

HBL

ASSET MANAGEMENT LTD.
ایسٹبٹ میئنجمینٹ لمیٹڈ

AMC Rating : AM2+ by JCR-VIS



QUARTERLY REPORT 2020

For the period ended September 30, 2020

MOVING TOWARDS
EXCELLENCE

TABLE OF CONTENTS

<i>Corporate Information</i>	04
<i>Report of The Directors of The Management Company</i>	05 - 14
HBL Income Fund	
<i>Fund Information</i>	17
<i>Condensed Interim Statement of Assets and Liabilities</i>	18
<i>Condensed Interim Income Statement</i>	19
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	20
<i>Condensed Interim Cash Flow Statement</i>	21
<i>Notes to the Condensed Interim Financial Information</i>	22 - 33
HBL Government Securities Fund	
<i>Fund Information</i>	35
<i>Condensed Interim Statement of Assets and Liabilities</i>	36
<i>Condensed Interim Income Statement</i>	37
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	38
<i>Condensed Interim Cash Flow Statement</i>	39
<i>Notes to the Condensed Interim Financial Information</i>	40 - 48
HBL Money Market Fund	
<i>Fund Information</i>	50
<i>Condensed Interim Statement of Assets and Liabilities</i>	51
<i>Condensed Interim Income Statement</i>	52
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	53
<i>Condensed Interim Cash Flow Statement</i>	54
<i>Notes to the Condensed Interim Financial Information</i>	55 - 63
HBL Cash Fund	
<i>Fund Information</i>	65
<i>Condensed Interim Statement of Assets and Liabilities</i>	66
<i>Condensed Interim Income Statement</i>	67
<i>Condensed Interim Statement of Comprehensive Income</i>	68
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	69
<i>Condensed Interim Cash Flow Statement</i>	70
<i>Notes to the Condensed Interim Financial Information</i>	71 - 80

TABLE OF CONTENTS

HBL Stock Fund

<i>Fund Information</i>	84
<i>Condensed Interim Statement of Assets and Liabilities</i>	85
<i>Condensed Interim Income Statement</i>	86
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	87
<i>Condensed Interim Cash Flow Statement</i>	88
<i>Notes to the Condensed Interim Financial Information</i>	89 - 109

HBL Equity Fund

<i>Fund Information</i>	
<i>Condensed Interim Statement of Assets and Liabilities</i>	111
<i>Condensed Interim Income Statement</i>	112
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	113
<i>Condensed Interim Cash Flow Statement</i>	114
<i>Notes to the Condensed Interim Financial Information</i>	115
	116 - 126

HBL Energy Fund

<i>Fund Information</i>	128
<i>Condensed Interim Statement of Assets and Liabilities</i>	129
<i>Condensed Interim Income Statement</i>	130
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	131
<i>Condensed Interim Cash Flow Statement</i>	132
<i>Notes to the Condensed Interim Financial Information</i>	133 - 141

HBL Multi Asset Fund

<i>Fund Information</i>	143
<i>Condensed Interim Statement of Assets and Liabilities</i>	144
<i>Condensed Interim Income Statement</i>	145
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	146
<i>Condensed Interim Cash Flow Statement</i>	147
<i>Notes to the Condensed Interim Financial Information</i>	148 - 159

TABLE OF CONTENTS

HBL Financial Planning Fund

<i>Fund Information</i>	161
<i>Condensed Interim Statement of Assets and Liabilities</i>	162
<i>Condensed Interim Income Statement</i>	163
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	164 - 167
<i>Condensed Interim Cash Flow Statement</i>	168
<i>Notes to the Condensed Interim Financial Information</i>	169 - 177

HBL Growth Fund

<i>Fund Information</i>	179
<i>Condensed Interim Statement of Assets and Liabilities</i>	180
<i>Condensed Interim Income Statement</i>	181
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	182
<i>Condensed Interim Cash Flow Statement</i>	183
<i>Notes to the Condensed Interim Financial Information</i>	184 - 194

HBL Investment Fund

<i>Fund Information</i>	196
<i>Condensed Interim Statement of Assets and Liabilities</i>	197
<i>Condensed Interim Income Statement</i>	198
<i>Condensed Interim Statement of Comprehensive Income</i>	199
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	200
<i>Condensed Interim Cash Flow Statement</i>	201
<i>Notes to the Condensed Interim Financial Information</i>	202 - 214

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE PERIOD ENDED SEPTEMBER 30, 2020

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund, HBL Financial Planning Fund, HBL Growth Fund and HBL Investment Fund (the Funds) for the period ended September 30, 2020.

Economic Review

The policy decisions taken by the government after Covid-19 epidemic has resulted in an improvement in the macroeconomic landscape. The country has witnessed significant improvement in the current account position on the back of controlled trade deficit and strong remittances growth. The current account surplus along with flows from multilateral and bilateral sources has shored up our reserves to USD 19.5bn which has helped the local currency to depict strength.

The PKR appreciated by around 1.4% during 1QFY21 taking Real Effective Exchange Rate to 93 (SBP June-20 number) indicating that the currency is trading below fair value. The Central bank maintained the interest rates in the quarter after a cumulative 625 bps decrease in interest rates in the previous two quarters in response to the Covid-19 pandemic. On the external front export declined by 16.6% compared to decline in import by 12.6%, dragging 2MFY21 trade deficit by 8.1% to USD 3.3bn. Remittances also showed encouraging trend as it witnessed an uptick of 31.0% in 2MFY21 clocking at USD 4.9bn. These factors led the Current Account Surplus for 2MFY21 to clock at USD 805mn (1.8% of GDP) compared to a current account deficit of USD 1.2bn (2.8% of GDP) during same period last year. The economy also started its recovery phase as July-20 LSM data showed an encouraging trend as it increased by 5.0% YoY. The overall Foreign exchange reserves increased to USD 19.5bn compared to USD 18.9bn at the end of FY20.

Average headline CPI inflation was 8.9% in 1QFY21, lower than the 10.1% recorded during same period last year due to decline in international oil prices and economic slowdown. We expect inflation to further taper down due to high base effect. On the fiscal side, FBR collected PKR 1.0 trillion during 1QFY21 against the tax collection target of PKR 970bn.

Moving ahead, we believe that the GDP growth is likely to show recovery as most of the businesses have opened but a potential second wave of covid-19 can derail the recovery. The focus would remain on covid-19 numbers and the policy actions taken by the government to control the fallout from the pandemic.

Stock Market Review

The market sustained its bullish momentum in 1QFY21 as it rallied by 49.0% from its recent low in Mar-20. The stellar performance of the index can be attributed to 1) improvement in domestic COVID-19 infection and recovery rates, 2) flows into equities post 625bps cut in interest rates, 3) business friendly policies induced by the GoP and 4) Improvement in macroeconomic indicators led by stable currency and current account surplus.

The benchmark KSE-100 index recorded 6,150 points increase (+17.9%) during 1QFY21 to close at 40,571 points. During the quarter cyclical sectors and construction linked industries (Cement, Steel, and Glass) rallied on the back of the monetary easing done by the SBP. Technology sector also remained in limelight due to increasing focus on technology post Covid-19 pandemic. Banking Sector also rallied due to attractive valuations. On the flows side, foreigners were the net sellers during the 1QFY21 and sold shares of worth USD95mn, compared to net buy of USD23mn during same period last year.

Pakistan equities are likely to be rebound due to cheaper valuation (trading at a Forward P/E of 7.0x against peer average 15.1x) and improvement in the macroeconomic landscape. Market participants would closely follow trend of coronavirus cases and the ensuring macro numbers. Cyclical sectors (Cement, Steel, OMCs) would perform due to decline in interest rates. Textile will also garner investor's attention due to huge export potential. Technology sector will also remain in favor due to increased digitalization post covid-19 pandemic. We will maintain our strategic focus towards "bottom-up" approach and align exposure towards stocks with strong earnings potential.

Money Market Review

The Central bank maintained the interest rates in the quarter after a cumulative 625 bps decrease in interest rates in the previous two quarters in response to the Covid-19 pandemic. SBP clearly stated that it will hold forward looking real interest rate at zero to cushion the impact of the Coronavirus shock on growth and employment.

Yields across all the tenors changed between -5bps to +110 bps during 1QFY21 due to some uptick in inflation. Secondary market yields of 3, 5 and 10-year PIBs decreased by 76, 102 and 106 bps respectively while yields of 3, 6 and 12 month T-Bills increased in tandem by 1, 11 and 24 bps respectively during the quarter. Latest cut-off yields stood at 8.20%, 8.45%, 8.99%, and 10.5498% for the 3Y, 5Y, 10Y, and 20Y tenor respectively.

During 1QFY21, Government largely managed its borrowing requirements through domestic sources, and largely from commercial banks. Government borrowed PKR 507bn from scheduled banks compared to borrowing of PKR 1,743bn during same period last year. Meanwhile, Government borrowing from SBP declined by PKR 353bn during the period against decline in borrowing of PKR 1,587bn during same period last year. This further decline in borrowing took place as IMF has restricted borrowing from the central bank to avoid inflationary pressure. Going forward the government will continue to meet additional borrowing requirements from the commercial banks.

In the monetary policy held in Sep-20, SBP maintained status quo in the interest rates. Going forward, we feel that the bulk of monetary easing has taken place and we are close to the bottom of the interest rate cycle. However, SBP has indicated its monetary policy would remain data driven and we may witness another 50-100bps reduction in interest rate in the calendar year.

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 42.39 million and Rs. 32.39 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 108.2828 per unit as on June 30, 2020 which increased to Rs. 110.7509 per unit as on September 30, 2020, thereby giving an annualized return of 9.04%. During the same period, the benchmark (6 Month KIBOR) return was 7.10%. The size of Fund was Rs. 1.65 billion as on September 30, 2020 as compared to Rs. 1.54 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. 38.22 million and Rs. 21.26 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 112.2745 per unit as on June 30, 2020 which increased to Rs. 113.1243 per unit as on September 30, 2020, thereby giving an annualized return of 3.00%. During the same period the benchmark (6 Month PKRV Rates) return was 6.96%. The size of Fund was Rs. 2.65 billion as on September 30, 2020 as compared to Rs. 3.51 billion at the start of the year.

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

HBL Money Market Fund

The total income and net income of the Fund was Rs. 214.20 million and Rs. 191.68 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.3799 per unit as on June 30, 2020 which increased to Rs. 104.0332 per unit as on September 30, 2020, thereby giving an annualized return of 6.41%. During the same period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 6.72%. The size of Fund was Rs. 12.88 billion as on September 30, 2020 as compared to Rs. 9.98 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. 382.83 million and Rs. 349.42 million respectively during the period ended September 30, 2020. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 101.1599 per unit as on June 30, 2020. The NAV of the Fund was Rs 101.6096 per unit as on September 30, 2020 (after incorporating dividends of Rs. 1.2252 per unit); thereby giving an annualized return of 6.60%. During the same period, the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 6.72%. The size of Fund was Rs 23.76 billion as on September 30, 2020 as compared to Rs.17.79 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. 284.09 million and Rs. 255.58 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs 86.3419 per unit as on June 30, 2020. The NAV of the Fund was Rs. 98.5994 per unit as on September 30, 2020, thereby giving a return of 14.20%. During the same period, the benchmark KSE 30 index yielded a return of 16.48%. The size of Fund was Rs 2.07 billion as on September 30, 2020 as compared to Rs. 1.84 billion at the start of the year.

HBL Equity Fund

The total and net income of the Fund was Rs. 80.00 million and Rs. 71.20 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 100.3410 per unit as on June 30, 2020. The NAV of the Fund was Rs. 118.6478 per unit as on September 30, 2020; thereby giving a return of 18.24%. During the same period, the benchmark KSE 100 index yielded a return of 17.87%. The size of Fund was Rs. 0.86 billion as on September 30, 2020 as compared to Rs. 0.42 billion at the start of the year.

HBL Energy Fund

The total and net income of the Fund was Rs. 88.15 million and Rs. 76.67 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Fund was Rs. 10.0106 per unit as on June 30, 2020. The NAV of the Fund was Rs. 11.2008 per unit as on September 30, 2020, thereby giving a return of 11.89%. During the same period, the benchmark KSE 30 index yielded a return of 16.48%. The size of Fund was Rs. 0.82 billion as on September 30, 2020 as compared to Rs. 0.57 billion at the start of the year.

HBL Multi Asset Fund

The total and net income of the Fund was Rs. 23.20 million and Rs. 20.61 million respectively during the period ended September 30, 2020. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 94.0814 per unit as on June 30, 2020. The NAV of the Fund was Rs 103.9384 per unit as on September 30, 2020, thereby giving a return of 10.48%. During the same period, the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a return of 12.11%. The size of Fund was Rs 0.23 billion as on September 30, 2020 as compared to Rs. 0.19 billion at the start of the year.

HBL Financial Planning Fund

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

The Fund as a whole earned total and net income of Rs. 7.62 million and Rs. 6.96 million respectively during the period under review. The fund size of the fund stood at Rs. 255 million as on September 30, 2020 as compared to Rs. 251 million at the start of the year.

Performance review for plans is given below:

Active Allocation Plan

During the period under review, the Active allocation plan earned a total and net income of Rs. 4.51 million and Rs 4.27 million respectively. The net assets of the Active allocation plan stood at Rs. 61 million representing Net Asset Value (NAV) of Rs. 103.0917 per unit as at September 30, 2020 as compared to net assets of Rs. 57 million representing Net Asset Value (NAV) of Rs. 95.9459 at the start of the year. The plan posted a return of 7.45% for the period under review.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 2.04 million and Rs 1.80 million respectively. The net assets of the Conservative allocation plan stood at Rs. 54 million representing Net Asset Value (NAV) of Rs. 111.4672 per unit as at September 30, 2020 as compared to net assets of Rs. 53 million representing Net Asset Value (NAV) of Rs. 108.3030 at the start of the year. The plan earned a return of 2.92% for the period under review.

Special Income Plan

During the period under review, the Special income plan earned total and net income of Rs. 1.09 million and Rs 0.91 million respectively. The net assets of the Special income plan stood at Rs. 140 million representing Net Asset Value (NAV) of Rs. 105.4811 per unit as at September 30, 2020. The plan earned a return of 0.65% for the period under review.

HBL Growth Fund

The Fund as a whole earned a total and net income of Rs. 255.01 million and Rs. 171.25 million respectively during the period under review. The size of the fund stood at Rs. 8.00 billion as on September 30, 2020 as compared to Rs. 6.63 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 and incurred a total income and net loss of Rs. 23.57 million and Rs. 36.70 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 22.2633 per unit as on September 30, 2020 as compared to Rs. 18.0827 as at June 30, 2020, thereby giving a return of 23.12%. During the same period the benchmark KSE 100 index yielded a return of 17.87%. The size of Class ‘A’ was Rs. 6.31 billion as on September 30, 2020 as compared to Rs. 5.13 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. 231.44 million and Rs. 207.95 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 17.3136 per unit as on September 30, 2020 as compared to Rs. 15.2116 as at June 30, 2020, thereby giving a return of 13.82%. During the same period the benchmark KSE 100 index yielded a return of 17.87%. The size of Class ‘B’ was Rs. 1.68 billion as on September 30, 2020 as compared to Rs. 1.50 billion at the start of the year.

HBL Investment Fund

The Fund as a whole earned a total and net income of Rs. 181.33 million and Rs. 144.30 million respectively during the period under review. The size of the fund stood at Rs. 3.58 billion as on September 30, 2020 as compared to Rs. 3.00 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 and incurred a total income and net loss of Rs. 6.22 million and Rs. 15.96 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 8.0145 per unit as on September 30, 2020 as compared to Rs. 6.4934 as at June 30, 2020, thereby giving a return of 23.43%. During the same period the benchmark KSE 100 index yielded a return of 17.87%. The size of Class ‘A’ was Rs. 2.28 billion as on September 30, 2020 as compared to Rs. 1.84 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. 175.10 million and Rs. 157.06 million respectively during the period ended September 30, 2020. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 8.9591 per unit as on September 30, 2020 as compared to Rs. 7.8872 as at June 30, 2020, thereby giving a return of 13.59%. During the same period the benchmark KSE 100 index yielded a return of 17.87%. The size of Class ‘B’ was Rs. 1.31 billion as on September 30, 2020 as compared to Rs. 1.16 billion at the start of the year.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited (JCR-VIS) 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 کمپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت اپنی رپورٹ بشمول ایچ بی ایل آف فنانس، ایچ بی ایل گورنمنٹ سیکورٹیز فنانس، ایچ بی ایل منی مارکیٹ فنانس، ایچ بی ایل کیش فنانس، ایچ بی ایل اسٹاک فنانس، ایچ بی ایل ایکویٹی فنانس، ایچ بی ایل انرجی فنانس، ایچ بی ایل ایلیٹ ایسیٹ فنانس، ایچ بی ایل فنانشل پلاننگ فنانس، ایچ بی ایل گروتھ فنانس اور ایچ بی ایل انویسٹمنٹ فنانس (دی فنانس) کے مالیاتی حسابات برائے سال مختتمہ 30 ستمبر 2020 پیش کر رہے ہیں۔

اقتصادی جائزہ -

کوویڈ-19 کی وبائی صورتحال کے بعد حکومت کی جانب سے لیے گئے پالیسی فیصلوں کے نتیجے میں میکرو اکنامک صورتحال میں بہتری آئی۔ تجارتی خسارے میں کمی اور منظم زرتزیل کی شرح نمو کے باعث کرنٹ اکاؤنٹ کی پوزیشن میں نمایاں بہتری دیکھی گئی۔ کرنٹ اکاؤنٹ سرپلس بشمول کثیر ذمہ داری اور باہمی وسائل و ذرائع سے قومات کے بہاؤ سے ہمارے ذخائر 19.5 ارب امریکی ڈالر تک پہنچ گئے جس سے مقامی کرنسی کو قدرے استحکام فراہم کرنے میں مدد ملی۔

مالی سال 21 کی پہلی سہ ماہی کے دوران پاک روپے کی قدر میں لگ بھگ 1.4% تک کمی آئی جس سے اصل موثر ایکویٹی ریٹ 93 (ایس بی پی، جون - 20 نمبر) تک ظاہر ہوا جس سے واضح ہوا کہ کرنسی فیئر ویلیو سے نیچے گردش کر رہی ہے۔ کوویڈ-19 کی وبائی صورتحال کے بعد گزشتہ دو سہ ماہیوں کے دوران کمی کرتے ہوئے سینٹرل بینک نے اس سہ ماہی میں بھی شرح سود کو کم کر کے مجموعی طور پر 625 بنیادی پوائنٹس کی کمی کیتا کہ معیشت کو سہارا مل سکے۔ بیرونی محاذ پر برآمدات، میں 16.6% کمی آئی، اس کے مقابلے میں اپورٹ 12.6% تک کم ہو گئیں اور مالی سال 21 کے دو ماہ کے دوران تجارتی خسارہ 8.1% تک کم ہو کر 3.3 ارب یو ایس ڈالر ہو گیا۔ زرتزیلات نے بھی حوصلہ افزا رجحان ظاہر کیا اور ان میں مالی سال 21 کے دو ماہ میں کے دوران میں 31.0% تک اضافہ دیکھا گیا اور یہ بڑھ کر 4.9 ارب یو ایس ڈالر ہو گئے۔ ان عناصر کی وجہ سے کرنٹ اکاؤنٹ خسارہ (سی ڈی) مالی سال 21 کے دو ماہ کیلئے 805 ملین یو ایس ڈالر (جی ڈی پی کا 1.8%) ہو گیا جبکہ اس کے مقابلے میں گزشتہ برس کی اسی مدت کے دوران کرنٹ اکاؤنٹ خسارہ 1.2 ارب یو ایس ڈالر (جی ڈی پی کا 2.8%) تھا۔ معیشت بھی بحالی کے مرحلے میں داخل ہو چکی ہے کیونکہ جولائی-20 میں ایل ایس ایم ڈیٹا نے 5.0% YoY تک اضافے کا حوصلہ افزا رجحان ظاہر کیا ہے۔ مجموعی غیر ملکی زرمبادلہ کے ذخائر 19.5 ارب امریکی ڈالر تک بڑھے جبکہ یہ مالی سال 20 کے اختتام پر اس کے مقابلے میں 18.9 ارب یو ایس ڈالر تھے۔

مالی سال 21 کی پہلی سہ ماہی میں اوسطاً ہیڈ لائن سی ڈی آئی افراط زر کی شرح 8.9% رہی تھی جو گزشتہ سال کی اسی مدت کے دوران 10.1% ریکارڈ کی گئی تھی جس کی وجہ سے عالمی نرخوں میں کمی اور معاشی سست روی تھی۔ ہم توقع کرتے ہیں کہ بلند تر بنیادی اثرات کی وجہ سے افراط زر میں مزید کمی آئے گی۔ مالیاتی جانب مالی سال 21 کی پہلی سہ ماہی کے دوران ایف بی آر نے 970 ارب پاک روپے کے ہدف کے برعکس 1.0 کھرب روپے کی ٹیکس وصولی کی۔

آگے بڑھتے ہوئے ہمیں یقین ہے کہ جی ڈی پی گروتھ ممکنہ طور پر بہتری کی جانب گامزن ہوگی کیونکہ پیشتر کاروباروں کی سرگرمیاں بحال ہو چکی ہیں تاہم کوویڈ-19 کی دوسری سخت لہر کے باعث بحالی کی سرگرمیاں متاثر ہو سکتی ہیں۔ ہماری توجہ کوویڈ-19 کے کمزور اثرات اور حکومت کی جانب سے اس وبائی صورتحال کو کنٹرول کرنے کے لیے کیے گئے پالیسی اقدامات پر ہے۔

اسٹاک مارکیٹ کا جائزہ

مارکیٹ نے مالی سال 21 کی پہلی سہ ماہی میں اپنی تیز رفتاری کا سلسلہ برقرار رکھا جیسا کہ یہ مارچ-20 میں اپنی کمترین شرح کے مقابلے میں بڑھ کر 49.0% ہو گئی۔ انڈیکس کی اس تیز رفتاری کا کردار کو (1) کوویڈ-19 کی مقامی وبائی صورتحال میں بہتری اور بحالی کی شرح، (2) شرح سود میں 625 بی پی ایس کی کمی کے بعد ایکویٹی کے بہاؤ، (3) حکومت پاکستان کی جانب سے شروع کی گئی کاروباری ماحول دوست پالیسیوں اور (4) میکرو اکنامک اشاریوں میں بہتری سے منسوب کیا جاسکتا ہے جس کے نتیجے میں کرنسی کو استحکام اور کرنٹ اکاؤنٹ سرپلس حاصل ہوا۔

