<u>101,348</u>	-
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	<u>7</u>	23
Mark-up on deposits with banks earned	<u>713</u>	1,489
Dividend income earned	<u>2,142</u>	3,900
<b>Executives and their relatives</b>		
Issuance of 7,695 units (December 31, 2018: 18,480 units)	<u>786</u>	1,750
Redemption of 4,690 units (December 31, 2018: 8,890 units)	<u>500</u>	842
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	<u>1,767</u>	3,835
Central Depository service charges	<u>91</u>	337
<b>Habib Bank Limited - Sponsor</b>		
Redemption of nil units (December 31, 2018 : 20,136,832 units)	<u>-</u>	2,007,682

	(Un-Audited) Half year ended December 31,	
	2019	2018
	----- (Rupees in '000) -----	
<b>MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Trustee</b>		
Issuance of 191,205 units (December 31, 2018 : 161,838 units)	16,000	15,329
Redemption of 240,156 units (December 31, 2018 : 974,195 units)	20,033	92,275
<b>MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee</b>		
Issuance of 24,534 units (December 31, 2018 : 27,480 units)	2,012	2,603
Redemption of 64,860 units (December 31, 2018 : 147,765 units)	5,564	13,996
<b>MCBFSL - HBL Financial Planning Fund Strategic Allocation Plan - Trustee</b>		
Issuance of nil units (December 31, 2018 : 228,499 units)	-	21,643
Redemption of 440,522 units (December 31, 2018 : 205,041 units)	36,967	19,421
	(Un-Audited)	(Audited)
	December 31,	June 30,
	2019	2018
	----- (Rupees in '000) -----	

## 11.2 Balances outstanding as at period / year end

### HBL Asset Management Limited - Management Company

Management fee	4,150	3,701
Sindh Sales Tax	540	481
Sales load payable	325	160
Selling and marketing payable	4,215	2,597
Allocation of expenses related to registrar services, accounting, operation and valuation services	334	185
Investment held in Fund : 473,123 units (2019 : nil units)	50,419	-

### Habib Bank Limited - Sponsor

Investment held in the Fund: 8,616,219 units (June 30, 2018: 8,616,219 units)	918,195	773,065
Bank balances	84,295	40,102
Mark-up receivable	412	238

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

#### Directors and their relatives\*

Investment held in the Fund: 7,874 units (June 30, 2019: 131,486 units)	839	11,797
---	-----	--------

	(Un-Audited) December 31, 2019 2019 ----- (Rupees in '000) -----	(Audited) June 30, 2019 2018
<b>HBL Employees Provident Fund - Associated Entity</b>		
Investment held in the Fund: 7,125,389 units (June 30, 2019: 7,125,389 units)	<u>759,323</u>	<u>639,305</u>
<b>MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Associate</b>		
Investment held in the Fund: 419,114 units (June 30, 2018: 468,065 units)	<u>44,663</u>	<u>41,996</u>
<b>MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee</b>		
Investment held in the Fund: 101,438 units (June 30, 2019: 141,765 units)	<u>10,810</u>	<u>12,719</u>
<b>MCBFSL - HBL Financial Planning Fund Strategic Allocation Plan - Trustee</b>		
Investment held in the Fund: Nil units (June 30, 2018: 440,522 units)	<u>-</u>	<u>39,525</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable including sales tax thereon	<u>292</u>	<u>267</u>
Sindh Sales Tax	<u>38</u>	<u>35</u>
Security deposit	<u>100</u>	<u>100</u>

\* During the period, Farid Ahmed Khan and Efhm Ilahi Usmani resigned, effect from september 15, 2019.

## 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.

		December 31, 2019 (Un-Audited)						
		Carrying amount			Fair Value			
	Note	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>Financial assets measured at fair value</b>								
Investments								
- Listed equity securities								
		2,291,466	-	-	2,281,571	9,895	-	2,291,466
		2,291,466	-	-	2,281,571	9,895	-	2,291,466
<b>Financial assets not measured at fair value</b>								
12.1								
Bank balances								
		-	272,133	272,133				
Dividend receivable and accrued mark-up								
		-	2,605	2,605				
Advances and deposits								
		-	2,600	2,600				
			277,338	277,338				
<b>Financial liabilities not measured at fair value</b>								
12.1								
Payable to the Management Company								
		-	9,565	9,565				
Payable to the Trustee								
		-	330	330				
Payable against redemption of units								
		-	4,937	4,937				
Payable to the Securities and Exchange Commission of Pakistan								
		-	212	212				
Accrued expenses and other liabilities								
		-	2,182	2,182				
			17,226	17,226				
		June 30, 2019 (Audited)						
		Carrying amount			Fair Value			
	Note	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>Financial assets measured at fair value</b>								
Investments - Listed equity securities								
		1,967,158	-	1,967,158	1,967,158	-	-	1,967,158
		1,967,158	-	1,967,158	1,967,158	-	-	1,967,158
<b>Financial assets not measured at fair value</b>								
12.1								
Bank balances								
		-	236,034	236,034				
Dividend receivable and accrued mark-up								
		-	4,340	4,340				
Receivable against sale of securities								
		-	36,022	36,022				
Deposits								
		-	2,600	2,600				
		-	278,996	278,996				
<b>Financial liabilities not measured at fair value</b>								
12.1								
Payable to the Management Company								
		-	7,124	7,124				
Payable to Trustee								
		-	656	656				
Payable against purchase of investment								
		-	13,603	13,603				
Accrued expenses and other liabilities								
		-	1,799	1,799				
		-	23,182	23,182				

**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.

### **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 of the Fund for the half year ended December 31, 2019 is 2.33%, which includes 0.51% representing government levy (2018: 1.75% which includes 0.18% representing government levy), Sindh Worker's Welfare Fund and SECP fee.



---

---

# **HBL**

## **Equity Fund**

## FUND INFORMATION

---

---

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



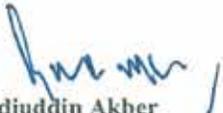
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL EQUITY FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Equity Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 24, 2020





Tel: +92 21 3568 3030  
Fax: +92 21 3568 4239  
www.bdo.com.pk

2nd Floor, Block-C  
Lakson Square, Building No.1  
Sarwar Shaheed Road  
Karachi-74200  
Pakistan

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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL CASH FUND ("the Fund") as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2019 and December 31, 2018 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 13 FEB 2020

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Raheel Shahnawaz

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**HBL Equity Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As At December 31, 2019*

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	23,264	28,239
Investments	5	311,481	217,781
Dividend and mark-up receivable		242	956
Receivable against sale of investments - net		1,131	6,012
Advances, deposits and prepayments	6	2,813	2,791
<b>TOTAL ASSETS</b>		<u>338,931</u>	<u>255,779</u>
<b>LIABILITIES</b>			
Payable to the Management Company	7	1,265	746
Payable to the Trustee	8	69	70
Payable to Securities and Exchange Commission of Pakistan	9	26	275
Payable against redemption of units		324	82
Accrued expenses and other liabilities	10	10,174	9,009
<b>TOTAL LIABILITIES</b>		<u>11,858</u>	<u>10,182</u>
<b>NET ASSETS</b>		<u>327,073</u>	<u>245,597</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>327,073</u>	<u>245,597</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	----- (Number of Units) -----	
<b>Number of units in issue</b>		<u>2,908,570</u>	<u>2,629,886</u>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<u>112.4512</u>	<u>93.3868</u>

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**HBL Equity Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For The Half Year And Quarter Ended December 31, 2019*

	Note	Half year ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
(Rupees in '000)					
<b>Income</b>					
Capital gain / (loss) on sale of investments - net		13,968	(5,036)	16,846	(5,923)
Dividend income		7,425	6,705	4,616	3,410
Mark-up on bank deposits		1,808	1,639	989	722
		<u>23,201</u>	<u>3,308</u>	<u>22,451</u>	<u>(1,791)</u>
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at 'fair value through profit and loss' - net		36,498	(30,930)	47,392	(24,305)
		<u>59,699</u>	<u>(27,622)</u>	<u>69,843</u>	<u>(26,096)</u>
<b>Expenses</b>					
Remuneration of the Management Company	7.1	2,537	3,052	1,405	1,514
Sindh Sales Tax on remuneration of the Management Company	7.2	330	397	330	197
Remuneration of the Trustee	8.1	264	353	140	177
Sindh Sales Tax on remuneration of the Trustee	8.2	34	46	34	23
Annual fee to Securities and Exchange Commission of Pakistan	9.1	26	145	15	72
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	321	153	123	76
Selling and marketing expenses	7.4	972	610	576	302
Auditors' remuneration		242	213	130	106
Fees and subscription		14	80	8	33
Securities transaction costs and settlement charges		1,358	874	864	495
Bank charges		7	13	4	2
		<u>6,105</u>	<u>5,936</u>	<u>3,629</u>	<u>2,997</u>
<b>Net income / (loss) for the period from operating activities</b>		<u>53,594</u>	<u>(33,558)</u>	<u>66,214</u>	<u>(29,093)</u>
Provision for Sindh Workers' Welfare Fund	10.2	(1,072)	-	(1,072)	-
<b>Net income / (loss) for the period before taxation</b>		<u>52,522</u>	<u>(33,558)</u>	<u>65,142</u>	<u>(29,093)</u>
Taxation	12	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<u>52,522</u>	<u>(33,558)</u>	<u>65,142</u>	<u>(29,093)</u>
<b>Allocation of net income for the period</b>					
Income already paid on redemption of units		1,131		1,131	
Accounting income available for distribution:					
Relating to capital gains		50,233		64,005	
Excluding capital gains		1,158		6	
		<u>51,391</u>		<u>64,011</u>	
		<u>52,522</u>		<u>65,142</u>	
<b>Earnings per unit</b>	13				

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

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

Chief Financial Officer

Chief Executive Officer

Director

## HBL Equity Fund

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

For The Half Year And Quarter Ended December 31, 2019

	Half year ended December 31,		Quarter ended, December 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	52,522	(33,558)	65,142	(29,093)
Other comprehensive income for the period				
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>52,522</u>	<u>(33,558)</u>	<u>65,142</u>	<u>(29,093)</u>

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

For HBL Asset Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



**HBL Equity Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
*For The Half Year Ended December 31, 2019*

	Half year ended December 31,	
	2019	2018
Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	52,522	(33,558)
Adjustments for:		
Capital (gain) / loss on sale of investments - net	(13,968)	5,036
Dividend income	(7,425)	(6,705)
Mark-up on bank deposits	(1,808)	(1,639)
Unrealised (appreciation) / diminution on re-measurement of investments at 'fair value through profit or loss'- net	(36,498)	30,930
	<u>(7,177)</u>	<u>(5,936)</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	(38,354)	(23,771)
Advances, deposits and prepayments	(21)	1
	<u>(38,375)</u>	<u>(23,770)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	519	(370)
Payable to the Trustee	(1)	13
Payable to Securities and Exchange Commission of Pakistan	(249)	(169)
Accrued expenses and other liabilities	1,165	72
	<u>1,434</u>	<u>(454)</u>
Cash used in operations	(44,118)	(30,160)
Dividend received	8,119	4,993
Mark-up received on bank deposits	1,828	1,648
	<u>9,947</u>	<u>6,641</u>
Net cash used in operating activities	(34,171)	(23,519)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	134,542	73,952
Payment against redemption of units	(105,346)	(64,717)
Net cash generated from financing activities	29,196	9,235
Net decrease in cash and cash equivalents	(4,974)	(14,284)
Cash and cash equivalents at the beginning of the period	28,239	43,148
Cash and cash equivalents at the end of the period	4 <u>23,264</u>	<u>28,864</u>

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

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

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

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

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

# **HBL Equity Fund**

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

### ***For The Half Year Ended December 31, 2019***

---

---

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

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

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

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

The Fund is an open-ended 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 CDC as Trustee of the Fund.

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

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

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

**2.1.1** This condensed interim financial information has been prepared in accordance with the 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, 2019.

- 
- 
- 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, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 2.1.4 This condensed interim financial information is unaudited but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.
- 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, 2019, 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, 2019.
- 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, 2019.

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	18,928	27,147
In current account		4,336	1,092
		<u>23,264</u>	<u>28,239</u>

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 11.28% to 14.05% per annum (June 30, 2019: 10.28% to 13.5% per annum). This includes an amount held by a related party Habib Bank Limited, amounting to Rs. 8.330 million (June 30, 2019: Rs. 5.175 million).

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5 INVESTMENTS</b>			
Financial assets at 'fair value through profit or loss'			
Listed equity securities	5.1	311,481	217,781

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

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

Name of the Investee Company	Notes	As at July 1, 2019	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2019	Carrying Amount as at December 31, 2019	Market Value as at December 31, 2019	Unrealised appreciation/ (diminution) on re-measurement of investments	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company	Number of Shares				(Rupees in '000)													
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>																														
Thal Limited (par value of Rs. 5 each)		20,400	24,800	-	22,200	23,000	7,194	7,779	585	2.50%	2.38%	0.03%																		
<b>CEMENT</b>																														
Lucky Cement Limited		16,400	34,500	-	19,100	31,800	12,294	13,623	1,329	4.37%	4.17%	0.01%																		
Kohat Cement Limited		22,000	30,500	-	32,000	20,500	1,057	1,587	530	0.51%	0.49%	0.01%																		
Maple Leaf Cement Factory Limited		-	115,000	-	115,000	-	-	-	-	-	-	-																		
		38,400	180,000	-	166,100	52,300	13,351	15,210	1,859	4.88%	4.65%																			
<b>CHEMICAL</b>																														
Engro Polymer & Chemicals Limited		183,596	271,000	-	205,500	249,096	6,895	8,272	1,377	2.66%	2.53%	0.01%																		
Lotte Chemical Pakistan Limited		90,000	293,500	-	383,500	-	-	-	-	-	-	-																		
Sitara Chemical Industries Limited		2,000	9,100	-	-	11,100	3,044	3,314	270	1.06%	1.01%	0.05%																		
		275,596	573,600	-	589,000	260,196	9,939	11,586	1,647	3.72%	3.54%																			
<b>COMMERCIAL BANKS</b>																														
Allied Bank Limited		72,000	49,600	-	40,300	81,300	8,111	7,772	(339)	2.50%	2.38%	0.01%																		
Bank Al-Falah Limited	5.1.1	281,550	269,000	-	112,500	438,050	19,240	20,019	779	6.43%	6.12%	0.03%																		
Bank Al-Habib Limited		110,000	175,000	-	115,500	169,500	12,540	12,909	369	4.14%	3.95%	0.02%																		
Habib Bank Limited*	5.1.1	106,600	162,500	-	218,000	51,100	6,408	8,044	1,636	2.58%	2.46%	0.00%																		
MCB Bank Limited**	5.1.1	35,300	48,800	-	53,500	30,600	5,322	6,271	949	2.01%	1.92%	0.00%																		
United Bank Limited		65,200	80,500	-	35,000	110,700	16,241	18,210	1,969	5.85%	5.57%	0.01%																		
The Bank of Punjab Limited		545,000	1,200,500	-	1,011,500	734,000	7,344	8,316	972	2.67%	2.54%	0.03%																		
Faysal Bank Limited	5.1.2	1,800	-	-	-	1,800	39	34	(5)	0.01%	0.01%	0.00%																		
National Bank of Pakistan Limited		64,000	201,000	-	89,000	176,000	6,580	7,621	1,041	2.45%	2.33%	0.01%																		
		1,281,450	2,186,900	-	1,675,300	1,793,050	81,825	89,196	7,371	28.64%	27.27%																			
<b>ENGINEERING</b>																														
International Steels Limited		-	65,000	-	50,000	15,000	917	868	(49)	0.28%	0.27%	0.00%																		
<b>FERTILIZER</b>																														
Engro Corporation Limited	5.1.1	55,930	43,300	-	49,600	49,630	13,957	17,135	3,178	5.50%	5.24%	0.01%																		
Engro Fertilizers Limited		124,000	148,500	-	162,500	110,000	7,405	8,077	672	2.59%	2.47%	0.01%																		
Fauji Fertilizer Bin Qasim Limited		-	120,000	-	120,000	-	-	-	-	-	-	-																		
Fauji Fertilizer Company Limited		83,500	91,300	-	111,500	63,300	6,102	6,423	321	2.06%	1.96%	0.00%																		
		263,430	403,100	-	443,600	222,930	27,464	31,635	4,170	10.16%	9.67%																			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>																														
Mari Petroleum Company Limited		14,459	19,000	1,425	21,440	13,444	15,229	17,613	2,384	5.65%	5.39%	0.01%																		
Oil & Gas Development Company Limited		139,700	277,500	-	248,200	169,000	21,505	24,052	2,547	7.72%	7.35%	0.78																		
Pakistan Oilfields Limited		24,940	16,500	-	15,300	26,140	10,494	11,677	1,183	3.75%	3.57%	0.01%																		
Pakistan Petroleum Limited	5.1.1	91,042	203,000	26,108	162,700	157,450	17,641	21,593	3,952	6.93%	6.60%	0.01%																		
		270,141	516,000	27,533	447,640	366,034	64,869	74,935	10,066	24.06%	22.91%																			
<b>OIL &amp; GAS MARKETING COMPANIES</b>																														
Pakistan State Oil Company Limited	5.1.1	52,276	107,500	11,155	118,500	52,431	8,105	10,048	1,943	3.23%	3.07%	0.02%																		
Sui Northern Gas Pipeline Limited		52,000	58,500	-	27,000	83,500	5,936	6,360	424	2.04%	1.94%	0.01%																		
		104,276	166,000	11,155	145,500	135,931	14,041	16,408	2,366	5.27%	5.02%																			
<b>INSURANCE</b>																														
TPL Insurance Limited		-	80,000	-	-	80,000	2,003.00	2,054	51	0.66%	0.63%	0.10%																		
Adamjee Insurance Company Limited		66,000	193,000	-	104,000	155,000	5,577	6,524	947	2.09%	1.99%	0.04%																		
		66,000	273,000	-	104,000	235,000	7,580	8,578	998	2.75%	2.62%																			

Name of the Investee Company	Notes	As at July 1, 2019	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2019	Carrying Amount as at December 31, 2019	Market Value as at December 31, 2019	Unrealised appreciation/ (diminution) on re-measurement of investments	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
Number of Shares						(Rupees in '000)						
<b>GLASS &amp; CERAMICS</b>												
Tariq Glass Industries Limited		-	40,000	-	40,000	-	-	-	-	-	-	-
<b>PHARMACEUTICALS</b>												
AGP Limited		19,500	45,000	-	30,000	34,500	2,577	3,428	851	1.10%	1.05%	0.01%
The Searle Company Limited	5.1.2	8,774	21,500	-	14,500	15,774	2,549	2,977	428	0.96%	0.91%	0.01%
Abbott Laboratories (Pakistan) Limited		-	9,000	-	9,000	-	-	-	-	-	-	-
Highnoon Laboratories Limited		-	10,000	-	10,000	10,000	5,250	5,373	123	1.72%	1.64%	0.03%
		28,274	85,500	-	53,500	60,274	10,376	11,778	1,401	3.78%	3.60%	
<b>TRANSPORT</b>												
Pakistan National Shipping Corporation Limited		4,000	39,500	-	5,000	38,500	2,793	3,616	823	1.16%	1.11%	0.03%
<b>PAPER &amp; BOARD</b>												
Century Paper & Board Mills Limited		25,000	29,000	-	22,500	31,500	979	1,596	617	0.51%	0.49%	0.02%
<b>POWER GENERATION &amp; DISTRIBUTION</b>												
The Hub Power Company Limited	5.1.1	188,188	141,000	-	126,000	203,188	16,225	18,968	2,743	6.09%	5.80%	0.02%
K-Electric Limited (par value of Rs. 3.5 each)		616,000	435,000	-	270,500	780,500	3,308	3,411	103	1.10%	1.04%	0.00%
Pakgen Power Limited		90,000	43,000	-	133,000	-	-	-	-	-	-	-
		894,188	619,000	-	529,500	983,688	19,533	22,379	2,846	7.18%	6.84%	
<b>TECHNOLOGY &amp; COMMUNICATION</b>												
Systems Limited	5.1.2	2,750	175,000	-	174,000	3,750	317	466	149	0.15%	0.14%	0.00%
<b>TEXTILE COMPOSITE</b>												
Nishat Mills Limited		53,000	83,000	-	74,500	61,500	5,513	6,528	1,015	2.10%	2.00%	0.02%
Gul Ahmed Textile Mills Limited		-	182,500	-	49,500	133,000	5,807	5,734	(73)	1.84%	1.75%	0.04%
Interloop Limited		85,436	59,500	-	90,000	54,936	2,483	3,189	706	1.02%	0.98%	0.01%
		138,436	325,000	-	214,000	249,436	13,803	15,451	1,648	4.96%	4.72%	
<b>Total - As at December 31, 2019</b>		<b>3,412,341</b>	<b>5,701,400</b>	<b>38,688</b>	<b>4,681,840</b>	<b>4,470,589</b>	<b>274,981</b>	<b>311,481</b>	<b>36,498</b>	<b>100%</b>	<b>95%</b>	
<b>Total - As at June 30, 2019</b>		<b>2,896,110</b>	<b>6,292,344</b>	<b>106,396</b>	<b>5,716,159</b>	<b>3,432,741</b>	<b>248,846</b>	<b>217,781</b>	<b>(31,065)</b>	<b>100</b>	<b>88.68</b>	

\*Sponsor of the management company

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

5.1.1 As at December 31, 2019 the Fund has pledged shares with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11, dated October 23, 2007, issued by the SECP, of following companies:

- Bank Al-Falah Limited (50,000 shares having market value of Rs. 2.285 million)
- Engro Corporation Limited (31,000 shares having market value of Rs. 10.702 million)
- Habib Bank Limited (10,000 shares having market value of Rs. 1.74 million)
- The Hub Power Company Limited (50,000 shares having market value of Rs. 4.667 million)
- MCB Bank Limited (20,000 shares having market value of Rs. 4.098 million)
- Pakistan Petroleum Limited (10,000 shares having market value of Rs. 1.371 million)
- Pakistan State Oil Company Limited (20,000 shares having market value of Rs. 3.832 million)

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other Asset Management Companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.41 million at December 31, 2019 (June 30, 2019: Rs. 0.33 million) and not yet deposited on CDC account of department of Income Tax. Management is of the view that the decision will be in favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value of its investments.

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>6</b>	<b>ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
	Security deposit with:		
	National Clearing Company of Pakistan Limited	2,500	2,500
	Central Depository Company of Pakistan Limited	100	100
		<u>2,600</u>	<u>2,600</u>
	Prepaid listing fee	14	-
	Advance tax	199	191
		<u>2,813</u>	<u>2,791</u>

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

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

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>7</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration payable of the Management Company	569	415
	Sindh Sales Tax payable on the Management Company's remuneration	74	54
	Allocation of expenses related to registrar services, accounting, operation and valuation services	46	21
	Selling and marketing expense payable	576	255
	Sales load payable	-	1
		<u>1,265</u>	<u>746</u>

7.1 As per the offering document of the Fund, the Management Company shall charge a fee at the rate not exceeding 2% of the average annual net assets on daily basis of the Scheme, subject to the guidelines issued by the Commission from time to time. During the period, the fee has been charged, at the rate of 2% from July 1, 2019 to July 7, 2019, at the rate of 1.7% from July 8, 2019 to September 30, 2019 and at the rate of 2% from October 1, 2019 to December 31, 2019, of the daily annual net assets of the Fund. The fee is payable monthly in arrears.