مالی سال 21 کی پہلی سہ ماہی کے دوران بیچ مارک KSE100 انڈیکس نے 6,150 پوائنٹس (+17.9%) کا اضافہ ریکارڈ کیا اور یہ 40,571 پوائنٹس پر بند ہوا۔ سہ ماہی کے دوران گردش میں رہنے والے شعبے اور تعمیرات سے منسلک صنعتیں (سینٹ، آئیل اور گلاس) انٹیٹی بینک آف پاکستان کی جانب سے دی گئی مالیاتی نرمی کی وجہ سے سرگرم عمل رہیں۔ ٹیکنالوجی سیکٹر بھی کوویڈ-19 کی وبائی صورتحال کے بعد ٹیکنالوجی پر بڑھتی ہوئی توجہ کے باعث مرکزی سطح پر رہا۔ دوسری جانب بینکاری کا شعبہ بھی پرکشش ویلیوز کی وجہ سے بہتری کی جانب گامزن رہا۔ فلوز کی جانب غیر ملکی مالی سال 21 کی پہلی سہ ماہی کے

دوران خالص فروخت کنندگان تھے اور 95 ملین ڈالر مالیت کے شیئرز فروخت کیے گئے اس کے مقابلے میں گزشتہ سال کے دوران 23 ملین یو ایس ڈالر کی خالص فروخت کی گئی تھی۔ پاکستان ایکوشیز مکمل طور پر کمزور ویلیویشن (اوسط 15.1 پیڑ کے برعکس کے برخلاف 7.0x کے فارورڈ P/E پر ٹریڈنگ) اور میکرو اکنامک صورتحال میں بہتری آنیکے بعد بحال ہونے کی توقع ہے۔ مارکیٹ کے شرکت کنندگان قریبی حد تک کورونا وائرس کے کیسز اور یقینی میکرو نمبرز کے رجحان کو مد نظر رہیں گے۔ گردش میں رہنے والے شعبہ جات (سینٹ، اسٹیل، او ایلمینز) شرح سود میں کمی کے باعث کارکردگی ظاہر کریں گے۔ ٹیکسٹائل کا شعبہ بھی برآمدات میں بھاری منافع جات کی کشش کے باعث سرمایہ کاروں کی توجہ حاصل کرے گا۔ ٹیکنالوجی سیکٹر بھی کوویڈ-19 کی وبائی صورتحال کے بعد ٹیکنالوجی پر بڑھتی ہوئی توجہ کے باعث توجہ کا مرکز بنا رہے گا۔ ہم اپنی اسٹریٹیجک توجہ کا مرکز ٹی ایچ اور آمدنی کی مستحکم صلاحیت کے ساتھ اسٹاکس پر پھر پورا بھروسہ رکھیں گے۔

منی مارکیٹ کا جائزہ

سینٹرل بینک نے کوویڈ-19 کی وبائی صورتحال کے بعد گزشتہ دو سہ ماہیوں کے دوران شرح سود میں کمی کرتے ہوئے اس سہ ماہی میں بھی شرح سود کو کم کر کے مجموعی طور پر 625 بنیادی پوائنٹس کی کمی کی تاکہ معیشت کو سہارا مل سکے، ایس بی پی نے واضح طور پر بتا دیا تھا کہ یہ شرح نمو اور روزگار پر کورونا وائرس کے اثرات کو کم کرنے کی غرض سے ہے اور شرح سود کو زیرو پر بھی لایا جاسکتا ہے۔

مالیاتی سال 21 کی پہلی سہ ماہی کے دوران تمام مدتوں کے دوران پیداواری شرح 5bps-110+ پی پی ایس کے دوران تبدیل ہوتی رہے جس کی وجہ افراط زر میں اضافے کا رجحان تھا۔ سیکنڈری مارکیٹ نے تین، پانچ اور دس سالہ پی آئی بی میں بالترتیب 102، 76 اور 106 پی پی ایس کی ذریعے منافع حاصل کیا جبکہ تین، چھ اور بارہ ماہ کے ٹی بلر کا منافع اس سہ ماہی کے دوران بالترتیب 11، 1 اور 24 پی پی ایس کے ذریعے بڑھ گیا۔ تازہ ترین کٹوتی شدہ منافع جات بالترتیب تین سال، پانچ سال، دس سال اور بیس برس کی مدت کے لیے بالترتیب 8.20%، 8.45% اور 8.99% اور 10.5498% پر موجود تھے۔

مالیاتی سال 21 کی پہلی سہ ماہی کے دوران حکومت نے اپنی قرضوں کی بڑی ضرورتوں کا مقامی وسائل اور وسیع بنیاد پر کمرشل بینکوں کے ذریعے انتظام کیا۔ حکومت نے اس مدت کے دوران شیڈولڈ بینکوں سے 507 ارب روپے کے قرضہ جات حاصل کیے جبکہ گزشتہ برس اس مدت کے دوران 1,743 ارب روپے کے قرضے حاصل کیے گئے تھے۔ اسی دوران حکومت نے ایس بی پی سے اپنے قرضوں میں 353 ارب روپے کی کمی کی، اس کے برخلاف گزشتہ برس کی اس مدت میں 1,587 ارب روپے کے قرضوں کی کمی کی گئی تھی۔ قرضوں کی یہ مزید کمی اس وجہ سے ممکن ہوئی کیونکہ آئی ایم ایف نے افراط زر کے دباؤ سے بچنے کے لئے مرکزی بینک سے قرض لینے پر پابندی عائد کی تھی۔ آگے بڑھتے ہوئے حکومت اضافی قرضوں کی ضروریات کو کمرشل بینکوں کے ذریعے پوری کرنے کا سلسلہ جاری رکھے گی۔

ستمبر 20 میں پیش کی گئی مانیٹری پالیسی میں ایس بی پی نے پالیسی ریٹ کو جون کا توں برقرار رکھا۔ آگے بڑھتے ہوئے ہم محسوس کرتے ہیں بڑے پیمانے پر مالیاتی آسانی ظاہر ہوگی اور ہم شرح سود کے دائرے کی چلی سٹیج پر ہوں گے۔ تاہم ایس بی پی نے اشارہ دیا ہے کہ اس کی مالیاتی پالیسی ڈیٹا کا رفرماہی رہے گی اور ہمیں یہ نظر آتا ہے کہ رواں تقویمی سال میں شرح سود میں مزید 100-50 پی پی ایس تک کمی آئے گی۔

فنڈ کی کارکردگی اور پے آؤٹس

ایچ بی ایل انکم فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 42.39 ملین روپے اور 32.39 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 108.2828 روپے فی یونٹ تھی جو 30 ستمبر 2020 کو 9.04% کا سالانہ منافع دینے کے بعد بڑھ کر 110.7509 روپے فی یونٹ ہو گئی۔ اسی مدت کے دوران ٹینچ مارک (چھ ماہ کاٹی بور) منافع 7.10% تھا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 1.65 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 30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 38.22 ملین روپے اور 21.26 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV)

30 جون 2020 کے مطابق 112.2745 روپے فی یونٹ تھی جو 30 ستمبر 2020 کے مطابق بڑھ کر 113.1243 روپے فی یونٹ ہو گئی جس کے ذریعے %3.00 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیسٹ مارک (چھ ماہ PKRV ریٹس) منافع %6.96 تھا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 2.65 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 3.51 بلین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے A+(f) فنڈ اسٹیمپلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل منی مارکیٹ فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 214.20 ملین روپے اور 191.68 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 102.3799 روپے فی یونٹ تھی جو اس کے مقابلے میں 30 ستمبر 2020 کے مطابق بڑھ کر 104.0332 روپے فی یونٹ ہو گئی جس کے ذریعے %6.41 کا ایک سالانہ منافع دیا گیا۔ سال کے دوران بیسٹ مارک 3M PKRV اور %70 اور 3M اور %30 ڈپازٹس ریٹس) منافع %6.72 تھا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 12.88 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 9.98 بلین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے AA(f) فنڈ اسٹیمپلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل کیش فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 382.83 ملین روپے اور 349.42 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 101.1599 روپے فی یونٹ تھی۔ 30 ستمبر 2020 کے مطابق فنڈ کا این اے وی 1.2252 روپے فی یونٹ کا منافع منقسمہ تشکیل دینے کے بعد 101.6096 روپے فی یونٹ تھا جس کے ذریعے %6.60 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیسٹ مارک 3M PKRV اور %70 اور 3M اور %30 ڈپازٹس ریٹس) منافع %6.72 تھا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 23.76 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 17.79 بلین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے AA(f) فنڈ اسٹیمپلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل اسٹاک فنڈ

فنڈ نے 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 284.09 ملین روپے اور 255.58 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 86.3419 روپے فی یونٹ تھی۔ 30 ستمبر 2020 کے مطابق فنڈ کا این اے وی 98.5994 روپے فی یونٹ تھا جس کے ذریعے %14.20 کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیسٹ مارک کے ایس ای 130 انڈیکس نے %16.48 کا منافع حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 2.07 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.84 بلین روپے رہا تھا۔

ایچ بی ایل ایکویٹی فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 80.00 ملین روپے اور 71.20 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 100.3410 روپے فی یونٹ تھی۔ 30 ستمبر 2020 کے مطابق فنڈ کا این اے وی 118.6478 روپے فی یونٹ تھا جس کے ذریعے %18.24 کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیسٹ مارک کے ایس ای 100 انڈیکس نے %17.87 کا منافع حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 0.86 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.42 بلین روپے رہا تھا۔

ایچ بی ایل انرجی فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 88.15 ملین روپے اور 76.67 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 10.0106 روپے فی یونٹ تھی۔ 30 ستمبر 2020 کے مطابق فنڈ کا این اے وی 11.2008 روپے فی یونٹ تھا جس کے ذریعے 11.89% کا ایک منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک کے ایس ای 30 انڈیکس نے 16.48% کا منافع حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 0.82 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 0.57 ارب روپے رہا تھا۔

ایچ بی ایل ملٹی ایسیٹ فنڈ

فنڈ کی مجموعی اور خالص آمدنی 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 23.20 ملین روپے اور 20.61 ملین روپے رہی۔ فنڈ کی منافع منقسمہ سے قبل فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 94.0814 روپے فی یونٹ تھی۔ 30 ستمبر 2020 کے مطابق فنڈ کا این اے وی 103.9384 روپے فی یونٹ تھا جس کے ذریعے 10.48% کا ایک منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک انڈیکس (KSE 100) اور چھ ماہ کے PKRV ریٹس کے روز آندہ اوسطاً حجم شدہ) نے 12.11% کا منافع حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 0.23 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.19 ملین روپے رہا تھا۔

ایچ بی ایل فنانشل پلاننگ فنڈ

فنڈ تین ذیلی فنڈز (پلانز) بنام ایکٹو ایلیویشن پلان، کنزرویٹو ایلیویشن پلان اور اسپیشل انکم پلان پر مشتمل ہے۔

فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 7.62 ملین روپے اور 6.96 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 255 ملین روپے پر موجود تھا جو اس کے مقابلے میں سال کے آغاز پر 251 ملین روپے 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 4.51 ملین روپے اور 4.27 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ ایکٹو ایلیویشن پلان کے خالص اثاثہ جات 61 ملین روپے پر موجود تھے جو 30 ستمبر 2020 کے مطابق 103.0917 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات کی مالیت 57 ملین روپے تھی جو 95.9459 روپے فی یونٹ کے خالص اثاثہ جاتی مالیت (این اے وی) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے 7.45% کا منافع ظاہر کیا۔

کنزرویٹو ایلیویشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلیویشن پلان نے بالترتیب 2.04 ملین روپے اور 1.80 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کنزرویٹو ایلیویشن پلان کے خالص اثاثہ جات 54 ملین روپے پر موجود تھے جو 30 ستمبر 2020 کے مطابق 111.4672 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات کی مالیت 53 ملین روپے تھی جو 108.3030 روپے فی یونٹ کے خالص اثاثہ جاتی مالیت (این اے وی) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے 2.92% کا منافع حاصل کیا۔

اسپیشل انکم پلان

زیر جائزہ مدت کے دوران اسپیشل انکم پلان نے بالترتیب 1.09 ملین روپے اور 0.91 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ اسپیشل انکم پلان کے خالص اثاثہ جات 140 ملین روپے پر موجود تھے جو 30 ستمبر 2020 کے مطابق 105.4811 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے 0.65% کا منافع حاصل کیا۔

ایچ بی ایل گروتھ فنڈ

فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 255.01 ملین روپے اور 171.25 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 8.00 ارب روپے پر موجود تھا جو اس کے مقابلے میں سال کے آغاز پر 6.63 ارب روپے 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 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 23.57 ملین روپے کی مجموعی آمدنی اور 36.70 ملین روپے کا خالص خسارہ حاصل کیا۔ کلاس 'اے' کی نی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 ستمبر 2020 کے مطابق 22.2633 روپے فی یونٹ تھی، اس کے مقابلے میں 30 جون 2020 کے مطابق 18.0827 روپے فی یونٹ تھی، جس کے ذریعے 23.12% کا منافع دیا گیا۔ اس مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 17.87% کا منافع حاصل کیا تھا۔ کلاس 'اے' کا حجم 30 ستمبر 2020 کے مطابق 16.31 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 5.13 ملین روپے رہا تھا۔

ایچ بی ایل گروتھ فنڈ - کلاس 'بی'

ایچ بی ایل گروتھ فنڈ - کلاس 'بی' نے 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 231.44 ملین روپے اور 207.95 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'بی' کی نی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 ستمبر 2020 کے مطابق 17.3136 روپے فی یونٹ تھی، اس کے مقابلے میں 30 جون 2020 کے مطابق 15.2116 روپے فی یونٹ تھی، جس کے ذریعے 13.82% کا منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 17.87% کا منافع حاصل کیا تھا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 1.68 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.50 ملین روپے رہا تھا۔

ایچ بی ایل انویسٹمنٹ فنڈ

فنڈ نے مجموعی طور پر 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 181.33 ملین روپے اور 144.30 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 13.58 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 3.00 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 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 6.22 ملین روپے کی مجموعی آمدنی اور 15.96 ملین روپے کا خالص خسارہ حاصل کیا۔ کلاس 'اے' کی نی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2020 کے مطابق 6.4934 روپے فی یونٹ کے مقابلے میں 30 ستمبر 2020 کے مطابق 8.0145 روپے فی یونٹ تھی، جس کے ذریعے 23.43% کا منافع دیا گیا۔ اسی مدت کے دوران شیئ مارک کے ایس ای 100 انڈیکس نے 17.87% کا منافع حاصل کیا تھا۔ فنڈ کا حجم 30 ستمبر 2020 کے مطابق 12.28 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.84 ملین روپے رہا تھا۔

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی'

ایچ بی ایل انویسٹمنٹ فنڈ۔ کلاس 'بی' نے 30 ستمبر 2020 کو ختم ہونے والے سال کے دوران بالترتیب 175.10 ملین روپے اور 157.06 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'بی' کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) جون 2020 کے 7.8872 روپے فی یونٹ کے مقابلے میں 30 ستمبر 2020 کے مطابق 8.959 روپے فی یونٹ تھی، جس کے ذریعے 13.59% کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 17.87% کا منافع حاصل کیا تھا۔ کلاس 'بی' کا حجم 30 ستمبر 2020 کے مطابق 1.31 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.16 بلین روپے رہا تھا۔

انتظامی کمپنی کی ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (جے سی آر۔ وی آئی ایس) نے انتظامی کمپنی کے لیے مینجمنٹ کوالٹی ریٹنگ +AM2 (اے ایم ڈی پلس) کی دوبارہ توثیق کی ہے اور توثیق کردہ ریٹنگ پر آؤٹ لک "ثابت" ظاہر کیا ہے۔

اعتراف

بورڈ اس موقع پر اپنے معزز یونٹ۔ ہولڈرز کا ان کے مستقل تعاون اور سرپرستی کے لیے شکریہ ادا کرنا چاہتا ہے۔ اس سلسلے میں ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور ایم سی بی فنانشل سروسز لمیٹڈ بطور سٹی، 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 اسٹاک کی انتھک کاوشوں اور مخلصانہ جدوجہد پر ان کو بھی خراج تحسین پیش کرنا چاہتا ہے۔

منجانب بورڈ

ایچ بی ایل انویسٹمنٹ 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)

HBL Income Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2020

	Note	September 30, 2020 (Un-Audited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Bank balances	4	258,964	622,132
Investments	5	1,404,576	956,596
Accrued mark-up		15,829	20,695
Advances, deposits and other receivables		43,723	34,691
Total assets		1,723,092	1,634,114
Liabilities			
Payable to Management Company	6	4,069	4,860
Payable to Central Depository Company of Pakistan Limited - Trustee	7	104	123
Payable to Securities and Exchange Commission of Pakistan		75	304
Accrued expenses and other liabilities	9	64,011	85,000
Total liabilities		68,259	90,287
Net assets		1,654,833	1,543,827
Unit holders' fund (as per statement attached)		1,654,833	1,543,827
Contingencies and commitments	10		
		(Number of units)	
Number of units in issue		14,941,920	14,257,362
		(Rupees)	
Net assets value per unit		110.7509	108.2828

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For the quarter ended September 30, 2020

	Note	Quarter ended September 30,	
		2020	2019
----- (Rupees in '000) -----			
Income			
Mark-up on deposits with banks		4,716	25,135
Mark-up / return on investments		22,932	28,343
Capital gain / (loss) on sale of investments - net		(4,183)	9,013
Dividend Income		1,927	-
Unrealised (loss) / gain on revaluation of investments carried at fair value through profit or loss - held-for-trading		16,434	(1,061)
Other Income		6	-
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds		41,832	61,430
		555	-
		42,387	61,430
Expenses			
Remuneration of HBL Asset Management Limited - Management Company		5,532	3,898
Remuneration of Central Depository Company of Pakistan Limited - Trustee		317	328
Annual fee to Securities and Exchange Commission of Pakistan		75	77
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	374	851
Selling and marketing expenses		1,497	2,940
Settlement and bank charges		174	155
Auditors' remuneration		106	97
Other expenses		1,264	324
		9,339	8,670
		33,048	52,760
Net income from operating activities			
Provision for Sindh Workers' Welfare Fund	9.2	(661)	(1,055)
		32,387	51,705
Net income for the period before taxation			
Taxation	11	-	-
		32,387	51,705
Allocation of net income for the period:			
Income already paid on redemption of units		1,495	3,678
Accounting income available for distribution:			
-Relating to capital gains		11,808	7,684
-Excluding capital gains		19,084	40,343
		30,892	48,027
		32,387	51,705
Net income for the period after taxation			
Other comprehensive income for the period		-	-
		32,387	51,705
Total comprehensive income for the period			
Earnings per unit	12		

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
For the quarter ended September 30, 2020

	Quarter ended September 30,					
	2020			2019		
	(Rupees in '000)					
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
Net assets at the beginning of the period	1,400,100	143,727	1,543,827	1,388,862	121,881	1,510,743
Issuance of 3,536,056 units (2019: 2,595,124 units)						
- Capital value (at net asset value per unit at the beginning of the period)	363,446	-	363,446	261,104	-	261,104
- Element of income	25,906	-	25,906	18,693	-	18,693
Total proceeds on issuance of units	389,352	-	389,352	279,797	-	279,797
Redemption of 2,851,498 units (2019: 2,558,618 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(293,085)	-	(293,085)	(257,431)	-	(257,431)
- Amount relating to element of income	-	(1,495)	(1,495)	-	(3,678)	(3,678)
- Relating to net income for the period after taxation	(16,153)	-	(16,153)	(14,671)	-	(14,671)
Total payment on redemption of units	(309,238)	(1,495)	(310,733)	(272,102)	(3,678)	(275,780)
Total comprehensive income for the period	-	32,387	32,387	-	51,705	51,705
Refund of Capital	-	-	-	-	-	-
Distribution during the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	32,387	32,387	-	51,705	51,705
Net assets at the end of the period	1,480,214	174,619	1,654,833	1,396,557	169,908	1,566,465
Undistributed income brought forward						
- Realised		132,942			125,538	
- Unrealised		10,785			(3,657)	
		143,727			121,881	
Accounting income available for distribution		30,892			48,027	
Element of income and capital gains included in prices of		-			-	
Distribution during the period		-			-	
Undistributed income carried forward		174,619			169,908	
Undistributed income carried forward						
- Realised		158,185			170,969	
- Unrealised		16,434			(1,061)	
		174,619			169,908	
				(Rupees)		
Net assets value per unit at beginning of the period			108.2828			106.1134
Net assets value per unit at end of the period			110.7509			109.7457

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the quarter ended September 30, 2020

	Quarter ended September 30,	
	2020	2019
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	32,387	51,705
Adjustments		
Capital Loss / (gain) on sale of investments - net	4,183	(9,013)
Unrealised (Gain) / Loss on revaluation of investments carried at fair value through profit or loss	(16,434)	1,061
	<u>20,136</u>	<u>43,753</u>
(Increase) / Decrease in assets		
Investments - net	(435,729)	280,777
Accrued mark-up	4,866	(12,309)
Advances, deposits, and other receivables	(9,032)	59
	<u>(439,895)</u>	<u>268,527</u>
(Decrease) / Increase in liabilities		
Payable to HBL Asset Management Limited - Management Company	(791)	3,626
Payable to Central Depository Company of Pakistan Limited - Trustee	(19)	(87)
Payable to Securities and Exchange Commission of Pakistan	(229)	(1,401)
Accrued expenses and other liabilities	(20,989)	(33,552)
	<u>(22,028)</u>	<u>(31,414)</u>
Net cash (used in) generated from operating activities	<u>(441,787)</u>	<u>280,866</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	389,352	279,797
Payment against redemption of units	(310,733)	(275,780)
Net cash Generated from financing activities	<u>78,619</u>	<u>4,017</u>
(Decrease) / Net Increase in cash and cash equivalents	<u>(363,168)</u>	<u>284,883</u>
Cash and cash equivalents at beginning of the period	622,132	552,761
Cash and cash equivalents at end of the period	<u><u>258,964</u></u>	<u><u>837,644</u></u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund

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

For the quarter ended September 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

4 BANK BALANCES

(Unaudited)
September 30,
2020

(Audited)
June 30, 2020

	Note	(Rupees in '000)	
Balances with bank in:			
- Saving accounts	5.1	258,964	956,596
		258,964	956,596

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 5.50% - 7.80% per annum.