7.2 The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7.3 As per Regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. Previously, such expenses were chargeable maximum upto 0.1% of the average annual net assets on daily basis of the Scheme 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 period, the Management Company has charged the aforementioned expenses, at the rate of 0.1% from July 1, 2019 to July 7, 2019, at the rate of 0.5% from July 8, 2019 to September 30, 2019 and at the rate of 0.161% from October 1, 2019 to December 31, 2019, of the daily annual net assets of the Fund.

- 7.4 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 Scheme or the actual cost, 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 can be charged to all categories of the open end mutual funds, except fund of funds, with no cap. During the period, Management Company has charged the aforementioned expenses, at the rate of 0.4% from July 1, 2019 to July 7, 2019 and at the rate of 0.75% from July 8, 2019 to December 31, 2019, of the daily annual net assets of the Fund.

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>8 PAYABLE TO THE TRUSTEE</b>			
Trustee fee payable	8.1	<u>69</u>	<u>70</u>

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

Earlier, the Trustee fee was charged as per the details disclosed in note 10.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019. CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged at the rate of 0.2% of the average annual net assets of the Fund. During the period, Management Company has charged the Trustee fee accordingly.

- 8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee payable	9.1	<u>26</u>	<u>275</u>

9.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an equity scheme is required to pay as annual fee to the SECP, an amount equal to 0.095% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty	10.1	5,685	5,685
Provision for Sindh Workers' Welfare Fund	10.2	3,839	2,768
Withholding tax payable		33	36
Brokerage payable		238	71
Auditors' remuneration		221	264
Printing charges		123	154
Others		35	31
		<u>10,174</u>	<u>9,009</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) 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, 2019, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2019 would have been higher by Rs. 1.95 per unit (June 30, 2019: Rs. 2.16 per unit).

10.2 The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is the same as disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019 and a constitutional petition filed by certain CISs, through their trustees, in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, is pending adjudication.

As at December 31, 2019, the provision in relation to SWWF amounted to Rs. 3.839 million. Had the provision not been made, the net asset value per unit as at December 31, 2019 would have been higher by Rs. 1.32 (June 30, 2019: Rs. 1.05) per unit.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 (June 30, 2019: Nil).

## 12 TAXATION

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

13 EARNINGS PER UNIT

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with parties who were connected persons due to holding 10% or more units 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>Half year ended</b>	
		<b>December 31,</b>	
		<b>2019</b>	<b>2018</b>
		<b>(Un-Audited)</b>	<b>(Un-Audited)</b>
		<b>----- (Rupees in '000) -----</b>	
<b>14.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	2,537	3,052
	Sindh Sales Tax on remuneration of the Management Company	330	397
	Allocation of expenses related to registrar services, accounting, operation and valuation services	321	153
	Sales load paid	-	27
	Issue of 226,472 (2018: 177,048) units	25,000	20,000
	Redemption of 625,230 (2018: 180,942) units	63,103	20,000
	<b>Habib Bank Limited - Sponsor</b>		
	Bank charges	2	5
	Mark-up on bank deposits	346	-
	Dividend Income	252	503
	<b>MCB Bank Limited - connected person holding 10% or more units</b>		
	Bank charges	1	1
	Mark-up on bank deposits	27	70
	<b>Mir Ghulam Ali Talpur - connected person* holding 10% or more units</b>		
	Issue of 261,062 units	25,153	-

	Half year ended December 31,	
	2019 (Un-Audited)	2018 (Un-Audited)
	----- (Rupees in '000) -----	
<b>The Citizens Foundation - connected person* holding 10% or more units</b>		
Issue of 475,449 units	45,520	-
Redemption of 180,942 units	15,444	-
<b>Directors and Executives of the Management Company</b>		
Issue of 158 (2018: 4,721) units	15	510
Redemption of 602 (2018: 1,886) units	63	209
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	264	353
Sindh Sales Tax on remuneration of the Trustee	34	46
Central Depository service charges	25	21
	<b>December 31,</b>	<b>June 30,</b>
	<b>2019</b>	<b>2019</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 - Management Company</b>		
Remuneration payable of the Management Company	569	415
Sindh Sales Tax payable on the Management Company's remuneration	74	54
Selling and marketing expenses	576	255
Allocation of expenses related to registrar services, accounting, operation and valuation services	46	21
Sales load payable	-	1
Units held: Nil (June 30, 2019: 398,758 )	-	37,239
<b>Habib Bank Limited - Sponsor</b>		
Bank balance	8,330	5,175
<b>MCB Bank Limited - connected person holding 10% or more units</b>		
Bank balances	781	256
Units held: 1,022,050 (June 30, 2019: 1,022,050 )	114,931	95,446
<b>Mir Ghulam Ali Talpur - connected person* holding 10% or more units</b>		
Units held: 449,348	50,530	-
<b>The Citizens Foundation - connected person * holding 10% or more units</b>		
Units held: 475,449	53,465	-

	<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	----- (Rupees in '000) -----	
<b>Directors and Executives of the Management Company</b>		
Units held: 158 (June 30, 2019: 36,471 )	18	3,406
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	61	58
Sindh Sales Tax on trustee remuneration	8	7
Central Depository Charges payable	5	5
Security deposit	100	100

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

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		December 31, 2019 (Un-Audited)						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
<b>Financial assets measured at fair value</b>								
	Investments	311,481	-	311,481	311,481	-	-	311,481
		<u>311,481</u>	<u>-</u>	<u>311,481</u>	<u>311,481</u>	<u>-</u>	<u>-</u>	<u>311,481</u>
<b>Financial assets not measured at fair value</b>								
15.1	Bank balances	-	23,264	23,264				
	Dividend and mark-up receivable	-	242	242				
	Receivable against sale of investments - net	-	1,131	1,131				
	Deposits	-	2,600	2,600				
		<u>-</u>	<u>27,237</u>	<u>27,237</u>				
<b>Financial liabilities not measured at fair value</b>								
15.1	Payable to the Management Company	-	1,191	1,191				
	Payable to the Trustee	-	61	61				
	Payable against redemption of units	-	324	324				
	Accrued expenses and other liabilities	-	598	598				
		<u>-</u>	<u>2,174</u>	<u>2,174</u>				
		June 30, 2019 (Audited)						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
<b>Financial assets measured at fair value</b>								
	Investments	217,781	-	217,781	217,781	-	-	217,781
		<u>217,781</u>	<u>-</u>	<u>217,781</u>	<u>217,781</u>	<u>-</u>	<u>-</u>	<u>217,781</u>
<b>Financial assets not measured at fair value</b>								
15.1	Bank balances	-	28,239	28,239				
	Dividend and profit receivable	-	956	956				
	Deposits	-	2,600	2,600				
	Receivable against sale of investments - net	-	6,012	6,012				
		<u>-</u>	<u>37,807</u>	<u>37,807</u>				
<b>Financial liabilities not measured at fair value</b>								
15.1	Payable to the Management Company	-	692	692				
	Payable to the Trustee	-	63	63				
	Payable against redemption of units	-	82	82				
	Accrued expenses and other liabilities	-	505	505				
		<u>-</u>	<u>1,342</u>	<u>1,342</u>				

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

15.2 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, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2019 is 2.74% (2018: 1.96%) which includes 0.6% (2018: 0.22%) representing Government levy and SECP fee.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 13, 2020.

---

---

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)**

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

# **HBL**

## **Energy Fund**

## FUND INFORMATION

---

---

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL ENERGY FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Energy Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 24, 2020





Tel: +92 21 3568 3030  
Fax: +92 21 3568 4239  
www.bdo.com.pk

2nd Floor, Block-C  
Lakson Square, Building No.1  
Sarwar Shaheed Road  
Karachi-74200  
Pakistan

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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL ENERGY FUND ("the Fund") as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2019 and December 31, 2018 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 13 FEB 2020

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Raheel Shahnawaz

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**HBL Energy Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At December 31, 2019*

	December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Bank balances	4      86,511	61,148
Investments	5      807,348	698,072
Dividend and mark-up receivable	576	680
Advances, deposits and prepayments	6      2,919	2,893
<b>TOTAL ASSETS</b>	<u>897,354</u>	<u>762,793</u>
<b>LIABILITIES</b>		
Payable to the Management Company	7      3,067	2,310
Payable to the Trustee	8      158	148
Payable to Securities and Exchange Commission of Pakistan	9      70	868
Unclaimed dividend	5,389	5,389
Accrued expenses and other liabilities	10     22,362	19,736
<b>TOTAL LIABILITIES</b>	<u>31,046</u>	<u>28,451</u>
<b>NET ASSETS</b>	<u>866,308</u>	<u>734,342</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<u>866,308</u>	<u>734,342</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	11	----- (Number of units) -----
<b>Number of units in issue</b>	<u>66,232,186</u>	<u>66,037,528</u>
	----- (Rupees) -----	
<b>Net assets value per unit</b>	<u>13.0799</u>	<u>11.1201</u>

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

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

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

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

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

**HBL Energy Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
*For The Half Year And Quarter Ended December 31, 2019*

	Note	Half year ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
(Rupees in '000)					
<b>Income</b>					
Capital gain / (loss) on sale of investments - net		3,595	(26,218)	13,038	(24,771)
Dividend income		13,155	16,058	7,266	7,845
Mark-up on bank deposits		3,690	5,437	1,933	3,058
		<u>20,440</u>	<u>(4,723)</u>	<u>22,237</u>	<u>(13,868)</u>
Unrealized appreciation / (diminution) on re-measurement of investments classified as financial asset at 'fair value through profit or loss'- net		112,963	(133,395)	162,407	(104,359)
		<u>133,403</u>	<u>(138,118)</u>	<u>184,644</u>	<u>(118,227)</u>
<b>Expenses</b>					
Remuneration of the Management Company	7.1	6,690	9,921	3,737	4,776
Sindh Sales Tax on remuneration of the Management Company	7.2	869	1,290	485	621
Remuneration of the Trustee	8.1	698	984	374	475
Sindh Sales Tax on remuneration of the Trustee	8.2	91	128	49	62
Annual fee to Securities and Exchange Commission of Pakistan	9.1	70	471	38	227
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	880	496	301	239
Selling and marketing expenses	7.4	2,568	1,984	1,402	955
Auditors' remuneration		220	477	220	240
Fees and subscription		11	52	8	52
Securities transaction costs and settlement charges		1,347	937	832	296
Bank charges		15	11	11	5
		<u>13,459</u>	<u>16,751</u>	<u>7,457</u>	<u>7,948</u>
<b>Net income / (loss) for the period from operating activities</b>		<u>119,944</u>	<u>(154,869)</u>	<u>177,187</u>	<u>(126,175)</u>
Provision for Sindh Workers' Welfare Fund	10.2	(2,399)	-	(2,399)	-
<b>Net income / (loss) for the period before taxation</b>		<u>117,545</u>	<u>(154,869)</u>	<u>174,788</u>	<u>(126,175)</u>
Taxation	12	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<u>117,545</u>	<u>(154,869)</u>	<u>174,788</u>	<u>(126,175)</u>
<b>Allocation of net income for the period</b>					
Income already paid on redemption of units		1,853		1,853	
Accounting income available for distribution:					
Relating to capital gains		114,771		172,935	
Excluding capital gains		921		-	
		<u>115,692</u>		<u>172,935</u>	
		<u>117,545</u>		<u>174,788</u>	
<b>Earnings per unit</b>	13				

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Energy Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For The Half Year And Quarter Ended December 31, 2019*

	Half year ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	117,545	(154,869)	174,788	(126,175)
Other comprehensive income for the period				
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>117,545</u>	<u>(154,869)</u>	<u>174,788</u>	<u>(126,175)</u>

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

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

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

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

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



**HBL Energy Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
*For The Half Year Ended December 31, 2019*

	Half year ended December 31,	
	2019	2018
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	117,545	(154,869)
Adjustments for:		
Capital (gain) / loss on sale of investments - net	(3,595)	26,218
Dividend income	(13,155)	(16,058)
Mark-up on bank deposits	(3,690)	(5,437)
Unrealized (appreciation) / diminution on re-measurement of investments classified at 'fair value through profit or loss' - net	(112,963)	133,395
	<u>(15,858)</u>	<u>(16,751)</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	7,282	104,507
Advances, deposits and prepayments	(26)	(68)
	7,256	104,439
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	757	(1,515)
Payable to the Trustee	10	(27)
Payable to Securities and Exchange Commission of Pakistan	(798)	(439)
Accrued expenses and other liabilities	2,626	231
Unclaimed dividend	-	(5)
	<u>2,595</u>	<u>(1,755)</u>
Cash (used in) / generated from operations	(6,007)	85,933
Dividend received	13,145	17,310
Mark-up received on bank deposits	3,804	4,862
	<u>16,949</u>	<u>22,172</u>
Net cash generated from operating activities	10,942	108,105
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	186,233	58,431
Amount paid on redemption of units	(171,812)	(130,335)
Net cash generated from / (used in) financing activities	<u>14,421</u>	<u>(71,904)</u>
Net increase in cash and cash equivalents	25,363	36,201
Cash and cash equivalents at beginning of the period	<u>61,148</u>	<u>100,388</u>
Cash and cash equivalents at end of the period	<u>4</u> <u>86,511</u>	<u>136,589</u>

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

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

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

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

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

# HBL Energy Fund

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

### For The Half Year Ended December 31, 2019

---

---

#### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules 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 categorized as an equity scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CISs).

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

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

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

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

**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, 2019.

**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, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.

**2.1.4** This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.

**2.1.5** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

### **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 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, 2019, 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, 2019.
- 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, 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 the annual audited financial statements of the Fund for the year ended June 30, 2019.

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	----- (Rupees in '000) -----	
<b>4</b>	<b>BANK BALANCES</b>		
	In savings accounts	4.1 61,490	61,129
	In current accounts	25,021	19
		<u>86,511</u>	<u>61,148</u>

- 4.1** This represents bank accounts held with various banks. Mark-up rates on these accounts range between 11% to 14.50% per annum (June 30, 2019: 8% to 13.5% per annum). This includes balance held with Habib Bank Limited (a related party) amounting to Rs. 2.036 million (June 30, 2019: Rs. 1.886 million).

		<b>December 31, 2019 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Note</b>	----- (Rupees in '000) -----	
<b>5</b>	<b>INVESTMENTS</b>		
	<b>Financial assets at 'fair value through profit or loss'</b>		
	Listed equity securities	5.1 807,348	698,072

## 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					(Rupees in '000)			Market value as a percentage of total investments	Market value as a percentage of net assets	Fair value as a percent of issue capital of investee compar
		As at July 1, 2019	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2019	Carrying Amount as at December 31, 2019	Market Value as at December 31, 2019	Unrealised appreciation/ (diminution) on re-measurement of investments			
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>												
Thal Limited (par value of Rs. 5 each)		20,400	24,800	-	22,200	23,000	7,194	7,779	585	2.50%	2.38%	(
<b>CEMENT</b>												
Lucky Cement Limited		16,400	34,500	-	19,100	31,800	12,294	13,623	1,329	4.37%	4.17%	(
Kohat Cement Limited		22,000	30,500	-	32,000	20,500	1,057	1,587	530	0.51%	0.49%	(
Maple Leaf Cement Factory Limited		-	115,000	-	115,000	-	-	-	-	-	-	(
		38,400	180,000	-	166,100	52,300	13,351	15,210	1,859	4.88%	4.65%	(
<b>CHEMICAL</b>												
Engro Polymer & Chemicals Limited		183,596	271,000	-	205,500	249,096	6,895	8,272	1,377	2.66%	2.53%	(
Lotte Chemical Pakistan Limited		90,000	293,500	-	383,500	-	-	-	-	-	-	(
Sitara Chemical Industries Limited		2,000	9,100	-	-	11,100	3,044	3,314	270	1.06%	1.01%	(
		275,596	573,600	-	589,000	260,196	9,939	11,586	1,647	3.72%	3.54%	(
<b>COMMERCIAL BANKS</b>												
Allied Bank Limited		72,000	49,600	-	40,300	81,300	8,111	7,772	(339)	2.50%	2.38%	(
Bank Al-Falah Limited		281,550	269,000	-	112,500	438,050	19,240	20,019	779	6.43%	6.12%	(
Bank Al-Habib Limited	5.1.1	110,000	175,000	-	115,500	169,500	12,540	12,909	369	4.14%	3.95%	(
Habib Bank Limited*	5.1.1	106,600	162,500	-	218,000	51,100	6,408	8,044	1,636	2.58%	2.46%	(
MCB Bank Limited**	5.1.1	35,300	48,800	-	53,500	30,600	5,322	6,271	949	2.01%	1.92%	(
United Bank Limited		65,200	80,500	-	35,000	110,700	16,241	18,210	1,969	5.85%	5.57%	(
The Bank of Punjab Limited		545,000	1,200,500	-	1,011,500	734,000	7,344	8,316	972	2.67%	2.54%	(
Faysal Bank Limited	5.1.2	1,800	-	-	-	1,800	39	34	(5)	0.01%	0.01%	(
National Bank of Pakistan Limited		64,000	201,000	-	89,000	176,000	6,580	7,621	1,041	2.45%	2.33%	(

**5.1.1** As at December 31, 2019, the Fund has pledged shares with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11, dated October 23, 2007, issued by the SECP of following companies:

- Oil and Gas Development Company (300,000 shares having market value of Rs. 39.480 million)
- Pakistan Petroleum Limited (200,000 shares having market value of Rs. 24.674 million)

**5.1.2** These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.458 million at December 31, 2019 (June 30, 2019: Rs. 0.337 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b>6</b>	<b>ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
	Security deposit with:		
	National Clearing Company of Pakistan Limited	2,500	2,500
	Central Depository Company of Pakistan Limited	300	300
		<u>2,800</u>	<u>2,800</u>
	Prepaid listing fee	16	-
	Advance tax	103	93
	6.1	<u>2,919</u>	<u>2,893</u>

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

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

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b>7</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration to the Management Company	1,375	1,282
	Sindh Sales Tax payable on the Management Company's remuneration	179	167
	Allocation of expenses related to registrar services, accounting, operation and valuation services	111	64
	Selling and marketing expense payable	1,402	798
		<u>3,067</u>	<u>2,310</u>

**7.1** As per the offering document of the Fund, the Management Company shall charge a fee at the rate not exceeding 2% of the average annual net assets on daily basis of the Scheme, subject to the guidelines issued by the Commission from time to time. During the period, the fee has been charged at the rate ranging between 1.7% to 2% of the daily annual net assets of the Fund. The fee is being charged at the rate of 2% from September 1, 2019 onwards. The fee is payable monthly in arrears.

**7.2** The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

**7.3** As per the Regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. Previously, such expenses were chargeable maximum upto 0.1% of the average annual net assets on daily basis of the scheme 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 period, the fee has been charged at the rate ranging between 0.1% to 0.5% of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.161% from September 1, 2019 onwards.

**7.4** 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 Scheme or the actual cost, 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 can be charged to all categories of open end mutual funds, except fund of funds with no cap. During the period, the fee has been charged at the rate ranging between 0.4% to 0.75% of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.75% from July 8, 2019 onwards.

	Note	December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
<b>8 PAYABLE TO THE TRUSTEE</b>			
Trustee fee payable	8.1	<u>158</u>	<u>148</u>

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

Earlier, the Trustee fee was charged as per the details disclosed in note 10.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019. CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019 has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which Trustee fee shall be charged at the rate of 0.2% of the average annual net assets of the Fund. During the period, Management Company has charged the Trustee fee accordingly.

CDC, vide its notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee. With effect from July 1, 2019 according to which Trustee fee shall be charged at the rate of 0.2% of the average annual net assets of the Fund. The Management Company has charged the Trustee fee accordingly.

**8.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

	Note	December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
<b>9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee payable		<u>70</u>	<u>868</u>

9.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an equity scheme is required to pay as annual fee to the SECP, an amount equal to 0.095% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s) with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

	December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
Note	----- (Rupees in '000) -----	
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Provision for Federal Excise Duty	13,920	13,920
Provision for Sindh Workers' Welfare Fund	7,384	4,985
Withholding tax payable	279	56
Brokerage payable	237	130
Auditors' remuneration	220	293
Printing charges	46	77
Zakat payable	207	205
Other	69	70
	<u>22,362</u>	<u>19,736</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, 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 December 31, 2019 would have been higher by Rs. 0.21 per unit (June 30, 2019: Rs. 0.21 per unit).

10.2 The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) 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, 2019 and a constitutional petition filed by certain CISs, through their trustees, in the Honourable High Court of Sindh, challenging the applicability of SWWF to the CISs, is pending adjudication.

As at December 31, 2019, the provision in relation to SWWF amounted to Rs. 7.384 million. Had the provision not been made, the net asset value per unit as at December 31, 2019 would have been higher by Rs. 0.11 (June 30, 2019: 0.08) per unit.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 (June 30, 2019: Nil).

## 12 TAXATION

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

---

---

**13 EARNINGS PER UNIT**

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

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

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

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

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

Transactions and balances with parties who were connected persons due to holding 10% or more units 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>Half year ended</b>	
	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(Un-Audited)</b>	<b>(Un-Audited)</b>
	<b>----- (Rupees in '000) -----</b>	
<b>14.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Issue of units: 5,791,794 (2018: Nil) units	75,000	-
Redemption of units: 4,160,270 (2018: 895,280) units	49,215	13,000
Remuneration of the Management Company	6,690	9,921
Sindh Sales Tax on remuneration of the Management Company	869	1,290
Allocation of expenses related to registrar services, accounting, operation and valuation services	880	496
Selling and marketing expenses	2,568	1,984
<b>Habib Bank Limited - Sponsor</b>		
Bank charges	3	1
Mark-up on bank deposits	122	-
<b>Executives of the Management Company</b>		
Issue of 7,628 (2018: Nil) units	101	-
Redemption of 7,628 (2018: Nil) units	100	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	698	984
Sindh Sales Tax on remuneration of the Trustee	91	128
CDS charges	3	28

<u>December 31,</u> <u>2019</u> <u>(Un-Audited)</u> ----- (Rupees in '000) -----	<u>June 30,</u> <u>2019</u> <u>(Audited)</u> ----- (Rupees in '000) -----
---	--

**14.2 Balances outstanding as at period / year end**

**HBL Asset Management Limited - Management Company**

Remuneration of the Management Company	1,375	1,282
Sindh Sales Tax on Management Company's remuneration	179	167
Allocation of expenses related to registrar services, accounting, operation and valuation services	111	64
Selling and marketing expenses	1,402	798
Units held: 3,829,301 (June 30, 2019: 2,197,777)	50,087	24,440

<u>December 31,</u> <u>2019</u> <u>(Un-Audited)</u> ----- (Rupees in '000) -----	<u>June 30,</u> <u>2019</u> <u>Audited</u> ----- (Rupees in '000) -----
---	--

**Habib Bank Limited - Sponsor**

Bank balances	2,036	1,886
Units held: 19,690,192 ( June 30, 2019: 19,690,192)	257,545	218,957

**Central Depository Company of Pakistan Limited - Trustee**

Trustee fee payable	140	128
Sindh Sales Tax on remuneration of the Trustee	18	17
CDS charges payable	3	3
Security deposit	300	300

**Directors and Executives of the Management Company**

Units held: Nil (June 30, 2019: 449,955)	-	5,004
--	---	-------

**15 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.

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 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.

		December 31, 2019 (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>Financial assets measured at fair value</b>								
	Investments - net	807,348	-	807,348	807,348	-	-	807,348
		<u>807,348</u>	<u>-</u>	<u>807,348</u>	<u>807,348</u>	<u>-</u>	<u>-</u>	<u>807,348</u>
<b>Financial assets not measured at fair value</b>								
15.1	Bank balances	-	86,511	86,511				
	Dividend and mark-up receivable	-	576	576				
	Deposits	-	2,800	2,800				
		<u>-</u>	<u>89,887</u>	<u>89,887</u>				
<b>Financial liabilities not measured at fair value</b>								
15.1	Payable to the Management Company	-	2,888	2,888				
	Payable to the Trustee	-	140	140				
	Accrued expenses and other liabilities	-	572	572				
	Unclaimed dividend	-	5,389	5,389				
		<u>-</u>	<u>8,989</u>	<u>8,988</u>				
		June 30, 2019 (Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
<b>Financial assets measured at fair value</b>								
	Investments - net	698,072	-	698,072	698,072	-	-	698,072
		<u>698,072</u>	<u>-</u>	<u>698,072</u>	<u>698,072</u>	<u>-</u>	<u>-</u>	<u>698,072</u>
<b>Financial assets not measured at fair value</b>								
15.1	Bank balances	-	61,148	61,148				
	Dividend and mark-up receivable	-	680	680				
	Deposits	-	2,800	2,800				
		<u>-</u>	<u>64,628</u>	<u>64,628</u>				
<b>Financial liabilities not measured at fair value</b>								
15.1	Payable to the Management Company	-	2,144	2,144				
	Payable to the Trustee	-	131	131				
	Accrued expenses and other liabilities	-	536	536				
	Unclaimed dividend	-	5,389	5,389				
		<u>-</u>	<u>8,200</u>	<u>8,200</u>				

---

---

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

**15.2 Transfers during the period**

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

**16 TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2019 is 2.29% (2018: 3.38%) which includes 0.52% (2018: 0.40%) representing Government levy and SECP fee.

**17 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 13, 2020.

**18 GENERAL**

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

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

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

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

# **HBL**

## **Multi Asset Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Multi Asset Fund
Name of Auditor	KPMG Taseer Hadi & Company
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)

### Bankers

MCB Bank Limited  
HBL Bank Limited  
JS Bank Limited  
Zarai Taraqati Bank Limited  
Allied Bank Limited  
Sindh Bank Limited  
Soneri Bank Limited  
Dubai Islamic Bank Limited  
Habib Metropolitan Bank Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



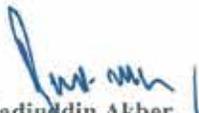
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL MULTI ASSET FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Multi Asset Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 24, 2020







KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

**Independent Auditors' Review Report to the unit holders of HBL Multi Asset Fund**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Multi Asset Fund** ("the Fund") as at 31 December 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flow and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

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

**Conclusion**

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

**Other Matter**

The figures for the three months period ended 31 December 2019 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The interim financial information of the Fund for the six months period ended 31 December 2018 and financial statements for the year ended 30 June 2019 were reviewed and audited by another firm of auditors whose reports dated 11 February 2019 and 27 September 2019 expressed an unmodified conclusion and opinion thereon respectively.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

**Date: 24 February 2020**

**Karachi**

*KPMG Taseer Hadi & Co.*  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

**HBL Multi Asset Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*For the six months period ended December 31, 2019*

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	Note ----- (Rupees in '000) -----	
<b>Assets</b>		
Bank balances	6 75,199	60,225
Investments	7 157,315	148,196
Dividend receivable and accrued mark-up	1,010	1,134
Receivable against sale of investments	-	2,631
Advances, deposits and other receivables	8 3,495	3,480
<b>Total assets</b>	<b>237,019</b>	<b>215,666</b>
<b>Liabilities</b>		
Payable to Management Company	9 596	541
Payable to Trustee	42	65
Payable to Securities and Exchange Commission of Pakistan of Pakistan	20	234
Payable against redemption of units	20,000	-
Accrued expenses and other liabilities	10 12,174	11,672
<b>Total liabilities</b>	<b>32,832</b>	<b>12,512</b>
<b>Net assets</b>	<b>204,187</b>	<b>203,154</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>204,187</b>	<b>203,154</b>
<b>Contingencies and Commitments</b>	11	
	-----Number of units-----	
<b>Number of units in issue</b>	<b>1,843,477</b>	<b>2,123,916</b>
	------(Rupees)-----	
<b>Net assets value per unit</b>	<b>110.7617</b>	<b>95.6506</b>

The annexed notes 1 to 19 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 six and three months period ended December 31, 2019*

	Six months period ended December 31,		Three months period ended December 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
<b>Income</b>				
Net realised gain / (loss) on sale of investments	2,683	(3,242)	3,454	(3,694)
Dividend income	3,877	4,374	1,858	2,485
Return on investments calculated using effective interest method	2,018	1,340	977	692
Profit on deposits with banks calculated using effective interest method	4,496	4,676	2,273	2,444
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial asset at fair value through profit or loss'	21,054	(20,799)	25,565	(15,939)
Other income	33	3	19	1
	<b>34,161</b>	<b>(13,648)</b>	<b>34,146</b>	<b>(14,011)</b>
	<b>34,161</b>	<b>(13,648)</b>	<b>34,146</b>	<b>(14,011)</b>
<b>Expenses</b>				
Remuneration of Management Company	2,121	3,423	1,184	1,677
Remuneration of Trustee	228	399	118	200
Annual fee to Securities and Exchange Commission of Pakistan	20	129	10	63
Allocation of expenses related to registrar services, accounting, operation and valuation services	217	152	53	74
Selling and marketing expense	333	248	150	149
Auditors' remuneration	200	199	100	99
Securities transaction costs	213	214	105	105
Settlement and bank charges	136	232	88	113
Fee and subscription	14	45	7	18
	<b>3,482</b>	<b>5,041</b>	<b>1,815</b>	<b>2,498</b>
	<b>3,482</b>	<b>5,041</b>	<b>1,815</b>	<b>2,498</b>
<b>Net income / (loss) from operating activities</b>	<b>30,679</b>	<b>(18,689)</b>	<b>32,331</b>	<b>(16,509)</b>
Provision for Sindh Workers' Welfare Fund	10.2 (614)	-	(614)	-
<b>Net income / (loss) for the period before taxation</b>	<b>30,065</b>	<b>(18,689)</b>	<b>31,717</b>	<b>(16,509)</b>
Taxation	12 -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>30,065</b>	<b>(18,689)</b>	<b>31,717</b>	<b>(16,509)</b>
<b>Allocation of net income for the period after taxation</b>				
Net income for the period after taxation	30,065	-	30,065	-
Income already paid on redemption of units	(2,970)	-	(2,970)	-
Accounting income available for distribution	<b>27,095</b>	<b>-</b>	<b>27,095</b>	<b>-</b>
<b>Accounting income available for distribution:</b>				
- Relating to capital gains	21,534	-	21,534	-
- Excluding capital gains	5,561	-	5,561	-
	<b>27,095</b>	<b>-</b>	<b>27,095</b>	<b>-</b>

The annexed notes 1 to 19 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 six and three months period ended December 31, 2019*

	Six months period ended		Three months period ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	30,065	(18,689)	31,717	(16,509)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>30,065</b>	<b>(18,689)</b>	<b>31,717</b>	<b>(16,509)</b>

The annexed notes 1 to 19 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 Movement in Unitholders' Fund (Un-Audited)**  
*For the six months period ended December 31, 2019*

	2019			2018				
	Capital value	Undistributed income	Unrealised gain on investment	Total	Capital value	Undistributed income / (accumulated loss)	Unrealised gain on investment	Total
----- (Rupees in '000) -----								
<b>Net assets at beginning of the period</b>	252,548	(49,394)	-	203,154	350,396	(32,325)	6,052	324,123
Adjustment due to adoption of IFRS 9	-	-	-	-	-	6,052	(6,052)	-
<b>Issue of 59,403 units (2018: 88,808 units)</b>								
- Capital value	5,682	-	-	5,682	9,329	-	-	9,329
- Element of income	567	-	-	567	(53)	-	-	(53)
Total proceeds on issuance of units	6,249	-	-	6,249	9,276	-	-	9,276
<b>Redemption of 339,842 units (2018: 468,438 units)</b>								
- Capital value	(32,506)	-	-	(32,506)	(49,210)	-	-	(49,210)
- Element of loss	195	(2,970)	-	(2,775)	420	-	-	420
Total payments on redemption of units	(32,311)	(2,970)	-	(35,281)	(48,790)	-	-	(48,790)
Total comprehensive income / (loss) for the period	-	30,065	-	30,065	-	(18,689)	-	(18,689)
Total comprehensive income / (loss) for the period	-	30,065	-	30,065	-	(18,689)	-	(18,689)
<b>Net assets at end of the period</b>	<b>226,486</b>	<b>(22,299)</b>	<b>-</b>	<b>204,187</b>	<b>310,882</b>	<b>(44,962)</b>	<b>-</b>	<b>265,920</b>
<b>Undistributed income brought forward</b>								
- Realised loss		(28,595)				(30,133)		
- Unrealised loss		(20,799)				(2,192)		
		(49,394)				(32,325)		
<b>Accounting income available for distribution</b>								
- Relating to capital gains		21,534				(24,163)		
- Excluding capital gains		5,561				(20,799)		
		27,095				(44,962)		
Adjustment due to adoption of IFRS 9		-				6,052		
Net loss for the period after taxation		-				(18,689)		
Distribution during the period		-				-		
<b>Accumulated loss carried forward</b>		<b>(22,299)</b>				<b>(44,962)</b>		
<b>Accumulated loss carried forward</b>								
-Realised loss		(43,353)				(24,163)		
-Un-realised gain		21,054				(20,799)		
		(22,299)				(44,962)		
					(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the period</b>				<u>95.6506</u>				<u>105.0519</u>
<b>Net assets value per unit at end of the period</b>				<u>110.7617</u>				<u>98.2805</u>

The annexed notes 1 to 19 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 Cash Flow (Un- Audited)**  
*For the six months period ended December 31, 2019*

	2019 ----- (Rupees in '000) -----	2018
<b>Cash flows from operating activities</b>		
Net Income / (loss) for the period before taxation	30,065	(18,689)
<b>Adjustments</b>		
Net realised (gain) / loss on sale of investments	(2,683)	3,242
Profit on deposits with banks calculated using effective yield method	(4,496)	(4,676)
Return on investments calculated using effective yield method	(2,018)	(1,340)
Dividend income	(3,877)	(4,374)
Net unrealised (appreciation) / diminution on remeasurement of investments classified as 'financial asset at fair value through profit or loss'	(21,054)	20,799
	<u>(4,063)</u>	<u>(5,038)</u>
<b>Decrease / (increase) in assets</b>		
Investments	14,618	12,202
Advances, deposits and other receivables	(15)	(15)
Receivable against sale of investments	2,631	-
	<u>17,234</u>	<u>12,187</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to Management Company	55	18
Payable to Trustee	(23)	2
Payable to Securities and Exchange Commission of Pakistan	(214)	(381)
Payable against redemption of units	20,000	-
Accrued expenses and other liabilities	502	(68)
	<u>20,320</u>	<u>(429)</u>
<b>Net cash generated from operations</b>	<u>33,491</u>	<u>6,720</u>
Profits received on bank deposits	4,405	4,556
Markup received on investments	2,193	1,295
Dividend income received	3,917	4,714
	<u>10,515</u>	<u>10,565</u>
<b>Net cash generated from operating activities</b>	<u>44,006</u>	<u>17,285</u>
<b>Cash flows from financing activities</b>		
Amount received on issue of units	6,249	9,276
Payment against redemption of units	(35,281)	(48,790)
<b>Net cash used in financing activities</b>	<u>(29,032)</u>	<u>(39,514)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>14,974</u>	<u>(22,229)</u>
Cash and cash equivalents at beginning of the period	<u>60,225</u>	<u>118,090</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>75,199</u></u>	<u><u>95,861</u></u>

The annexed notes 1 to 19 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 six months period ended December 31, 2019*

---

---

### 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 AM2+' (Positive outlook) to the Management Company while the Fund is currently not rated.

Title to the assets of the Fund are held in the name of 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 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 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, 2019. 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 December 31, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING 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, 2019.

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, 2019.

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, 2019.

		December 31, 2019	June 30, 2019
		(Rupees in '000)	
<b>6. BANK BALANCES</b>	<i>Note</i>		
Savings accounts	6.1	<u>75,199</u>	<u>60,225</u>

6.1 This represents bank accounts held with different banks. Profit rates on these accounts ranges between 6.00% - 14.05% (June 30, 2019: 4.00% - 13.50%) per annum.

		December 31, 2019	June 30, 2019
		(Rupees in '000)	
<b>7. INVESTMENTS</b>	<i>Note</i>		
<b>Investments by category</b>			
<b>At fair value through profit or loss</b>			
Listed equity securities	7.1	139,561	118,637
Term finance certificates and Sukuk bonds	7.2	<u>17,754</u>	<u>29,559</u>
		<u>157,315</u>	<u>148,196</u>

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

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

Name of Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Cost of holdings as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
	----- (Number of shares) -----				----- (Rupees in '000) -----		----- % -----			
<b>Automobiles Parts &amp; Accessories</b>										
Thal Limited (par value: Rs.5 each)	8,000	3,500	-	1,000	10,500	3,498	3,551	2.26%	1.74%	0.52%
	8,000	3,500	-	1,000	10,500	3,498	3,551	2.26%	1.74%	0.52%
<b>Auto Mobile Assembler</b>										
Indus Motor Company Limited	1,300	-	-	1,300	-	-	-	-	-	-
	1,300	-	-	1,300	-	-	-	-	-	-
<b>Cement</b>										
Kohat Cement Limited	13,000	13,000	-	16,500	9,500	472	735	0.47%	0.36%	0.05%
Lucky Cement Limited	11,400	5,500	-	2,000	14,900	5,885	6,383	4.06%	3.13%	0.05%
	24,400	18,500	-	18,500	24,400	6,357	7,118	4.53%	3.49%	0.10%
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited	70,000	73,000	-	44,500	98,500	2,629	3,271	2.08%	1.60%	0.11%
Lotte Chemical Pakistan Limited	50,000	-	-	50,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	2,500	400	-	-	2,900	862	866	0.55%	0.42%	0.14%
	122,500	73,400	-	94,500	101,400	3,491	4,137	2.63%	2.02%	0.25%
<b>Commercial Banks</b>										
Allied Bank Limited	30,000	10,000	-	10,000	30,000	3,090	2,868	1.82%	1.40%	0.00%
Bank Al-Falah Limited	145,100	21,000	-	4,500	161,600	7,075	7,385	4.69%	3.62%	0.01%
Bank Al-Habib Limited	64,000	22,000	-	6,500	79,500	5,915	6,055	3.85%	2.97%	0.01%
Bank of Punjab	132,000	-	-	-	132,000	1,208	1,496	0.95%	0.73%	0.00%
Faysal Bank Limited	2,250	-	-	-	2,250	48	43	0.03%	0.02%	0.00%
Habib Bank Limited	71,971	-	-	25,000	46,971	5,320	7,394	4.70%	3.62%	0.00%
MCB Bank Limited	30,500	-	-	7,000	23,500	4,100	4,816	3.06%	2.36%	0.00%
National Bank of Pakistan Limited	39,500	94,500	-	64,500	69,500	2,577	3,009	1.91%	1.47%	0.00%
United Bank Limited	47,300	2,000	-	3,000	46,300	6,790	7,616	4.84%	3.73%	0.00%
	562,621	149,500	-	120,500	591,621	36,122	40,682	25.85%	19.91%	0.02%
<b>Engineering</b>										
Mughal Iron & Steel Industries Limited	2,500	-	-	-	2,500	63	102	0.06%	0.05%	0.00%
	2,500	-	-	-	2,500	63	102	0.06%	0.05%	0.00%
<b>Fertilizers</b>										
Engro Corporation Limited	27,050	10,000	-	15,000	22,050	5,884	7,613	4.84%	3.73%	0.04%
Engro Fertilizers Limited	73,500	18,000	-	38,500	53,000	3,445	3,892	2.47%	1.91%	0.04%
Fauji Fertilizer Co Limited	62,500	2,500	-	27,500	37,500	3,297	3,805	2.42%	1.86%	0.03%
	163,050	30,500	-	81,000	112,550	12,626	15,310	9.73%	7.50%	0.11%
<b>Insurance</b>										
Adamjee Insurance Company Limited	-	50,000	-	5,000	45,000	1,170	1,894	1.20%	0.93%	0.00%
	-	50,000	-	5,000	45,000	1,170	1,894	1.20%	0.93%	0.00%
<b>Investment Companies</b>										
Dawood Hercules Corporation Limited	12,500	-	-	12,500	-	-	-	-	-	-
	12,500	-	-	12,500	-	-	-	-	-	-
<b>Oil &amp; Gas Exploration</b>										
Mari Petroleum Company Limited	6,958	3,528	837	5,348	5,975	5,349	7,828	4.98%	3.83%	0.00%
Oil & Gas Development Company Limited	63,300	80,900	-	57,900	86,300	11,041	12,282	7.81%	6.02%	0.02%
Pakistan Oilfields Limited	12,120	5,500	-	5,500	12,120	4,809	5,414	3.44%	2.65%	0.04%
Pakistan Petroleum Limited	47,755	85,500	9,051	51,000	91,306	10,237	12,522	7.96%	6.13%	0.04%
	130,133	175,428	9,888	119,748	195,701	31,436	38,046	24.19%	18.63%	0.10%
<b>Oil &amp; Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	25,004	15,500	4,900	25,500	19,904	2,551	3,814	2.42%	1.87%	0.05%
Sui Northern Gas Pipeline Limited	20,500	46,500	-	27,500	39,500	2,561	3,009	1.91%	1.47%	0.06%
	45,504	62,000	4,900	53,000	59,404	5,112	6,823	4.33%	3.34%	0.11%
<b>Paper &amp; Board</b>										
Century Paper & Board Mills Limited	14,000	-	-	14,000	-	-	-	-	-	-
Security Papers Limited	10,000	-	-	10,000	-	-	-	-	-	-
	24,000	-	-	24,000	-	-	-	-	-	-

Name of Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Cost of holdings as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
<b>Pharmaceuticals</b>										
AGP Limited	21,000	17,000	-	21,000	17,000	1,352	1,689	1.07%	0.83%	0.06%
The Searle Company Limited	7,761	8,200	-	8,000	7,961	1,207	1,503	0.96%	0.74%	0.04%
Highnoon Laboratories Limited	-	5,000	-	-	5,000	2,625	2,686	1.71%	1.32%	0.16%
	<u>28,761</u>	<u>30,200</u>	<u>-</u>	<u>29,000</u>	<u>29,961</u>	<u>5,184</u>	<u>5,874</u>	<u>3.74%</u>	<u>2.89%</u>	<u>0.26%</u>
<b>Power Generation and Distribution</b>										
Hub Power Company Limited	89,983	56,000	-	59,000	86,983	6,632	8,120	5.16%	3.98%	0.07%
K-Electric Limited (par value: Rs. 3.5 each)	253,000	200,000	-	67,000	386,000	1,534	1,687	1.07%	0.83%	0.04%
Pakgen Power Limited	51,500	-	-	51,500	-	-	-	-	-	-
	<u>394,483</u>	<u>256,000</u>	<u>-</u>	<u>177,500</u>	<u>472,983</u>	<u>8,166</u>	<u>9,807</u>	<u>6.23%</u>	<u>4.81%</u>	<u>0.11%</u>
<b>Textile Composite</b>										
Gul Ahmed Textile Mills Limited	-	35,000	-	-	35,000	1,509	1,509	0.96%	0.74%	0.01%
Interloop Limited	34,250	-	-	7,500	26,750	1,184	1,553	0.99%	0.76%	0.03%
Nishat Mills Limited	14,700	5,000	-	5,500	14,200	1,237	1,507	0.96%	0.74%	0.04%
	<u>48,950</u>	<u>40,000</u>	<u>-</u>	<u>13,000</u>	<u>75,950</u>	<u>3,930</u>	<u>4,569</u>	<u>2.91%</u>	<u>2.24%</u>	<u>0.08%</u>
<b>Transport</b>										
Pakistan National Shipping Corporation	13,000	13,000	-	8,500	17,500	1,260	1,644	1.05%	0.81%	0.13%
	<u>13,000</u>	<u>13,000</u>	<u>-</u>	<u>8,500</u>	<u>17,500</u>	<u>1,260</u>	<u>1,644</u>	<u>1.05%</u>	<u>0.81%</u>	<u>0.13%</u>

7.1.1 Investments include shares having market value aggregating to Rs.41.241 million (June 30, 2019: Rs. 36.119 million) that have been pledged with 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.

7.1.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Previously due to amendments brought by the Finance Act, 2014 in the Income Tax Ordinance, 2001, the bonus shares received by the shareholder were to be treated as income and a tax at the rate of 5 % was 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 was to be collected at source by the investee company which was 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 already withheld the shares (from Tax Year 2014 to Tax Year 2018) equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.2615 million at December 31, 2019 (June 30, 2019: Rs. 0.262 million) and not yet deposited on CDC account of department of Income tax while during the period no tax on bonus shares is being withheld by the investee company(s) due to the amendments brought by the Finance Act, 2018 in the Income Tax Ordinance, 2001 which excluded the the requirement of tax on bonus shares. Management is of the view that the decision will be in favor of the asset management company and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

## 7.2 Term Finance Certificates and Sukuk Bonds - At fair value through profit or loss

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Amortised Cost as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of	
							Total Investments	Net Assets
<b>Term Finance Certificates</b>	----- (Number of certificates) -----			----- (Rupees in '000) -----		----- % -----		
<b>Commercial Bank</b>								
The Bank of Punjab	135	-	-	135	13,487	13,269	8.43%	6.50%
	135	-	-	135	13,487	13,269	8.43%	6.50%
<b>Leasing Companies</b>								
Saudi Pak Leasing Company Limited - ( Note 7.2.1 )	6,000	-	-	6,000	-	-	-	-
	6,000	-	-	6,000	-	-	-	-
<b>Sukuk Bonds</b>								
<b>Investment Company</b>								
Dawood Hercules Corporation Limited	50	-	-	50	4,500	4,485	2.85%	2.20%
Dawood Hercules Corporation Limited	125	-	125	-	-	-	-	-
	175	-	125	50	4,500	4,485	2.85%	2.20%
<b>Total</b>	<b>6,310</b>	<b>-</b>	<b>125</b>	<b>6,185</b>	<b>17,987</b>	<b>17,754</b>	<b>11.28%</b>	<b>8.70%</b>

7.2.1 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. Accordingly, the exposure has been fully provided.