5 INVESTMENTS

(Unaudited)
September 30,
2020

(Audited)
June 30, 2020

	Note	(Rupees in '000)	
Financial assets at Fair value through profit or loss			
- Term finance certificates and sukuk bonds - listed	5.1.1	50,346	159,768
- Term finance certificates and sukuk bonds - unlisted	5.1.2	403,676	292,842
- Investment in ready / future - spread transaction		236,184	-
Investment in government securities			
- Treasury bills		689,963	-
- Pakistan investment bonds		-	444,311
		1,380,169	896,921
Financial assets at amortised cost			
- Commercial paper	6.5	24,407	59,675
		1,404,576	956,596

5.1 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	Number of certificates			As at September 30, 2020	Market value / as at June 30, 2020 - Rupees in '000 -	Market value as a percentage of	
	As at July 1, 2020	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
Financial Services							
Saudi Pak Leasing Company Limited	2,000	-	2,000	-	-	-	-
	2,000	-	2,000	-	-	-	-
Fixed Line Telecommunication							
Worldcall Telecom Limited - note 6.1.4	23,750	-	-	23,750	-	-	-
	23,750	-	-	23,750	-	-	-
Fertilizer							
Fatima Fertilizer Company Limited	17,517	-	-	17,517	-	-	-
Dawood Hercules Corporation Limited*	710	-	-	710	50,346	3.58%	3.04%
	18,227	-	-	18,227	50,346	3.58%	3.04%
Total	43,977	-	-	43,977	50,346	3.58%	3.04%
Cost of investments at September 30, 2020					50,194		

5.1.2 Term Finance Certificates and Sukuk bonds - Unlisted

Investment Companies							
Jahangir Siddiqui & Company Limited	15,100	-	-	15,100	37,750	2.69%	2.28%
Jahangir Siddiqui & Company Limited	10,000	-	-	10,000	41,301	2.94%	2.50%
	25,100	-	-	25,100	79,051	5.63%	4.78%
Chemicals							
Ghani Gases Limited	200	-	-	200	8,738	0.62%	0.53%
Agritech Limited - note 6.1.7	2,000	-	-	2,000	-	-	-
	2,200	-	-	2,200	8,738	0.62%	0.53%
Commercial Banks							
JS Bank Limited	7,450	-	-	7,450	36,570	2.60%	2.21%
JS Bank Limited	1,864	-	600	1,264	124,379	8.86%	7.52%
Bank of Punjab*	2,050	-	500	1,550	154,938	11.03%	9.36%
	11,364	-	1,100	10,264	315,887	22.49%	19.09%
Others							
New Allied Electronics Industries (Pvt) Limited - note 6.1.8	9,000	-	-	9,000	-	-	-
New Allied Electronics Industries (Pvt) Limited - Sukuk - note 6.1.8	9,000	-	-	9,000	-	-	-
	18,000	-	-	18,000	-	-	-
Total	58,164	-	2,600	55,564	403,676	28.74% #	24.39%
Cost of investments at September 30, 2020					384,938		

* Face value of Rs 100,000

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

5.1.3 Worldcall 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 equivalent to 100% of the amount outstanding has been made.

Issuer repaid part of principle payment amounting to Rs. 7.576 million, after incorporating the same the remaining provision left was amounting to Rs 40.191 million.

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

5.1.5 The Term Finance Certificates and Sukuk bonds held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage / pledge of fixed assets of the issuer.

5.1.6 Instalments amounting to Rs. 1.998 million became due for payment of the following TFCs / sukuks.

	(Unaudited) September 30, 2020	(Audited) June 30, 2020
	(Rupees in '000)	
Agritech Limited	<u>1,998</u>	<u>1,998</u>
	<u>1,998</u>	<u>1,998</u>

5.2 Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at September 30, 2019 are as follows:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates - Listed				
Dawood Hercules Chemical Limited	70,000	3 Month KIBOR + 1%	16-Nov-17	16-Nov-22
JS Bank Limited - Sukuk	99,900	6 Month KISOR + 1.4%	29-Dec-17	29-Dec-24
Term Finance Certificates and Sukuk bonds - Unlisted				
Bank of Punjab	99,860	6 Month KIBOR + 1%	23-Feb-16	23-Feb-26
JS Bank Limited	4,993	6 Month KIBOR + 1.40%	14-Dec-16	16-Dec-23
JS Bank Limited	99,940	6 Month KIBOR + 1.40%	29-Dec-17	29-Dec-24
Jahangir Siddiqui & Company Limited	5,000	6 Month KIBOR + 1.40%	06-Mar-18	06-Mar-23
Jahangir Siddiqui & Company Limited	3,750	6 Month KIBOR + 1.40%	18-Jul-17	18-Jul-22
Ghani Gasses Limited - Sukuk	45,833	3 Month KIBOR + 1%	02-Feb-17	02-Aug-23

5.3 Investment in Government Securities - Held-for-trading

Issue Date	Tenure	Face value As at July 1, 2020	Purchases during the year	Sales / Matured during the year	As at September 30, 2020	Carrying Value as at September 30, 2020	Market Value as at September 30, 2020	Market Value as a percentage of	
------(Rupees in '000)-----								Total Investments	Net Assets
Treasury bill									
October 10, 2019	12 months	-	5,000	-	5,000	499,313	499,320	35.55%	30.17%
Total - as at September 30, 2020		-	5,000	-	5,000	499,313	499,320	35.55%	30.17%
Total - as at June 30, 2020		-	7,875,000	7,875,000	-	-	-	-	-
Pakistan Investment Bonds									
September 19, 2019	5 Years	137,500	50,000	137,500	50,000	52,615	50,738	3.61%	3.07%
September 19, 2019	3 Years	237,500	-	100,000	137,500	141,473	139,795	9.95%	8.45%
September 19, 2019	10 years	50,000	-	50,000	-	-	-	-	-
Total - as at September 30, 2020		425,000	50,000	287,500	187,500	194,088	190,533	13.57%	11.51%
Total - as at June 30, 2020		-	2,571,900	2,146,900	425,000	-	444,311	46.45%	28.78%
Grand total- as at September 30, 2020		425,000	55,000	287,500	192,500	693,401	689,853	49.11%	41.69%
As at June 30, 2020		-	10,446,900	10,021,900	425,000	-	444,311	46.45%	28.78%

6 PAYABLE TO MANAGEMENT COMPANY

		(Unaudited) September 30, 2020	(Audited) June 30, 2020
(Rupees in '000)			
Management fee	6.1	1,610	1,713
Sindh Sales Tax	6.2	209	223
Sales load payable		630	1,158
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	123	131
Selling and marketing expenses payable	6.4	1,497	1,635
		4,069	4,860

6.1 As per the offering document of the Fund, the Management Company may charge a fee at the rate of 10% of the gross earning of the scheme, calculated on a daily basis subject to a cap of 1.5% and a floor of 1% of the average daily net asset of the scheme. The Management Company has charged at the rate of 1.3080% of the average daily net assets of the fund. The fee is payable monthly in arrears.

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

6.3 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “registrar services, accounting, operation and valuation services related to , Collective Investment Scheme”. Expenses are being charged at the rate of 0.1% of the average daily net assets of the fund.

6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 0.4% of the average daily net assets of the Fund.

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

9 ACCRUED EXPENSES AND OTHER LIABILITIES		(Unaudited)	(Audited)
		September 30, 2020	June 30, 2020
(Rupees in '000)			
Auditors' remuneration		423	422
Brokerage payable		735	2
Federal Excise Duty payable	9.1	27,578	27,578
Capital gain tax payable		83	1,250
Withholding tax payable		131	18,170
Provision for Sindh Workers' Welfare Fund	9.2	29,066	28,405
Dividend payable		5,660	-
Other payables		335	326
		64,011	76,153

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 27.57 million (June 30, 2020: Rs.27.57 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2020 would have been higher by Rs. 1.846 (June 30, 2020: Rs. 1.934) per unit.

9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The fund, as a matter of abundant caution, recognised provision of SWWF amounting 29.066 million for the quarter ended September 30, 2020 in the condensed interim financial information, had the provision not been made, net asset value per unit at September 30, 2020 would have been higher by Rs. 1.945 per unit (June 30, 2020 Rs 1.720 per unit)

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2020 and June 30, 2020.

11 TAXATION

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

12 EARNINGS PER UNIT (EPU)

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

13 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.67% (0.09% representing Government Levies, and SECP Fee).

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.

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

		Quarter ended September 30,	
		2020	2019
		----- (Rupees in '000) -----	
14.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Management fee	5,532	3,898
	Allocation of expenses related to registrar services, accounting, operation and valuation services	374	851
	Selling and marketing expenses	1,497	2,940
	Habib Bank Limited - Sponsor		
	Profit on bank deposits earned	1,288	1,175
	Profit received on bank deposits	974	698
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	317	328
	Directors and Executives of the Management Company and their relatives		
	Executives and their relatives		
	Issuance of 7,295 units (2019: Nil units)	806	-
		September 30, 2020	June 30, 2020
		----- (Rupees in '000) -----	
14.2	Balances outstanding as at period end		
	HBL Asset Management Limited - Management Company		
	Management fee	1,610	1,713
	Sindh Sales Tax	209	223
	Sales Load payable	630	1,158
	Allocation of expenses related to registrar services, accounting, operation and valuation services	123	131
	Selling and marketing expenses payable	1,497	1,635
	Habib Bank Limited - Sponsor		
	Investment held by HBL in the Fund: 2,000,000 units (June 30, 2020: 2,000,000 units)	221,502	216,566
	Bank balances with HBL	29,552	360,964
	The First Microfinance Bank - Associate		
	Bank balances	10	10
	MCB FSL Trustee - HBL Financial Planning Fund		
	Active Allocation Plan - Associate		
	Investment held in the Fund: 67,728 units (June 30, 2020: 67,728 units)	7,501	7,334

	September 30, 2020	June 30, 2020
	----- (Rupees in '000) -----	
Directors and Executives of the Management Company and their relatives		
Executives and their relatives		
Investment held in the Fund: 94,246 units (2020: 86,951 units)	10,438	9,415
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	92	98
Sindh Sales tax	12	13
Security deposit	100	100
CDC charges payable	234	12

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

Note	September 30, 2020				Fair Value			
	Finacial assets at Fair value through profit or loss	Finacial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
(Rupees in '000)								
Financial assets measured at fair value								
Investments								
- Term Finance Certificates and Sukuk bonds - Listed	50,346	-	-	50,346	-	50,346	-	50,346
- Term Finance Certificates and Sukuk bonds - Unlisted	403,676	-	-	403,676	-	403,676	-	403,676
- Investment in ready / future - spread transaction	236,184	-	-	236,184	236,184	-	-	236,184
	<u>690,206</u>	<u>-</u>	<u>-</u>	<u>690,206</u>	<u>236,184</u>	<u>454,022</u>	<u>-</u>	<u>690,206</u>
Financial assets not measured at fair value								
15.1								
Bank balances	-	258,964	-	258,964				
Investments								
15.1								
- Placements	-	24,407	-	24,407				
Accrued mark-up	-	15,829	-	15,829				
Advances, deposits and other receivables	-	16,951	-	16,951				
	<u>-</u>	<u>316,151</u>	<u>-</u>	<u>316,151</u>				
Financial liabilities not measured at fair value								
15.1								
Payable to Management Company	-	-	4,069	4,069				
Payable to Trustee	-	-	104	104				
Accrued expenses and other liabilities	-	-	7,153	7,153				
	<u>-</u>	<u>-</u>	<u>11,326</u>	<u>11,326</u>				
June 30, 2020								
	Fair value through profit or loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Term Finance Certificates and Sukuk bonds	956,596	-	-	956,596	-	956,596	-	956,596
- Investment in ready / future - spread transaction	-	-	-	-	-	-	-	-
	<u>956,596</u>	<u>-</u>	<u>-</u>	<u>956,596</u>	<u>-</u>	<u>956,596</u>	<u>-</u>	<u>956,596</u>
Financial assets not measured at fair value								
Bank balances	-	622,132	-	622,132				
Accrued mark-up	-	20,695	-	20,695				
Deposits and other receivables	-	9,311	-	9,311				
	<u>-</u>	<u>652,138</u>	<u>-</u>	<u>652,138</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	4,860	4,860				
Payable to Trustee	-	-	123	123				
Dividend Payable	-	-	8,858	8,858				
Accrued expenses and other liabilities	-	-	739	739				
	<u>-</u>	<u>-</u>	<u>14,580</u>	<u>14,580</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.

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

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

Name of Non-Complaint Investment	Type of Investment	Value of Investment	Provision held (if any)	Value of Investment	% of Net Assets	% of Gross Assets
		before Provision		after Provision		
------(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	9,991	9,991	-	-	-
Worldcall Telecom Limited	TFC	43,130	43,130	-	-	-

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2020.

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

18.1 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

**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

HBL Government Securities Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
As At September 30, 2020

	Un-audited September 30, 2020 ----- (Rupees in '000) -----	Audited June 30, 2020
ASSETS		
Bank balances	4 168,393	523,734
Investments	5 2,503,983	2,994,984
Profit receivable	16,565	83,265
Deposits, prepayments and other receivables	2,230	2,279
Total assets	<u>2,691,171</u>	<u>3,604,262</u>
LIABILITIES		
Payable to Management Company	6 6,748	14,233
Payable to the Trustee	7 165	233
Payable to Securities and Exchange Commission of Pakistan	8 150	690
Accrued expenses and other liabilities	9 36,752	80,220
Total liabilities	<u>43,815</u>	<u>95,376</u>
NET ASSETS	<u>2,647,356</u>	<u>3,508,886</u>
Unit Holders' Funds (As per statement attached)	<u>2,647,356</u>	<u>3,508,886</u>
CONTINGENCIES AND COMMITMENTS	10	
	----- (Number of Units) -----	
Number of units in issue	<u>23,402,181</u>	<u>31,252,745</u>
	----- (Rupees) -----	
Net asset value per unit	<u>113.1243</u>	<u>112.2745</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Income Statement And Comprehensive Income (Unaudited)
For The Three Months Ended September 30, 2020

	Note	Three Months ended September 30,	
		2020	2019
		----- (Rupees in 000's) -----	
INCOME			
Capital gain on sale of investments - net		(14,026)	19,322
Income from Government Securities		66,135	32,660
Income from term finance certificates and sukuk bonds		1,894	4,865
Income from Money Market Placements		-	677
Profit on bank deposits		4,090	45,237
Unrealised (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss'-net		(19,875)	(430)
Total income		<u>38,218</u>	<u>102,331</u>
EXPENSES			
Remuneration of the Management Company		9,448	5,503
Sindh sales tax on remuneration of the Management Company		1,228	716
Remuneration of the Trustee		555	447
Annual fee to the Securities and Exchange Commission of Pakistan		153	122
Fund operations, accounting and related costs		1,678	1,574
Selling & Marketing expense		3,023	4,540
Auditors' remuneration		112	112
Fees and subscription		76	76
Securities transaction cost		160	806
Bank charges		93	151
Printing charges		-	-
Total expenses		<u>16,526</u>	<u>14,047</u>
Net income from operating activities		<u>21,692</u>	<u>88,284</u>
Provision for Sindh Workers' Welfare Fund	9.1	(434)	(1,766)
Net income for the quarter before taxation		<u>21,258</u>	<u>86,518</u>
Taxation	11	-	-
Net income for the quarter after taxation		<u>21,258</u>	<u>86,518</u>
Allocation of net income for the quarter:			
Income already paid on redemption of units		1,377	11,994
Accounting income available for distribution:			
-Relating to capital gains		-	17,240
-Excluding capital gains		19,881	57,284
		<u>19,881</u>	<u>74,524</u>
Net income for the quarter after taxation		<u>21,258</u>	<u>86,518</u>
Other comprehensive income		-	-
Total comprehensive income for the quarter		<u>21,258</u>	<u>86,518</u>
Earnings per unit	12		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
For The Three Months Ended September 30, 2020

Note	2020			2019		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	Rupees in '000'					
Net assets at beginning of the quarter	3,314,588	194,298	3,508,886	2,041,657	74,625	2,116,282
Issuance of 3,776,243 units (2019: 14,689,147 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	423,976	-	423,976	1,554,727	-	1,554,727
- Element of income	(57,362)	-	(57,362)	30,672	-	30,672
Total proceeds on issuance of units	366,614	-	366,614	1,585,399	-	1,585,399
Redemption of 11,626,807 units (2019: 9,188,845 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	(1,305,394)	-	(1,305,394)	(972,565)	-	(972,565)
- Amount paid out of element of income	57,369	-	57,369	(7,616)	-	(7,616)
- Income already paid on redemption of units	-	(1,377)	(1,377)	-	(11,994)	(11,994)
Total payments on redemption of units	(1,248,025)	(1,377)	(1,249,402)	(980,181)	(11,994)	(992,175)
Total comprehensive income for the quarter	-	21,258	21,258	-	86,518	86,518
Net assets at end of the quarter	2,433,177	214,179	2,647,356	2,646,875	149,149	2,796,024
Undistributed income brought forward						
- Realised		74,342			74,625	
- Unrealised		119,956			-	
		194,298			74,625	
Accounting income available for distribution						
- Relating to capital gains		-			17,240	
- Excluding capital gains		19,881			57,284	
		19,881			74,524	
Distribution during the quarter		-			-	
Undistributed income carried forward		214,179			149,149	
Undistributed income carried forward						
- Realised		234,054			149,579	
- Unrealised		(19,875)			(430)	
		214,179			149,149	
					(Rupees)	
Net assets value per unit at beginning of the quarter			112.2745			105.8419
Net assets value per unit at end of the quarter			113.1243			109.6692

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Cash Flow Statement (Unaudited)
For The Three Months Ended September 30, 2020

	Three Months ended	
	September 30,	
Note	2020	2019
	----- (Rupees in 000's) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	21,258	86,518
Adjustments for:		
Capital loss / (gain) on sale of investments - net	14,026	(19,322)
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'-net	19,875	430
	33,901	(18,892)
	55,159	67,626
Decrease / (Increase) in assets		
Investments - net	457,100	(310,563)
Receivable against Marginal Trading System	-	-
Profit receivable	66,700	955
Deposits, prepayments and other receivables	49	(505)
	523,849	(310,113)
(Decrease) in liabilities		
Payable to Management Company	(7,485)	2,367
Payable to the Trustee	(68)	(65)
Payable to Securities and Exchange Commission of Pakistan	(540)	(548)
Accrued expenses and other liabilities	(43,468)	(392,385)
	(51,561)	(390,631)
Net cash used in operating activities	527,447	(633,118)
Cash flows from Financing Activities		
Receipts from issue of units	366,614	1,585,399
Payment against redemption of units	(1,249,402)	(1,012,702)
Distributions paid	-	-
Net cash generated financing activities	(882,788)	572,697
Net (decrease) / increase in cash and cash equivalents	(355,341)	(60,421)
Cash and cash equivalents at the beginning of the period	523,734	2,013,539
Cash and cash equivalents at the end of the period	168,393	1,953,118
CASH AND CASH EQUIVALENTS		
Bank balances	168,393	419,355
Term deposit receipt	-	-
	168,393	419,355

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For The Three Months Ended September 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2020.

2.1.3 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

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

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
4	BANK BALANCES	<i>Note</i>	(Rupees in '000)
	In savings accounts	4.1 168,393	523,734
	In current account	-	-
		168,393	523,734

4.1 Profit rates on these savings accounts range between 5.5% to 7.8% per annum (June 30, 2020: 6.00% to 14.50% per annum).

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
5	INVESTMENTS	<i>Note</i>	(Rupees in '000)
	Financial assets at 'fair value through profit or loss'		
	Investments in Government securities:		
	Market Treasury Bills	5.1 565,386	581,032
	Pakistan Investment Bonds	5.2 1,888,617	2,332,126
		2,454,003	2,913,158
	Term Finance Certificate & Sukuk Bonds	5.3 49,980	81,826
		2,503,983	2,994,984

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

Issue date	Tenor	Face value				Balance as at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchases during the period	Sales / matured during the period	As at September 30, 2020	Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
Market Treasury Bills										
July 2, 2020	3 Month	-	75,000	75,000	-	-	-	-	0.00%	0.00%
July 16, 2020	3 Month	-	75,000	-	75,000	74,909	74,898	(11)	2.83%	2.99%
January 30, 2020	6 Month	-	275,000	275,000	-	-	-	-	0.00%	0.00%
July 2, 2020	6 Month	-	75,000	75,000	-	-	-	-	0.00%	0.00%
March 12, 2020	6 Month	250,000	-	250,000	-	-	-	-	0.00%	0.00%
July 16, 2020	6 Month	-	575,000	325,000	250,000	244,999	244,979	(20)	9.25%	9.78%
August 29, 2019	12 Month	-	375,000	375,000	-	-	-	-	0.00%	0.00%
December 19, 2019	12 Month	-	400,000	250,000	150,000	147,797	147,786	(11)	5.58%	5.90%
January 30, 2020	12 Month	100,000	-	-	100,000	99,011	97,723	(1,288)	3.69%	3.90%
March 12, 2020	12 Month	250,000	-	250,000	-	-	-	-	0.00%	0.00%
July 2, 2020	12 Month	-	100,000	100,000	-	-	-	-	0.00%	0.00%
July 16, 2020	12 Month	-	100,000	100,000	-	-	-	-	0.00%	0.00%
Total - As at September 30, 2020		600,000	2,050,000	2,075,000	575,000	566,716	565,386	(1,330)	21.36%	22.58%
Total - As at June 30, 2020		1,000,000	48,209,000	48,609,000	600,000	569,032	581,032	12,000	16.56%	19.40%

5.1.1 As at September 30, 2020 T-Bills with face value aggregating to Rs. 575mn (June 30, 2020: Rs. 600mn) carrying an effective yield ranging between 6.42% to 13.13% (June 2020: 7.05% to 7.105) per annum.

5.2 Pakistan Investment Bonds

September 19, 2019	3 Years	953,000	-	100,000	853,000	881,039	867,238	(13,801)	32.76%	34.63%
September 19, 2019	5 Years	462,500	100,000	350,000	212,500	220,311	215,779	(4,532)	8.15%	8.62%
September 19, 2019	10 Years	50,000	-	50,000	-	-	-	-	0.00%	0.00%
August 22, 2019	10 Years F	800,000	-	-	800,000	806,800	805,600	(1,200)	30.43%	32.17%
Total - As at September 30, 2020		2,265,500	100,000	500,000	1,865,500	1,908,150	1,888,617	(19,533)	71.34%	75.42%
Total - As at June 30, 2020		100	11,623,500	9,358,100	2,265,500	2,222,429	2,332,126	109,697	66.46%	77.87%

5.2.1 The effective yield on Pakistan Investment bonds range from 7.89% to 9.5% (June 30, 2020: 7.36% to 8.62%).

5.3 Term Finance Certificate and Sukuk Bonds:

Issue details	Tenor	Units				Balance as at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchases during the period	Sales / matured during the period	As at September 30, 2020	Carrying value	Market value	Appreciation / (diminution)		
Term finance certificate - unlisted										
Askari Bank Limited	10 Years	7,000	-	7,000	-	-	-	-	0.00%	0.00%
The Bank of Punjab	10 Years	500	-	-	500	48,992	49,980	988	1.89%	2.00%
Total - As at September 30, 2020		7,500	-	7,000	500	48,992	49,980	988	1.89%	2.00%
Total - As at June 30, 2020		7,100	1,500	1,100	7,500	83,567	81,826	(1,741)	2.33%	2.73%

* Related party (associated company) due to common directorship

5.4.1 These term finance certificates carry mark-up at the rate 8.68% per annum (June 30, 2020: 8.68% to 12.45%).

5.4.2 Significant terms and conditions of Term Finance Certificates and Sukuk Bonds as at September 30, 2020 are as follows

Name of the investee company	Remaining principal (per certificate)	Mark-up rate (per annum)	Issue date	Maturity Date
Term finance certificate - unlisted				
The Bank of Punjab	99,880	6 months KIBOR + 1.00%	23-Dec-16	23-Dec-26

		September 30,	June 30,
		2020	2020
		(Un-Audited)	(Audited)
6	PAYABLE TO THE MANAGEMENT COMPANY	(Rupees in '000)	
	<i>Note</i>		
	Management fee	2,768	3,945
	Sindh Sales Tax on Management Company's remuneration	360	513
	Sales load payable	105	4,476
	Fund operations, accounting and related costs	492	701
	Selling & Marketing expense payable	3,023	4,598
		<u>6,748</u>	<u>14,233</u>

6.1 As per the amendment introduced through SRO 639(I)/2019, dated June 20, 2019, in regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. The fee is being charged at the rate of 1.25% on the average annual net assets. The fee is payable monthly in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2020: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. However, SECP vide S.R.O. 639(I)/2019 dated June 20, 2019 has removed the maximum limit of 0.1%. The fee is being charged at the rate of 0.22% on the average annual net assets.

6.4 As per SECP vide its circular No. SCD/PRDD/Circular/361/2016, dated December 30, 2016, selling and marketing expenses was chargeable to open end equity, asset allocation and index funds only, upto maximum 0.4% of the average annual net assets of the 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. The fee is being charged at the rate of 0.4% on the average annual net assets.

7 PAYABLE TO TRUSTEE

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.065% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

9	ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
			(Rupees in '000)	
	Provision for Sindh Workers' Welfare Fund	9.1	18,715	18,280
	Provision for Federal Excise Duty and additional sales tax on management fee	9.2	15,531	15,531
	Withholding tax		724	44,835
	Auditors' remuneration		392	281
	Printing charges		131	142
	Payable against purchase of Investment		-	-
	Zakat Payable		452	452
	Dividend Payable		31	32
	Others		775	667
			36,751	80,220
9.1	Provision for Sindh workers' welfare fund			

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is the same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 18.715 (June: 2020: 18.280) million for the quarter ended September 30, 2020 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2020 would have been higher by Rs. 0.80 per unit (June 30, 2020: Rs. 0.586 per unit).

9.2 Provision for federal excise duty and additional sales tax

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

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2019 would have been higher by Rs. 0.6637 per unit (June 30, 2020: Rs. 0.4969 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2020 (June 2020: Nil).

11 TAXATION

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

12 EARNINGS PER UNIT

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

13 TOTAL EXPENSE RATIO

The Scheme has maintained Total expense ratio (TER) 0.56%. (0.06% representing Government Levies, WWF and SECP Fee).

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

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

	(Unaudited)	(Unaudited)
	Three months ended	
	September 30,	
	2020	2019
	(Rupees in '000)	
Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	9,448	5,503
Sindh Sales Tax on remuneration of Management Company	1,228	716
Reimbursement of fund operations, accounting and related costs	1,678	1,574
Sales load Paid	5,597	6,704
Habib Bank Limited Sponsor		
Bank charges paid	88	122
Profit on bank deposits	1,218	1,671
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	555	447
CDS charges	5	34
Executives of the Management Company		
Issue of Nil units (2019: 33,833 units)	-	3,620
Redemption of 450 units (2019: 13,072 units)	51	1,401
CDC Trustee - HBL Income Fund		
Purchase of Bank of Punjab - TFC	-	50,201

	(Unaudited) Three months ended September 30, 2020	(Unaudited) 2019
	(Rupees in '000)	
HBL Financial Planning Fund - Strategic Allocation Plan		
- Fund under common management		
Issue of Nil units (2019: 345,994 units)	-	36,967
HBL Financial Planning Fund - Special Income Plan		
- Fund under common management		
Issue of Nil units (2019: 1,220,437 units)	-	133,000
Redemption of 45,386 units (2019: Nil units)	5,110	-
Balance outstanding as at period / year end	September 30, 2020	June 30, 2020
	(Un-Audited)	(Audited)
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	2,768	3,945
Sindh Sales Tax on remuneration of Management Company	360	513
Sales Load Payable	105	4,476
Allocation of expenses related to registrar services accounting, operation and valuation services	492	701
Selling & Marketing expense payable	3,023	4,598
Habib Bank Limited Sponsor		
Bank balances	57,069	282,377
Profit Receivable	1,832	614
Central Depository Company of Pakistan Limited - Trustee		
Remuneration Payable	163	205
CDC Charges Payable	2	1
Security Deposit	100	100
Director and Executives of the Management Company		
Investment held 862 (June 30, 2020: 1,312) units	98	147,269
HBL Financial Planning Fund - Special Income Plan		
- Fund under common management		
1,233,924 units held (June 30, 2020: 1,279,309) units	139,587	143,634

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Note	September 30, 2020							
		Carrying amount				Fair Value			
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----							
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
Market Treasury Bills	5.1	565,386	-	-	565,386	-	565,386	-	565,386
Pakistan Investment Bonds	5.2	1,888,617	-	-	1,888,617	-	1,888,617	-	1,888,617
Corporate Sukuk Certificates	5.3	49,980	-	-	49,980	-	49,980	-	49,980
		<u>2,503,983</u>	<u>-</u>	<u>-</u>	<u>2,503,983</u>	<u>-</u>	<u>2,503,983</u>	<u>-</u>	<u>2,503,983</u>
Financial assets not measured at fair value									
Bank balances	4	-	168,393	-	168,393	-	-	-	-
Commercial Paper	5.4	-	-	-	-	-	-	-	-
Receivable against Margin Trading System		-	-	-	-	-	-	-	-
Profit receivable		-	16,565	-	16,565	-	-	-	-
		<u>-</u>	<u>184,958</u>	<u>-</u>	<u>184,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	6,748	6,748	-	-	-	-
Payable to the Trustee		-	-	165	165	-	-	-	-
Payable against redemption of units		-	-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	1,781	1,781	-	-	-	-
		<u>-</u>	<u>-</u>	<u>8,694</u>	<u>8,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		----- (Rupees in '000) -----							
	Note	June 30, 2020							
		Carrying amount				Fair Value			
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----							
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
Market Treasury Bills	5.1	581,032	-	-	581,032	-	581,032	-	581,032
Pakistan Investment Bonds	5.2	2,332,126	-	-	2,332,126	-	2,332,126	-	2,332,126
Corporate Sukuk Certificates	5.3	81,826	-	-	81,826	-	81,826	-	81,826
		<u>2,994,984</u>	<u>-</u>	<u>-</u>	<u>2,994,984</u>	<u>-</u>	<u>2,994,984</u>	<u>-</u>	<u>2,994,984</u>
Financial assets not measured at fair value									
Bank balances	4	-	523,734	-	523,734	-	-	-	-
Commercial Paper	5.4	-	-	-	-	-	-	-	-
Deposits		-	1,679	-	1,679	-	-	-	-
Profit receivable		-	83,265	-	83,265	-	-	-	-
		<u>-</u>	<u>608,678</u>	<u>-</u>	<u>608,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	13,720	13,720	-	-	-	-
Payable to the Trustee		-	-	182	182	-	-	-	-
Payable against redemption of units		-	-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	1,107	1,107	-	-	-	-
		<u>-</u>	<u>-</u>	<u>15,009</u>	<u>15,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on October 29, 2020 by the Board of Directors of the Management Company.

17 CORRESPONDING FIGURES

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

18 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

18.1 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

**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 Soneri bank limited
Fund Rating	AA(f) (JCR-VIS)

HBL Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2020

	Note	September 30, 2020 (Un-Audited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Bank balances	4	12,943,253	7,992,986
Investments	5	-	3,334,100
Accrued mark-up		45,068	34,531
Advance , Deposit and prepayments		346	105
Total assets		12,988,667	11,361,722
Liabilities			
Payable to Management Company	6	5,642	4,664
Payable to Trustee	7	771	604
Payable to Securities and Exchange Commission of Pakistan	8	603	1,753
Payable againts purchase of investment		-	1,182,958
Accrued expenses and other liabilities	9	99,748	196,448
Total liabilities		106,764	1,386,427
Net assets		12,881,903	9,975,295
Unit holders' fund (as per statement attached)		12,881,903	9,975,295
Cotingencies and commitments	10.	-	-
		(Number of units)	
Number of units in issue		123,824,976	97,434,106
		(Rupees)	
Net assets value per unit		104.0332	102.3799

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)
For the three months ended September 30, 2020

	Note	Three months ended September 30, 2020 2019 (Rupees in '000)	
Income			
Mark-up / return on investments		155,166	76,972
Mark-up on deposits with banks & TDRs		63,779	185,788
Gain / (Loss) on sale of investments - net		(4,748)	(821)
		214,197	261,939
Expenses			
Remuneration of Management Company		15,324	14,667
Remuneration of Trustee		2,213	1,415
Annual fee of Securities and Exchange Commission of Pakistan		603	386
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	3,046
Selling and Marketing expenses		-	4,647
Auditors' remuneration		161	153
Fees & Subscription		77	76
Settlement and bank charges		221	107
Securities transaction cost		10	108
		18,609	24,605
		195,588	237,334
Provision for Workers' Welfare Fund	9.2	(3,912)	(4,747)
Net income for the period before taxation		191,676	232,587
Taxation	12.	-	-
Net income for the period after taxation		191,676	232,587
Allocation of net income for the period:			
Income already paid on redemption of units		44,202	18,724
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		147,474	213,863
		147,474	213,863
Net income / (loss) for the period after taxation		191,676	232,587
-Other comprehensive income		-	-
Total comprehensive income for the period		191,676	232,587
Earning Per Unit	13		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
As at September 30, 2020

	Three months ended September 30,	
	2020	2019
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	191,676	232,587
(Increase) / decrease in assets		
Investments - net	3,334,100	1,002,778
Accrued mark-up	(10,537)	(29,251)
Advances, deposits and other receivables	(241)	(227)
	3,323,322	973,300
Increase / (decrease) in assets		
Payable to HBL Asset Management Limited - Management Company	978	8,717
Payable to Central Depository Company of Pakistan Limited - Trustee	167	(33)
Payable to Securities and Exchange Commission of Pakistan	(1,150)	(5,100)
Payable againsts purchase of investment	(1,182,958)	(492,454)
Accrued expenses and other liabilities	(96,700)	(115,301)
	(1,279,663)	(604,171)
Net cash generated from / in operating activities	2,235,335	601,716
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	9,362,371	3,279,850
Payment against redemption of units	(6,647,439)	(1,445,371)
Cash dividend paid	-	-
Net cash generated from financing activities	2,714,932	1,834,479
Net increase / (decrease) in cash and cash equivalents	4,950,267	2,436,195
Cash and cash equivalents at beginning of the period	7,992,986	5,485,942
Cash and cash equivalents at end of the period	12,943,253	7,922,137

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2019.

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Money Market 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 (the SECP) as a unit trust scheme on April 9, 2010.

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

		September 30, 2020	June 30, 2020
		(Un-Audited)	(Audited)
		(Rupees in '000)	
4 BANK BALANCES	<i>Note</i>		
Balances with bank in:			
- PLS saving deposit accounts under mark-up arrangements	4.1	<u>12,943,253</u>	<u>7,992,986</u>
		<u>12,943,253</u>	<u>7,992,986</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 5.00% - 8.85% per annum (June 30, 2020: 6.00% - 14.40% per annum).

		September 30, 2020	June 30, 2020
		(Un-Audited)	(Audited)
		(Rupees in '000)	
5. INVESTMENTS	<i>Note</i>		
Financial asset at fair value through profit or loss			
- Government Securities	5.1	-	2,988,658
- Letter of Placement	5.2	-	-
- Commercial Paper	5.3	-	345,442
		<u>-</u>	<u>3,334,100</u>

		September 30, 2020	June 30, 2020
		(Un-Audited)	(Audited)
		(Rupees in '000)	
6.	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	<i>Note</i>	
	Management fee	6.1	4,722
	Sindh Sales Tax	6.2	614
	Sales load payable to management company		306
			<u>482</u>
			<u>5,642</u>
6.1	As per the offering document of the Fund the maximum limit of the Management fee is 1.5% per annum of average annual net assets. Management fee is charged at the rate of 0.45% of average annual net assets of the fund. The fee is payable monthly in arrears.		
6.2	The Sindh Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		
		September 30, 2020	June 30, 2020
		(Un-Audited)	(Audited)
7	PAYABLE TO TRUSTEE	(Rupees in '000)	
		<i>Note</i>	
	Trustee's remuneration	7.1	682
	Sindh Sales Tax		89
			<u>535</u>
			<u>69</u>
			<u>771</u>
7.1	The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2020 the trustee fee is being charged at the rate of 0.065% of the daily average net assets of the Fund. The fee is payable monthly in arrears.		
		September 30, 2020	June 30, 2020
		(Un-Audited)	(Audited)
8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	(Rupees in '000)	
		<i>Note</i>	
	Annual fee	8.1	603
			<u>1,753</u>
8.1	Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2020 the rate of 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.		
		September 30, 2020	June 30, 2020
		(Un-Audited)	(Audited)
9	ACCRUED EXPENSES AND OTHER LIABILITIES	(Rupees in '000)	
		<i>Note</i>	
	Auditors' remuneration		799
	Withholding tax payable		-
	Dividend Payable		1,525
	Federal Excise Duty	9.1	41,211
	Capital gain tax payable		1,618
	Advance against units to be issued		2,500
	Provision for Sindh Workers' Welfare Fund	9.2	49,015
	Other payable		3,080
			<u>638</u>
			<u>97,595</u>
			<u>-</u>
			<u>41,211</u>
			<u>4,451</u>
			<u>2,500</u>
			<u>45,103</u>
			<u>4,950</u>
			<u>99,748</u>
			<u>196,448</u>

9.1 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 41.21 million (June 30, 2020 Rs. 41.211 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2020 would have been higher by Re. 0.333 (June 30, 2020: Re. 0.423) per unit.

9.2 PROVISION WORKERS' WELFARE FUND AND 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 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund as a matter of abundant caution, recognized provision for SWWF amounting to 49.015 million as at September 30, 2020 in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2020 would have been higher by Rs. 0.3958 per unit (June 30, 2020: 0.4629 per unit).

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2020.

11. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.19% (0.06% representing Government Levies, and SECP Fee).

12. TAXATION

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

13. EARNINGS PER UNIT (EPU)

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

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

14.1	Transactions during the period	Three months ended September 30,	
		2020	2019
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	15,324	14,667
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	3,046
	Selling and Marketing expenses	-	6,467
	Investment of Nil units (2019: 11,446 units)	-	1,195
	Habib Bank Limited - Sponsor		
	Bank charges paid	101	25
	Mark-up earned during the period	23,162	24,362
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	2,213	1,415
	Directors, Executives and Key Management personnel		
	Investment of 29,087 Units (2019: 43 units)	2,983	5
	Redemption of 32,901 units (2019: 59 units)	3,384	6
	MCBFSL Trustee HBL Financial Planning Fund Conservative		
	Allocation Plan - Associate		
	Investment of 832,607 units (2019: Nil units)	86,170	-
	Redemption of 1,149,052 units (2019: 156,531 units)	119,129	16,277
	Fauji Fertilizer Company Ltd - Connected Person Due To Holding Of 10% or more units.		
	Investment of 45,155,193 units (2019: Nil units)	4,663,509	-
	Redemption of 32,404,720 units (2019: Nil units)	3,350,797	-
	CDC Trustee HBL Islamic Money Market Fund		
	Purchase of Commercial Paper KEL-ICP	204,476	-
		September 30,	June 30,
		2020	2020
		(Un-Audited)	(Audited)
		(Rupees in '000)	
14.2	Amounts outstanding as at period end		
	HBL Asset Management Limited - Management Company		
	Management Fee	4,722	3,701
	Sindh Sales Tax	614	481
	Sale load payable	306	482
	Habib Bank Limited - Sponsor		
	Investment held in the Fund : 4,116,245 units (June 30, 2020: 4,116,245 units)	428,226	421,421
	Bank balances	7,234,920	503,798
	Sale load payable	2,702	4,575

	September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
Central Depository Company of Pakistan Limited - Trustee	(Rupees in '000)	
Remuneration payable	771	604
Directors, Executives and Key Management personnel		
Investment held in the Fund : 43,006 units (June 30, 2020: 46,802 units)	4,474	4,792
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Investment held in the Fund : 95,207 units (June 30, 2020: 413,094 units)	9,905	42,293
Attock Cement Pak Ltd Emp Provident Fund - Associate		
Investment held in the Fund : 392 units (June 30, 2020: 392 units)	41	40
FAUJI FERTILIZER COMPANY LTD - Connected person due to holding of 10% or more units.		
Investment held in the Fund : 30,444,675 units (June 30, 2020: 17,694,202 units)	3,167,257	1,811,531

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

**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
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited MCB Bank Limited United Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited JS Bank Limited Sindh Bank Limited
Fund Rating	'AA(f)' (JCR-VIS)

HBL Cash Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2020

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	5	22,749,075	13,602,521
Investments	6	1,046,815	10,689,435
Accrued markup on bank balances and investments		51,600	47,645
Deposits and prepayments		1,115	1,183
Total assets		23,848,605	24,340,784
Liabilities			
Payable to Management Company	7	8,128	5,544
Payable to the Trustee	8	1,372	989
Payable to the Securities and Exchange Commission of Pakistan	9	1,062	2,462
Payable against purchase of investment		-	6,279,629
Accrued expenses and other liabilities	10	82,813	80,374
Dividend payable		-	-
Total liabilities		93,375	6,368,998
Net assets		23,755,230	17,971,786
Unit holders' fund (as per statement attached)		23,755,230	17,971,786
Contingencies and commitments	11		
		(Number of units)	
Number of units in issue		233,789,225	177,657,203
		(Rupees)	
Net assets value per unit		101.6096	101.1599

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Three Months ended	
	September 30, 2020	2019
	Note------(Rupees in '000)-----	
Income		
Capital (loss)/gain on sale of investments - net	(4,810)	(1,139)
Income from government securities	267,441	86,609
Income from money market placements	41,973	53,270
Profit on bank deposits	78,234	178,229
Unrealized (diminution) on re-measurement of investment classified as ' financial assets at fair value through profit or loss - held-for-trading - net	382,838 (8)	316,969 -
	382,830	316,969
Expenses		
Remuneration of the Management Company	7.1 15,931	8,439
Sindh Sales Tax on remuneration of Management Company	7.2 2,071	1,097
Remuneration of the Trustee	8 3,900	1,713
Annual fee to the Securities and Exchange Commission of Pakistan	9 1,062	466
Selling & marketing expense	1,328	5,707
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3 1,328	3,724
Auditors remuneration	112	107
Fee & Subscription charges	105	75
Settlement and bank charges	436	432
Total operating expense	26,273	21,760
Net income for the period from operating activities	356,557	295,209
Workers' Welfare Fund	8.1 (7,131)	(5,904)
Net income for the period before taxation	349,426	289,305
Taxation	12 -	-
Net income for the period after taxation	349,426	289,305
Allocation Of Net Income For The Period		
Income already paid on redemption	28,744	7,645
Accounting income available for distribution		
-Realting to capital gain	-	-
-Excuding capital gain	320,682	281,660
	320,682	281,660
Net income for the period after taxation	349,426	289,305
Other comprehensive income for the period	-	-
Total comprehensive income for the period	349,426	289,305

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Statement of Comprehensive Income
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Three Months ended	
	September 30,	
	2020	2019
	----- (Rupees in '000) -----	
Net income for the year	349,426	289,305
Other comprehensive income	-	-
Total comprehensive income for the year	<u>349,426</u>	<u>289,305</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Statement Of Movement In Unitholders' Fund
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	2020			2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the year	17,880,077	91,709	17,971,786	8,764,853	44,070	8,808,923
Issuance of 154,128,736 units (2019: 25,448,800 units)						
- Element of income	15,625,043	-	15,625,043	2,579,044	-	2,579,044
Total proceeds on issuance of units	9,358	-	9,358	3,055	-	3,055
	15,634,401	-	15,634,401	2,582,099	-	2,582,099
Redemption of 59,767,210 units (2018: 59,677,210 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(9,913,338)	-	(9,913,338)	(1,815,320)	-	(1,815,320)
- Income already paid on redemption	-	(28,744)	(28,744)	-	(7,645)	(7,645)
- Element of income	(2,842.57)	-	(2,843)	(2,703)	-	(2,703)
Total payment on redemption of units	(9,916,181)	(28,744)	(9,944,925)	(1,818,023)	(7,645)	(1,825,668)
Total comprehensive income for the year	-	349,426	349,426	-	289,305	289,305
Refund of capital	(33,394)	-	(33,394)	(11,550)	-	(11,550)
Distribution during the year	-	(222,064)	(222,064)	-	(189,710)	277,755
Total comprehensive income for the year less distribution	(33,394)	127,362	93,968	(11,550)	99,595	88,045
Net assets at the end of the year	23,564,904	190,327	23,755,230	6,937,983	143,665	9,653,399
Undistributed income brought forward						
- Realised		80,763			44,070	
- Unrealised		10,946			-	
		91,709			44,070	
Element of income and capital gains included in prices of units issued less those in units redeemed		-			-	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		320,682			281,660	
		320,682			281,660	
Distribution during the year		(222,064)			-	
Undistributed income carried forward		190,327			325,730	
Undistributed income carried forward						
- Realised		190,335			325,730	
- Unrealised		(8)			-	
		190,327			325,730	
				(Rupees)		
Net assets value per unit at beginning of the year			101.1599			100.4888
Net assets value per unit at end of the year			101.6096			106.0021

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Statement of Cash Flow (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Three Month ended September 30, 2020 2019 (Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	349,426	289,305
Adjustments		
Capital loss/(gain) on sale of investments-net	4,810	1,139
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	8	-
Operating cash inflow before working capital changes	354,244	290,444
(Increase) / Decrease in assets		
Investments - net	9,637,802	1,989,430
Profit Receivable	(3,955)	8,163
Prepayments and advances	68	2,264
	9,633,915	1,999,857
(Decrease) in liabilities		
Payable to the Management Company	2,584	6,640
Payable to Trustee	383	(242)
Payable to Securities and Exchange Commission of Pakistan	(1,400)	(8,421)
Payable against purchase of investment	(6,279,629)	(984,910)
Accrued expenses and other liabilities	2,439	(5,961)
Dividend payable	-	(138)
	(6,275,623)	(993,032)
Net cash generated from / (used in) operating activities	3,712,536	1,297,269
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	15,634,401	2,582,099
Payments on redemption of units	(9,944,925)	(1,825,668)
Dividend paid	(255,458)	(201,260)
Net payments from issuance and redemptions of units	5,434,019	555,172
Net cash generated from financing activities	5,434,019	555,172
Net increase in cash and cash equivalents	9,146,554	1,852,441
Cash and cash equivalents at the beginning of the period	13,602,521	7,064,377
Cash and cash equivalents at the end of the period	22,749,075	8,916,817