7.2.2 Significant terms and conditions of Term finance certificate and sukuk bonds outstanding as at December 31, 2019 are as follows:

Name of security	Remaining Principal (per TFC / Sukuk)	Mark-up rate (per annum)	Issue date	Maturity date
<b>Term Finance Certificates</b>				
Bank of Punjab	99,880	6 months Kibor + 1%	23-Dec-16	23-Dec-26
Saudi Pak Leasing Company Limited	2,533	6 months Kibor + 1.5%	13-Mar-08	13-Mar-13
<b>Sukuk Bonds</b>				
Dawood Hercules Corporation Limited	90,000	3 months Kibor + 1%	1-Mar-18	1-Mar-23

	<i>Note</i>	<b>December 31, 2019</b>	June 30, 2019
<b>(Rupees in '000)</b>			
<b>8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>			
Security deposit with National Clearing Company of Pakistan Limited (NCCPL)		<b>3,016</b>	3,016
Security deposit with Central Depository Company of Pakistan Limited (CDC)		<b>100</b>	100
Advance against TFCs	<i>8.1</i>	<b>25,000</b>	25,000
Prepaid listing fee		<b>14</b>	-
Others		<b>365</b>	364
		<b>28,495</b>	28,480
Provision in respect of advance against TFC	<i>8.1</i>	<b>(25,000)</b>	(25,000)
		<b>3,495</b>	3,480
8.1			
<p>The Fund had subscribed towards the term finance certificates of an issuer as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till at December 31, 2019. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at December 31, 2019, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.</p>			
		<b>December 31, 2019</b>	June 30, 2019
<b>(Rupees in '000)</b>			
<b>9. PAYABLE TO THE MANAGEMENT COMPANY</b>	<i>Note</i>		
Management fee		<b>375</b>	363
Sindh Sales Tax		<b>49</b>	47
Sales load payable		<b>4</b>	-
Allocation of expenses related to registrar services, accounting, operation and valuation services		<b>19</b>	18
Selling and marketing payable		<b>149</b>	113
		<b>596</b>	541
<b>10. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		<b>198</b>	296
Federal Excise Duty	<i>10.1</i>	<b>6,610</b>	6,610
Payable to brokers		<b>79</b>	56
Provision for Workers' Welfare Fund	<i>10.2</i>	<b>5,211</b>	4,597
Other payables		<b>76</b>	113
		<b>12,174</b>	11,672

- 
- 
- 10.1 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, 2019.

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to December 31, 2019 aggregating to Rs. 6.610 million. Had the provision not been retained, the Net Assets Value per unit of the Fund as on December 31, 2019 would have been higher by Rs. 3.5856 per unit (June 30, 2019: 3.1122 per unit).

- 10.2 Provision for Workers' Welfare Fund

The legal status of applicability of Worker's Welfare Fund (WWF) and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund has recognised provision for SWWF amounting to Rs. 5.211 million in these financial statements. Had the provision not being made, the net asset value per unit as at December 31, 2019 would have been higher by Rs. 2.83 (June 30, 2019: Rs. 2.16) per unit.

## 11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019 except those disclosed already.

## 12. TAXATION

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

## 13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

Connected persons / related parties comprise of 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, collective investment schemes managed by the Management Company, directors and officers of the Management Company.

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:

		Half year ended December 31,	
		2019	2018
		(Rupees in '000)	
<b>13.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	2,121	3,423
	Allocation of expenses related to registrar services, accounting, operation and valuation services	217	152
	Selling and marketing cost payable	333	248
	<b>Habib Bank Limited - Sponsor</b>		
	Redemption of 179,998 units (2018: nil units)	20,000	-
	Bank charges paid during the period	7	4
	Mark-up earned during the period	238	148
	Dividend income earned during the period	151	135
	Sale of 25,000 shares	3,150	-
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration	228	399
	Central Depository service charges	9	8
		December 31, 2019	June 30, 2019
		(Rupees in '000)	
<b>13.2</b>	<b>Amounts outstanding as at period / year end</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee payable	375	363
	Sales tax payable	49	47
	Sales load Payable	4	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	19	18
	Selling and Marketing Cost	149	113
	<b>Habib Bank Limited - Sponsor</b>		
	Investment held in the Fund: 822,847 units (June 30, 2019: 1,002,846 units)	91,140	95,923
	Bank balances	5,870	2,967
	Mark-up receivable on deposits with bank	33	18
	Shares held by the Fund : 46,971 shares (June 30, 2019: 71,971 shares)	7,394	8,151
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	37	58
	Sindh Sales Tax	5	7
	<b>Connected Person Due to holding of 10% or more</b>		
	Investment held in the Fund: 298,482 units (June 30, 2019: 298,482 units)	33,060	28,550
	<b>Key Management Personnel - Management Company</b>		
	Investment held in the Fund: 42,588 units (June 30, 2019: 42,588 units)	4,717	4,072

## 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.

	December 31, 2019							
	Carrying amount			Fair Value				
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>Note</i> -----(Rupees in '000) -----								
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Listed equity securities	139,561	-	-	139,561	139,561	-	-	139,561
Term Finance Certificates and Sukuk Certificate	17,754	-	-	17,754	-	17,754	-	17,754
	<u>157,315</u>	<u>-</u>	<u>-</u>	<u>157,315</u>				
<b>Financial assets not measured at fair value</b> <span style="float: right;">14.1</span>								
Bank balances	-	-	75,199	75,199				
Dividend receivable and accrued mark-up	-	-	1,010	1,010				
Advances, deposits and other receivables	-	-	3,481	3,481				
	<u>-</u>	<u>-</u>	<u>79,690</u>	<u>79,690</u>				
<b>Financial liabilities not measured at fair value</b>								
Payable to the Management Company	-	-	596	596				
Payable to the Trustee	-	-	42	42				
Payable against redemption of units	-	-	20,000	20,000				
Accrued expenses and other liabilities	-	-	353	353				
	<u>-</u>	<u>-</u>	<u>20,991</u>	<u>20,991</u>				

	June 30, 2019							
	Carrying amount				Fair Value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	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>								
Listed equity securities	118,637	-	-	118,637	118,637	-	-	118,637
Term finance certificates and Sukuk bonds	29,559	-	-	29,559	-	29,559	-	29,559
	<u>148,196</u>	<u>-</u>	<u>-</u>	<u>148,196</u>				
<b>Financial assets not measured at fair value</b>								
Bank balances	-	-	60,225	60,225				
Dividend receivable and accrued mark-up	-	-	1,134	1,134				
Receivable against sale of investments	-	-	2,631	2,631				
Advances, deposits and other receivables	-	-	3,480	3,480				
	<u>-</u>	<u>-</u>	<u>67,470</u>	<u>67,470</u>				
<b>Financial liabilities not measured at fair value</b>								
Payable to the Management Company	-	-	494	494				
Payable to the Trustee	-	-	58	58				
Accrued expenses and other liabilities	-	-	465	465				
	<u>-</u>	<u>-</u>	<u>1,017</u>	<u>1,017</u>				

- 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 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.
15. DISCLOSURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECP  
- CATEGORISATION OF OPEN END SCHEME

The SECP 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 said circular. The Management Company classified the Fund as 'Balanced Scheme' in accordance with the said circular. As at December 31, 2019, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any debt security in the portfolio shall not be lower than A- (A Minus).

The following securities are included in the portfolio of the Fund which have rating lower than A- (A minus).

Name of Non-Compliant Investment	Type of investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	% of net assets	% of gross assets
----- (Rupees in '000) -----						
Saudi Pak Leasing Company Limited	TFC	15,197	15,197	-	-	-
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

---

---

16. NON COMPLIANT INVESTMENTS DISCLOSURE

Investments in	Sector	Carrying Value	Maximum Exposure Allowed in a Sector	Percentage of Net Asset
		Rs in '000'	------(%)-----	
Shares	Banking	40,682	25.00	26.42
Term Finance Certificate		13,269		

16.1 These are the non compliances with respect to investments policy and restrictions as mentioned in the offering document of the fund.

17. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio of the Fund for the half year ended December 31, 2019 is 2.04% (December 31, 2018: 1.68%) which includes 0.45% (December 31, 2018: 0.19%) representing government levy, Worker's Welfare Fund and SECP fee. As per S.R.O 639 (I)/2019, the limit towards expense ratio has been amended to 4.5% from 4% for Equity, Balanced, Asset Allocation and Capital protected (dynamic asset allocation-direct exposure).

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on February 13, 2020.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

---

# **HBL**

## **Financial Planning Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Financial Planning Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	MCB Financial Services Limited (MCBFSL)
Bankers	Habib Bank Limited JS Bank Limited Soneri Bank Limited



# MCB FINANCIAL SERVICES LIMITED

## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

### HBL FINANCIAL PLANNING FUND

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

HBL Financial Planning Fund, an open-end Scheme established under a Trust Deed dated March 22, 2017 executed between HBL Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Fund commenced its operations from October 11, 2017.

1. HBL Asset Management Company Limited, the Management Company of HBL Financial Planning Fund has, in all material respects, managed HBL Financial Planning Fund during the period ended 31<sup>st</sup> December, 2019 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement

Khawaja Anwar Hussain  
Chief Executive Officer  
MCB Financial Services Limited

Karachi: February 20, 2020



Tel: +92 21 3568 3030  
Fax: +92 21 3568 4239  
www.bdo.com.pk

2nd Floor, Block-C  
Lakson Square, Building No.1  
Sarwar Shaheed Road  
Karachi-74200  
Pakistan

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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL FINANCIAL PLANNING FUND ("the Fund") as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended December 31, 2019 and December 31, 2018 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 13 FEB 2020

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Raheel Shahnawaz

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**HBL Financial Planning Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As At December 31, 2019*

	Note	December 31, 2019 (Un-Audited)				June 30, 2019 (Audited)				
		Active Allocation Plan	Conservative Allocation	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation	Strategic Allocation Plan	Total
(Rupees in '000)										
<b>ASSETS</b>										
Bank balances	4	142	165	233	12,211	12,751	1,293	31	41	1,365
Investments	5	78,278	54,020	-	142,373	274,671	100,890	67,822	169,458	338,170
Mark-up accrued		-	-	-	74	74	-	-	-	-
Preliminary expenses and flotation costs		742	641	-	-	1,383	877	758	188	1,823
Advances and prepayments	6	105	67	-	-	172	112	74	44	230
<b>TOTAL ASSETS</b>		<u>79,267</u>	<u>54,893</u>	<u>233</u>	<u>154,658</u>	<u>289,051</u>	<u>103,172</u>	<u>68,685</u>	<u>169,731</u>	<u>341,588</u>
<b>LIABILITIES</b>										
Payable to the Management Company	7	13	10	-	38	61	11	6	14	31
Payable to the Trustee		7	5	-	12	24	9	6	15	30
Payable to Securities and Exchange Commission of Pakistan	8	8	6	9	9	32	168	91	184	443
Payable against redemption of units		-	-	11	-	11	-	1	-	1
Accrued expenses and other liabilities	9	560	269	213	134	1,176	379	1,530	205	2,114
<b>TOTAL LIABILITIES</b>		<u>588</u>	<u>290</u>	<u>233</u>	<u>193</u>	<u>1,304</u>	<u>567</u>	<u>1,634</u>	<u>418</u>	<u>2,619</u>
<b>NET ASSETS</b>		<u>78,679</u>	<u>54,603</u>	<u>-</u>	<u>154,465</u>	<u>287,747</u>	<u>102,605</u>	<u>67,051</u>	<u>169,313</u>	<u>338,969</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>78,679</u>	<u>54,603</u>	<u>-</u>	<u>154,465</u>	<u>287,747</u>	<u>102,605</u>	<u>67,051</u>	<u>169,313</u>	<u>338,969</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10									
(Number of Units)										
<b>Number of units in issue</b>		<u>716,154</u>	<u>484,723</u>	<u>-</u>	<u>1,495,270</u>	<u>2,696,147</u>	<u>1,057,933</u>	<u>645,802</u>	<u>1,709,667</u>	<u>3,413,402</u>
(Rupees)										
<b>Net assets value per unit</b>		<u>109.8632</u>	<u>112.6474</u>	<u>-</u>	<u>103.3029</u>		<u>96.9864</u>	<u>103.8264</u>	<u>99.0331</u>	

The annexed notes from 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 Financial Planning Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
**For The Half Year And Period Ended December 31, 2019**

	For the half year ended December 31, 2019	For the half year ended December 31, 2019	For the period from July 1, 2019 to October 10, 2019	For the period from September 16, 2019 to December 31, 2019	Half year ended December 31, 2018				
					Active Allocation Plan	Conservative Allocation	Strategic Allocation Plan	Special Income Plan	Total
<b>Income</b>	(Rupees in '000)								
Capital (loss) / gain on sale of investments - net	(910)	119	2,123	-	1,332	(4,382)	989	(1,089)	(4,482)
Dividend income	1,747	-	548	107	2,402	1,943	1,842	554	4,339
Mark-up on bank deposits	66	6	3	507	582	48	13	4	65
Back-end load	-	-	-	30	30	-	-	24	24
	903	125	2,674	644	4,346	(2,391)	2,844	(507)	(54)
Unrealized appreciation / (diminution) on re-measurement of investments classified as 'fair value through profit or loss' - net	8,507	4,314	-	4,666	17,487	(12,444)	(1,394)	(9,317)	(23,155)
	9,410	4,439	2,674	5,310	21,833	(14,835)	1,450	(9,824)	(23,209)
<b>Expenses</b>									
Remuneration of the Management Company	6	3	-	40	49	14	8	3	25
Sindh Sales Tax on remuneration of the Management Company	1	1	-	5	7	2	1	-	3
Remuneration of the Trustee	38	26	43	41	148	93	56	93	242
Sindh Sales Tax on remuneration of the Trustee	5	3	5	5	18	12	7	12	31
Annual fee to the Securities and Exchange Commission of Pakistan	8	6	9	9	32	98	58	98	254
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	82	(19)	(169)	90	(16)	103	62	103	268
Amortisation of preliminary expenses and flotation costs	135	117	188	-	440	135	116	339	590
Auditors' remuneration	52	45	29	30	156	52	45	52	149
Fees and subscription	16	12	58	-	86	21	15	35	71
Bank charges	11	9	3	10	33	8	3	5	16
	354	203	166	230	953	538	371	740	1,649
<b>Net income / (loss) from operating activities</b>	9,056	4,236	2,508	5,080	20,880	(15,373)	1,079	(10,564)	(24,858)
Provision for Sindh Workers' Welfare Fund	(181)	(85)	(50)	(102)	(418)	-	(22)	-	(22)
<b>Net income / (loss) for the period before taxation</b>	8,875	4,151	2,458	4,978	20,462	(15,373)	1,057	(10,564)	(24,880)
Taxation	-	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	8,875	4,151	2,458	4,978	20,462	(15,373)	1,057	(10,564)	(24,880)
<b>Allocation of net income for the period</b>									
Income already paid on redemption of units	437	32	378	67			806		
Accounting income available for distribution									
Relating to capital gains	7,287	4,119	2,080	4,603			-		
Excluding capital gains	1,151	-	-	308			251		
	8,438	4,119	2,080	4,911			251		
	8,875	4,151	2,458	4,978			1,057		

Earnings per unit

12

The annexed notes from 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 Financial Planning Fund

## Condensed Interim Income Statement (Un-Audited)

### For The Quarter And Period Ended December 31, 2019

	Note	For the quarter	For the quarter	For the period	For the quarter	Quarter ended December 31, 2018				
		ended December 31, December 31,	ended December 31, 2019	from October 1, 2019 to October 10, 2019	ended December 31, 2019	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
(Rupees in '000)										
<b>Income</b>										
Capital gain / (loss) on sale of investments - net		298	231	4,672	(18)	5,183	(1,682)	909	(1,413)	(2,186)
Dividend income		879	-	173	107	1,159	1,898	1,805	540	4,243
Mark-up on bank deposits		31	4	1	404	440	24	8	3	35
Back-end load		-	-	-	30	30	-	-	24	24
		1,208	235	4,846	523	6,812	240	2,722	(846)	2,116
Unrealized appreciation / (diminution) on re-measurement of investments classified as 'fair value through profit or loss' - net		8,901	3,554	(5,100)	3,817	11,172	(11,970)	(2,749)	(9,403)	(24,122)
		10,109	3,789	(254)	4,340	17,984	(11,730)	(27)	(10,249)	(22,006)
<b>Expenses</b>										
Remuneration of the Management Company	7.1	2	1	-	33	36	6	5	1	12
Sindh Sales Tax on remuneration of the Management Company	7.2	-	1	-	4	5	1	1	-	2
Remuneration of the Trustee		18	12	5	35	70	43	26	46	115
Sindh Sales Tax on remuneration of the Trustee		2	1	-	4	7	5	3	6	14
Annual fee to the Securities and Exchange Commission of Pakistan		4	3	-	8	15	45	27	48	120
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	7.3	39	(49)	(251)	76	(185)	47	29	50	126
Amortisation of preliminary expenses and flotation costs		68	59	19	-	146	68	58	170	296
Auditors' remuneration		26	23	3	26	78	24	21	23	68
Fees and subscription		8	6	41	-	55	12	9	19	40
Bank charges		8	5	-	6	19	2	-	2	4
		175	62	(183)	192	246	253	179	365	797
<b>Net income / (loss) from operating activities</b>		9,934	3,727	(71)	4,148	17,738	(11,983)	(206)	(10,614)	(22,803)
Provision for Sindh Workers' Welfare Fund	9.1	(181)	(75)	1	(84)	(339)	-	4	1	5
<b>Net income / (loss) for the period before taxation</b>		9,753	3,652	(70)	4,064	17,399	(11,983)	(202)	(10,613)	(22,798)
Taxation	11	-	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		9,753	3,652	(70)	4,064	17,399	(11,983)	(202)	(10,613)	(22,798)
<b>Allocation of net income for the period</b>										
Income already paid on redemption of units		437	2	-	67	-	-	-	-	-
Accounting income available for distribution										
Relating to capital gains		8,889	3,650	-	3,736	-	-	-	-	-
Excluding capital gains		427	-	-	261	-	-	-	-	-
		9,316	3,650	-	3,997	-	-	-	-	-
		9,753	3,652	-	4,064	-	-	-	-	-
<b>Earnings per unit</b>	12									

The annexed notes from 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 Financial Planning Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For The Half Year And Period Ended December 31, 2019*

	For the half year ended December 31, 2019	For the half year ended December 31, 2019	For the period from July 1, 2019 to October 10, 2019	For the period from September 16, 2019 to December 31, 2019	Half year ended December 31, 2018				
					Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
----- (Rupees in '000) -----									
Net income / (loss) for the period after taxation	8,875	4,151	2,458	4,978	20,462	(15,373)	1,057	(10,564)	(24,880)
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>8,875</u>	<u>4,151</u>	<u>2,458</u>	<u>4,978</u>	<u>20,462</u>	<u>(15,373)</u>	<u>1,057</u>	<u>(10,564)</u>	<u>(24,880)</u>

The annexed notes from 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 Financial Planning Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For The Quarter And Period Ended December 31, 2019 (Continued)*

	For the quarter ended December 31, 2019	For the quarter ended December 31, 2019	For the period from October 1, 2019 to October 10, 2019	For the quarter ended December 31, 2019	Quarter ended December 31, 2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	----- (Rupees in '000) -----								
Net income / (loss) for the period after taxation	9,753	3,652	(70)	4,064	17,399	(11,983)	(202)	(10,613)	(22,798)
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>9,753</u>	<u>3,652</u>	<u>(70)</u>	<u>4,064</u>	<u>17,399</u>	<u>(11,983)</u>	<u>(202)</u>	<u>(10,613)</u>	<u>(22,798)</u>

The annexed notes from 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 Financial Planning Fund

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

### For The Half Year And Period Ended December 31, 2019

	For the half year ended December 31, 2019	For the half year ended December 31, 2019	For the period from July 1, 2019 to October 10, 2019	For the period from September 16, 2019 to December 31, 2019	Half year ended December 31, 2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>								
Net income / loss for the period before taxation	8,875	4,151	2,458	4,978	20,462	(15,373)	1,057	(10,564)	(24,880)
Adjustments for:									
Capital loss / (gain) on sale of investment - net	910	(119)	(2,123)	-	(1,332)	4,382	(989)	1,089	4,482
Dividend income	(1,747)	-	(548)	(107)	(2,402)	(1,943)	(1,842)	(554)	(4,339)
Mark-up on bank deposits	(66)	(6)	(3)	(507)	(582)	(48)	(13)	(4)	(65)
Unrealized (appreciation) / diminution on re-measurement of investments classified as 'fair value through profit or loss' - net	(8,507)	(4,314)	-	(4,666)	(17,487)	12,444	1,394	9,317	23,155
Back-end load	-	-	-	(30)	(30)	-	-	-	-
Amortisation of preliminary expenses and flotation costs	135	117	188	-	440	135	116	339	590
	(400)	(171)	(28)	(332)	(931)	(403)	(277)	(377)	(1,057)
<b>Decrease / (increase) in assets</b>									
Investments - net	30,209	18,235	171,581	(137,707)	82,318	141,880	66,134	6,156	214,170
Advances and prepayments	7	7	44	-	58	4	8	24	36
	30,216	18,242	171,625	(137,707)	82,376	141,884	66,142	6,180	214,206
<b>Increase / (decrease) in liabilities</b>									
Payable to the Management Company	21	4	(14)	38	30	(22)	(2)	(1)	(25)
Payable to the Trustee	(2)	(1)	(15)	12	(6)	(43)	(17)	(19)	(79)
Payable to Securities and Exchange Commission of Pakistan	(160)	(85)	(175)	9	(411)	(108)	(51)	(45)	(204)
Accrued expenses and other liabilities	181	(1,261)	8	134	(938)	(22)	247	(30)	195
	21	(1,343)	(196)	193	(1,325)	(195)	177	(95)	(113)
Cash generated from / (used in) operations	29,837	16,728	171,401	(137,846)	80,120	141,286	66,042	5,708	213,036
Dividend received	1,747	-	548	107	2,402	1,943	1,842	554	4,339
Mark-up received on bank deposits	66	6	3	433	508	52	14	4	70
Back-end load	-	-	-	30	30	-	-	-	-
Net cash generated from / (used in) operating activities	31,650	16,734	171,952	(137,276)	83,060	143,281	67,898	6,266	217,445
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
Amount received on issue of units	15	-	1,538	152,494	154,047	727	100	-	827
Amount paid on redemption of units	(32,816)	(16,600)	(172,475)	(3,007)	(224,898)	(143,614)	(67,610)	(6,383)	(217,607)
Dividend paid	-	-	(823)	-	(823)	-	-	-	-
Net cash (used in) / generated from financing activities	(32,801)	(16,600)	(171,760)	149,487	(71,674)	(142,887)	(67,510)	(6,383)	(216,780)
Net (decrease) / increase in cash and cash equivalents during the period	(1,151)	134	192	12,211	11,386	394	388	(117)	665
Cash and cash equivalents at the beginning of the period	1,293	31	41	-	1,365	1,278	443	149	1,870
Cash and cash equivalents at the end of the period	4	142	165	233	12,211	12,751	1,672	32	2,535

The annexed notes from 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 Financial Planning Fund**  
**Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)**  
*For The Half Year Ended December 31, 2019 (Continued)*

	Half year ended December 31, 2019			Half year ended December 31, 2018		
	Conservative Allocation Plan					
	Capital value	Undistributed	Total	Capital value	Undistributed	Total
	(Rupees in '000)					
<b>Net assets at beginning of the period</b>	62,239	4,812	67,051	128,919	4,776	133,695
<b>Issuance of Nil units (2018: 955 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	-	-	-	99	-	99
Element of income	-	-	-	1	-	1
<b>Total proceeds on issuance of units</b>	-	-	-	100	-	100
<b>Redemption of 161,079 units (2018: 643,877 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(16,724)	-	(16,724)	(66,809)	-	(66,809)
Income already paid on redemption of units	-	(32)	(32)	-	(806)	(806)
Element of income	157	-	157	5	-	5
<b>Total payments on redemption of units</b>	(16,567)	(32)	(16,599)	(66,804)	(806)	(67,610)
Total comprehensive income for the period	-	4,151	4,151	-	1,057	1,057
<b>Net assets at end of the period</b>	<b>45,672</b>	<b>8,931</b>	<b>54,603</b>	<b>62,215</b>	<b>5,027</b>	<b>67,242</b>
<b>Undistributed income brought forward</b>						
Realised income		7,045			3,501	
Unrealized loss / income		(2,233)			1,275	
		4,812			4,776	
<b>Accounting income available for distribution</b>						
Relating to capital gains		4,119			-	
Excluding capital gains		-			251	
		4,119			251	
<b>Undistributed income carried forward</b>		<b>8,931</b>			<b>5,027</b>	
<b>Undistributed income carried forward</b>						
Realised income		4,617			6,421	
Unrealized income / (loss)		4,314			(1,394)	
		8,931			5,027	
			(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the period</b>			<u>103.8264</u>			<u>103.7607</u>
<b>Net assets value per unit at end of the period</b>			<u>112.6474</u>			<u>104.1590</u>

The annexed notes from 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 Financial Planning Fund**  
**Condensed Interim Statement Of Movement In Unitholders' Fund (Un-audited)**  
*For The Period From September 16, 2019 To December 31, 2019 (Continued)*

	For the period from September 16, 2019 to December 31, 2019		
	Special Income Plan		
	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----		
<b>Net assets at beginning of the period</b>	-	-	-
<b>Issuance of 1,524,670 units</b>			
Capital value (at net asset value per unit at the beginning of the period)	152,467	-	152,467
Element of income	27	-	27
<b>Total proceeds on issuance of units</b>	152,494	-	152,494
<b>Redemption of 29,400 units</b>			
Capital value (at net asset value per unit at the beginning of the period)	(2,940)	-	(2,940)
Income already paid on redemption of units	-	(67)	(67)
Element of loss	-	-	-
<b>Total payments on redemption of units</b>	(2,940)	(67)	(3,007)
Total comprehensive income for the period	-	4,978	4,978
<b>Net assets at end of the period</b>	149,554	4,911	154,465
<b>Undistributed income brought forward</b>			
Realised income		-	
Unrealized income		-	
<b>Accounting income available for distribution</b>			
Relating to capital gains		4,603	
Excluding capital gains		308	
		4,911	
<b>Undistributed income carried forward</b>		4,911	
<b>Undistributed income carried forward</b>			
Realised income		245	
Unrealized income		4,666	
		4,911	

(Rupees)

**Net assets value per unit at beginning of the period**

**Net assets value per unit at end of the period**

-

103.3029

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

# HBL Financial Planning Fund

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

### For The Half Year Ended December 31, 2019

---

---

#### 1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Financial Planning Fund (the Fund), was established under the Trust Deed executed between HBL Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed on March 22, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 14, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton. The Fund commenced its operations from October 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 'AM2+ (AM two plus)' to the Management Company while the Fund is currently not rated.