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

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

FOR THREE MONTHS ENDED SEPTEMBER 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2+' to the Management Company and a stability rating of AA(f) to the Fund as at December 28, 2018 and December 26, 2018, respectively.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
5 BANK BALANCES			
In savings accounts	5.1	15,649,068	9,602,514
Call deposit receipts	5.2	7,100,007	4,000,007
		22,749,075	13,602,521

5.1 These accounts carry mark-up at rates ranging between 7.7% and 7.8% (2020: 5% and 14.5%) per annum

5.2 This carry return of 7.80% (June 30,2020: 8.85%) per annum.

6	INVESTMENTS	Note	September 30,	June 30,
			2020 (Un-Audited)	2020 (Audited)
			(Rupees in '000)	
	Financial assets			
	At fair value through profit or loss	6.1	897,058	9,742,269
	At amortized cost	6.2	149,757	947,166
			<u>1,046,815</u>	<u>10,689,435</u>
6.1	Financial assets at fair value through profit or loss			
	Market treasury bills	6.1.1	<u>897,058</u>	<u>9,742,269</u>

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

Issue date	Tenor	As at July 1, 2020	Purchases during the period	Sales / matured during the period	As at September 30, 2020	Balance as at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
August 1, 2019	1 Year	-	750,000	750,000	-	-	-	-	-	-
August 29, 2019	1 Year	-	1,900,000	1,900,000	-	-	-	-	-	-
September 12, 2019	1 Year	-	8,350,000	8,350,000	-	-	-	-	-	-
September 26, 2019	1 Year	-	3,200,000	3,200,000	-	-	-	-	-	-
October 10, 2019	1 Year	2,500,000	8,200,000	10,700,000	-	-	-	-	-	-
December 5, 2019	1 Year	533,730	-	533,000	730	721	721	-	0%	0%
December 19, 2019	1 Year	-	250,000	250,000	-	-	-	-	-	-
January 20, 2020	6 Months	100,000	-	100,000	-	-	-	-	-	-
March 12, 2020	6 Months	1,250,000	50,000	1,300,000	-	-	-	-	-	-
March 26, 2020	6 Months	550,000	8,100,000	8,650,000	-	-	-	-	-	-
April 9, 2020	6 Months	1,375,000	225,000	1,600,000	-	-	-	-	-	-
April 23, 2020	6 Months	-	1,787,000	887,000	900,000	896,344	896,336	(8,000)	4%	86%
May 7, 2020	3 Months	500,000	-	500,000	-	-	-	-	-	-
May 7, 2020	6 Months	3,125,000	-	3,125,000	-	-	-	-	-	-
May 21, 2020	6 Months	-	200,000	200,000	-	-	-	-	-	-
June 18, 2020	6 Months	-	125,000	125,000	-	-	-	-	-	-
July 2, 2020	3 Months	-	75,000	75,000	-	-	-	-	-	-
July 2, 2020	6 Months	-	75,000	75,000	-	-	-	-	-	-
July 16, 2020	6 Months	-	325,000	325,000	-	-	-	-	-	-
July 16, 2020	3 Months	-	3,175,000	3,175,000	-	-	-	-	-	-
August 27, 2020	3 Months	-	500,000	500,000	-	-	-	-	-	-
September 10, 2020	3 Months	-	500,000	500,000	-	-	-	-	-	-
Total - As at September 30, 2020		9,933,730	37,787,000	46,820,000	900,730	897,065	897,057	(8)	4%	86%
Total - June 30, 2020					9,933,730	9,731,323	9,742,269	10,946	54%	91%

6.2	Financial assets at amortized cost	Note	September 30,	June 30,
			2020 (Un-Audited)	2020 (Audited)
			(Rupees in '000)	
	Commercial Paper	6.2.1	<u>149,757</u>	<u>947,166</u>
			<u>149,757</u>	<u>947,166</u>

6.2.1 These carry return of 11.82% (June 2020: 11.76% & 14.13%) per annum.

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
7	PAYABLE TO MANAGEMENT COMPANY		
	Management fee	5,604	4,038
	Sindh sales tax payable	729	525
	Allocation of expenses related to registrar services, accounting, operation and valuation services	467	337
	Selling & marketing payable	1,328	511
	sales load payable	-	133
		8,128	5,544

7.1 As per the amendment introduced through SRO 639(I)/2019, dated June 20, 2019, in regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the year, the fee has been charged, accordingly, at the rate 0.3% of average annual net assets of the Fund. The fee is payable monthly in arrears.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2020: 13 percent) 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 related 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 of the Fund or the actual cost, whichever is lower.

However, SECP vide S.R.O. 639(I)/2019, dated June 20, 2019, has removed the maximum limit of 0.1%. During the year, the fee has been charged at the rate ranging 0.025% of the average annual net assets of the Fund.

7.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "selling and marketing expenses" to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged at the rate 0.025% of the average annual net asset of the fund.

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Sindh Workers' Welfare Fund	70,698	63,567
	Provision for Federal Excise Duty and additional sales tax on management fee	7,528	7,528
	Withholding tax payable	2,940	8,254
	Sales load - payable to related parties	871	253
	Auditors' remuneration	425	313
	Printing charges	-	-
	Brokerage payable	268	408
	Zakat Payable	51	51
	Other Payable	32	-
		82,813	80,374

10.1 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, 2020.

The Fund as a matter of abundant caution, recognized provision for SWWF amounting to 70.698 million as at September 30, 2020 in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2020 would have been higher by Rs. 0.30 per unit (June 30, 2020: 0.36 per unit).

10.2 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, 2020, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2020 would have been higher by Rs. 0.03 per unit (June 30, 2020: 0.04 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2020 and June 30, 2020.

12 TAXATION

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

13 EARNING PER UNIT (EPU)

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

14.1	Transaction during the period	Note	Three Months ended	
			2020	2019
			September 30,	
			(Rupees in '000)	
Management Company				
	Remuneration of the Management Company		15,931	8,439
	Sindh Sales Tax on remuneration of the Management Company		2,071	1,097
	Allocation of expenses related to registrar services, accounting, operation and valuation services		1,328	3,724
	Selling & marketing expense		1,328	5,707
	Issue of 743,510 units (2019: 676,097 units)		75,507	68,554
	Redemption of 591,343 units (2019: 226,211 units)		60,000	23,000
	Dividend paid		251	1,424
Central Depository Company Of Pakistan Limited - Trustee				
	Remuneration for the period		3,900	1,713
	CDS connection charges		11	180
Habib Bank Limited - Sponsor				
	Profit on bank deposits		28,979	36,413
CDC Trustee HBL Income Fund				
	Purchase of The hub power Company Limited- SUKUK certificates		-	136,320
	Purchase of The hub power Company Limited- SUKUK certificates		-	50,702
CDC Trustee HBL Islamic Asset Allocation Fund				
	Purchase of The hub power Company Limited- SUKUK certificates		-	101,404
CDC Trustee HBL Islamic Money Market Fund				
	Sale of K-Electric- Commercial Paper		199,489	-
First Maicro Finance Bank Limied				
	Sale of T-Bills		250,000	-

	Three Months ended September 30, 2020 2019 ------(Rupees in '000)-----	
Directors and Executives of the Management Company		
Issue of 42,438 units (2019: 11,029 units)	4,308	1,116
Redemption of 48,279 units (2019: 8,012 units)	4,901	810
Dividend paid	38	22
Financial Planning Fund - Active Allocation Plan - Associated Company		
Issue of 17,074 units (2019: 65,846 units)	1,727	6,668
Redemption of Nil units (2019: 227,051 units) units	-	23,039
Dividend paid	227	868
Financial Planning Fund - Conservative Allocation Plan - Associated Company		
Issue of units (2019: NIL units)	-	-
Redemption of Nil units (2019: NIL units) units	-	-
Dividend paid	-	-
Financial Planning Fund - Strategic Allocation Plan - Associated Company		
Issue of Nil units (2019: 3,721 units)	-	375
Redemption of NIL units (2019: 15,673 units) units	-	1,585
Dividend paid	-	375
Financial Planning Fund - Special Income Plan - Associated Company		
Issue of NIL units (2019: 45,223 units)	-	4,600
Attock Cement Pakistan Limited- Associated Company		
Issue of 246,680 units (2019: NIL units)	25,000	4,600
Connected Person due to holding of more than 10% units		
Fauji Fertilizer Company Limited		
Issue of 85,195,501 units (2019: 6,787,275 units)	8,646,697	691,145
Redemption of 55,265,917 units (2019: 4,858,690 units) units	5,608,191	494,000
Dividend paid	41,230	40,892

14.2 Balances outstanding at the period / year end	September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Management Company		
Outstanding 152,167 units (June 2020 : NIL)	15,462	-
Remuneration of the Management Company	5,604	4,038
Sindh Sales Tax on remuneration of the Management Company	729	525
Allocation of expenses related to registrar services, accounting, operation and valuation services	467	337
Selling & marketing payable	1,328	511
Sales load payable	78	133
Central Depository Company Of Pakistan Limited - Trustee		
Trustee fee payable	1,372	989
Security deposit held	100	100
Habib Bank Limited - Sponsor		
Bank balances	12,476,042	7,083,668
Profit Receivable	32,363	25,169
Sales load payable	793	253
Directors and Executive of the Management Company		
28,610 units held (June 2020: 34,450 units)	2,907	3,485
Financial Planning Fund - Active Allocation Plan - Associated Company		
202,166 units held (June 2020: 185,093 units)	20,542	18,724
Financial Planning Fund - Conservative Allocation Plan - Associated Company		
117 units held (June 2020: 116 units)	12	12
Financial Planning Fund - Strategic Allocation Plan - Associated Company		
Nil units held (June 2020: NIL units)	-	-
Financial Planning Fund - Special Income Plan - Associated Company		
Nil units held (June 2020: Nil units)	-	-

	September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Attock Cement Pakistan Limited - Associated Company		
246,680 units held (June 2020: Nil units)	25,065	-
Connected person due to holding of more than 10% units		
Fauji Fertilizer Company Limited		
67,726,589 units held (June 2020: 37,797,004 units)	6,881,671	3,823,542

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2020						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
13.1	Market treasury bills	897,058	-	897,058	-	897,058	-	897,058
		<u>897,058</u>	<u>-</u>	<u>897,058</u>	<u>-</u>	<u>897,058</u>	<u>-</u>	<u>897,058</u>
Financial assets not measured at fair value								
13.2	Bank balances	-	22,749,075	22,749,075				
	Accrued markup	-	51,600	51,600				
	Investments	-	149,757	149,757				
	Deposits	-	100	100				
		<u>-</u>	<u>22,950,432</u>	<u>22,950,432</u>				
Financial liabilities not measured at fair value								
15.2	Payable to Management Company	-	8,128	8,128				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,372	1,372				
	Accrued expenses and other liabilities	-	1,564	1,564				
		<u>-</u>	<u>11,064</u>	<u>11,064</u>				
		June 30, 2020						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
13.1	Market treasury bills	9,742,269	-	9,742,269	-	9,742,269	-	9,742,269
		<u>9,742,269</u>	<u>-</u>	<u>9,742,269</u>	<u>-</u>	<u>9,742,269</u>	<u>-</u>	<u>9,742,269</u>
Financial assets not measured at fair value								
15.2	Bank balances	-	13,602,521	13,602,521				
	Accrued markup	-	47,645	47,645				
	Investments	-	947,166	947,166				
	Deposits	-	100	100				
		<u>-</u>	<u>14,597,432</u>	<u>14,597,432</u>				
Financial liabilities not measured at fair value								
15.2	Payable to Management Company	-	5,019	5,019				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	774	774				
	Payable against purchase of investments	-	6,279,629	6,279,629				
	Accrued expenses and other liabilities	-	974	974				
		<u>-</u>	<u>6,286,396</u>	<u>6,286,396</u>				

15.1 Valuation Techniques

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

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

15.3 During the period ended September 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the three month ended September 30, 2020 is 0.16% (YTD) which includes 0.05% representing government levy and SECP fee.

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management company on October 29, 2020.

18 GENERAL

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

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

18.3 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

**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

HBL Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2020

	Note	September 30, 2020 (Un-Audited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Bank balances	4	147,383	209,661
Investments	5	2,015,406	1,708,222
Dividend receivable and accrued mark-up	6	4,480	2,587
Receivable against sale of investments		6,952	5,415
Advance, deposits and other receivables		3,017	2,992
Total assets		2,177,238	1,928,877
Liabilities			
Payable to Management Company	8	11,225	8,994
Payable to Trustee		295	263
Payable to Securities and Exchange Commission of Pakistan	11	104	417
Payable against purchase of investments		15,937	4,106
Accrued expenses and other liabilities	9	80,435	74,353
Total liabilities		107,996	88,133
Net assets		2,069,243	1,840,744
Unit holders' fund (as per statement attached)		2,069,243	1,840,744
Contingencies and commitments	9.3		
		(Number of units)	
Number of units in issue		20,986,366	21,319,246
		(Rupees)	
Net assets value per unit		98.5994	86.3419

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

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

For The Three Months Ended September 30, 2020

		Three months ended September 30,	
		2020	2019
		----- (Rupees in '000) -----	
Income			
Dividend income		5,420	27,209
Mark-up on deposits with banks		2,294	8,150
Unrealized (diminution) on re-measurements of investments		210,085	(107,154)
Capital (loss) / gain on sale of investments - net		66,291	(19,471)
		284,090	(91,266)
Expenses			
Remuneration of Management Company	8.1 & 8.2	11,754	10,261
Remuneration of Trustee		910	894
Annual fee to Securities and Exchange Commission of Pakistan		104	100
Allocation of expenses related to registrar services, accounting, operation and valuation services		2,861	1,770
Selling & Marketing Expense		5,460	3,588
Settlement, Bank Charges & Other Expenses		127	170
Auditors' remuneration		160	80
Securities Transaction Cost		1,922	2,369
Legal Fee		-	-
		23,298	19,233
Net (loss) / income from operating activities		260,792	(110,499)
Provision for Workers' Welfare Fund	9.2	(5,216)	-
Net (loss) / income for the period before taxation		255,576	(110,499)
Taxation	12	-	-
Net (loss) / income for the period after taxation		255,576	(110,499)
Earning per unit	13		
Allocation of net income for the period:			
Net Income for the period		255,576	-
Income already paid on redemption of units		(12,362)	-
		243,214	-
Accounting (loss) / income available for distribution:			
-Relating to capital gains		243,214	-
-Excluding capital gains		-	-
		243,214	-
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		255,576	(110,499)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Statement Of Movement In Unitholders' Fund
For The Three Months Ended September 30, 2020

	For the year ended September 30,						
	2020			2019			
	(Rupees in '000)						
Capital value	Undistributed income	Unrealized Gain/ (Loss)	Total	Capital value	Undistributed income	Total	
Net assets at the beginning of the period	2,925,074	(1,084,330)	-	1,840,744	3,154,963	(1,008,446)	2,146,517
Issuance of 2,002,885 units (2019: 2,525,643 units)							
- Capital value (at net asset value per unit at the beginning of the period)	172,933	-		172,933	218,069	-	218,069
- Element of Income	25,414	-		25,414	(17,644)	-	(17,644)
Total proceeds on issuance of units	198,347	-		198,347	-	-	200,425
Redemption of 2,335,765 units (2019: 3,910,848 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(201,674)	-		(201,674)	(337,670)	-	(337,670)
- Amount relating to element of loss							-
Relating to net income for the year after taxation	(11,387)	(12,362)		(23,749)	13,100	-	13,100
Total payment on redemption of units	(225,423)	(12,362)		(225,423)	(324,570)	-	(324,570)
Total comprehensive income for the year less distribution	-	255,576	-	255,576	-	(110,499)	(110,499)
Net assets at the end of the period	2,897,997	(841,116)	-	2,069,243	2,817,293	(1,118,945)	1,911,873
Undistributed income brought forward							
- Realised		(1,084,330)				(1,008,446)	
- Unrealised		-				-	
		(1,084,330)				(1,008,446)	
Accounting (loss) / income available for distribution						(110,499)	
-Relating to CG		243,214					
-Excluding CG		-					
		243,214					
Distribution during the period		-				-	
Undistributed income carried forward		(841,116)				(1,118,945)	
Undistributed income carried forward							
- Realised		(1,051,202)				(1,011,791)	
- Unrealised		210,085				(107,154)	
		(841,116)				(1,118,945)	
					(Rupees)		
Net assets value per unit at beginning of the period				<u>86.3419</u>			<u>89.7221</u>
Net assets value per unit at end of the period				<u>98.5994</u>			<u>84.8256</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For The Three Months Ended September 30, 2020

	Three Months ended	
	September 30,	
	2020	2019
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	255,576	(110,499)
Adjustments		
Capital (loss) / gain on sale of investments - net	(66,291)	19,471
Dividend Income	(5,420)	(27,209)
Profit on bank deposit	(2,294)	(8,150)
Unrealized diminution on re-measurements of investments	(210,085)	107,154
	(28,514)	(19,233)
(Increase) / decrease in assets		
Investments - net	(30,808)	142,588
Receivable against sale of investments	(1,537)	8,365
Advances, deposits, prepayments and other receivables	(25)	(25)
	(32,370)	150,928
Increase / (decrease) in liabilities		
Payable to Management Company	2,231	1,270
Payable to Trustee	32	(25)
Payable to Securities and Exchange Commission of Pakistan	(313)	(4,081)
Payable against purchase of investments	11,831	4,257
Accrued expenses and other liabilities	6,082	1,249
	19,863	2,670
Mark-up on bank deposits received	2,753	8,269
Dividend received	3,069	7,380
Net cash used in / (generated from) operating activities	(35,200)	150,015
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	198,347	200,425
Payment against redemption of units	(225,423)	(324,570)
Net cash generated from / (used in) financing activities	(27,077)	(124,145)
Net increase in cash and cash equivalents	(62,277)	25,870
Cash and cash equivalents at beginning of the period	209,661	236,034
Cash and cash equivalents at end of the period	4 147,383	261,905

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

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

For The Three Months Ended September 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

2.1.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2019.

2.1.4 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 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, 2018.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

4	BANK BALANCE	Note	(Un-Audited)	(Audited)
			September 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
	Savings accounts	4.1	147,359	209,637
	Current accounts		23	24
			<u>147,383</u>	<u>209,661</u>

Mark-up rates on these accounts range between 10.28% to 13.99% p.a (June 30, 2019: 8% - 13.6% p.a).

5 INVESTMENTS

Held For Trading				
- Listed equity securities	5.1		<u>2,015,406</u>	<u>1,708,222</u>
			<u>2,015,406</u>	<u>1,708,222</u>

5.1 Listed Equity Securities

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

Name of the Investee Company	Number of shares				As at September 30, 2020	Market value as at September 30, 2020		Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period		(Rupees in '000)	Total Investments	Net Assets		
INSURANCE										
Adamjee Insurance Co Ltd	791,000	-	-	339,500	451,500	18,105	0.90%	0.87%	0.13%	
IGI Holdings Limited	407,600	-	-	-	407,600	89,252	4.43%	4.31%	0.33%	
IGI LIFE INSURANCE LIMITED	-	71,500	-	-	71,500	3,198	0.16%	0.15%	0.00%	
TPL Insurance Limited	654,000	-	-	-	654,000	19,020	0.94%	0.92%	0.87%	
	<u>1,852,600</u>	<u>71,500</u>	<u>-</u>	<u>339,500</u>	<u>1,584,600</u>	<u>129,575</u>	<u>6.43%</u>	<u>6.26%</u>		
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Ltd	913,500	-	-	22,000	891,500	33,271	1.65%	1.61%	0.25%	
Interloop Limited	425,250	-	-	27,000	398,250	26,703	1.32%	1.29%	4.58%	
Nishat Mills Ltd	445,200	-	-	41,000	404,200	40,852	2.03%	1.97%	0.11%	
	<u>1,783,950</u>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>1,693,950</u>	<u>100,826</u>	<u>5.00%</u>	<u>4.87%</u>		
CEMENT										
Cherat Cement Company Ltd.	314,000	-	-	165,000	149,000	17,397	0.86%	0.84%	0.08%	
D G Khan Cement Co.Ltd.	-	320,000	-	5,500	314,500	32,428	1.61%	1.57%	0.07%	
Fauji Cement Company Limited	-	200,000	-	-	200,000	3,976	0.20%	0.19%	0.01%	
Kohat Cement Ltd	189,000	-	-	80,500	108,500	18,525	0.92%	0.90%	0.08%	
Lucky Cement Ltd	266,150	-	-	27,500	238,650	154,423	7.66%	7.46%	0.07%	
Maple Leaf Cement Factory Ltd	1,083,000	-	-	167,000	916,000	32,875	1.63%	1.59%	0.17%	
	<u>1,852,150</u>	<u>520,000</u>	<u>-</u>	<u>445,500</u>	<u>1,926,650</u>	<u>259,625</u>	<u>12.88%</u>	<u>12.55%</u>		
POWER GENERATION & DISTRIBUTION										
Hub Power Company Ltd	1,134,863	58,500	-	25,000	1,168,363	91,670	4.55%	4.43%	0.09%	
K-Electric Limited	4,393,000	-	-	700,000	3,693,000	15,548	0.77%	0.75%	0.01%	
	<u>5,527,863</u>	<u>58,500</u>	<u>-</u>	<u>725,000</u>	<u>4,861,363</u>	<u>107,217</u>	<u>5.32%</u>	<u>5.18%</u>		
ENGINEERING										
Amreli Steels Limited	-	201,000	-	-	201,000	8,798	0.44%	0.43%	0.07%	
International Industries Ltd	92,600	-	-	92,600	-	-	0.00%	0.00%	0.00%	
International Steels Limited	387,000	70,000	-	387,000	70,000	5,393	0.27%	0.26%	0.02%	
Mughal Iron & Steel Inds Ltd	18,165	147,000	-	-	165,165	10,617	0.53%	0.51%	0.07%	
	<u>497,765</u>	<u>418,000</u>	<u>-</u>	<u>479,600</u>	<u>436,165</u>	<u>24,807</u>	<u>1.23%</u>	<u>1.20%</u>		
AUTOMOBILE ASSEMBLER										
Honda Atlas Cars (Pakistan) Ltd	-	55,500	-	-	55,500	14,371	0.71%	0.69%	0.04%	
Pak Suzuki Motor Company Limited	-	99,500	-	50,000	49,500	9,973	0.49%	0.48%	0.06%	
Sazgar Engineering Works Limited	-	25,000	-	25,000	-	-	0.00%	0.00%	0.00%	
	<u>-</u>	<u>180,000</u>	<u>-</u>	<u>75,000</u>	<u>105,000</u>	<u>24,344</u>	<u>1.21%</u>	<u>1.18%</u>		
CABLE & ELECTRICAL GOODS										
Pak Elektron Ltd	-	355,000	-	355,000	-	-	0.00%	0.00%	0.00%	
Waves Singer Pakistan Limited	-	761,000	-	218,500	542,500	14,197	0.70%	0.69%	0.09%	
	<u>-</u>	<u>1,116,000</u>	<u>-</u>	<u>573,500</u>	<u>542,500</u>	<u>14,197</u>	<u>0.70%</u>	<u>0.69%</u>		
TRANSPORT										
Pakistan National Shipping Corp Ltd	136,500	-	-	23,000	113,500	10,329	0.51%	0.50%	0.09%	
	<u>136,500</u>	<u>-</u>	<u>-</u>	<u>23,000</u>	<u>113,500</u>	<u>10,329</u>	<u>0.51%</u>	<u>0.50%</u>		
PHARMACEUTICALS										
AGP Limited	219,500	31,000	-	68,000	182,500	19,893	0.99%	0.96%	0.01%	
GlaxoSmithKline Pakistan Ltd	129,900	-	-	42,600	87,300	16,031	0.80%	0.77%	0.03%	
Highnoon Laboratories Limited	79,750	500	-	8,950	71,300	43,778	2.17%	2.12%	0.01%	
The Searle Company Ltd	96,181	-	-	59,000	37,181	9,530	0.47%	0.46%	0.02%	
	<u>525,331</u>	<u>31,500</u>	<u>-</u>	<u>178,550</u>	<u>378,281</u>	<u>89,231</u>	<u>4.43%</u>	<u>4.31%</u>		
Vanaspati & Allied Industries										
Unity Foods Limited	-	685,000	-	685,000	-	-	0.00%	0.00%	-	
	<u>-</u>	<u>685,000</u>	<u>-</u>	<u>685,000</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>		
FOOD & ALLIED INDUSTRIES										
The Organic Meat Company Limited	-	3,425,272	-	50,000	3,375,272	99,301	4.93%	4.80%	0.30%	
	<u>-</u>	<u>3,425,272</u>	<u>-</u>	<u>50,000</u>	<u>3,375,272</u>	<u>99,301</u>	<u>4.93%</u>	<u>4.80%</u>		
GLASS & CERAMICS										
Tariq Glass Industries Ltd	126,000	-	-	126,000	-	-	0.00%	0.00%	-	
	<u>126,000</u>	<u>-</u>	<u>-</u>	<u>126,000</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>		
MISCELLANEOUS										
Tri-Pack Films Ltd	-	10,000	-	-	10,000	1,688	0.08%	0.08%	0.03%	
	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>1,688</u>	<u>0.08%</u>	<u>0.08%</u>		
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Ltd	99,489	-	-	-	99,489	136,252	6.76%	6.58%	0.09%	
Oil & Gas Development Co Ltd	1,201,800	-	-	222,500	979,300	101,455	5.03%	4.90%	0.02%	
Pakistan Oilfields Ltd	26,000	27,500	-	1,000	52,500	22,120	1.10%	1.07%	0.02%	
Pakistan Petroleum Ltd	820,374	285,145	-	35,000	1,070,519	98,552	4.89%	4.76%	0.05%	
	<u>2,147,663</u>	<u>312,645</u>	<u>-</u>	<u>258,500</u>	<u>2,201,808</u>	<u>358,379</u>	<u>17.78%</u>	<u>17.32%</u>		
OIL & GAS MARKETING COMPANIES										
Hascol Petroleum Ltd	200,000	250,000	-	450,000	-	-	0.00%	0.00%	-	
Pakistan State Oil Company Ltd	358,241	39,000	-	32,000	365,241	73,121	3.63%	3.53%	0.11%	
Sui Northern Gas Pipeline Ltd	820,400	-	-	135,000	685,400	42,365	2.10%	2.05%	0.11%	
	<u>1,378,641</u>	<u>289,000</u>	<u>-</u>	<u>617,000</u>	<u>1,050,641</u>	<u>115,486</u>	<u>5.73%</u>	<u>5.58%</u>		

Name of the Investee Company	Number of shares				Market value as at September 30, 2020 (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, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period		Total Investments	Net Assets		
REFINERY									
Attock Refinery Ltd	-	127,000	-	58,500	68,500	9,554	0.47%	0.46%	-
National Refinery Ltd	-	109,000	-	11,000	98,000	17,049	0.85%	0.82%	0.11%
Pakistan Refinery Limited	-	291,500	-	291,500	-	-	0.00%	0.00%	0.11%
	-	527,500	-	361,000	166,500	26,603	1.32%	1.29%	
COMMERCIAL BANKS									
Bank Al-Falah Limited	2,607,980	-	-	581,101	2,026,879	70,495	3.50%	3.41%	0.13%
Bank Al-Habib Limited	345,604	-	-	345,000	604	39	0.00%	0.00%	-
Bank of Punjab Ltd	6,249,500	-	-	1,673,000	4,576,500	45,216	2.24%	2.19%	0.87%
BankIslami Pakistan Limited	918,500	-	-	918,500	-	-	0.00%	0.00%	-
Faysal Bank Limited	26,018	-	-	-	26,018	446	0.02%	0.02%	-
*Habib Bank Limited	400,419	-	-	82,000	318,419	41,630	2.07%	2.01%	0.02%
MCB Bank Limited	270,200	74,720	-	32,500	312,420	54,305	2.69%	2.62%	0.03%
National Bank of Pakistan Limited	878,000	-	-	878,000	-	-	0.00%	0.00%	-
Standard Chartered Bank (Pakistan) Limited	278,500	1,855,000	-	-	2,133,500	67,163	3.33%	3.25%	0.06%
United Bank Limited	550,900	508,500	-	27,000	1,032,400	118,840	5.90%	5.74%	0.08%
	12,525,621	2,438,220	-	4,537,101	10,426,740	398,132	19.75%	19.24%	
FERTILIZER									
Engro Corporation Ltd	322,450	32,500	-	3,700	351,250	105,737	5.25%	5.11%	0.07%
Engro Fertilizers Limited	460,568	12,000	-	472,568	-	-	0.00%	0.00%	-
Fauji Fertilizer Co Ltd	515,000	-	-	515,000	-	-	0.00%	0.00%	-
	1,298,018	44,500	-	991,268	351,250	105,737	5.25%	5.11%	-
CHEMICAL									
Engro Polymer & Chemicals Ltd	1,236,079	-	-	574,000	662,079	26,655	1.32%	1.29%	0.07%
Ghani Global Holdings Limited	-	642,000	-	15,000	627,000	8,496	0.42%	0.41%	0.50%
ICI Pakistan Ltd	-	14,000	-	13,600	400	289	0.01%	0.01%	-
Sitara Chemical Industries Limited	105,700	200	-	7,000	98,900	31,812	1.58%	1.54%	0.46%
Sitara Peroxide Limited	-	456,000	-	456,000	-	-	0.00%	0.00%	-
	1,341,779	1,112,200	-	1,065,600	1,388,379	67,253	3.34%	3.25%	
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	143,300	-	-	32,100	111,200	46,741	2.32%	2.26%	0.14%
	143,300	-	-	32,100	111,200	46,741	2.32%	2.26%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	157,000	-	-	157,000	10,554	0.52%	0.51%	0.08%
TPL Trakker Limited	-	1,466,000	-	-	1,466,000	15,246	0.76%	0.74%	0.08%
	-	1,623,000	-	-	1,623,000	25,800	1.28%	1.25%	
FOOD & PERSONAL CARE PRODUCTS									
Clover Pakistan Limited	-	110,000	-	-	110,000	10,134	0.50%	0.49%	0.04%
	-	110,000	-	-	110,000	10,134	0.50%	0.49%	
	31,137,181	12,972,837	-	11,653,219	32,456,799	2,015,406	100.00%	97.40%	
Cost of investments at September 30, 2020						1,805,321			

*Sponsor of the Management Company

5.2 Investments include shares having market value aggregating to Rs. 296.5421 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2.1 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 4.19 million at Sep 30, 2020 (June 30, 2020: Rs. 3.10 million) and not yet deposited on CDC account of department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

		(Un-Audited) September 30, 2020	(Audited) June 30, 2020
		----- (Rupees in '000) -----	
6	DIVIDEND RECEIVABLE AND ACCRUED MARK-UP		
		Note	
	Dividend receivable	3,715	1,364
	Mark-up accrued on deposits with banks	765	1,223
		<u>4,480</u>	<u>2,587</u>
7	ADVANCE, DEPOSITS AND OTHER RECEIVABLES		
	Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
	Security deposit with Central Depository Company of Pakistan Limited	100	100
	Advance tax	392	392
	Advance against subscription of Term Finance Certificates (TFC)	25,000	25,000
	Prepayments	25	-
		<u>28,017</u>	<u>27,992</u>
	Less: Provision in respect of advance against subscription of term finance certificates	7.1	25,000
		<u>3,017</u>	<u>2,992</u>
7.1	The Fund had subscribed towards the Term Finance Certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till Sep 30, 2020. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at Sep 30, 2020, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company		
8	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	(Un-Audited) September 30, 2020	(Audited) June 30, 2020
		----- (Rupees in '000) -----	
	Management fee	8.1	3,575
	Sindh Sales Tax	8.2	465
	Sales load payable		741
	Allocation of expenses related to registrar services, accounting, operation and valuation services		983
	Selling & Marketing payable		5,461
		<u>11,225</u>	<u>8,994</u>
8.1	The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2020: 2% per annum) of the average annual net assets of the Fund for the current year.		
8.2	The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		

9	ACCRUED EXPENSES AND OTHER LIABILITIES		(Un-Audited) September 30, 2020	(Audited) June 30, 2020
		Note	----- (Rupees in '000) -----	
	Auditors' remuneration		639	478
	Federal Excise Duty	9.1	37,838	37,838
	Provision for Sindh Workers' Welfare Fund	9.2	39,597	34,381
	Payable to brokers		708	138
	Withholding tax payable		819	807
	Other payables		835	711
			<u>80,435</u>	<u>74,353</u>

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

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 37.838 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2020 would have been higher by Re. 1.80 (June 30, 2020: Re. 1.77) per unit.

9.2 WORKERS' WELFARE FUND AND 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, 2020.

In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 39.597 million (June 30, 2020 Rs. 34.381 million) in this condensed interim financial information. Had the provision not been made, net asset value per unit at September 30, 2020 would have been higher by Re. 1.89 (June 30, 2020 Rs. 1.6127) per unit.

9.3 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2020

10 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 1.38% (0.33% representing Government Levies, and SECP Fee).

11	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		(Un-Audited) September 30, 2020	(Audited) June 30, 2020
		Note	----- (Rupees in '000) -----	
	Fee Payable		<u>104</u>	<u>417</u>

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

12 TAXATION

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

13 EARNINGS PER UNIT (EPU)

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

14.1 Transactions during the period	(Un-Audited) Three months ended September 30,	
	2020	2019
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Management Fee	11,754	10,261
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,861	1,770
Selling & Marketing Expense	5,460	3,588
Habib Bank Limited - Sponsor		
Bank charges paid	4	6
Dividend income earned	-	1,145
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	910	894
Directors, Executives and their relatives		
Issuance of Nil units (2019: 71 Units)	-	6
Redemption of Nil units (2019: Nil Units)	-	-

		(Un-Audited) Three months ended September 30,	
		2020	2019
		----- (Rupees in '000) -----	
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate			
	Issue of Nil units (2019: 122,937 units)	-	9,000
	Redemption of Nil units (2019: 226,763 units)	-	18,637
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate			
	Issue of 279,867 units (2019: 24,534 units)	29,050	2,012
	Redemption of 300,770 units (2019: 44,883 units)	30,618	3,568
MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - Associate			
	Issue of Nil units (2019: Nil units)	-	-
	Redemption of Nil units (2019: 440,552 units)	-	36,967
14.2	Balances outstanding as at period end	(Un-Audited) September 30, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company			
	Management fee	3,575	3,025
	Sindh Sales Tax	465	393
	Sales load payable	741	259
	Selling & Marketing Expense	5,461	4,485
	Allocation of expenses related to registrar services, accounting, operation and valuation services	983	832
Habib Bank Limited - Sponsor			
	Investment held in the Fund: 8,616,219 units (June 30, 2020: 8,616,219 units)	849,554	743,941
	Mark-up accrued on deposits with bank	354	270
Directors and Executives of the Management Company and their relatives			
	Investment held in the Fund: 4,727 units (June 30, 2020: 4,727 units)	466	408
HBL Employees Provident Fund - Associated Entity			
	Investment held in the Fund: 7,125,389 units (June 30, 2020: Nil units)	702,559	-
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate			
	Investment held in the Fund : 325,954 units (June 30, 2020: 325,954 units)	32,139	28,143
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate			
	Investment held in the Fund : 108,274 units (June 30, 2020: 129,177 units)	10,676	11,153
Central Depository Company of Pakistan Limited - Trustee			
	Remuneration payable	261	233
	Sindh Sales Tax	34	30
	Security deposit	100	100

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	September 30, 2020				Fair Value			
	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	2,015,406	-	-	2,015,406	2,015,406	-	-	2,015,406
	<u>2,015,406</u>	-	-	<u>2,015,406</u>	<u>2,015,406</u>	-	-	<u>2,015,406</u>
Financial assets not measured at fair value								
Bank balances	-	147,383	-	147,383				
Receivable against sale of investments	-	6,952	-	6,952				
Dividend receivable and accrued mark-up	-	4,480	-	4,480				
Advances, deposits and other receivables	-	3,017	-	3,017				
	-	<u>161,832</u>	-	<u>161,832</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	11,225	11,225				
Payable to Trustee	-	-	295	295				
Payable against purchase of investments	-	-	13,603	13,603				
Accrued expenses and other liabilities	-	-	3,000	3,000				
	-	-	<u>28,123</u>	<u>28,123</u>				

	June 30, 2020							
	Carrying amount			Fair Value				
	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	1,708,222	-	-	1,708,222	1,708,222	-	-	1,708,222
	<u>1,708,222</u>	<u>-</u>	<u>-</u>	<u>1,708,222</u>	<u>1,708,222</u>	<u>-</u>	<u>-</u>	<u>1,708,222</u>
Financial assets not measured at fair value								
Bank balances	-	209,661	-	209,661				
Dividend receivable and accrued mark-up	-	2,587	-	2,587				
Receivable against sale of investments	-	5,415	-	5,415				
Deposits	-	2,600	-	2,600				
	<u>-</u>	<u>220,263</u>	<u>-</u>	<u>220,263</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	8,994	8,994				
Payable to Trustee	-	-	263	263				
Payable against purchase of investments	-	-	4,106	4,106				
Accrued expenses and other liabilities	-	-	1,327	1,327				
	<u>-</u>	<u>-</u>	<u>14,690</u>	<u>14,690</u>				

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

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

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment criteria. As at September 30, 2020, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

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

17 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2020.

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

- 18.1** In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

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

Chief Financial Officer

Chief Executive Officer

Director

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

HBL Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2020

	Note	Unaudited September 30, 2020	Audited June 30, 2020
(Rupees in '000')			
ASSETS			
Balances with banks	4	43,436	26,474
Investments	5	846,661	406,330
Dividend and profit receivable		1,472	166
Deposits and prepayments and Other receivable		2,823	1,657
Receivable against sale of Investment		-	2,804
Total assets		894,392	437,431
LIABILITIES			
Payable to the Management Company	6	4,262	1,786
Payable to the Trustee	7	154	84
Payable to Securities and Exchange Commission of Pakistan	8	33	60
Payable against redemption of units		76	2,112
Dividend payable		214	214
Accrued expenses and other liabilities	9	15,113	10,423
Payable against purchase of Investment		13,324	-
Total liabilities		33,176	14,679
NET ASSETS		861,216	422,752
Unit Holders' Funds (As per statement attached)		861,216	422,752
CONTINGENCIES & COMMITMENTS			
	10	Number of units	
Number of units in issue		7,258,588	4,213,147
		(Rupees)	
Net asset value per unit		118.6478	100.3410

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

		Three months ended September 30,	
	Note	2020	2019
		(Rupees in '000')	
INCOME			
Capital Gain / (Loss) on sale of investments - net		42,453	(2,878)
Dividend income		1,166	2,809
Profit on bank deposits		698	819
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		35,682	(10,894)
Total Income/ (Loss)		79,999	(10,144)
EXPENSES			
Remuneration to Management Company		3,317	1,002
Sindh Sales Tax on remuneration of management company		431	130
Provision for Federal Excise Duty and additional sales tax on the Management Fee	9.2	-	-
Remuneration to Trustee		375	124
Annual fee - Securities and Exchange Commission of Pakistan		33	11
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	682	198
Selling and marketing expenses	6.4	482	396
Auditors' Remuneration		109	112
Securities transaction costs, settlement charges and bank charges		1,914	497
Fees and Subscription		7	6
Printing and postage expenses		-	-
Total expenses		7,350	2,476
Net Gain/(Loss) from operating activities		72,649	(12,620)
Provision for Workers' Welfare Fund	9.1	(1,453)	-
Net Gain/(Loss) for the period before taxation		71,196	(12,620)
Taxation	11	-	-
Net Gain/ (Loss) for the period after taxation		71,196	(12,620)
Allocation of net income for the period:			
Income already paid on redemption of units		11,086	-
Accounting income available for distribution:			
-Relating to capital gains		60,110	-
-Excluding capital gains		-	-
		60,110	-
Net Gain/ (Loss) for the period after taxation		71,196	(12,620)
Other comprehensive income for the period		-	-
Total comprehensive Gain/(Loss) for the period		71,196	(12,620)
Earnings per unit	12		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Statement Of Movement In Unitholders' Fund
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Three months ended September 30,					
	2020			2019		
	(Rupees in '000)					
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
Net assets at the beginning of the period	412,122	10,630	422,752	247,193	(1,596)	245,597
Issuance of units: 4,907,046 (2019: 84,819 units)						
- Capital value (at net asset value per unit at the beginning of the period)	492,373	-	492,373	7,921	-	7,921
- Element of loss	101,036	-	101,036	(636)	-	(636)
Total proceeds on issuance of units	593,409	-	593,409	7,285	-	7,285
Redemption of 1,861,605 units (2019: 355,020 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(186,793)	-	(186,793)	(33,155)	-	(33,155)
- Amount relating to element of loss	(39,348)	-	(39,348)	2,394	-	2,394
Relating to net loss for the period after taxation	-	-	-	-	-	-
Total payment on redemption of units	(226,141)	-	(226,141)	(30,761)	-	(30,761)
Total comprehensive income for the period	-	71,196	71,196	-	(12,620)	(12,620)
Distribution during the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	71,196	71,196	-	(12,620)	(12,620)
Net assets at the end of the period	388,646	81,826	861,216	223,717	(14,216)	209,501
Undistributed income brought forward						
- Realised		24,551			29,469	
- Unrealised		(13,921)			(31,065)	
		10,630			(1,596)	
Accounting (loss) / income available for distribution		71,196			(12,620)	
Distribution during the year		-			-	
Undistributed income carried forward		81,826			(14,216)	
Undistributed income carried forward						
- Realised		46,144			(3,322)	
- Unrealised		35,682			(10,894)	
		81,826			(14,216)	
				(Rupees)		
Net assets value per unit at beginning of the period			100.3410			93.3868
Net assets value per unit at end of the period			118.6478			88.7833

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Three months ended September 30,	
	2020	2019
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Net gain / (loss) for the period	71,196	(12,620)
Adjustments		
Net unrealised diminution / (appreciation) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	(35,682)	10,894
Capital loss / (gain) on sale of investments - net	(42,453)	2,878
Operating cash inflows before working capital changes	(6,939)	1,152
Decrease / (Increase) in assets		
Investments	(362,196)	17,039
Dividend and profit receivable	(1,306)	(1,133)
Deposits and prepayments	(1,166)	(21)
Receivable against sale of investments	2,804	6,012
	(361,864)	21,897
Increase / (Decrease) in liabilities		
Payable to the Management Company	2,476	154
Payable to the Trustee	70	(31)
Payable to Securities and Exchange Commission of Pakistan	(27)	(264)
Accrued expenses and other liabilities	(2,036)	(82)
Payable against redemption of units	4,690	(31)
Payable against purchase of investments	13,324	357
	18,497	103
Net cash generated from / (used in) operating activities	(350,306)	23,152
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of units	593,409	7,285
Cash paid on redemption of units	(226,141)	(30,761)
Net cash (used in) / generated from financing activities	367,268	(23,476)
Net decrease in cash and cash equivalents during the period	16,962	(324)
Cash and cash equivalents at the beginning of the period	26,474	28,239
Cash and cash equivalents at the end of the period	43,436	27,915

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+ (AM2 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 approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2020.