Title to the assets of the Fund are held in the name of MCBFSL 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, 2019.

**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, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.

**2.1.4** This condensed interim financial information is unaudited but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 have not been reviewed.

**2.1.5** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

### **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, 2019, 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, 2019.
- 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, 2019.

4	BANK BALANCES	December 31, 2019 (Un-Audited)					June 30, 2019 (Audited)				
		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
	Note	----- (Rupees in '000) -----					----- (Rupees in '000) -----				
	In savings accounts	4.1	142	165	233	12,211	12,751	1,293	31	41	1,365

- 4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 8% to 14.5% per annum (June 30, 2019: 10.28% to 13.5% per annum). This includes a balance held in Habib Bank Limited (a related party), amounting to Rs. 0.131 million (June 30, 2019: Rs. 1.283 million), Rs. 0.142 million (June 30, 2019: 0.009 million), Rs. 0.220 million (June 30, 2019: 0.028 million) and Rs. 0.087 million, by Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan, respectively.

### 5 INVESTMENTS

Financial assets classified at fair value through profit or loss  
Units of mutual funds

5.1	78,278	54,020	-	142,373	274,671	100,890	67,822	169,458	338,170
-----	--------	--------	---	---------	---------	---------	--------	---------	---------

## 5.1 Units of Mutual Funds

Name of investee funds	Number of units				As at December 31, 2019			Market value as a percentage of	
	As at July 1, 2019	Purchases during the period	Redemptions during the period	As at December 31, 2019	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	502,169	74,807	332,243	244,733	24,671	24,927	256	31.68	31.84
HBL Stock Fund	468,065	191,205	240,156	419,114	36,872	44,663	7,791	56.77	57.06
HBL Income Fund	77,566	-	-	77,566	8,228	8,688	460	11.04	11.10
As at December 31, 2019 (Un-Audited)	1,047,800	266,012	572,399	741,413	69,771	78,278	8,507	99.49	100
As at June 30, 2019 (Audited)	3,081,646	1,011,208	3,045,054	1,047,800	108,205	100,890	(7,315)	90.31	100
<b>Conservative Allocation Plan</b>									
HBL Cash Fund	-	1,729	-	1,729	176	176	-	0.32	0.33
HBL Stock Fund	141,765	24,534	64,860	101,439	8,993	10,810	1,817	19.80	20.01
HBL Money Market Fund	539,425	16,246	159,508	396,163	40,537	43,034	2,497	78.81	79.66
As at December 31, 2019 (Un-Audited)	681,190	42,509	224,368	499,331	49,706	54,020	4,314	98.93	100
As at June 30, 2019 (Audited)	1,248,185	675,530	1,242,525	681,190	70,054	67,822	(2,232)	100	100
<b>Strategic Allocation Plan</b>									
HBL Cash Fund	177,043	5,435	182,478	-	-	-	-	-	-
HBL Stock Fund	440,522	-	440,522	-	-	-	-	-	-
HBL Income Fund	745,068	-	745,068	-	-	-	-	-	-
HBL Government Securities Fund	312,079	345,994	658,073	-	-	-	-	-	-
As at December 31, 2019 (Un-Audited)	1,674,712	351,429	2,026,141	-	-	-	-	-	-
As at June 30, 2019 (Audited)	1,922,296	1,382,079	1,629,662	1,674,713	174,424	169,458	(4,966)	100	100
<b>Special Income Plan</b>									
HBL Cash Fund	-	46,656	-	46,656	4,707	4,752	45	3.08	3.34
HBL Government Securities Fund	-	1,220,437	-	1,220,437	133,000	137,621	4,621	89.10	96.66
As at December 31, 2019 (Un-Audited)	-	1,267,093	-	1,267,093	137,707	142,373	4,666	92.17	100
As at June 30, 2019 (Audited)	-	-	-	-	-	-	-	-	-
<b>Total as at December 31, 2019 (Un-Audited)</b>	<b>3,403,702</b>	<b>1,927,043</b>	<b>2,822,908</b>	<b>2,507,837</b>	<b>257,184</b>	<b>274,671</b>	<b>17,487</b>		
<b>Total as at June 30, 2019</b>	<b>6,252,127</b>	<b>3,068,817</b>	<b>5,917,241</b>	<b>3,403,703</b>	<b>352,683</b>	<b>338,170</b>	<b>(14,513)</b>		

## 6 ADVANCES AND PREPAYMENTS

	Note	December 31, 2019 (Un-Audited)				June 30, 2019 (Audited)				
		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
----- (Rupees in '000) -----										
Advance tax	6.1	37	9	-	-	46	37	9	26	72
Prepaid listing fee		68	58	-	-	126	75	65	18	158
		105	67	-	-	172	112	74	44	230

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

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

## 7 PAYABLE TO THE MANAGEMENT COMPANY

	Note	December 31, 2019 (Un-Audited)				June 30, 2019 (Audited)				
		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
----- (Rupees in '000) -----										
Remuneration payable of the Management Company	7.1	-	1	-	11	12	3	-	-	3
Sindh Sales Tax payable on the Management Company's remuneration	7.2	-	-	-	1	1	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	13	9	-	26	48	8	6	14	28
		13	10	-	38	61	11	6	14	31

- 7.1** As per the offering document of the Fund, the Management Company shall charge a fee at the rate not exceeding 1% of the average annual net assets on daily basis of the plans. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears.
- 7.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.
- 7.3** As per Regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. Previously, such expenses were chargeable maximum upto 0.1% of the average annual net assets on daily basis of the Scheme 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 period, the fee has been charged at the rate ranging between 0.1% to 0.2%, in case of Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan and, at the rate of 0.2%, in case of Special Income Plan, of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.2%, from July 8, 2019 onwards, in case of Active Allocation Plan and Conservative Allocation Plan and, from September 16, 2019 onwards, in case of Special Income Plan. The fund has reversed the said expenses in Conservative Allocation Plan and Strategic Allocation Plan pertaining to preceding year amounting to Rs. 0.075 million and Rs. 0.26 million, respectively.

## 8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	December 31, 2019 (Un-Audited)					June 30, 2019 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
Note	----- (Rupees in '000) -----					----- (Rupees in '000) -----			
Annual fee payable	8	6	9	9	32	168	91	184	443

- 8.1** Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as a fund of fund scheme is required to pay as annual fee to the SECP, an amount equal to 0.095% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

## 9 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2019 (Un-Audited)					June 30, 2019 (Audited)			
		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
		----- (Rupees in '000) -----					----- (Rupees in '000) -----			
Provision for Sindh Workers' Welfare Fund	9.1	292	210	155	102	759	111	126	105	342
Withholding tax payable		-	-	-	-	-	-	253	-	253
Printing charges payable		4	9	18	-	31	13	17	19	49
Auditors' remuneration		51	44	28	30	153	78	67	78	223
Others		213	6	12	2	233	177	1,067	3	1,247
		560	269	213	134	1,176	379	1,530	205	2,114

---

---

**9.1** The legal status of applicability of Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the audited financial statements of the Fund for the year ended June 30, 2019. MUFAP has taken up the matter with the concerned ministry (Sindh Finance Ministry) for appropriate resolution of the matter which is pending.

As at December 31, 2019, the provision in relation to SWWF amounted to Rs. 0.292 million, Rs. 0.210 million, Rs. 0.155 million and Rs. 0.102 million in Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan, respectively (June 30, 2019: Rs. 0.111 million, Rs. 0.126 million, Rs. 0.105 million, respectively). Had the provision not been made, the net asset value per unit as at December 31, 2019 would have been higher by Rs. 0.408, Rs. 0.433, Nil and Rs. 0.068 per unit of the Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan, respectively (June 30, 2019: Rs. 0.105, Rs. 0.195, Rs. 0.061, respectively).

## **10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2019 (June 30, 2019: Nil).

## **11 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, 2020, to its unit holders.

## **12 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.

## **13 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:



December 31, 2019 (Un-Audited)					June 30, 2019 (Audited)			
Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total

(Rupees in '000)

(Rupees in '000)

## 13.2 Balances outstanding as at period / year end

### HBL Asset Management Limited - Management Company

Remuneration payable of the Management Company	-	1	-	11	12	3	-	-	3
Sindh Sales Tax payable on remuneration of the Management Company	-	-	-	1	1	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	13	9	-	26	48	8	6	14	28
Units held: Nil (June 30, 2019: 999,202)	-	-	-	-	-	-	-	98,954	98,954

### Habib Bank Limited - Sponsor

Mark-up accrued	-	-	-	74	74	-	-	-	-
Bank balances	131	142	220	87	580	1,283	9	28	1,320

### MCB Financial Services Limited - Trustee

Remuneration payable of the Trustee	6	4	-	11	21	8	5	13	26
Sindh Sales Tax payable on remuneration of the Trustee	1	1	-	1	3	1	1	2	4

### Patient Welfare Association - Connected Person due to 10% holding

Units held: 400,000 (June 30, 2019: 400,000)	-	45,059	-	-	45,059	-	41,531	-	41,531
--	---	--------	---	---	--------	---	--------	---	--------

### Asif Nadeem Minhas - Connected Person due to 10% holding

Units held: 99,074 (June 30, 2019: 104,477)	10,885	-	-	-	10,885	10,133	-	-	10,133
---	--------	---	---	---	--------	--------	---	---	--------

### Safia Aziz Mirza - Connected Person due to 10% holding

Units held: 149,247 (June 30, 2019: 149,247)	16,397	-	-	-	16,397	14,475	-	-	14,475
--	--------	---	---	---	--------	--------	---	---	--------

### Shahida Saleem - Connected Person\* due to 10% holding

Units held: 48,606	-	5,475	-	-	5,475	-	-	-	-
--------------------	---	-------	---	---	-------	---	---	---	---

### Shazia Afshan Minhas - Connected Person due to 10% holding

Units held: 188,343 (June 30, 2019: Nil)	-	-	-	19,456	19,456	-	-	-	-
--	---	---	---	--------	--------	---	---	---	---

### HBL Income Fund -

#### CIS managed by the Management Company

Units held: 77,566 (June 30, 2019: 77,566)	8,688	-	-	-	8,688	8,227	-	-	8,227
Units held: Nil (June 30, 2019: 745,068)	-	-	-	-	-	-	-	79,030	79,030

### HBL Stock Fund -

#### CIS managed by the Management Company

Units held: 419,114 (June 30, 2019: 468,065)	44,663	-	-	-	44,663	42,046	-	-	42,046
Units held: 101,439 (June 30, 2019: 141,765)	-	10,810	-	-	10,810	-	12,735	-	12,735
Units held: Nil (June 30, 2019: 440,522)	-	-	-	-	-	-	-	39,572	39,572

### HBL Cash Fund -

#### CIS managed by the Management Company

Units held: 244,733 (June 30, 2019: 502,169)	24,927	-	-	-	24,927	50,616	-	-	50,616
Units held: 1,729 (June 30, 2019: Nil)	-	176	-	-	176	-	-	-	-
Units held: Nil (June 30, 2019: 177,043)	-	-	-	-	-	-	-	17,845	17,845
Units held: 46,656 (June 30, 2019: Nil)	-	-	-	4,752	4,752	-	-	-	-

### HBL Money Market Fund -

#### CIS managed by the Management Company

Units held: 396,163 (June 30, 2019: 539,425)	-	43,034	-	-	43,034	-	55,087	-	55,087
--	---	--------	---	---	--------	---	--------	---	--------

### HBL Government Securities Fund -

#### CIS managed by the Management Company

Units held: Nil (June 30, 2019: 312,079)	-	-	-	-	-	-	-	33,012	33,012
Units held: 1,220,437 (June 30, 2019: Nil)	-	-	-	137,621	137,621	-	-	-	-

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

## 14 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.

		December 31, 2019 (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
		Note----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>								
	Investments	78,278	-	78,278	78,278	-	-	78,278
		<u>78,278</u>	<u>-</u>	<u>78,278</u>	<u>78,278</u>	<u>-</u>	<u>-</u>	<u>78,278</u>
<b>Financial assets not measured at fair value</b>								
	Bank balances	-	142	142				
		<u>-</u>	<u>142</u>	<u>142</u>				
<b>Financial liabilities not measured at fair value</b>								
	Payable to the Management Company	-	13	13				
	Payable to the Trustee	-	6	6				
	Accrued expenses and other liabilities	-	60	60				
		<u>-</u>	<u>79</u>	<u>79</u>				

June 30, 2019 (Audited)							
Active 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	100,890	-	100,890	100,890	-	-	100,890
	100,890	-	100,890	100,890	-	-	100,890
<b>Financial assets not measured at fair value</b>							
Bank balances	-	1,293	1,293				
	-	1,293	1,293				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	11	11				
Payable to the Trustee	-	8	8				
Accrued expenses and other liabilities	-	93	93				
	-	112	112				

December 31, 2019 (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	
			Note----- (Rupees in '000) -----				
<b>Financial assets measured at fair value</b>							
Investments	54,020	-	54,020	54,020	-	-	54,020
	54,020	-	54,020	54,020	-	-	54,020
<b>Financial assets not measured at fair value</b>							
Bank balances	-	165	165				
	-	165	165				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	10	10				
Payable to the Trustee	-	4	4				
Accrued expenses and other liabilities	-	55	55				
	-	69	69				

		June 30, 2019 (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	67,822	-	67,822	67,822	-	-	67,822
		67,822	-	67,822	67,822	-	-	67,822
<b>Financial assets not measured at fair value</b>		14.1						
	Bank balances	-	31	31				
		-	31	31				
<b>Financial liabilities not measured at fair value</b>		14.1						
	Payable to the Management Company	-	6	6				
	Payable to the Trustee	-	5	5				
	Payable against redemption of units	-	1	1				
	Accrued expenses and other liabilities	-	1,151	1,151				
		-	1,163	1,163				

		December 31, 2019 (Un-Audited)						
		Strategic 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	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>		14.1						
	Bank balances	-	233	233				
		-	233	233				
<b>Financial liabilities not measured at fair value</b>		14.1						
	Payable against redemption of units	-	11	11				
	Accrued expenses and other liabilities	-	58	58				
		-	69	69				

		June 30, 2019 (Audited)						
		Strategic 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>								
	Investments	169,458	-	169,458	169,458	-	-	169,458
		<u>169,458</u>	<u>-</u>	<u>169,458</u>	<u>169,458</u>	<u>-</u>	<u>-</u>	<u>169,458</u>
<b>Financial assets not measured at fair value</b>								
14.1	Bank balances	-	41	41				
		<u>-</u>	<u>41</u>	<u>41</u>				
<b>Financial liabilities not measured at fair value</b>								
14.1	Payable to the Management Company	-	14	14				
	Payable to the Trustee	-	13	13				
	Accrued expenses and other liabilities	-	100	100				
		<u>-</u>	<u>127</u>	<u>127</u>				

Note (Rupees in '000)

		December 31, 2019 (Un-Audited)						
		Special Income 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>								
	Investments	142,373	-	142,373	142,373	-	-	142,373
		<u>142,373</u>	<u>-</u>	<u>142,373</u>	<u>142,373</u>	<u>-</u>	<u>-</u>	<u>142,373</u>
<b>Financial assets not measured at fair value</b>								
14.1	Bank balances	-	12,211	12,211				
	Mark-up accrued	-	74	74				
		<u>-</u>	<u>12,285</u>	<u>12,285</u>				
<b>Financial liabilities not measured at fair value</b>								
14.1	Payable to the Management Company	-	37	37				
	Payable to the Trustee	-	11	11				
	Accrued expenses and other liabilities	-	30	30				
		<u>-</u>	<u>78</u>	<u>78</u>				

Note (Rupees in '000)

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

**14.2 Transfers during the period**

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

---

---

**15 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 half year ended December 31, 2019 is 0.64%, 0.50%, 0.13% and 0.22% (December 31, 2018: 0.26%, 0.32%, 0.36%), which includes 0.23%, 0.16%, 0.04% and 0.08% (December 31, 2018: 0.05%, 0.07%, 0.05%) representing government levy and SECP fee, of the Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan, respectively.

**16 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information were authorized for issue on February 13, 2020 by the Board of Directors of the Management Company.

**17 GENERAL**

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

**17.2** 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)**

---

**Chief Financial Officer**

---

**Chief Executive Officer**

---

**Director**

---

---

# **HBL**

## **Growth Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Growth Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited JS Bank Limited Habib Bank Limited Soneri Bank Limited Habib Metropolitan Bank Limited Zarai Taraqati Bank Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL GROWTH FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Growth Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 26, 2020





**Deloitte Yousuf Adil**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

Tel: +92 (0) 21 3454 6494-7  
Fax: +92 (0) 21- 3454 1314

www.deloitte.com

## **Auditors' report to the unit holders on review of Condensed Interim Financial Information**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Growth Fund** (the Fund) as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of other comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2019 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of other comprehensive income, for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

### **Scope of Review**

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

### **Conclusion**

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

  
**Chartered Accountants**

**Engagement Partner**  
Hena Sadiq

**Date:** February 25, 2020  
**Place:** Karachi

Member of  
**Deloitte Touche Tohmatsu Limited**

**HBL Growth Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at December 31, 2019*

	December 31, 2019 (Un-Audited)			June 30, 2019 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
Note ----- (Rupees in '000) -----							
<b>Assets</b>							
Bank balances	4	138,902	842,251	981,153	127,708	786,197	913,905
Investments	5	6,221,780	2,123,998	8,345,777	4,556,990	4,101,848	8,658,838
Dividend receivable and accrued mark-up		5,938	3,028	8,966	187,264	8,480	195,744
Receivable against sale of investment		-	315,863	315,863	-	-	-
Deposits, prepayments and other receivables		1,156	3,357	4,513	184	3,101	3,285
<b>Total assets</b>		<b>6,367,776</b>	<b>3,288,497</b>	<b>9,656,272</b>	<b>4,872,146</b>	<b>4,899,626</b>	<b>9,771,772</b>
<b>Liabilities</b>							
Payable to the Management Company	6	23,812	11,374	35,186	14,910	13,538	28,448
Payable to the Trustee		706	373	1,079	561	578	1,139
Payable to the Securities and Exchange Commission of Pakistan		497	321	818	6,017	4,876	10,893
Payable against purchase of investment		-	-	-	-	2,079	2,079
Accrued expenses and other liabilities	7	3,280	177,740	181,020	2,363	280,915	283,278
Redemption payable		-	836,255	836,255	-	-	-
Unclaimed dividend		-	133,728	133,728	-	134,158	134,158
<b>Total liabilities</b>		<b>28,295</b>	<b>1,159,792</b>	<b>1,188,086</b>	<b>23,851</b>	<b>436,144</b>	<b>459,995</b>
<b>Net assets</b>		<b>6,339,481</b>	<b>2,128,705</b>	<b>8,468,186</b>	<b>4,848,295</b>	<b>4,463,482</b>	<b>9,311,777</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>6,339,481</b>	<b>2,128,705</b>	<b>8,468,186</b>	<b>4,848,295</b>	<b>4,463,482</b>	<b>9,311,777</b>
<b>Contingencies and commitments</b>							
8 ----- Number of units -----							
<b>Number of units in issue</b>		<b>283,500,000</b>	<b>111,578,308</b>		<b>283,500,000</b>	<b>277,434,381</b>	
----- (Rupees) -----							
<b>Net assets value per unit</b>		<b>22.3615</b>	<b>19.0781</b>		<b>17.1016</b>	<b>16.0884</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 Growth Fund

## Condensed Interim Income Statement (Un-Audited)

### For the half year ended December 31, 2019

Note	Half year ended December 31, 2019			Half year ended December 31, 2018			Quarter ended December 31, 2019			Quarter ended December 31, 2018		
	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	50	82,195	82,245	-	(74,856)	(74,856)	50	202,029	202,079	-	(76,042)	(76,042)
Dividend income	114,020	81,670	195,690	95,017	116,346	211,363	114,020	43,923	157,943	95,017	58,479	153,496
Mark-up on deposits with banks	14,897	30,681	45,578	6,078	34,861	40,939	6,590	12,175	18,765	4,046	19,283	23,329
Mark-up on investments	4,030	2,503	6,533	-	-	-	4,030	2,503	6,533	-	-	-
Back end load	-	-	-	-	4,571	4,571	-	-	-	-	1,783	1,783
	132,997	197,049	330,045	101,095	80,922	182,017	124,690	260,630	385,319	99,063	3,503	102,566
Unrealised (loss)/gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(78)	256,677	256,599	-	(611,234)	(611,234)	(78)	449,709	449,631	-	(518,433)	(518,433)
	132,918	453,726	586,644	101,095	(530,312)	(429,217)	124,611	710,339	834,950	99,063	(514,929)	(415,866)
<b>Expenses</b>												
Remuneration of the Management Company	54,104	34,391	88,495	79,658	60,735	140,393	32,352	16,420	48,772	38,577	29,493	68,070
Remuneration of the Trustee	3,141	2,058	5,199	4,348	3,338	7,686	1,799	927	2,726	2,079	1,543	3,622
Annual fee to the Securities and Exchange Commission of Pakistan	497	321	818	3,349	2,521	5,870	286	145	431	1,622	1,208	2,830
Allocation of expenses related to registrar services, accounting, operation and valuation services	6,056	4,461	10,517	3,525	2,687	6,212	2,305	1,170	3,475	1,707	1,305	3,012
Selling and marketing expense	18,327	11,754	30,081	13,943	10,495	24,438	10,736	5,449	16,185	6,672	5,102	11,774
Settlement and bank charges	10	879	889	5	711	716	5	455	460	4	369	373
Auditors' remuneration	170	155	325	176	172	348	108	155	263	89	66	155
Fees and subscription	587	64	651	211	304	515	496	60	556	89	152	241
Conversion expense from closed end to open end fund	-	-	-	-	396	396	-	-	-	-	-	-
Securities transaction charges	-	9,808	9,808	-	5,389	5,389	-	5,183	5,183	-	3,591	3,591
	82,892	63,891	146,783	105,215	86,748	191,963	48,087	29,964	78,051	50,839	42,829	93,668
<b>Net Income/(loss) operating activities</b>	50,026	389,835	439,861	(4,120)	(617,060)	(621,180)	76,524	680,375	756,899	48,224	(557,758)	(509,534)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare fund	7.1	(1,001)	(7,797)	(8,797)	-	-	(1,001)	(7,797)	(8,797)	-	-	-
<b>Net Income/(loss) for the period before taxation</b>	49,026	382,038	431,064	(4,120)	(617,060)	(621,180)	75,524	672,578	748,102	48,224	(557,758)	(509,534)
Taxation	9	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income/(loss) for the period after taxation</b>	49,026	382,038	431,064	(4,120)	(617,060)	(621,180)	75,524	672,578	748,102	48,224	(557,758)	(509,534)
<b>Allocation of net income for the period:</b>												
Income already paid on redemption of units	-	171,755	171,755	-	-	-	-	171,755	171,755	-	-	-
Accounting income available for distribution:												
- Relating to capital gains	-	210,282	210,282	-	-	-	-	500,823	500,823	-	-	-
- Excluding capital gains	49,026	-	49,026	-	-	-	75,524	-	75,524	-	-	-
	49,026	210,283	259,309	-	-	-	75,524	500,823	576,347	-	-	-
	49,026	382,038	431,064	(4,120)	(617,060)	(621,180)	75,524	672,578	748,102	48,224	(557,758)	(509,534)