2.1.3 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

	Note	Unaudited September 30, 2020	Audited June 30, 2020
4 BANK BALANCES			
		(Rupees in '000')	
In current accounts		331	264
In saving accounts	4.1	43,105	26,210
		43,436	26,474

4.1 Mark-up rates on these accounts range between 5.60% to 7.70% per annum (June 30, 2020: 7.00% to 14.05 % per annum).

5 INVESTMENTS

Note Unaudited Audited
September June 30,
30, 2020 2020
(Rupees in '000')

Financial assets 'at fair value through profit or loss'

Listed equity securities

5.1	846,661	406,330
	846,661	406,330

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

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

Name of the Investee Company	----- Number of shares -----					Market value as at September 30, 2020 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
	As at July 1, 2020	Purchases during the year	Bonus / right issues	Sales during the year	As at September 30, 2020				
-----Number of shares-----									
-----Percentage-----									
INVESTMENT BANKS/COS./SECUR									
EFG Hermes Pakistan Limited		100,000			100,000	2,475	0.29	0.29	0.50%
Jahangir Siddiqui & Company		300,000		300,000					
		400,000		300,000	100,000	2,475			
ENGINEERING									
Amreli Steels Limited	187,500	48,000		53,500	182,000	7,966	0.94	0.92	0.06%
International Steels Limited		167,500		58,000	109,500	8,436	1.00	0.98	0.03%
Ittefaq Iron Industries Limited		658,500			658,500	10,859	1.28	1.26	0.46%
Mughal Iron & Steel Inds Limited	221,500	41,500		66,500	196,500	12,631	1.49	1.47	0.08%
	409,000	915,500		178,000	1,146,500	39,892			
AUTOMOBILE PARTS & ACCESSORIES									
Honda Atlas Cars (Pakistan) Limited	42,300	39,600		37,300	44,600	11,549	1.36	1.34	0.18%
Pak Suzuki Motor Company Limited	30,000	79,000		17,000	92,000	18,535	2.19	2.15	0.45%
Sazgar Engineering Works Limited	150,900	40,000		190,900					
	223,200	158,600		245,200	136,600	30,084			
CABLE & ELECTRICAL GOODS									
Pak Elektron Limited		775,000		413,500	361,500	11,951	1.41	1.39	0.07%
Waves Singer Pakistan Limited		1,350,000		713,500	636,500	16,657	1.97	1.93	0.34%
		2,125,000		1,127,000	998,000	28,608			
Vanaspati & Allied Industries									
Unity Foods Limited	379,500	780,000		1,159,500					
	379,500	780,000		1,159,500					
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited		2,211,300			2,211,300	65,056	7.68	7.55	1.98%
		2,211,300			2,211,300	65,056			0.02
GLASS & CERAMICS									
Tariq Glass Industries Limited	207,000			207,000					
	207,000			207,000					
REFINERY									
Attock Refinery Limited		67,500		11,000	56,500	7,881	0.93	0.92	0.05%
National Refinery Limited		90,000		13,500	76,500	13,309	1.57	1.55	0.10%
Pakistan Refinery Limited		400,000		400,000					0.00%
		557,500		424,500	133,000	21,190			0.02
FOOD & PERSONAL CARE PRODUCTS									
Al Shaheer Corporation Limited		500,000			500,000	9,580	1.13	1.11	0.25%
Clover Pakistan Limited		175,000			175,000	16,123	1.90	1.87	0.56%
		675,000			675,000	25,703			
INSURANCE									
IGI Holdings Limited	129,000				129,000	28,247	3.34	3.28	0.09%
IGI Life Insurance Limited		82,500				3,690	0.44	0.43	0.00%
TPL Insurance Limited	100,000				100,000	2,908	0.34	0.34	0.11%
	229,000	82,500			229,000	34,845			
CEMENT									
Attock Cement Pakistan Limited		50,000			50,000	7,634		0.89	0.04%
Cherat Cement Company Limited	100,000	22,000		22,500	99,500	11,618	1.37	1.35	0.05%
D G Khan Cement Company Limited	100,000	25,000			125,000	12,889	1.52	1.50	0.03%
Lucky Cement Limited	55,200	3,500		1,300	57,400	37,142	4.39	4.31	0.02%
Maple Leaf Cement Factory Limited	385,000	106,000		34,500	456,500	16,384	1.94	1.90	0.04%
Thatta Cement Company Limited		572,000		300,000	272,000	5,668	0.67	0.66	0.27%
	640,200	778,500		358,300	1,060,400	91,335			
CHEMICAL									
Berger Paints Pakistan Limited		56,000		56,000					
Ghani Global Holdings Limited	125,000	832,000		146,000	811,000	10,989	1.30	1.28	0.53%
ICI Pakistan Limited	41,800	1,500			43,300	31,331	3.70	3.64	0.05%
Sitara Peroxide Limited	576,000			576,000					
	742,800	889,500		778,000	854,300	42,320			

Name of the Investee Company	----- Number of shares -----				Market value as at September 30, 2020 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
	As at July 1, 2020	Purchases during the year	Bonus / right issues	Sales during the year				
	742,800	889,500	Number of shares	776,000	854,300	42,320	Percentage	-
COMMERCIAL BANKS								
Bank Al-Falah Limited	243,050	-	-	36,000	207,050	7,201	0.85	0.84
Bank of Punjab Limited	989,000	-	-	989,000	-	-	-	0.00%
Faysal Bank Limited	1,800	-	-	360	1,440	25	-	0.00%
MCB Bank Limited	-	86,000	-	-	86,000	14,949	1.77	1.74
National Bank of Pakistan Limited	309,000	-	-	309,000	-	-	-	0.00%
Standard Chartered Bank (Pakistan) Limited	889,500	1,124,500	-	-	2,014,000	63,401	7.49	7.36
United Bank Limited	-	519,000	-	-	519,000	59,742	7.06	6.94
	2,432,350	1,729,500	-	1,334,360	2,827,490	145,318	-	-
FERTILIZERS								
Engro Corporation Limited	79,630	62,000	-	-	141,630	42,635	5.04	4.95
Engro Fertilizers Limited	-	147,993	-	147,993	-	-	-	0.00%
Fauji Fertilizer Bin Qasim Limited	-	1,390,000	-	-	1,390,000	28,009	3.31	3.25
	79,630	209,993	-	147,993	141,630	70,644	-	-
OIL & GAS EXPLORATION COMPANIES								
Mari Petroleum Company Limited	9,764	7,000	-	1,600	15,164	20,767	2.45	2.41
Oil & Gas Development Company	109,416	234,000	-	140,000	203,416	21,074	2.49	2.45
Pakistan Oilfields Limited	23,000	10,000	-	1,500	31,500	13,272	1.57	1.54
Pakistan Petroleum Limited	137,500	273,000	-	178,500	232,000	21,358	2.52	2.48
	279,680	524,000	-	321,600	482,080	76,471	-	-
OIL & GAS MARKETING COMPANIES								
Hascol Petroleum Limited	1,192,000	-	-	1,192,000	-	-	-	-
Pakistan State Oil Company Limited	98,131	116,000	-	13,200	200,931	40,226	4.75	4.67
Sui Northern Gas Pipeline Limited	-	300,000	-	21,000	279,000	17,245	2.04	2.00
	1,290,131	416,000	-	1,226,200	479,931	57,471	-	-
PHARMACEUTICALS								
AGP Limited	38,500	78,000	-	22,000	94,500	10,301	1.22	1.20
GlaxoSmithKline Pakistan Limited	70,100	-	-	46,700	23,400	4,297	0.51	0.50
Highnoon Laboratories Limited	32,465	1,500	-	10,000	23,965	14,715	1.74	1.71
The Searle Company Limited	49,874	-	-	49,600	274	70	0.01	0.01
	190,939	79,500	-	128,300	142,139	29,383	-	-
POWER GENERATION & DISTRIBUTION								
Hub Power Company Limited	-	384,751	-	-	384,751	30,188	3.57	3.51
K-Electric Limited (Par value of Rs 3.5 per share)	-	500,000	-	500,000	-	-	-	-
	-	884,751	-	500,000	384,751	30,188	3.57	-
TECHNOLOGY & COMMUNICATION								
Avanceon Limited	-	115,000	-	-	115,000	7,730	0.91	0.90
Systems Limited	69,238	-	-	41,800	27,438	7,464	0.88	0.87
TPL Corporation Limited	-	1,400,000	-	700,000	700,000	3,990	0.47	0.46
TPL Trakker Limited	-	361,000	-	-	361,000	3,754	0.44	0.44
TRG Pakistan Limited	-	200,000	-	200,000	-	-	-	0.00%
	69,238	2,076,000	-	941,800	1,203,438	22,938	-	0.01%
TEXTILE COMPOSITE								
Gul Ahmed Textile Mills Limited	591,000	95,000	-	-	686,000	25,602	3.02	2.97
Interloop Limited	936	-	-	-	936	63	0.01	0.01
Nishat Mills Limited	-	70,000	-	-	70,000	7,075	0.84	0.82
	591,936	165,000	-	-	756,936	32,740	-	-
As at September 30, 2020	6,794,104	7,993,844	-	5,987,253	8,718,195	846,661	-	0.01%
Carrying value as at September 30, 2020						846,661		

* Sponsor of the management company

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

5.1.1 The above investments include shares with market value aggregating to Rs. 32.06 million (June 2020: Rs. 35.698 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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). During the year, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

	Note	Unaudited September 30, 2020	Audited June 30, 2020
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
		(Rupees in '000')	
Provision for Sindh Workers' Welfare Fund	9.1	4,490	3,037
Provision for federal excise duty and additional sales tax on Management Fee	9.2	5,685	5,685
Brokerage payable		2,562	729
Auditors' remuneration		391	282
Printing and other related costs		102	112
Withholding tax payable		1,801	494
Other payables		83	84
		15,114	10,423

9.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

As at September 30, 2020, the provision in relation to SWWF amounted to Rs. 4.490 million. Had the above provision not been maintained, the net assets value per unit of the Fund as at September 30, 2020 would be higher by Rs. 1.903 (June 30, 2020: Re. 0.720) per unit.

9.2 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision. 2

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2020 would have been higher by Rs. 2.409 (June 30, 2020: Rs. 1.349) per unit.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

11 TAXATION

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

12 EARNINGS PER UNIT

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

13 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 1.50% (June 2020: 5.43%) (0.33% of TER representing Government Levies (June 2020 : 0.55%) , and SECP Fee).

14 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

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

14.1 Transaction during the period	(Unaudited) Quarter ended September 30,	
	2020	2019
Management Company		
Remuneration of Management Company	3,317	1,002
Sindh Sales tax on remuneration of the Management Company	431	130
Issuance of 231,671 units (2019: Nil) units	28,000	
Redemption of Nil units (2019: Nil) units	-	
Habib Bank Limited - Associated Company		
Dividend income	104	104
MCB Bank Limited		
Connected Person due to holding more than 10% holding		
Return on bank deposit accounts	-	-
Dividend income	357	357
Bank Charges	-	-
Central Depository Company Of Pakistan Limited - Trustee		
Remuneration for the period	375	124
CDS Charges	11	11
The Citizens Foundation		
Connected Person due to holding more than 10% holding		
Issue of 754,236 units (2019: Nil) units	95,000	-

		(Unaudited) Quarter ended September 30,	
		2020	2019
	Directors and Executives of the Management Company		
	Issue of 32,095 units (2019: 2,386) units	3,600	200
	Redemption of 53,161 units (2019: Nil) units	5,808	-
		Unaudited	Audited
		September	June 30,
		30, 2020	2020
14.2	Amounts outstanding at the period / year end	(Rupees in '000')	
	Management Company		
	Units held: 809,987 units (June 30, 2020: 578,317) units	96,103	58,029
	Remuneration payable to the Management Company	1,362	700
	Sindh sales tax on remuneration of the Management Company	177	91
	Allocation of expenses related to registrar services, accounting, operation and valuation services	280	144
	Selling and Marketing reimbursement	1,575	843
	Sales load payable	868	8
	MCB Bank Limited		
	Connected Person due to holding more than 10% holding		
	Bank balance in savings account	198	781
	Units held: 1,022,050 units (June 30, 2020: 1,022,050) units	121,264	102,554
	Central Depository Company Of Pakistan Limited - Trustee		
	Trustee fee payable	154	79
	CDS charges payable	10	5
	Security deposit	100	100
	Habib Bank Limited - Sponsor		
	Bank balance	10,635	14,008
	Directors and Executives of the Management Company		
	Units held: 9,406 (June 30, 2020: 30,472) units	1,116	3,058
	The Citizen Foundation - Connected person due to holding more than 10% units		
	Units held: 754,236 (June 30 ,2020: 475,449)	89,488	47,707
	EFU Insurance Limited - connected person due to holding more than 10% units		
	Units held: Nil (June 30, 2020: 505,761)	-	50,749

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2020							
		Carrying amount			Fair Value				
Note	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
	- Listed equity securities	846,661	-	-	846,661	846,661	-	-	846,661
		846,661	-	-	846,661	846,661	-	-	846,661
Financial assets not measured at fair value									
15.1	Bank balances	-	43,436	-	43,436	-	-	-	-
	Dividend and profit receivable	-	1,472	-	1,472	-	-	-	-
	Deposits	-	2,600	-	2,600	-	-	-	-
		-	47,508	-	47,508	-	-	-	-
Financial liabilities not measured at fair value									
15.1	Payable to the Management Company	-	-	4,262	4,262	-	-	-	-
	Payable to the Trustee	-	-	154	154	-	-	-	-
	Accrued expenses and other liabilities	-	-	3,138	3,138	-	-	-	-
	Payable for equity settlement	-	-	13,324	13,324	-	-	-	-
	Dividend Payable	-	-	214	214	-	-	-	-
		-	-	21,092	21,092	-	-	-	-

		June 30, 2020						
		Carrying amount			Fair Value			
	Fair value through profit and loss- Held for trading	At amortized cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities								
	406,330	-	-	406,330	406,330	-	-	406,330
	406,330	-	-	406,330	406,330	-	-	406,330
Financial assets not measured at fair value 15.1								
Bank balances								
	-	26,474	-	26,474	-	-	-	-
Dividend and profit receivable								
	-	166	-	166	-	-	-	-
Deposits								
	-	1,657	-	1,657	-	-	-	-
Receivable against sale of Investment								
	-	2,600	-	2,600	-	-	-	-
	-	30,897	-	30,897	-	-	-	-
Financial liabilities not measured at fair value 15.1								
Payable to the Management Company								
	-	-	1,695	1,695	-	-	-	-
Payable to the Trustee								
	-	-	75	75	-	-	-	-
Accrued expenses and other liabilities								
	-	-	1,138	1,138	-	-	-	-
Payable against redemption of units								
	-	-	2,112	2,112	-	-	-	-
Dividend Payable								
	-	-	214	214	-	-	-	-
	-	-	5,234	5,234	-	-	-	-

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

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 29, 2020 by the board of directors of the Management company.

17 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

17.1

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

**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 Habib Bank Limited Soneri Bank Limited JS Bank Limited

HBL Energy Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
(Rupees in '000)			
Assets			
Bank balances	4	55,531	39,502
Investments	5	797,914	556,251
Dividend and profit receivable		417	198
Deposits and prepayments		2,994	2,969
Total assets		856,856	598,920
Liabilities			
Payable to Management Company	6	4,109	2,773
Payable to the Trustee		161	110
Payable to the Securities and Exchange Commission of Pakistan	12	40	137
Payable against purchase of Investment		3,761	-
Accrued expenses and other liabilities	7	22,063	19,701
Unclaimed dividend		5,388	5,388
Total liabilities		35,521	28,109
Net assets		821,335	570,811
Unit holders' fund (as per statement attached)		821,335	570,811
Contingencies and commitments	8		
(Number of units)			
Number of units in issue		73,328,532	57,020,563
(Rupees)			
Net assets value per unit		11.2008	10.0106

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Three months ended September 30, Un-Audited	
	2020	2019
Note	------(Rupees in '000)-----	
Income		
Capital gain on sale of investments - net	39,915	(9,443)
Dividend income	2,156	5,889
Profit on bank deposits	864	1,757
	42,935	(1,797)
Unrealised appreciation / (diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net	45,215	(49,444)
	88,150	(51,241)
Expenses		
Remuneration of Management Company	4,503	3,337
Remuneration of the Trustee	450	366
Annual fee to the Securities and Exchange Commission of Pakistan	40	32
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,096	579
Allocation of expenses related to Selling and Marketing, Settlement and bank charges	2,092	1,166
Auditors' remuneration	145	117
Fee & Subscription	109	-
Printing Charges	2	3
Securities transaction costs	-	-
	1,475	402
	9,912	6,002
Net income / (loss) from operating activities	78,238	(57,243)
Provision for Workers' Welfare Fund / Sindh Workers' Welfare Fund	(1,565)	-
Net income / (loss) for the period before taxation	76,673	(57,243)
Taxation	-	-
Net (loss) for the period after taxation	76,673	(57,243)
Allocation of net income for the period:		
Income already paid on redemption of units	(15,713)	-
Accounting income available for distribution:		
-Relating to capital gains	60,960	-
-Excluding capital gains	-	-
	60,960	-
Net income / (loss) for the period after taxation	76,673	-
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	76,673	-

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Three Months Ended September 30,					
	2020			2019		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the year	633,476	(62,665)	570,811	720,150	14,191	734,341
Issuance of 1,151,349 units (2019: 1,151,349 units)						
- Capital value (at net asset value per unit at the beginning of the year)	470,676	-	470,676	32,621	-	32,621
- Element of Income	59,457	-	59,457	(1,318)	-	(1,318)
Total proceeds on issuance of units	530,133	-	530,133	31,303	-	31,303
Redemption of 3,040,783 units (2019: 3,040,783 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(307,424)	-	(307,424)	(41,680)	-	(41,680)
- Amount relating to element of loss Relating to net loss for the year after taxation	(33,145)	(15,713)	(48,858)	1,887	-	1,887
Total payment on redemption of units	(356,282)	(15,713)	(356,282)	(39,793)	-	(39,793)
Total comprehensive income for the year	-	76,673	76,673	-	(57,243)	(57,243)
Distribution during the year	-	-	-	-	-	-
Total comprehensive income for the year less distribution	-	76,673	76,673	-	(57,243)	(57,243)
Net assets at end of the year	807,327	(1,705)	821,335	711,660	(43,052)	668,608
Undistributed income brought forward						
- Realised		(11,960)			191,887	
- Unrealised		(50,705)			(177,696)	
		(62,665)			14,191	
Element of loss and capital losses included in prices of units issued less those in units redeemed		-			-	
Accounting (loss)/income available for distribution						
- Relating to CG	60,960			-		
- Excluding CG	-			-		
	60,960			(57,243)		
Distribution during the year	-			-		
Undistributed income carried forward	(1,705)			(43,052)		
Undistributed income carried forward						
- Realised	(46,920)			6,392		
- Unrealised	45,215			(49,444)		
	(1,705)			(43,052)		
Net assets value per unit at beginning of the period			10.0106			11.1201
Net assets value per unit at end of the period			11.2008			10.2619

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Note	Three Months Ended	
		September 30,	
		2020	2019
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period		76,673	(57,243)
Adjustments			
Capital loss / (gain) on sale of investments - net		(39,915)	9,443
Dividend income		(2,156)	(5,889)
Profit on bank deposits		(864)	(1,757)
Unrealised (appreciation) / diminution on remeasurement of investments at fair value through profit or loss- held-for-trading - net		(45,215)	49,444
		(11,477)	(6,002)
(Increase) / decrease in assets			
Investments - net		(156,533)	17,591
Dividend and profit receivable		2,801	3,192
Receivable against sale of investments		-	-
Deposits and prepayments		(25)	(35)
		(153,757)	20,748
Increase / (decrease) in liabilities			
Payable to Management Company		1,336	361
Payable to Central Depository Company of Pakistan Limited - Trustee		51	(31)
Payable to Securities and Exchange Commission of Pakistan		(97)	(836)
Payable against purchase of investments		3,761	18,657
Accrued expenses and other liabilities		2,362	(212)
		7,413	17,939
Net cash generated from operations		(157,821)	32,685
CASH FLOW FROM FINANCING ACTIVITIES			
Amount received on issue of units		530,133	31,303
Payment against redemption of units		(356,282)	(39,793)
Dividend Paid		-	1
Net cash used in financing activities		173,851	(8,489)
Net decrease in cash and cash equivalents		16,031	24,196
Cash and cash equivalents at beginning of the period		39,502	61,148
Cash and cash equivalents at end of the period	4	55,531	85,343

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

Condensed Interim Statement of Cash Flow (Un- Audited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

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

3.5 The 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, 2020.

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
		(Rupees in '000)	
4	BANK BALANCES	Note	
	In saving accounts	5.1	55,520
	In current accounts		39,490
			<u>11</u>
			<u>12</u>
			<u>55,531</u>
			<u>39,502</u>

4.1 Mark-up rates on these accounts range between 5.6% to 6.2% per annum (June 30, 2020: 7% to 14.5% per annum).

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
		(Rupees in '000)	
5	INVESTMENTS	Note	
	Financial assets 'at fair value through profit or loss' - held-for-trading		
	Listed equity securities	5.1	797,914
			556,251
			<u>797,914</u>
			<u>556,251</u>

5.1 Investment in listed equity securities - financial assets 'at fair value through profit or loss' - held-for-trading
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

	Number of shares				Market value				
	As at July 1, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2020	As at September 30, 2020 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets	Par value as a percentage of issued capital of the investee company
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	910,898	853,000	-	408,000	1,355,898	106,384	13.33%	12.95%	0.10%
K-Electric Limited	4,438,000	1,625,000	-	1,120,500	4,942,500	20,808	2.61%	2.53%	0.02%
	<u>5,348,898</u>	<u>2,478,000</u>	<u>-</u>	<u>1,528,500</u>	<u>6,298,398</u>	<u>127,192</u>			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	82,709	15,060	-	6,500	91,269	124,995	15.67%	15.22%	0.08%
Oil & Gas Development Co Limited	831,263	368,500	-	375,105	824,658	85,435	10.71%	10.40%	0.02%
Pakistan Oilfields Limited	104,729	106,500	-	45,500	165,729	69,827	8.75%	8.50%	0.07%
Pakistan Petroleum Limited	723,332	759,000	-	325,500	1,156,832	106,498	13.35%	12.97%	0.06%
	<u>1,742,033</u>	<u>1,249,060</u>	<u>-</u>	<u>752,605</u>	<u>2,238,488</u>	<u>386,754</u>			
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	82,990	10,500	-	41,700	51,790	17,685	2.22%	2.15%	0.06%
Hascol Petroleum Limited	1,230,000	678,500	-	1,300,000	608,500	12,280	1.54%	1.50%	0.10%
Pakistan State Oil Company Limited	467,395	436,429	-	201,500	702,324	140,605			0.22%
Shell Pakistan Ltd	-	72,900	-	72,900	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipeline Ltd	1,003,900	360,000	-	265,000	1,098,900	67,923	8.51%	8.27%	0.17%
Sui Southern Gas Co Ltd	404,500	-	-	404,500	-	-	0.00%	0.00%	0.00%
	<u>3,188,785</u>	<u>1,558,329</u>	<u>-</u>	<u>2,285,600</u>	<u>2,461,514</u>	<u>238,493</u>			
OIL & GAS MARKETING COMPANIES									
Attock Refinery Ltd	61,500	173,500	-	154,500	80,500	11,228	1.41%	1.37%	0.09%
National Refinery Ltd	26,000	230,000	-	124,500	131,500	22,877	2.87%	2.79%	0.16%
Pakistan Refinery Limited	-	1,602,000	-	993,000	609,000	11,370			0.10%
	<u>87,500</u>	<u>2,005,500</u>	<u>-</u>	<u>1,272,000</u>	<u>821,000</u>	<u>45,475</u>		11.1201	
Total September 30, 2020	<u>10,367,216</u>	<u>7,290,889</u>	<u>-</u>	<u>5,838,705</u>	<u>11,819,400</u>	<u>797,914</u>			

Carrying value of investment at September 30, 2020

752,699

*Related Party due to common directorship

5.2 Investments include shares having market value aggregating to Rs. 69.512 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.3 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.48 million at September 30, 2020 (June 30, 2020: 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 and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

6	PAYABLE TO MANAGEMENT COMPANY	Note	September 30,	June 30,
			2020 (Un-Audited)	2020 (Audited)
			(Rupees in '000)	
	Management fee	6.1	1,423	951
	Sindh Sales Tax	6.2	185	124
	Sales load payable		18	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services		391	262
	Selling and marketing expenses		2,092	1,436
			4,109	2,773

6.1 The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2020: 2% per annum) of the average annual net assets of the Fund for the current year.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2020: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
			2020 (Un-Audited)	2020 (Audited)
			(Rupees in '000)	
	Provision for Federal Excise Duty	7.1	13,920	13,920
	Provision for Sindh Workers' Welfare Fund	7.2	6,550	4,985
	Auditors' remuneration		400	292
	Securities transaction cost		431	183
	Withholding tax payable		530	79
	Printing charges payable		25	35
	Zakat Payable		207	207
			22,063	19,701

7.1 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.920 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2020 would have been higher by Re. 0.21 (June 30, 2020: Re. 0.24) per unit.