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 Growth Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the half year ended December 31, 2019*

	Half Year Ended December 31,						Quarter Ended December 31,					
	2019			2018			2019			2018		
	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	49,026	382,038	431,064	(4,120)	(617,060)	(621,180)	75,524	672,578	748,102	48,224	(557,758)	(509,534)
Items that will not be reclassified to income statement												
Unrealised gain/(loss) on re-measurement of investments classified as fair value through other comprehensive income	1,442,160	-	1,442,160	(1,137,694)	-	(1,137,694)	1,797,201	-	1,797,201	(1,037,751)	-	(1,037,751)
<b>Total comprehensive loss for the period</b>	<b>1,491,186</b>	<b>382,038</b>	<b>1,873,224</b>	<b>(1,141,814)</b>	<b>(617,060)</b>	<b>(1,758,874)</b>	<b>1,872,725</b>	<b>672,578</b>	<b>2,545,303</b>	<b>(989,527)</b>	<b>(557,758)</b>	<b>(1,547,285)</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 Growth Fund

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

### For the half year ended December 31, 2019

	2019						2018									
	Class A			Class B			Class A			Class B						
	Capital value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on issue of certificates	Total	Capital value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on issue of certificates	Total	Capital value	Undistributed Income	Total
	(Rupees)															
Net assets at beginning of the period	2,835,000	(3,131,131)	3,136,614	2,007,812	4,848,295	2,720,611	1,742,871	4,463,482	2,835,000	1,226,556	5,621,904	2,992,500	12,675,960	-	-	-
Transfer from premium on issue of certificates	-	-	-	-	-	-	-	-	-	984,688	-	(984,688)	-	-	-	-
Issue of 283,500,000 Class B units at the time of conversion	-	-	-	-	-	-	-	-	-	(5,443,546)	-	-	(5,443,546)	2,835,000	2,608,546	5,443,546
Issue of 1,488,105 units (2018 :1,189,511 units)	-	-	-	-	-	23,941	-	23,941	-	-	-	-	-	22,601	-	22,601
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	(274)	-	(274)	-	-	-	-	-	(43)	-	(43)
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	23,667	-	23,667	-	-	-	-	-	22,558	-	22,558
Redemption of 167,344,178 units (2018 :3,493,796 units)	-	-	-	-	-	(2,692,300)	-	(2,692,300)	-	-	-	-	-	66,382	-	66,382
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-	-	-	-	-	-	(133,332)	-	(133,332)
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Relating to net income for the year after taxation	-	-	-	-	-	123,573	(171,755)	(48,182)	-	-	-	-	-	-	-	-
Total payment on redemption of units	-	-	-	-	-	(2,568,727)	(171,755)	(2,740,482)	-	-	-	-	-	(66,950)	-	(66,950)
Income available for distribution	-	49,026	1,442,160	-	1,491,186	-	382,038	382,038	-	(4,120)	(1,137,694)	-	(1,141,814)	-	(617,060)	(617,060)
Distribution during the year period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income for the period less distribution	-	49,026	1,442,160	-	1,491,186	-	382,038	382,038	-	(4,120)	(1,137,694)	-	(1,141,814)	-	(617,060)	(617,060)
Net assets at end of the period	2,835,000	(3,082,105)	4,578,774	2,007,812	6,339,481	175,551	1,953,154	2,128,705	2,835,000	(3,236,422)	4,484,210	2,007,812	6,090,600	(44,392)	1,991,486	4,782,094
Undistributed loss brought forward																
- Realised		(3,131,131)					1,742,871			1,518,756						
- Unrealised		-					-			(292,200)						
		(3,131,131)					1,742,871			1,226,556						
Transfer from premium on issue of certificates		-								984,688						
Transferred to Class B - Segment on conversion of Fund		-					-			(5,443,546)				2,608,546		
Accounting income available for distribution:																
- Relating to capital gains		-					210,282			-						
- Excluding capital gains		-					-			-						
Net Income/(loss) available for distribution		49,026					210,282			(4,120)					(617,060)	
Distribution during the period		-					-			-					-	
		(3,082,105)					1,953,154			(3,236,422)					1,991,486	
(Accumulated loss) / Undistributed income carried forward																
- Realised		(3,082,105)					1,696,477			(3,236,422)					2,602,720	
- Unrealised		-					256,677			-					(611,234)	
		(3,082,105)					1,953,154			(3,236,422)					1,991,486	
Net assets value per unit at beginning of the period		17.1016					16.0884			25.5112					19.2012	
Net assets value per unit at end of the period		22.3615					19.0781			21.4836					17.0063	

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Growth Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
*For the half year ended December 31, 2019*

	2019			2018		
	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	49,026	382,038	431,064	(4,120)	(617,060)	(621,180)
<b>Adjustments of non-cash items</b>						
Capital gain on sale of investments - net	(50)	(82,195)	(82,245)	-	74,856	74,856
Unrealised gain/(loss) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	78	(256,677)	(256,599)	-	611,234	611,234
Dividend income	(114,020)	(81,670)	(195,690)	(95,017)	(116,346)	(211,363)
Income on Government securities	(4,030)	(2,503)	(6,533)			
Mark-up on deposits with banks	(14,897)	(30,681)	(45,578)	(6,078)	(34,861)	(40,939)
	(83,893)	(71,688)	(155,580)	(105,215)	(82,177)	(187,392)
<b>(Increase) / Decrease in assets</b>						
Investments	(218,628)	2,319,225	2,100,597	-	(26,472)	(26,472)
Receivable against sale of investments	-	(315,863)	(315,863)			
Security deposits	(972)	(256)	(1,228)	(1,687)	(415)	(2,102)
	(219,600)	2,003,106	1,783,506	(1,687)	(26,887)	(28,574)
<b>Increase / (decrease) in liabilities</b>						
Payable to Management Company	8,902	(2,164)	6,738	19,617	(9,645)	9,972
Payable to Central Depository Company of Pakistan Limited - Trustee	145	(205)	(60)	708	(146)	562
Payable to the Securities and Exchange Commission of Pakistan	(5,520)	(4,555)	(10,075)	3,349	(9,876)	(6,527)
Payable against purchase of investment	-	(2,079)	(2,079)	-	92,547	92,547
Accrued expenses and other liabilities	917	(103,175)	(102,258)	229	(1,775)	(1,546)
Redemption payable	-	836,255	836,255			
Unclaimed dividend	-	(430)	(430)	-	(790)	(790)
	4,444	723,648	728,091	23,903	70,315	94,218
Cash (used in) / generated from operations	(299,049)	2,655,066	2,356,017	(82,999)	(38,749)	(121,748)
Dividend received	296,015	84,566	380,581	282,776	118,676	401,452
Mark-up received on bank deposit	14,228	33,237	47,465	4,227	32,656	36,883
	310,243	117,803	428,046	287,003	151,332	438,335
<b>Net cash generated from operating activities</b>	<b>11,194</b>	<b>2,772,869</b>	<b>2,784,063</b>	<b>204,004</b>	<b>112,583</b>	<b>316,587</b>
<b>Cash flow from financing activities</b>						
Amount received on issue of units	-	23,667	23,667	-	22,558	22,558
Amount paid on redemption of units	-	(2,740,482)	(2,740,482)	-	(66,950)	(66,950)
Dividend paid	-	-	-	-	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(2,716,815)</b>	<b>(2,716,815)</b>	<b>-</b>	<b>(44,392)</b>	<b>(44,392)</b>
Net increase in cash and cash equivalents	11,194	56,054	67,248	204,004	68,191	272,195
Cash and cash equivalents at beginning of the period	127,708	786,197	913,905	-	729,178	729,178
Cash and cash equivalents at end of the period	4 138,902	842,251	981,153	204,004	797,369	1,001,373

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

# **HBL Growth Fund**

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

*For the half year ended December 31, 2019*

---

---

### **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 has assigned an asset manager rating of 'AM2+' (Positive outlook) to the Management Company.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

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

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

- 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, 2019.

**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 December 31, 2019.

## **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, 2019.

**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, 2019.

**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, 2019 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.

	(Unaudited) December 31, 2019			(Audited) June 30, 2019		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
<b>4. BANK BALANCES</b>						
Balances with banks in:						
Savings account	<b>138,902</b>	<b>842,251</b>	<b>981,153</b>	127,708	786,197	913,905

**4.1** This represents bank accounts held with different banks. Mark-up rates on these accounts range between 11.0% to 14.05% p.a (June 30, 2019: 5.35% - 13.50% p.a).

	Note	(Unaudited) December 31, 2019			(Audited) June 30, 2018		
		Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----							
<b>5. INVESTMENTS</b>							
<b>At fair value through profit or loss</b>							
- Listed equity securities	5.1	-	<b>2,123,998</b>	<b>2,123,998</b>	-	4,101,848	4,101,848
- Government securities	5.2	<b>222,630</b>	-	<b>222,630</b>	-	-	-
<b>At fair value through other comprehensive income</b>							
- Listed equity securities	5.3	<b>5,999,150</b>	-	<b>5,999,150</b>	4,556,990	-	4,556,990
		<b>6,221,780</b>	<b>2,123,998</b>	<b>8,345,777</b>	4,556,990	4,101,848	8,658,838

**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 December 31, 2019	Percentage in relation to		
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Market value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>CLASS B</b>									
<b>INSURANCE</b>									
TPL Insurance Limited	1,695	750,000	-	-	751,695	19,296	0.91%	0.91%	0.22%
Adamjee Insurance Limited	1,221,500	309,000	-	768,500	762,000	32,073	1.51%	1.51%	1.00%
	<b>1,223,195</b>	<b>1,059,000</b>	<b>-</b>	<b>768,500</b>	<b>1,513,695</b>	<b>51,369</b>			
<b>TEXTILE COMPOSITE</b>									
GulAhmed Textile Mills Limited	-	1,451,000	-	589,000	862,000	37,161	1.75%	1.75%	0.24%
Interloop Limited	1,578,415	329,000	-	1,404,500	502,915	29,194	1.37%	1.37%	5.78%
Kohinoor Textile Mills Limited	714,500	-	-	714,500	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	1,031,900	745,500	-	1,373,700	403,700	42,849	2.01%	2.02%	0.11%
	<b>3,324,815</b>	<b>2,525,500</b>	<b>-</b>	<b>4,081,700</b>	<b>1,768,615</b>	<b>109,204</b>			
<b>CEMENT</b>									
Kohat Cement Limited	382,500	106,000	-	357,000	131,500	10,178	0.48%	0.48%	0.10%
Lucky Cement Limited	298,800	202,100	-	301,800	199,100	85,294	4.01%	4.02%	0.06%
Maple Leaf Cement Factory Limited	-	1,900,000	-	1,900,000	-	-	0.00%	0.00%	-
	<b>681,300</b>	<b>2,208,100</b>	<b>-</b>	<b>2,558,800</b>	<b>330,600</b>	<b>95,473</b>			

Name of the Investee Company	Number of shares					Balance as at December 31, 2019	Percentage in relation to		
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Market value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Limited	3,419,856	647,500	-	2,800,500	1,266,856	118,261	5.56%	5.57%	0.10%
K-Electric Limited	10,610,500	1,050,000	-	6,485,000	5,175,500	22,617	1.06%	1.06%	0.02%
Nishat Chunian Power Limited	1,101,000	-	-	1,101,000	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	1,600,000	50,000	-	1,650,000	-	-	0.00%	0.00%	0.00%
	<u>16,731,356</u>	<u>1,747,500</u>	<u>-</u>	<u>12,036,500</u>	<u>6,442,356</u>	<u>140,878</u>			
<b>ENGINEERING</b>									
Aisha Steel Mills Limited - Pref. Shares	257,327	-	-	-	257,327	2,831	0.13%	0.13%	0.58%
Aisha Steel Mills Limited. - Conv. Cum. Pref. Shares	1,628,663	-	-	-	1,628,663	70,033	3.29%	3.30%	55.94%
International Steels Limited	-	323,000	-	233,000	90,000	5,210	0.24%	0.25%	0.02%
	<u>1,885,990</u>	<u>323,000</u>	<u>-</u>	<u>233,000</u>	<u>1,975,990</u>	<u>78,073</u>			
<b>TRANSPORT</b>									
Pakistan National Shipping Corporation Limited	140,500	259,500	-	76,000	324,000	30,433	1.43%	1.43%	0.25%
	<u>140,500</u>	<u>259,500</u>	<u>-</u>	<u>76,000</u>	<u>324,000</u>	<u>30,433</u>			
<b>PHARMACEUTICALS</b>									
AGP Limited	400,000	221,000	-	406,500	214,500	21,311	1.00%	1.00%	0.01%
Highnoon Laboratories Limited	32,000	69,000	-	40,500	60,500	32,504	1.53%	1.53%	0.01%
The Searle Company Limited	147,853	121,000	-	157,000	111,853	21,111	0.99%	0.99%	0.06%
	<u>579,853</u>	<u>411,000</u>	<u>-</u>	<u>604,000</u>	<u>386,853</u>	<u>74,926</u>			
<b>PAPER &amp; BOARD</b>									
Century Paper & Board Mills Limited	294,000	125,000	-	174,500	244,500	12,391	0.58%	0.58%	0.17%
	<u>294,000</u>	<u>125,000</u>	<u>-</u>	<u>174,500</u>	<u>244,500</u>	<u>12,391</u>			
<b>GLASS &amp; CERAMICS</b>									
Tariq Glass Industries Limited	-	124,500	-	124,500	-	-	0.00%	0.00%	0.00%
	<u>-</u>	<u>124,500</u>	<u>-</u>	<u>124,500</u>	<u>-</u>	<u>-</u>			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>									
Mari Petroleum Company Limited	280,214	23,500	15,839	231,040	88,513	115,961	5.45%	5.46%	0.08%
Oil & Gas Development Company Limited	2,478,100	449,500	-	1,872,100	1,055,500	150,219	7.06%	7.07%	0.02%
Pakistan Oilfields Limited	453,460	77,200	-	364,600	166,060	74,182	3.48%	3.49%	0.07%
Pakistan Petroleum Limited	1,697,730	1,062,500	222,606	1,975,700	1,007,136	138,119	6.49%	6.50%	0.05%
	<u>4,909,504</u>	<u>1,612,700</u>	<u>238,445</u>	<u>4,443,440</u>	<u>2,317,209</u>	<u>478,481</u>			
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Pakistan State Oil Company Limited	924,280	381,000	97,776	1,069,600	333,456	63,904	3.00%	3.01%	0.10%
Sui Northern Gas Pipeline Limited	921,700	255,000	-	623,500	553,200	42,137	1.98%	1.98%	0.09%
	<u>1,845,980</u>	<u>636,000</u>	<u>97,776</u>	<u>1,693,100</u>	<u>886,656</u>	<u>106,041</u>			
<b>COMMERCIAL BANKS</b>									
Allied Bank Limited	1,392,300	159,800	-	1,024,400	527,700	50,448	2.37%	2.38%	0.05%
Bank Al-Falah Limited	5,190,550	1,433,000	-	3,420,000	3,203,550	146,402	6.88%	6.89%	0.20%
Bank Al-Habib Limited	1,976,000	797,500	-	1,663,500	1,110,000	84,538	3.97%	3.98%	0.10%
Bank of Punjab Limited	9,620,500	4,035,000	-	8,803,000	4,852,500	54,979	2.58%	2.59%	0.92%
Faysal Bank Limited	25,250	-	-	-	25,250	480	0.02%	0.02%	0.00%
Habib Bank Limited*	1,925,500	555,500	-	2,144,500	336,500	52,972	2.49%	2.49%	0.02%
MCB Bank Limited	651,700	360,900	-	808,800	203,800	41,767	1.96%	1.97%	0.02%
National Bank of Pakistan Limited	987,000	1,762,000	-	1,402,000	1,347,000	58,325	2.74%	2.75%	0.06%
United Bank Limited	1,214,900	439,000	-	951,700	702,200	115,512	5.43%	5.44%	0.06%
	<u>22,983,700</u>	<u>9,542,700</u>	<u>-</u>	<u>20,217,900</u>	<u>12,308,500</u>	<u>605,423</u>			
<b>FERTILIZER</b>									
Engro Corporation Limited	1,026,770	191,500	-	892,400	325,870	112,507	5.29%	5.30%	0.06%
Engro Fertilizers Limited	2,237,000	776,000	-	2,280,000	733,000	53,824	2.53%	2.53%	0.05%
Fauji Fertilizer Company Limited	1,466,500	807,500	-	1,864,000	410,000	41,603	1.95%	1.96%	0.03%
	<u>4,730,270</u>	<u>1,775,000</u>	<u>-</u>	<u>5,036,400</u>	<u>1,468,870</u>	<u>207,934</u>			

Name of the Investee Company	Number of shares					Balance as at December 31, 2019	Percentage in relation to		
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Market value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paidup Capital
<b>CHEMICAL</b>									
Engro Polymer & Chemicals Limited	3,299,199	2,152,000	-	3,857,500	1,593,699	52,927	2.49%	2.49%	0.18%
Lotte Chemical Pakistan Limited	1,476,000	2,396,500	-	3,872,500	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	28,200	67,400	-	5,000	90,600	27,040	1.27%	1.27%	0.42%
	<u>4,803,399</u>	<u>4,615,900</u>	<u>-</u>	<u>7,735,000</u>	<u>1,684,299</u>	<u>79,967</u>			
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>									
Thal Limited	416,600	74,300	-	333,000	157,900	53,407	2.51%	2.51%	0.19%
	<u>416,600</u>	<u>74,300</u>	<u>-</u>	<u>333,000</u>	<u>157,900</u>	<u>53,407</u>			
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
Systems Limited	-	50,000	-	50,000	-	-	0.00%	0.00%	0.00%
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>			
<b>Total as at December 31, 2019 (Unaudited)</b>	<b>64,550,462</b>	<b>27,089,700</b>	<b>336,221</b>	<b>60,166,340</b>	<b>31,810,043</b>	<b>2,123,998</b>			
<b>Total as at June 30, 2019 (Audited)</b>	<b>57,003,556</b>	<b>57,051,202</b>	<b>1,093,752</b>	<b>50,598,058</b>	<b>64,550,462</b>	<b>4,101,848</b>			
<b>Cost at December 31, 2019</b>						<u><b>1,867,320</b></u>			

\*Sponsor of the Management Company

- 5.1.1** These investments includes shares having market value of 308.774 million (2019: 292.264 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. 0.929 million at December 31, 2019 (June 30, 2019: Rs. 0.839 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 Investment in government securities - 'at fair value through profit or loss'

### Class A

Issue date	Tenor	Face value			As at December 31, 2019 ('000)	Market value as at December 31, 2019 ('000)	Market value as a percentage of total investments
		As at July 01, 2019	Purchases during the period ('000)	Sales / matured during the period ('000)			

----- Rupees in '000' -----

24-Oct-19	3 months	-	225,000	225,000	-	-	
07-Nov-19	3 months	-	225,000	-	225,000	222,630	3.58%

<b>Total as at December 31, 2019</b>		-	450,000	225,000	225,000	222,630	
--------------------------------------	--	---	---------	---------	---------	---------	--

<b>Carrying value as at 'December 31, 2019</b>						222,708	
--	--	--	--	--	--	---------	--

### Class B

24-Oct-19	3 months	-	175,000	175,000	-	-	-
07-Nov-19	3 months	-	145,000	145,000	-	-	-

<b>Total as at December 31, 2019</b>		-	320,000	320,000	-	-	
--------------------------------------	--	---	---------	---------	---	---	--

<b>Carrying value as at 'December 31, 2019</b>						-	
--	--	--	--	--	--	---	--

## 5.3 Listed equity securities - At fair value through other comprehensive income

Name of the Investee Company	Number of shares					Balance as at 31 december	Percentage in Relation to		
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Market Value (Rupees in '000)	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	22,804,087	-	4,560,817	-	27,364,904	5,244,210	82.72%	84.29%	8.39%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	754,940	11.91%	12.13%	1.56%
<b>Total December 31, 2019 (Unaudited)</b>	<b>32,715,333</b>	<b>-</b>	<b>4,560,817</b>	<b>-</b>	<b>37,276,150</b>	<b>5,999,150</b>			
<b>Total June 30, 2019 (Audited)</b>	<b>28,914,652</b>	<b>-</b>	<b>3,800,681</b>	<b>-</b>	<b>32,715,333</b>	<b>4,556,990</b>			
<b>Cost at 31 December 2019</b>						<b>1,420,375</b>			

**5.2.1** The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 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. 43.701 million at December 31, 2019 (June 30, 2019: Rs. 32.325) 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.

	(Unaudited) December 31, 2019			(Audited) June 30, 2019		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
<b>6. PAYABLE TO MANAGEMENT COMPANY</b>						
Management fee	10,802	4,894	15,696	8,284	7,524	15,808
Sindh sales tax	1,404	636	2,040	1,077	978	2,055
Sale load payable	-	1	-	-	-	-
Allocation of expenses relating to registrar services, accounting, operation and valuation services	870	394	1,264	414	376	790
Selling and marketing expenses	10,736	5,449	16,185	5,135	4,660	9,795
	<b>23,812</b>	<b>11,374</b>	<b>35,185</b>	14,910	13,538	28,448

<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	Note	Class - A	Class - B	Total	Class - A	Class B	Total
Provision for Sindh Workers' Welfare Fund	7.1	3,065	48,572	51,637	2,065	40,775	42,840
Provision for Federal Excise Duty							
Sales tax on Management Fee	7.2	-	125,303	125,303	-	125,303	125,303
Brokerage		-	2,378	2,378	-	624	624
Auditors' remuneration		190	129	319	258	194	452
National Clearing Company Pakistan Limited Charges			112	112	-	45	45
Withholding tax		14	242	256	12	54	66
Payable to Class A		-	-	-	-	113,070	113,070
Others		11	1,005	1,016	28	850	878
		<b>3,280</b>	<b>177,740</b>	<b>181,021</b>	2,363	280,915	283,278

### 7.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

In the wake of the aforesaid developments, being prudent, the Fund has recognised provision for SWWF amounting to Rs. 3.065 million for class A and Rs 48.572 million for Class B (June 30, 2019 Rs 2.065 million of Class A and Rs. 40.775 million for Class B) in this condensed interim financial information. Had the provision not been made, net asset value per unit at December 31, 2019 would have been higher by Re. 0.0108 and Re 0.435 for Class A and Class B (June 30, 2019 Re. 0.007 and 0.147 for Class A and B respectively) per unit.

## 7.2 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, 2019, 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, 2019: Rs. 125.303 million). Had the provision not been made, the Net Asset Value per unit of Class-B as at December 31, 2019 would have been higher by Re. 1.1230 (June 30, 2019: Re. 0.452 ) per unit.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at December 31, 2019 and as at June 30, 2019.

## 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. 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 half year ended December 31, 2019 is 1.70% and 2.25% which includes 0.16% and 0.43% representing government levy, and SECP fee of the Class A and Class B respectively. (2018: 1.50% and 1.63% which includes 0.18% and 0.20% representing government levy, and SECP fee of the Class A and Class B respectively)

## 11. 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:

	Half Year Ended December 31, 2019			Half Year Ended December 31, 2018		
	Class A	Class B	Total	Class A	Class B	Total
<b>11.1 Transactions during the period</b>	----- (Rupees in '000) -----					
<b>HBL Asset Management Limited - Management Company</b>						
Remuneration of the Management Company	47,880	30,435	78,314	70,494	53,748	124,242
Sales tax on remuneration of the management company	6,224	3,956	10,181	9,164	6,987	16,151
Allocation of expenses related to registrar services, accounting, operation and valuation services	6,056	4,461	10,517	3,525	2,687	6,212
Selling and marketing expense	18,327	11,754	30,081	13,943	10,495	24,438

	Half Year Ended December 31, 2019			Half Year Ended December 31, 2018		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
<b>Habib Bank Limited - Sponsor</b>						
Dividend income	-	2,990	2,990	-	1,646	1,646
Mark-up on deposits with banks	-	77	77	-	29	29
Bank charges	-	1	1	-	-	-
<b>MCB Bank Limited- Connected person - due to holding more than 10% Units</b>						
Mark-up on deposits with banks	9	-	9	2,438	6,142	8,580
Bank charges	1	-	1	5	10	15
Dividend income	-	-	-	-	5,645	5,645
<b>Central Depository Company of Pakistan Limited-Trustee</b>						
Trustee Fee	3,141	2,058	5,199	4,348	3,338	7,686
Annual Listing Fee	329	64	393	174	304	477
CDS Charges	-	353	353	-	335	335
<b>Pension Reserves Investment Trust Fund</b>						
Redemption of 36,096,714 units (2018: Nil Units)	-	519,879	519,879	-	-	-
<b>Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% certificate</b>						
Redemption of 15,406,721 units (2018: Nil Units)	-	277,028	277,028	-	-	-
	December 31, 2019			June 30, 2019		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
<b>11.2 Balances at period end</b>						
<b>HBL Asset Management Company Limited - Management Company</b>						
Payable to Management Company	10,802	4,894	15,696	8,284	7,524	15,808
Sindh sales tax on remuneration of Management Company	1,404	636	2,040	1,077	978	2,055
Allocation of expenses relating to registrar services, accounting, operation and valuation services	870	394	1,264	414	376	790
Selling and marketing expense payable	10,736	5,449	16,185	5,135	4,660	9,795
<b>Habib Bank Limited - Sponsor</b>						
Banks Balances- savings accounts	-	1,432	1,432	-	1,366	1,366
<b>MCB Bank Limited- Connected person - due to holding more than 10% units</b>						
Banks Balance - savings account	184	-	184	175	333,226	333,401
Mark-up Receivable	-	-	-	-	1,256	1,256
Units held: 43,482,858 Units (June 2019: 43,482,858 Units)	434,829	-	434,829	434,829	-	434,829
Units held: Nil Units (June 2019: 43,482,858 Units)	-	-	-	-	699,571	699,571
<b>Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% units</b>						
Units held: 30,406,721 Units (June 2019: 30,406,721 Units)	304,067	-	304,067	304,067	-	304,067
Units held: 15,000,000 Units (June 2019: 30,406,721 Units)	-	286,172	286,172	-	489,196	489,196

	December 31, 2018 (Un-Audited)			June 30, 2018 (Audited)		Total
	Class A	Class B	Total	Class A	Class B	
	----- (Rupees in '000) -----					
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee remuneration payable	706	373	1,079	561	518	1,079
Security deposit with trustee	100	175	275	100	175	275
CDS charges payable	-	66	66	-	60	60
<b>Jubilee General Insurance Company Limited - associate</b>						
Units held: 142,500 Units (June 2019: 142,500 Units)	1,425	-	1,425	1,425	-	1,425
Units held: 142,500 Units (June 2019: 142,500 Units)	-	2,719	2,719	-	2,293	2,293
<b>Directors and Executives of the Management Company</b>						
Units held: 18,000 Units (June 2019: 18,000 Units)	180	-	180	180	-	180
Units held: 18,000 Units (June 2019: 18,000 Units)	-	306	306	-	290	290

## 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 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.

12.1

Class A							
December 31, 2019 (Un-audited)							
Carrying amount				Fair Value			
Fair value through profit or loss	Fair value through other comprehensive income	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>							
Investment in listed equity securities	5,999,150	-	5,999,150	5,999,150	-	-	5,999,150
Investment in government securities	222,630	-	222,630	-	222,630	-	222,630
	<u>5,999,150</u>	<u>-</u>	<u>5,999,150</u>	<u>5,999,150</u>	<u>222,630</u>	<u>-</u>	<u>6,221,780</u>
<b>Financial assets not measured at fair value</b>							
Bank balances	-	138,902	138,902	-	-	-	-
Dividend and profit receivable	-	5,938	5,938	-	-	-	-
Security Deposit	-	1,072	1,072	-	-	-	-
	<u>-</u>	<u>145,912</u>	<u>145,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>							
Payable to Management Company	-	23,812	23,812	-	-	-	-
Payable to trustee	-	706	706	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan	-	497	497	-	-	-	-
Accrued expenses and other liabilities	-	201	201	-	-	-	-
	<u>-</u>	<u>25,216</u>	<u>25,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12.2

Class B							
December 31, 2019 (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	2,123,998	-	2,123,998	2,123,998	-	-	2,123,998
	<u>2,123,998</u>	<u>-</u>	<u>2,123,998</u>	<u>2,123,998</u>	<u>-</u>	<u>-</u>	<u>2,123,998</u>
<b>Financial assets not measured at fair value</b>							
Bank balances	-	842,251	842,251	-	-	-	-
Dividend and profit receivable	-	3,028	3,028	-	-	-	-
Security Deposit	-	2,715	2,715	-	-	-	-
	<u>-</u>	<u>847,994</u>	<u>847,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>							
Payable to Management Company	-	11,374	11,374	-	-	-	-
Payable to trustee	-	373	373	-	-	-	-
Payable to Securities and Exchange Commission Of Pakistan	-	321	321	-	-	-	-
Accrued expenses and other liabilities	-	3,624	3,624	-	-	-	-
	<u>-</u>	<u>15,692</u>	<u>15,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

June 30, 2019 (Audited)							
Class A							
Carrying amount				Fair Value			
Fair value through profit and loss	Fair value through other comprehensive income	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>							
Investment in listed equity securities	4,556,990	-	4,556,990	4,556,990	-	-	4,556,990
	<u>4,556,990</u>	<u>-</u>	<u>4,556,990</u>	<u>4,556,990</u>	<u>-</u>	<u>-</u>	<u>4,556,990</u>
<b>Financial assets not measured at fair value</b>							
Bank balances	-	127,708	127,708	-	-	-	-
Dividend and profit receivable	-	187,264	187,264	-	-	-	-
Security Deposit	-	100	100	-	-	-	-
	<u>-</u>	<u>315,072</u>	<u>315,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>							
Payable to Management Company	-	13,833	13,833	-	-	-	-
Payable to trustee	-	496	496	-	-	-	-
Accrued expenses and other liabilities	-	286	286	-	-	-	-
	<u>-</u>	<u>14,615</u>	<u>14,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	June 30, 2019 (Audited)							
	Class B							
	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	4,101,848	-	-	4,101,848	4,101,848	-	-	4,101,848
	<u>4,101,848</u>	<u>-</u>	<u>-</u>	<u>4,101,848</u>	<u>4,101,848</u>	<u>-</u>	<u>-</u>	<u>4,101,848</u>
<b>Financial assets not measured at fair value</b>								
Bank balances	-	-	786,197	786,197				
Dividend and profit receivable	-	-	8,480	8,480				
Security Deposit	-	-	2,675	2,675				
	<u>-</u>	<u>-</u>	<u>797,352</u>	<u>797,352</u>				
<b>Financial liabilities not measured at fair value</b>								
Payable to Management Company	-	-	12,560	12,560				
Payable to trustee	-	-	512	512				
Accrued expenses and other liabilities	-	-	114,792	114,792				
	<u>-</u>	<u>-</u>	<u>127,864</u>	<u>127,864</u>				

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

### 13. Date of Authorisation For Issue

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on February 13, 2020.

### 14. General

- 14.1 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 December 31, 2019 have not been reviewed.

## For HBL Asset Management Limited (Management Company)

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

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

\_\_\_\_\_  
Director

---

---

# **HBL**

## **Investment Fund**

## FUND INFORMATION

---

---

Name of Fund	HBL Investment Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited JS Bank Limited Habib Bank Limited Soneri Bank Limited Habib Metropolitan Bank Limited

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

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



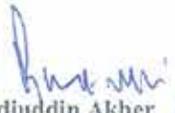
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL INVESTMENT FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Investment Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 26, 2020



## **Auditors' report to the unit holders on review of Condensed interim financial information**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Income Fund** (the Fund) as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of other comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2019 (here-in-after referred to as the 'condensed interim financial information'). **HBL Asset Management Limited** (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of other comprehensive income, for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

### **Scope of Review**

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

### **Conclusion**

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

  
Chartered Accountants

**Engagement Partner**  
Hena Sadique

**Date:** February 25, 2020  
**Place:** Karachi

**HBL Investment Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*As at December 31, 2019*

		December 31, 2019 (Un-Audited)			June 30, 2019 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
<b>Note</b>		----- (Rupees in '000) -----					
<b>Assets</b>							
Bank balances	4	58,946	564,992	623,938	49,550	390,621	440,171
Investments	5	2,219,918	1,485,885	3,705,803	1,619,479	2,154,419	3,773,898
Dividend receivable and accrued mark-up		2,284	2,746	5,030	61,446	4,254	65,700
Receivable against sale of equity		-	277,779	277,779	-	21,933	21,933
Advances, deposits and prepayments		771	3,256	4,026	100	3,217	3,317
<b>Total assets</b>		<b>2,281,918</b>	<b>2,334,657</b>	<b>4,616,575</b>	<b>1,730,575</b>	<b>2,574,444</b>	<b>4,305,019</b>
<b>Liabilities</b>							
Payable to the Management Company	6	8,518	8,048	16,566	5,304	7,099	12,403
Payable to the Trustee		315	296	611	259	352	611
Payable to the Securities and Exchange Commission of Pakistan		177	200	377	2,156	2,548	4,704
Payable against purchase of investment		-	-	-	-	16,064	16,064
Accrued expenses and other liabilities	7	1,192	87,066	88,258	1,158	122,353	123,511
Redemption payable		-	663,480	663,480	-	-	-
Unclaimed dividend		-	85,550	85,550	-	86,019	86,019
<b>Total liabilities</b>		<b>10,202</b>	<b>844,639</b>	<b>854,841</b>	<b>8,877</b>	<b>234,435</b>	<b>243,312</b>
<b>Net assets</b>		<b>2,271,716</b>	<b>1,490,018</b>	<b>3,761,734</b>	<b>1,721,698</b>	<b>2,340,009</b>	<b>4,061,707</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,271,716</b>	<b>1,490,018</b>	<b>3,761,734</b>	<b>1,721,698</b>	<b>2,340,009</b>	<b>4,061,707</b>
<b>Contingencies and commitments</b>	8	----- Number of units -----					
<b>Number of units in issue</b>		<b>284,125,000</b>	<b>149,634,377</b>		<b>284,125,000</b>	<b>278,335,332</b>	
		----- (Rupees) -----					
<b>Net assets value per unit</b>		<b>7.9955</b>	<b>9.9577</b>		<b>6.0597</b>	<b>8.4072</b>	

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

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

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

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

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

# HBL Investment Fund

## Condensed Interim Income Statement (Un-Audited)

### For the half year ended December 31, 2019

	Half year ended December 31,						Quarter ended December, 31						
	2019			2018			2019			2018			
	Note	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	8	111,692	111,699	-	(41,935)	(41,935)	8	138,156	138,163	-	(42,638)	(42,638)	
Dividend income	42,639	53,908	96,548	35,533	60,815	96,348	42,639	29,675	72,315	35,533	30,516	66,049	
Mark-up on deposits with banks	5,586	16,784	22,371	2,172	17,632	19,804	2,510	7,339	9,850	1,376	9,779	11,155	
Mark-up on Government securities	1,254	860	2,114	-	-	-	1,254	860	2,114	-	-	-	
Back end load income	-	-	-	-	3,344	3,344	-	-	-	-	1,109	1,109	
	49,487	183,245	232,732	37,705	39,856	77,561	46,411	176,031	222,442	36,909	(1,234)	35,675	
Unrealised (loss)/gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(24)	182,629	182,604	-	(316,730)	(316,730)	(24)	304,161	304,136	-	(268,438)	(268,438)	
	49,463	365,873	415,336	37,705	(276,874)	(239,169)	46,387	480,191	526,578	36,909	(269,672)	(232,763)	
<b>Expenses</b>													
Remuneration of Management Company	19,279	21,595	40,874	28,577	31,673	60,250	11,561	11,335	22,896	13,862	15,407	29,269	
Remuneration of Trustee	1,260	1,447	2,708	1,750	1,928	3,678	715	717	1,433	793	874	1,667	
Annual fee to the Securities and Exchange Commission of Pakistan	177	200	377	1,201	1,331	2,532	102	100	202	583	647	1,230	
Selling & marketing expense	6,530	7,354	13,884	5,002	5,486	10,488	3,837	3,761	7,598	2,398	2,665	5,063	
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,154	2,620	4,774	1,264	1,401	2,665	823	807	1,630	613	681	1,294	
Securities transaction costs	-	5,752	5,752	-	2,820	2,820	-	3,583	3,583	-	1,639	1,639	
Auditors' remuneration	124	198	322	146	159	305	51	119	170	73	80	153	
Printing charges	-	-	-	28	30	58	-	-	-	-	-	-	
Fee and subscription charges	702	28	730	336	304	640	295	1	296	174	152	326	
Settlement & bank charges	9	242	251	638	476	1,114	6	231	237	636	471	1,107	
Conversion expense from closed end to open end fund	-	-	-	-	283	283	-	-	-	-	-	-	
	30,236	39,437	69,673	38,942	45,891	84,833	17,391	20,655	38,046	19,132	22,616	41,748	
<b>Net income/(loss) from operating activities</b>	19,226	326,436	345,663	(1,237)	(322,765)	(324,002)	28,995	459,536	488,532	17,777	(292,288)	(274,511)	
Provision for Sindh Workers' Welfare Fund	7.1	(385)	(6,529)	(6,913)	-	-	(385)	(6,529)	(6,913)	-	-	-	
<b>Net income/(loss) for the period before taxation</b>	18,842	319,908	338,749	(1,237)	(322,765)	(324,002)	28,611	453,008	481,618	17,777	(292,288)	(274,511)	
Taxation	9	-	-	-	-	-	-	-	-	-	-	-	
<b>Net income/(loss) for the period after taxation</b>	18,842	319,908	338,749	(1,237)	(322,765)	(324,002)	28,611	453,008	481,618	17,777	(292,288)	(274,511)	
<b>Allocation of net income/(loss) for the period:</b>													
Income already paid on redemption of units	-	109,147	109,147	-	-	-	-	109,147	109,147	-	-	-	
Accounting income available for distribution:													
- Relating to capital gains	-	188,309	188,309	-	-	-	-	336,306	336,306	-	-	-	
- Excluding capital gains	18,842	22,451	41,293	-	-	-	28,611	7,554	36,165	-	-	-	
	18,842	210,760	229,602	-	-	-	28,611	343,860	372,471	-	-	-	
	18,842	319,908	338,749	(1,237)	(322,765)	(324,002)	28,611	453,008	481,618	17,777	(292,288)	(274,511)	

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

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**HBL Investment Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the half year ended December 31, 2019*

	Half year ended December 31,						Quarter ended December 31,					
	2019			2018			2019			2018		
	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	18,842	319,908	338,749	(1,237)	(322,765)	(324,002)	28,611	453,008	481,618	17,777	(292,288)	(274,511)
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	531,176	-	531,176	(397,250)	-	(397,250)	654,333	-	654,333	(373,398)	-	(373,398)
<b>Total comprehensive loss for the period</b>	<b>550,018</b>	<b>319,908</b>	<b>869,925</b>	<b>(398,487)</b>	<b>(322,765)</b>	<b>(721,252)</b>	<b>682,944</b>	<b>453,008</b>	<b>1,135,951</b>	<b>(355,621)</b>	<b>(292,288)</b>	<b>(647,909)</b>

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

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

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

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

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

**HBL Investment Fund**  
**Condensed Interim Statement of Cash Flow (Un- Audited)**  
*For the half year ended December 31, 2019*

	Half Year ended December 31					
	2019			2018		
	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	18,842	319,908	338,749	(1,237)	(322,765)	(324,002)
<b>Adjustments of non-cash items</b>						
Capital loss on sale of investment	(8)	(111,692)	(111,699)	-	41,935	41,935
Unrealised gain/(loss) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	24	(182,629)	(182,604)	-	316,730	316,730
Dividend income	(42,639)	(53,908)	(96,548)	(35,533)	(60,815)	(96,348)
Mark-up on deposits with banks	(5,586)	(16,784)	(22,371)	(2,172)	(17,632)	(19,804)
	(29,367)	(45,105)	(74,472)	(38,942)	(42,547)	(81,489)
<b>(Increase) / Decrease in assets</b>						
Investments	(69,279)	962,854	893,575	-	(5,821)	(5,821)
Receivable against sale of investments	-	(255,846)	(255,846)	-	-	-
Advances, deposits and prepayments	(671)	(39)	(709)	(330)	(299)	(629)
	(69,950)	706,970	637,020	(330)	(6,120)	(6,450)
<b>Increase / (decrease) in liabilities</b>						
Payable to Management Company	3,214	949	4,163	7,054	(2,706)	4,348
Payable to Central Depository Company of Pakistan Limited - Trustee	56	(56)	(0)	316	(73)	243
Payable to the Securities and Exchange Commission of Pakistan	(1,979)	(2,348)	(4,327)	1,201	(3,973)	(2,772)
Payable against purchase of investment	-	(16,064)	(16,064)	-	61,377	61,377
Unclaimed dividend	-	(469)	(469)	-	(149)	(149)
Redemption payable	-	663,480	663,480	-	-	-
Accrued expenses and other liabilities	34	(35,287)	(35,253)	593	(2,132)	(1,539)
	1,325	610,204	611,529	9,164	52,344	61,508
Cash (used in) / generated from operations	(97,992)	1,272,069	1,174,076	(30,108)	3,677	(26,431)
Dividend received	102,109	54,534	156,644	105,711	66,436	172,147
Mark-up received on bank deposit	5,279	17,666	22,946	1,496	16,417	17,913
	107,389	72,200	179,589	107,207	82,853	190,060
<b>Net cash generated from operating activities</b>	<b>9,396</b>	<b>1,344,269</b>	<b>1,353,666</b>	<b>77,099</b>	<b>86,530</b>	<b>163,629</b>
<b>Cash flow from financing activities</b>						
Amount received on issue of units	-	6,245	6,245	-	52,510	52,510
Amount paid on redemption of units	-	(1,176,143)	(1,176,143)	-	(85,115)	(85,115)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(1,169,898)</b>	<b>(1,169,898)</b>	<b>-</b>	<b>(32,605)</b>	<b>(32,605)</b>
Net increase in cash and cash equivalents	9,396	174,371	183,767	77,099	53,925	131,024
<b>Cash and cash equivalents at beginning of the period</b>	<b>49,550</b>	<b>390,621</b>	<b>440,171</b>	<b>-</b>	<b>371,142</b>	<b>371,142</b>
<b>Cash and cash equivalents at end of the period</b>	<b>58,946</b>	<b>564,992</b>	<b>623,938</b>	<b>77,099</b>	<b>425,067</b>	<b>502,166</b>

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

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

Chief Financial Officer

Chief Executive Officer

Director

# HBL Investment Fund

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

### For the half year ended December 31, 2019

	Half year ended December 31,																	
	2019						2018						2018					
	Class A			Class B			Class A			Class B			Class A			Class B		
Capital value	Undistributed income	Unrealised income / (loss) on investment	Premium on issue of certificates	General reserve	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	(2,221,541)	1,101,989	-	-	1,721,698	2,784,354	(444,345)	2,340,009	2,841,250	(384,828)	1,993,954	984,688	225	5,435,289	-	-	-
Transfer from premium on issue of certificates	-	-	-	-	-	-	-	-	-	984,688	-	(984,688)	-	-	-	-	-	-
Transfer from general reserve	-	-	-	-	-	-	-	-	-	225	-	-	(225)	-	-	-	-	-
Issue of 284,125,000 Class B units at the time of conversion	-	-	-	-	-	-	-	-	-	(2,852,678)	-	-	-	(2,852,678)	2,841,250	11,428	2,852,678	
Issue of 810,462 units (2018:2,585,247 units)	-	-	-	-	-	-	6,814	-	6,814	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	(569)	-	(569)	-	-	-	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-	6,245	-	6,245	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,367	-	53,367	
Redemption of 129,511,416 units (2018:4,651,082 units)	-	-	-	-	-	-	(1,088,823)	-	(1,088,823)	-	-	-	-	-	(85,858)	-	(85,858)	
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	743	-	743	
- Amount paid out of element of income	-	-	-	-	-	-	21,827	(109,147)	(87,320)	-	-	-	-	-	-	-	-	-
Relating to net income for the year after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payment on redemption of units	-	-	-	-	-	-	(1,066,996)	(109,147)	(1,176,143)	-	-	-	-	-	(85,115)	-	(85,115)	
Total comprehensive loss for the period	-	18,842	531,176	-	-	550,018	-	319,908	319,908	-	(1,237)	(397,250)	-	-	(398,487)	-	(322,765)	(322,765)
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	18,842	531,176	-	-	550,018	-	319,908	319,908	-	(1,237)	(397,250)	-	-	(398,487)	-	(322,765)	(322,765)
Net assets at end of the period	2,841,250	(2,202,699)	1,633,165	-	-	2,271,716	1,723,603	(233,585)	1,490,018	2,841,250	(2,253,830)	1,596,704	-	-	2,184,124	2,808,645	(311,337)	2,497,308
Undistributed (loss)/income brought forward																		
- Realised		(2,221,541)						(69,471)			(229,448)							
- Unrealised		-						(374,874)			(155,380)							
		(2,221,541)						(444,345)			(384,828)							
Transfer from premium on issue of certificates		-									984,688							
Transfer from general reserve		-									225							
Transferred to Class B - Segment on conversion of Fund		-									(2,852,678)							11,428
Accounting income available for distribution:																		
- Relating to capital gains		-						188,309			-							
- Excluding capital gains		-						22,451			-							
Net income/(loss) available for distribution		18,842						210,760			(1,237)							(322,765)
Accumulated loss carried forward		(2,202,699)						(233,585)			(2,253,830)							(311,337)
Accumulated loss carried forward																		
- Realised		(2,202,675)						(416,213)			(2,253,830)							5,393
- Unrealised		(24)						182,629			-							(316,730)
		(2,202,699)						(233,585)			(2,253,830)							(311,337)
Net assets value per unit at beginning of the period	6.0597							8.4072			9.0897							10.0402
Net assets value per unit at end of the period	7.9955							9.9577			7.6872							8.8907

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

# **HBL Investment Fund**

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

*For the half year ended December 31, 2019*

---

---

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

- 1.1** HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has 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 has assigned an asset manager rating of 'AM2+' (Positive outlook) to the Management Company.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

### **2. BASIS OF 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:

- 
- 
- 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 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 requirement of the Trust Deed.

Wherever provisions of and directive 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 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, 2019.

**2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

## **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, 2019.

**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, 2019.

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

Note	December 31, 2019 (Un-Audited)			June 30, 2018 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
(Rupees in '000)							
<b>4. BANK BALANCES</b>							
Balances with banks in:							
Savings accounts	4.1	<b>58,946</b>	<b>564,992</b>	<b>623,938</b>	49,550	390,621	440,171

**4.1** This represents bank accounts held with different banks. Mark-up rates on these accounts range between 8.0% to 14.05% p.a (June 30, 2019: 5.35% - 13.50% p.a).

Note	December 31, 2019 (Un-Audited)			June 30, 2019 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						

**5. INVESTMENTS**

**At fair value through profit or loss**

- Listed equity securities	5.1	-	<b>1,485,885</b>	<b>1,485,885</b>	-	2,154,419	2,154,419
Government securities	5.2	<b>69,263</b>	-	<b>69,263</b>	-	-	-

**At fair value through other comprehensive**

- Listed equity securities	5.3	<b>2,150,655</b>	-	<b>2,150,655</b>	1,619,479		1,619,479
		<b>2,219,918</b>	<b>1,485,885</b>	<b>3,705,803</b>	1,619,479	2,154,419	3,773,898

**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					Market value as at December 31, 2019 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2019	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2019		Total Investments	Net Assets	
<b>CLASS B</b>									
<b>TRANSPORT</b>									
Pakistan National Shipping Corp Ltd	75,500	217,500	-	62,000	231,000	21,698	1.46%	1.46%	0.17%
	75,500	217,500	-	62,000	231,000	21,698			
<b>Automobile Parts and Accessories</b>									
Thal Limited (Par value Rs. 5 per share)	217,800	79,000	-	186,100	110,700	37,442	2.52%	2.51%	0.14%
	217,800	79,000	-	186,100	110,700	37,442			
<b>PAPER &amp; BOARD</b>									
Century Paper & Board Mills Ltd	150,000	98,500	-	73,500	175,000	8,869	0.60%	0.60%	0.12%
	150,000	98,500	-	73,500	175,000	8,869			
<b>Chemicals</b>									
Engro Polymer & Chemicals Ltd	1,726,462	1,154,000	-	1,763,000	1,117,462	37,111	2.50%	2.49%	0.12%
Lotte Chemical Pakistan Ltd	786,000	1,538,500	-	2,324,500	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	17,900	48,300	-	-	66,200	19,758	1.33%	1.33%	0.31%
	2,530,362	2,740,800	-	4,087,500	1,183,662	56,869			

Name of investee company	Number of Shares					Market value as at December 31, 2019 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2019	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2019		Total Investments	Net Assets	
<b>Cement</b>									
Kohat Cement Ltd	204,500	77,500	-	190,000	92,000	7,121	0.48%	0.48%	0.07%
Lucky Cement Ltd	156,700	140,000	-	157,500	139,200	59,633	4.01%	4.00%	0.04%
Maple Leaf Cement Factory Ltd	-	1,000,000	-	1,000,000	-	-	0.00%	0.00%	0.00%
	361,200	1,217,500	-	1,347,500	231,200	66,754			
<b>Commercial Banks</b>									
Allied Bank Ltd	729,600	96,000	-	453,700	371,900	35,554	2.39%	2.39%	0.03%
BankAl-Falah Ltd	2,662,650	823,500	-	1,172,000	2,314,150	105,757	7.12%	7.10%	0.15%
BankAl-Habib Limited	1,018,500	516,500	-	758,500	776,500	59,138	3.98%	3.97%	0.07%
Bank of Punjab Ltd	5,028,000	2,926,000	-	4,577,000	3,377,000	38,261	2.57%	2.57%	0.64%
Faysal Bank Limited	18,000	-	-	-	18,000	342	0.02%	0.02%	0.00%
Habib Bank Ltd	1,002,700	318,800	-	1,085,400	236,100	37,167	2.50%	2.49%	0.02%
MCB Bank Ltd	346,800	240,500	-	456,600	130,700	26,786	1.80%	1.80%	0.01%
National Bank of Pakistan Ltd	548,500	1,196,000	-	787,000	957,500	41,460	2.79%	2.78%	0.05%
United Bank Limited	637,000	313,700	-	459,000	491,700	80,885	5.44%	5.43%	0.04%
	11,991,750	6,431,000	-	9,749,200	8,673,550	425,349			
<b>Engineering</b>									
Aisha Steel Mills Limited - Preference Shares	130,000	-	-	-	130,000	1,430	0.10%	0.10%	0.29%
Aisha Steel Mills Limited - Conv Cum Pref Shares	1,065,000	-	-	-	1,065,000	45,795	3.08%	3.07%	36.58%
International Steels Limited	-	199,000	-	134,000	65,000	3,763	0.25%	0.25%	0.01%
	1,195,000	199,000	-	134,000	1,260,000	50,988			
<b>Fertilizer</b>									
Engro Corporation Ltd	538,700	128,600	-	437,000	230,300	79,511	5.35%	5.34%	0.04%
Engro Fertilizers Limited	1,172,000	520,500	-	1,179,000	513,500	37,706	2.54%	2.53%	0.04%
Fauji Fertilizer Co Ltd	777,500	525,500	-	1,014,500	288,500	29,274	1.97%	1.96%	0.02%
	2,488,200	1,174,600	-	2,630,500	1,032,300	146,491			
<b>Insurance</b>									
Adamjee Insurance Co Ltd	623,500	292,500	-	408,000	508,000	21,382	1.44%	1.43%	0.15%
TPL Insurance Limited	689	535,500	-	-	536,189	13,764	0.93%	0.92%	0.71%
	624,189	828,000	-	408,000	1,044,189	35,146			
<b>Oil and Gas Exploration Companies</b>									
Mari Petroleum Company Ltd	146,948	13,960	10,718	109,220	62,406	81,758	5.50%	5.49%	0.06%
Oil & Gas Development Co Ltd	1,290,900	290,000	-	846,700	734,200	104,491	7.03%	7.01%	0.02%
Pakistan Oilfields Ltd	237,560	46,500	-	168,200	115,860	51,757	3.48%	3.47%	0.05%
Pakistan Petroleum Ltd	878,705	647,500	149,141	968,000	707,346	97,005	6.53%	6.51%	0.04%
	2,554,113	997,960	159,859	2,092,120	1,619,812	335,012			
<b>Oil &amp; Gas Marketing Companies</b>									
Pakistan State Oil Company Ltd	484,360	237,300	65,032	553,200	233,492	44,746	3.01%	3.00%	0.07%
Sui Northern Gas Pipeline Ltd	484,500	174,000	-	269,500	389,000	29,630	1.99%	1.99%	0.06%
	968,860	411,300	65,032	822,700	622,492	74,377			
<b>Pharmaceuticals</b>									
AGP Limited	209,500	158,500	-	218,000	150,000	14,903	1.00%	1.00%	0.01%
Highnoon Laboratories Limited	16,500	51,000	-	26,200	41,300	22,189	1.49%	1.49%	0.00%
The Searle Company Ltd	76,996	76,000	-	75,000	77,996	14,721	0.99%	0.99%	0.04%
	302,996	285,500	-	319,200	269,296	51,812			
<b>Power Generation and Distribution</b>									
Hub Power Company Ltd	1,789,409	420,500	-	1,323,000	886,909	82,793	5.57%	5.56%	0.07%
K-Electric Limited	5,572,000	1,055,000	-	2,996,500	3,630,500	15,865	1.07%	1.06%	0.01%
Nishat Chunian Power Ltd	581,000	-	-	581,000	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	832,000	75,000	-	907,000	-	-	0.00%	0.00%	0.00%
	8,774,409	1,550,500	-	5,807,500	4,517,409	98,658			

Name of investee company	Number of Shares					Market value as at December 31, 2019 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2019	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2019		Total Investments	Net Assets	
<b>Textile</b>									
Sunshine Cloth*	50,000	-	-	-	50,000	0	0.00%	0.00%	0.00%
Mohib Textile*	40,820	-	-	-	40,820	0	0.00%	0.00%	0.27%
GulAhmed Textile Mills Ltd	-	1,019,000	-	406,500	612,500	26,405	1.78%	1.77%	0.17%
Interloop Limited	799,642	219,500	-	675,000	344,142	19,977	1.34%	1.34%	3.96%
Kohinoor Textile Mills Ltd	400,000	-	-	400,000	-	-	0.00%	0.00%	0.00%
Nishat Mills Ltd	543,500	398,500	-	659,000	283,000	30,038	2.02%	2.02%	0.08%
	<u>1,833,962</u>	<u>1,637,000</u>	<u>-</u>	<u>2,140,500</u>	<u>1,330,462</u>	<u>76,420</u>			
<b>Glass &amp; Ceramics</b>									
Tariq Glass Industries Ltd	-	88,500	-	88,500	-	-	-	0.00%	-
	<u>-</u>	<u>88,500</u>	<u>-</u>	<u>88,500</u>	<u>-</u>	<u>-</u>			
<b>Technology &amp; Communication</b>									
Systems Limited	-	50,000	-	50,000	-	-	0.00%	0.00%	-
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>			
<b>Total - As at December 31, 2019 (Un-audited)</b>	<b>34,068,341</b>	<b>18,006,660</b>	<b>224,891</b>	<b>29,998,820</b>	<b>22,301,072</b>	<b>1,485,885</b>			
<b>Total - As at June 30, 2019 (Audited)</b>	<b>30,583,317</b>	<b>29,282,266</b>	<b>567,333</b>	<b>23,364,575</b>	<b>34,068,341</b>	<b>2,154,419</b>			
<b>Cost at 31 December 2019</b>						<b>1,303,256</b>			

\*Suspended/Delisted Companies

\*\*Sponsors of Management Company

**5.1.1** Investments include shares having market value aggregating to Rs: 165.425m (June 30, 2019 : Rs160.870m) 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. 0.457 million at December 31, 2019 (June 30, 2019: Rs.0.415m) 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** Investment in government securities - 'at fair value through profit or loss'

Class A								
Issue date	Tenor	Face value			As at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2019	Purchases during the period	Sales / matured during the period				
-----Rupees in '000-----								
24-Oct-19	3 Months	-	70,000	70,000	-			
07-Nov-19	3 Months	-	70,000	-	70,000	69,263	3.05%	3.12%
<b>Total as at December 31, 2019</b>		<u>-</u>	<u>140,000</u>	<u>70,000</u>	<u>70,000</u>	<u>69,263</u>		
<b>Carrying value as at 'December 31, 2019</b>						<b>69,287</b>		

Class B									
Issue date	Tenor	Face value			As at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total investments	
		As at July 01, 2019	Purchases during the period	Sales / matured during the period					
07-Nov-19	3 Months	-	50,000	50,000	-	-	-	-	
24-Oct-19	3 Months	-	70,000	70,000	-	-	-	-	
<b>Total as at December 31, 2019</b>		-	120,000	120,000	-	-	-	-	
Carrying value at 'December 31, 2019		-----Rupees in '000-----							-

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

Name of investee company	Number of Shares					Market value as at Dec 31, 2019 (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, 2019	Purchases during the period	Bonus issue	Sales during the period	As at Dec 31, 2019		Total Investments	Net Assets	
<b>Class A</b>									
<b>Oil and Gas Marketing Companies</b>									
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	189,513	8.54%	8.34%	0.39%
Pakistan State Oil Company Limited	8,527,893	-	1,705,578	-	10,233,471	1,961,142	88.34%	86.33%	3.14%
<b>Total - As at December 31, 2019 (Unaudited)</b>	<b>11,015,917</b>	<b>-</b>	<b>1,705,578</b>	<b>-</b>	<b>12,721,495</b>	<b>2,150,655</b>			
Total - As at June 30, 2019 (Audited)	9,594,602	-	1,421,315	-	11,015,917	1,619,479			
<b>Cost at 31 December 2019</b>							<b>517,492</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. 16.342 million at December 31, 2019 (June 30, 2019: Rs. 12.054m) 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.

	December 31, 2019			June 30, 2019		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
<b>6. PAYABLE TO MANAGEMENT COMPANY</b>	----- (Rupees in '000) -----					
Management fee	3,868	3,541	7,409	2,944	3,944	6,888
Sindh Sales Tax	503	460	963	383	513	896
Allocation of expenses relating to registrar services, accounting, operation and valuation services	311	285	596	147	197	344
Selling & marketing payable	3,836	3,761	7,597	1,830	2,445	4,275
	<b>8,518</b>	<b>8,048</b>	<b>16,566</b>	<b>5,304</b>	<b>7,099</b>	<b>12,403</b>

	Note	December 31, 2019			June 30, 2018		
		(Un-Audited)			(Audited)		
		Class A	Class B	Total	Class A	Class B	Total
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		----- (Rupees in '000) -----					
Provision for Sindh Workers' Welfare Fund	7.1	1,018	27,604	28,622	634	21,075	21,709
Provision for Federal Excise Duty	7.2	-	55,961	55,961	0	55,961	55,961
Printing charges		3	-	3	18	-	18
Auditors remuneration		146	173	319	217	239	456
Security transaction charges		-	1,860	1,860	-	1,249	1,249
Withholding tax payable		25	296	321	289	404	693
Payable to class A		-	-	-	-	42,284	42,284
Other payable		-	1,172	1,172	-	1,141	1,141
		<b>1,192</b>	<b>87,066</b>	<b>88,258</b>	<b>1,158</b>	<b>122,353</b>	<b>123,511</b>

## 7. PROVISION FOR SINDH WORKERS' WELFARE FUND

**7.1** The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) 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, 2019.

As there is income for half year ended December 31, 2019, a provision of Rs 1.018 million and 27.604 million of Class A and Class B respectively for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per certificate of the Fund as at December 31, 2019 would have been higher by Rs. 0.0036 for Class A and Rs 0.1845 for Class B per unit (June 30, 2019: 0.00223 for Class A and 0.0757 for Class B per unit).

**7.2** The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, 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 December 31, 2018 would have been higher by Rs. 0.374 per certificate (June 30, 2019: 0.201 per certificate) of class B.

## 8. Contingencies & Commitments

There were no contingencies and commitment as at December 31, 2019.

## 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.

## 10. TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the period ended December 31, 2019 is 1.74% and 2.31% which includes 0.16% and 0.50% representing government levy and SECP fee of the Class A and Class B respectively (2018: 1.55% and 1.65% which includes 0.18% and 0.20% representing government levy and SECP fee of the Class A and Class B respectively.)

## 11. 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:

	Half Year Ended December 31,			2018		
	2019					
	Class A	Class B	Total	Class A	Class B	Total
<b>Transactions during the period</b>	----- Rupees in '000 -----					
<b>HBL Asset Management Limited</b>						
Remuneration of Management Company	17,061	19,110	36,172	25,289	28,030	53,319
Sindh Sales Tax on remuneration of Management Company	2,218	2,484	4,702	3,288	3,644	6,932
Reimbursement of fund Operations, accounting and Related costs	2,154	2,620	4,774	1,264	1,401	2,665
Selling and marketing	6,530	7,354	13,884	5,002	5,486	10,488
<b>Habib Bank Limited - Sponsor</b>						
Dividend income	-	1,917	1,917	-	1,809	1,809
Mark-up on deposits with banks	-	18	18	-	15	15
<b>MCB Bank Limited</b>						
Dividend Income	-	2,703	2,703	-	5,856	5,856
Mark-up on deposits with banks	7	-	7	39	3,751	3,791
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee	1,260	1,447	2,708	1,750	1,928	3,678
CDC connection charges	387	222	609	-	195	195

	December 31, 2019 (Un-Audited)			June 30, 2019 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- Rupees in '000 -----					
<b>Balances outstanding at the year end</b>						
<b>HBL Asset Management Limited</b>						
Payable to the Management Company	3,868	3,541	7,409	2,944	3,944	6,888
Sindh Sales tax payable on remuneration to management company	503	460	963	383	513	896
Finance and operational cost	311	285	596	147	197	344
Selling and marketing expense	3,836	3,761	7,597	1,830	2,445	4,275
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee payable	315	296	611	259	316	575
Security deposit held	100	200	300	100	200	300
CDC Charges Payable	-	37	37	-	36	36
<b>MCB Bank Limited</b>						
<b>Connected Person Due to Holding more than 10% units)</b>						
Bank balance	129	-	129	122	175,935	176,057
Mark-up on bank deposit receivable	-	-	-	-	707	707
Outstanding units:66,090,021 (2019: 66,090,021) units	660,900	-	660,900	660,900	-	660,900
Outstanding units: Nil units (2019: 66,090,021) units	-	-	-	-	555,632	555,632
<b>Related to units of the Fund</b>						
<b>Habib Bank Limited - Sponsor</b>						
Outstanding units :48,662,161 (2019: 48,662,161) units	486,621	-	486,621	486,621	-	486,621
Outstanding units :48,662,161 (2019: 48,662,161) units	-	484,563	484,563	-	409,112	409,112
Bank Balance	-	432	432	-	415	415
<b>Jubilee General Insurance Company Limited</b>						
Outstanding units:107,379 (2019: 100,379)units	1,004	-	1,004	1,004	-	1,004
Outstanding units:100,379 (2019: 100,379)units	-	1,000	1,000	-	844	844
<b>Jubilee General Insurance Company Limited Staff Provident Fund Trust</b>						
Outstanding units:118,454 (2019: 118,454) units	1,184	-	1,184	1,184	-	1,184
Outstanding units:118,454 (2019: 118,454) units	-	1,180	1,180	-	996	996
<b>Jubilee General Insurance Company Limited Gratuity Fund Trust</b>						
Outstanding units:224,000 (2019: 224,000) units	2,240	-	2,240	2,240	-	2,240
Outstanding units:224,000 (2019: 224,000) units	-	2,231	2,231	-	1,883	1,883
<b>Aga Khan University Employees Provident Fund Trust</b>						
Outstanding units:588,000 (2019: 588,000) units	5,880	-	5,880	5,880	-	5,880
<b>Aga Khan University Employees Gratuity Fund Trust</b>						
Outstanding units:138,000 (2019: 138,000) units	1,380	-	1,380	1,380	-	1,380
<b>Directors and Executives of the Management Company</b>						
Outstanding units:26,195 (2018: 26,195) units	262	-	262	262	-	262
Outstanding units: 226,195 (2019: 26,195) units	-	2,252	2,252	-	220	220

## 12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

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					December 31, 2019 (Un-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	-	2,150,655	-	-	2,150,655	2,150,655	-	-	2,150,655
Investments-Government securities	69,263	-	-	-	69,263	-	69,263	-	69,263
	69,263	2,150,655	-	-	2,219,918	2,150,655	69,263	-	2,219,918
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	58,946	58,946				
Dividend and Profit receivable	-	-	-	2,284	2,284				
Advances and security deposit	-	-	-	771	771				
	-	-	-	62,000	62,000				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	-	-	-	8,518	8,518				
Payable to Trustee	-	-	-	315	315				
Payable to Securities and Exchange Commission Of Pakistan	-	-	-	177	177				
Payable against purchase of investment	-	-	-	-	-				
Accrued expenses and other liabilities	-	-	-	149	149				
Unclaimed Dividend	-	-	-	-	-				
	-	-	-	9,159	9,159				

	Class B December 31, 2019 (Un-audited)					Fair Value			
	Carrying amount								
	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	1,485,885	-	-	-	1,485,885	1,485,885	-	-	1,485,885
	1,485,885	-	-	-	1,485,885	1,485,885	-	-	1,485,885
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	564,992	564,992				
Dividend and Profit receivable	-	-	-	2,746	2,746				
Advances and security deposit	-	-	-	2,738	2,738				
	-	-	-	570,476	570,476				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	-	-	-	8,048	8,048				
Payable to Trustee	-	-	-	296	296				
Payable to Securities and Exchange Commission of Pakistan	-	-	-	200	200				
Accrued expenses and other liabilities	-	-	-	3,205	3,205				
Unclaimed Dividend	-	-	-	85,550	85,550				
	-	-	-	97,299	97,299				
----- (Rupees in '000) -----									
Class A June 30, 2019 (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	-	1,619,479	-	-	1,619,479	1,619,479	-	-	1,619,479
	-	1,619,479	-	-	1,619,479	1,619,479	-	-	1,619,479
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	49,550	49,550				
Dividend and Profit receivable	-	-	-	61,446	61,446				
	-	-	-	110,996	110,996				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company	-	-	-	5,304	5,304				
Payable to Trustee	-	-	-	259	259				
Accrued expenses and other liabilities	-	-	-	235	235				
	-	-	-	5,798	5,798				

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.

	Class B								
	June 30, 2019(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	2,154,419	-	-	-	2,154,419	2,154,419	-	-	2,154,419
	<u>2,154,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,154,419</u>	<u>2,154,419</u>	<u>-</u>	<u>-</u>	<u>2,154,419</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	-	-	-	390,621	390,621				
Dividend and Profit receivable	-	-	-	4,254	4,254				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>394,875</u>	<u>394,875</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to Management Company		-	-	7,099	7,099				
Payable to Trustee		-	-	352	352				
Payable against purchase of investment		-	-	16,064	16,064				
Accrued expenses and other liabilities		-	-	44,913	44,913				
Unclaimed Dividend		-	-	-	-				
		<u>-</u>	<u>-</u>	<u>68,428</u>	<u>68,428</u>				

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

### 13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management company on February 13, 2020.

### 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. No significant rearrangement or reclassification was made in these financial statements during the current year.

14.3 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of these condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2018 have not been reviewed.

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

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

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

\_\_\_\_\_  
Director



**Be aware, Be alert,  
Be safe**  
Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

**Key features:**

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

 [jamapunji.pk](http://jamapunji.pk)

 [@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices

# HBL

# ASSET MANAGEMENT LTD.

ایس ایٹ مینجمنٹ لمیٹڈ

**Head Office Karachi:**

7th Floor, Emerald Tower, Clifton,  
Karachi.  
UAN:111 HBL AMC (111-425-262)  
Fax: 021-35168455  
info@hblasasset.com

**Lahore:**

102-103, Upper Mall, Lahore  
Tel: 042-36281600  
042-36281640-3  
042-36281610  
Fax: 042-36281686

**Islamabad:**

HBL Corporate Center,  
HBL building, Jinnah Avenue,  
Islamabad  
Tel: 051-2821183  
Fax: 051-2822206