7.2 PROVISION WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Woekers' 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, 2020.

As there is a profit for the three months ended September 30, 2020, therefore, a provision for SWWF has been made recognised in this condensed interim financial information. Had the provision not been retained, net asset value per unit at September 30, 2020 would have been higher by Re. 0.09 (June 30, 2020 Re. 0.087) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2020 and June 30, 2020.

9 TAXATION

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

10 EARNING PER UNIT (EPU)

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

11 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2020 is 1.45% which includes 0.29% representing government levy and SECP fee.

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	(Rupees in '000)	
Fee Payable		<u>40</u>	<u>137</u>

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

	Three months ended September 30, Un-Audited	
	2020	2019
	----- (Rupees in '000) -----	
13.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	3,985	2,953
Sindh Sales Tax on remuneration of the Management Company	518	384
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,096	579
Allocation of expenses related to Selling and Marketing,	2,092	1,166
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	450	366
Central Depository Service charges	32	10
Habib Bank Limited - Sponsor		
Bank Charges	7	2
Directors of the Management Company		
Issue of 20,509 units (2019: 14,284 units)	225	140
Redemption of 20,509 units (2019: Nil units)	228	-

	September 30, 2020 (Un-Audited)	June 30, 2019 (Audited)
13.2 Balances outstanding as at period / year end	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	1,423	951
Sindh Sales Tax	185	124
Sales load payable	18	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	391	262
Allocation of expenses related to Selling and Marketing,	2,092	1,436
Habib Bank Limited - Sponsor		
Bank Balance	1,885	2,933
Outstanding 19,690,192 units (June 30,2020 19,690,192 units)	220,546	197,111
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	161	95
CDC charges payable	3	3
Security deposit	300	300

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Note	September 30, 2020							
	Carrying amount				Fair Value			
	Fair value through profit or loss- held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	797,914	-	-	797,914	797,914	-	-	797,914
	797,914	-	-	797,914	797,914	-	-	797,914
Financial assets not measured at fair value								
14.1	-	-	-	-	-	-	-	-
Bank balances	-	55,531	-	55,531	-	-	-	-
Dividend and profit receivable	-	227	-	227	-	-	-	-
Security deposits	-	2,800	-	2,800	-	-	-	-
	-	58,558	-	58,558	-	-	-	-
Financial liabilities not measured at fair value								
14.1	-	-	-	-	-	-	-	-
Payable to Management Company	-	-	4,109	4,109	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	161	161	-	-	-	-
Payable against purchase of investments	-	-	3,761	3,761	-	-	-	-
Accrued expenses and other liabilities	-	-	22,063	22,063	-	-	-	-
	-	-	30,094	30,094	-	-	-	-
June 30, 2020								
Note	Carrying amount				Fair Value			
	Fair value through profit or loss- held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	556,251	-	-	556,251	556,251	-	-	556,251
	556,251	-	-	556,251	556,251	-	-	556,251
Financial assets not measured at fair value								
14.1	-	-	-	-	-	-	-	-
Bank balances	-	39,502	-	39,502	-	-	-	-
Dividend and profit receivable	-	11	-	11	-	-	-	-
Security deposits	-	2,800	-	2,800	-	-	-	-
	-	42,313	-	42,313	-	-	-	-
Financial liabilities not measured at fair value								
14.1	-	-	-	-	-	-	-	-
Payable to Management Company	-	-	2,773	2,773	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	110	110	-	-	-	-
Accrued expenses and other liabilities	-	-	19,701	19,701	-	-	-	-
	-	-	22,584	22,584	-	-	-	-

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

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2020.

16 GENERAL

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

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

16.2 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

**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 & Co., Chartered Accountants.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Zarai Taraqati Bank Limited Sindh Bank Limited Soneri Bank Limited Dubai Islamic Bank Limited Habib Metropolitan Bank Limited

HBL Multi Asset Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2020

	Note	September 30, 2020 (Un-Audited) (Rupees in '000)	June 30, 2020 (Audited)
Assets			
Bank balances	4	69,262	69,747
Investments	5	164,957	136,901
Dividend receivable and accrued mark-up		1,143	550
Advances, deposits and other receivables		3,535	3,515
Total assets		238,897	210,713
Liabilities			
Payable to Management Company	6.	1,147	1,150
Payable to Trustee	7.	44	34
Payable to Securities and Exchange Commission of Pakistan	8	11	39
Payable Against Purchase of Investment		-	416
Accrued expenses and other liabilities	9.	12,526	15,310
Total liabilities		13,728	16,949
Net assets		225,169	193,764
Unit holders' fund (as per statement attached)		225,169	193,764
Contingencies And Commitments	10	(Number of units)	
Number of units in issue		2,166,369	2,059,534
		(Rupees)	
Net assets value per unit		103.9384	94.0814

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For the three months ended September 30, 2020

	Note	Three months ended September 30,	
		2020	2019
----- (Rupees in '000) -----			
Income			
Dividend income		478	2,019
Mark-up on deposits with banks & Term deposit		911	2,223
Mark-up / return on investments - net		376	1,041
Capital gain on sale of investments - net		4,144	(771)
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds		1,520	-
Other Income		6	14
		7,435	4,526
Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net		15,768	(4,511)
		23,203	15
Expenses			
Remuneration of Management Company		1,252	937
Remuneration of Trustee		125	110
Annual fee of Securities and Exchange Commission of Pakistan		11	10
Allocation of expenses related to registrar services, accounting, operation and valuation services		194	164
Selling and Marketing Expense		269	183
Settlement and bank charges		131	48
Auditors' remuneration		99	100
Fee and Subscription		7	7
Securities transaction costs		86	108
		2,174	1,667
Net loss from operating activities		21,029	(1,652)
Provision for Sindh Workers' Welfare Fund	9.2	(421)	-
Net loss for the period before taxation		20,608	(1,652)
Taxation	11.	-	-
Net income for the period after taxation		20,608	(1,652)
Allocation of net income for the period:			
Income already paid on redemption of units		3,218	-
Accounting income available for distribution:			
-Relating to capital gains		16,694	-
-Excluding capital gains		696	-
		17,390	-
Net income / (loss) for the period after taxation		20,608	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		20,608	(1,652)
Earning per unit	12.		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the three months ended September 30, 2020

	Three months ended	
	September 30,	
	2020	2019
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	20,608	(1,652)
(Increase) / decrease in assets		
Investments - net	(28,472)	18,186
Dividend receivable and accrued mark-up	(593)	(1,592)
Advances, deposits and other receivables	(20)	(20)
	(29,085)	16,574
Increase / (decrease) in liabilities		
Payable to Management Company	(3)	95
Payable to Trustee	10	(29)
Payable to Securities and Exchange Commission of Pakistan	(28)	(224)
Accrued expenses and other liabilities	(2,784)	123
	(2,805)	(35)
Net cash generated from operating activities	(11,282)	14,887
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	38,559	1,040
Payment against redemption of units	(27,762)	(6,630)
Net cash generated from financing activities	10,797	(5,590)
Net increase cash and cash equivalents	(485)	9,297
Cash and cash equivalents at beginning of the period	69,747	60,225
Cash and cash equivalents at end of the period	69,262	69,522

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

		September 30, 2020 (Un-Audited) (Rupees in '000)	June 30, 2020 (Audited)
4. Bank Balances	<i>Note</i>		
Savings accounts	4.1	69,262	69,747
		<u>69,262</u>	<u>69,747</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 3.00% 7% per annum (2020:6.00% - 14.05%) p.a).

		September 30, 2020 (Un-Audited) (Rupees in '000)	June 30, 2020 (Audited)
5. INVESTMENTS	<i>Note</i>		
At Fair Value Through Profit or Loss			
- Term Finance Certificates	5.1	17,040	17,301
- Listed equity securities	5.2	147,917	119,600
		<u>164,957</u>	<u>136,901</u>

5.1 Term Finance Certificates

All Term Finance Certificates and Sukuk bonds have a face value of Rs. 5,000 & 100,000 each unless stated otherwise.

Name of the Investee Company	Number of certificates			As at September 30, 2020	Market value / Carrying value* as at September 30, 2020	Market value as a percentage of	
	As at July 1, 2020	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
	(Rupees in '000)						
Saudi Pak Leasing Company Limited	6,000	-	6,000	-	-	-	-
The Bank Of Punjab	135	-	-	135	13,495	6.71%	4.49%
Dawood Hercules Pvt Ltd*	50	-	-	50	3,545	1.76%	1.18%
	6,185	-	6,000	185	17,040	-	-
					31,998		

Cost of investments at September 30, 2020

* Related party due to common directorship

5.1.1 Significant terms and conditions of Term Finance Certificates and Sukuk bonds outstanding at September 30, 2020 are:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
The Bank Of Punjab	99,860	6 month KIBOR + 0.50%	19-Feb-16	19-Feb-26
Dawood Hercules Pvt Ltd	70,000	3 Month KIBOR + 1.0%	1-Mar-18	1-Mar-23

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

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

Name of the Investee Company	Number of shares				As at September 30, 2020	Market value as at September 30, 2020	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
(Rupees in '000)									
Personal Goods (Textile)									
Gul Ahmed Textile Mills Ltd	70,000	-	-	-	70,000	2,612	1.58%	1.16%	0.02%
Interloop Limited	34,250	-	-	-	34,250	2,296	1.39%	1.02%	0.39%
Kohinoor Textile Mills Ltd	-	61,500	-	-	61,500	3,328	2.02%	1.48%	0.06%
Nishat Mills Ltd	19,700	-	-	1,000	18,700	1,890	1.15%	0.84%	0.01%
	<u>123,950</u>	<u>61,500</u>	<u>-</u>	<u>1,000</u>	<u>184,450</u>	<u>10,127</u>			
Commercial Banks									
Allied Bank Ltd	14,500	-	-	14,500	-	-	0.00%	0.00%	0.00%
Bank Al-Falah Ltd	149,100	-	-	12,000	137,100	4,768	2.89%	2.12%	0.01%
Bank Al-Habib Limited	72,000	-	-	-	72,000	4,649	2.82%	2.06%	0.01%
Bank of Punjab Ltd	141,000	-	-	-	141,000	1,393	0.84%	0.62%	0.03%
Faysal Bank Limited	2,250	100,000	-	-	102,250	1,752	1.06%	0.78%	0.01%
Habib Bank Ltd	41,971	-	-	-	41,971	5,487	3.33%	2.44%	0.00%
MCB Bank Ltd	15,900	-	-	2,000	13,900	2,416	1.46%	1.07%	0.00%
National Bank of Pakistan Ltd	74,500	-	-	74,500	-	-	0.00%	0.00%	0.00%
Standard Chartered Bank (Pakistan) Ltd	-	69,000	-	-	69,000	2,172	1.32%	0.96%	0.00%
United Bank Limited	46,300	-	-	-	46,300	5,330	3.23%	2.37%	0.00%
	<u>557,521</u>	<u>169,000</u>	<u>-</u>	<u>103,000</u>	<u>623,521</u>	<u>27,967</u>			
Cement									
D G Khan Cement Co.Ltd.	-	32,000	-	4,000	28,000	2,887	1.75%	1.28%	0.01%
Kohat Cement Ltd	9,500	-	-	1,000	8,500	1,451	0.88%	0.64%	0.01%
Lucky Cement Ltd	17,400	-	-	2,400	15,000	9,706	5.88%	4.31%	0.00%
Maple Leaf Cement Factory Ltd	19,000	30,000	-	9,500	39,500	1,418	0.86%	0.63%	0.01%
	<u>45,900</u>	<u>62,000</u>	<u>-</u>	<u>16,900</u>	<u>91,000</u>	<u>15,462</u>			
Power Generation & Distribution									
The Hub Power Company Limited	97,483	21,000	-	31,000	87,483	6,864	4.16%	3.05%	0.01%
	<u>97,483</u>	<u>21,000</u>	<u>-</u>	<u>31,000</u>	<u>87,483</u>	<u>6,864</u>			
Oil and Gas Exploration Company									
Mari Petroleum Company Ltd	6,575	1,500	-	-	8,075	11,059	6.70%	4.91%	0.01%
Oil & Gas Development Co Ltd	101,300	-	-	29,000	72,300	7,490	4.54%	3.33%	0.00%
Pakistan Oilfields Ltd	-	6,000	-	-	6,000	2,528	1.53%	1.12%	0.00%
Pakistan Petroleum Ltd	101,306	-	-	12,500	88,806	8,175	4.96%	3.63%	0.00%
	<u>209,181</u>	<u>7,500</u>	<u>-</u>	<u>41,500</u>	<u>175,181</u>	<u>29,253</u>			
Oil and Gas Marketing Company									
Pakistan State Oil Company Ltd	23,404	-	-	-	23,404	4,685	2.84%	2.08%	0.01%
Sui Northern gas Pipeline Ltd	45,000	-	-	14,000	31,000	1,916	1.16%	0.85%	0.00%
	<u>68,404</u>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>54,404</u>	<u>6,602</u>			
Fertilizer									
Engro Corporation Ltd	24,550	2,500	-	-	27,050	8,143	4.94%	3.62%	0.01%
Engro Fertilizers Limited	40,000	25,000	-	52,000	13,000	791	0.48%	0.35%	0.00%
Fauji Fertilizer Co. Ltd	46,200	-	-	46,200	-	-	0.00%	0.00%	0.00%
	<u>110,750</u>	<u>27,500</u>	<u>-</u>	<u>98,200</u>	<u>40,050</u>	<u>8,934</u>			
TRANSPORT									
Pakistan National Shipping Corp Ltd	13,000	-	-	-	13,000	1,183	0.72%	0.53%	0.00%
	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>1,183</u>			
Cable and Electrical Good									
Waves Singer Pakistan Limited	-	189,000	-	54,000	135,000	3,532	2.14%	1.57%	0.01%
	<u>-</u>	<u>189,000</u>	<u>-</u>	<u>54,000</u>	<u>135,000</u>	<u>3,532</u>			
Pharma and Bio Tech									
AGP Limited	17,500	-	-	-	17,500	1,907	1.16%	0.85%	0.00%
Highnoon Laboratories Limited	8,000	-	-	-	8,000	4,912	2.98%	2.18%	0.00%
The Searle Company Ltd	9,961	-	-	9,099	862	221	0.13%	0.10%	0.00%
	<u>35,461</u>	<u>-</u>	<u>-</u>	<u>9,099</u>	<u>26,362</u>	<u>7,040</u>			

Name of the Investee Company	Number of shares				Market value as at September 30, 2020 (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, 2020	Purchases during the period	Bonus / Rights issue	Sales during the period		Total Investments	Net Assets		
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	-	139,725	-	-	139,725	4,110	2.49%	1.83%	0.01%
	-	139,725	-	-	139,725	4,110			
INSURANCE									
Adamjee Insurance Co Ltd	45,000	-	-	-	45,000	1,805	1.09%	0.80%	0.01%
IGI Holdings Limited	10,000	-	-	-	10,000	2,190	1.33%	0.97%	0.01%
IGI LIFE INSURANCE LIMITED	-	4,500	-	-	4,500	201	0.12%	0.09%	0.00%
	55,000	4,500	-	-	59,500	4,196			
Engineering									
International Industries Ltd	-	6,000	-	-	6,000	870	0.53%	0.39%	0.01%
International Steels Limited	-	12,000	-	-	12,000	924	0.56%	0.41%	0.00%
Mughal Iron & Steel Inds Ltd	24,500	-	-	1,000	23,500	1,510	0.92%	0.67%	0.01%
	24,500	18,000	-	1,000	41,500	3,304			
Chemical									
Engro Polymer & Chemicals Ltd	86,000	-	-	-	86,000	3,462	2.10%	1.54%	0.01%
Lotte Chemical Pakistan Ltd	-	125,000	-	67,000	58,000	696	0.42%	0.31%	0.00%
Sitara Chemical Industries Limited	10,400	800	-	-	11,200	3,603	2.18%	1.60%	0.05%
Sitara Peroxide Limited	90,000	-	-	90,000	-	-	0.00%	0.00%	0.00%
Thal Limited	13,000	-	-	2,500	10,500	4,413	2.68%	1.96%	0.01%
	199,400	125,800	-	159,500	165,700	12,174			
Technology and Communication									
Avanceon Limited	-	35,000	-	-	35,000	2,353	1.43%	1.04%	0.02%
TPL Trakker Limited	-	153,500	-	-	153,500	1,596	0.97%	0.71%	0.01%
	-	188,500	-	-	188,500	3,949			
Engineering									
Attock Refinery Ltd	-	11,000	-	6,000	5,000	697	0.42%	0.31%	0.01%
National Refinery Ltd	-	16,000	-	1,500	14,500	2,523	1.53%	1.12%	0.02%
Pakistan Refinery Limited	-	87,000	-	87,000	-	-	0.00%	0.00%	0.00%
	-	114,000	-	94,500	19,500	3,220			
	1,540,550	1,128,025	-	623,699	2,044,876	147,917			
Cost of investments at September 30, 2020									132,390

5.2.1 Investments include shares having market value aggregating to Rs. 32.9880 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2.2 These include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the bonus shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 473,364 at September 30, 2020 (2019: Rs.253,973) and not yet deposited in CDC account of Department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
		(Rupees in '000)	
6.	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
		<i>Note</i>	
	Management fee	6.1	389
	Sindh Sales Tax	6.2	51
	Sales load payable		371
	Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	68
	Selling and Marketing Payable	6.4	268
			53
			213
			1,147
			1,150
6.1	Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (June 30, 2020: two percent per annum) of the average annual net assets.		
6.2	The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		
6.3	As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “registrar services, accounting, operation and valuation services related to , Collective Investment Scheme”. During the period the Management Company has charged aforementioned expense to the extent of 0.35% of the average daily net assets of the fund.		
6.4	As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 0.485% of the average daily net assets of the Fund.		
7.	Payable To Trustee		
	Trustee's remuneration		32
	Sindh Sales Tax		4
			36
			30
			4
			34
7.1	The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.2% of the daily average net assets of the Fund. The fee is payable monthly in arrears.		
8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual Fee		10
			39

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

9. ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
		(Rupees in '000)	
Auditors' remuneration		417	318
Federal Excise Duty	9.1	6,610	6,610
Other payables		56	61
With Holding Tax Paable		147	522
Payable to brokers		142	67
Dividend payable		3	3,001
Provision for Sindh Workers' Welfare Fund	9.2	5,151	4,731
		12,526	15,310

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.61 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2020 would have been higher by Re. 3.20 (June 30, 2020: Re. 3.11) per unit.

9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Woekers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 11.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

As there is a gain for the three months ended September 30, 2020, therefore, provision for SWWF has been maderecognised in this condensed interim financial information. Had the provision not been retained, net asset value per unit at September 30, 2020 would have been higher by Re. 2.23 (June 30, 2020 Re. 2.16) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2020.

11. TAXATION

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

12. EARNINGS PER UNIT (EPU)

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

13. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 1.18% (0.27% representing Government Levies, and SECP Fee).

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

14.1	Transactions during the period	Three months ended	
		2020	2019
		September 30,	
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	1,252	937
	Allocation of expenses related to registrar services, accounting, operation and valuation services	194	164
	Selling and Marketing Expense	269	183
	Habib Bank Limited - Spons		
	Mark-up earned during the period	68	117
	Mark-up received during the period	68	122
	Dividend income earned during the period	-	84
	Bank charges	-	3
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	125	110
	Central Depository service charges	3	2

	September 30, 2020	June 30, 2020
14.2 Amounts outstanding as at period end		
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	389	303
Sindh Sales Tax	51	40
Sales load payable	371	541
Allocation of expenses related to registrar services, accounting, operation and valuation services	68	53
Selling and Marketing Payable	268	213
Habib Bank Limited - Sponsor		
Investment held in the Fund: 822,848 units (June 30, 2020: 822,848 units)	85,525	77,415
Bank balances	4,332	4,277
Mark-up receivable on deposits with bank	25	18
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	32	30
Sindh Sales Tax	4	4
Mr. Rafiuddin Zakir Mahmood - Connected Person due to holding more than 10% holding		
Unit held: 308,237 units (June 30, 2020: 308,237 units)	32,038	28,999
Mr. Mubashir Hasan - Connected Person due to holding more than 10% holding		
Unit held: Nil units (June 30, 2020: 253,567 units)	-	23,856
Miss. Rukhsana Qayyum - Connected Person due to holding more than 10% holding		
Unit held: 316,723 units (June 30, 2020: 316,723 units)	32,920	33,555

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

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding any non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment creteria. As at September 30, 2018, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

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

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Note	September 30, 2020						
	Carrying amount			Total	Fair Value		
fair value through profit or loss	At Amortized Cost	Other financial liabilities	Level 1		Level 2	Level 3	Total
On-balance sheet financial instruments							(Rupees in '000)
Financial assets measured at fair value							
Investments							
- Listed equity securities	147,917	-	-	147,917	147,917	-	147,917
- Term finance certificate	17,040	-	-	17,040	-	17,040	17,040
	<u>164,957</u>	<u>-</u>	<u>-</u>	<u>164,957</u>			
Financial assets not measured at fair value							
Bank balances	-	69,262	-	69,262			
Investments							
Dividend receivable and accrued mark-up	-	1,143	-	1,143			
Advances, deposits and other receivables	-	3,535	-	3,535			
	<u>-</u>	<u>73,940</u>	<u>-</u>	<u>73,940</u>			
Financial liabilities not measured at fair value							
Payable to Management Company	-	-	1,147	1,147			
Payable to Trustee	-	-	44	44			
Accrued expenses and other liabilities	-	-	12,526	12,526			
	<u>-</u>	<u>-</u>	<u>13,717</u>	<u>13,717</u>			
June 30, 2020							
	Carrying amount			Total	Fair Value		
Fair value through profit or loss	at amortized cost	Other financial liabilities	Level 1		Level 2	Level 3	Total
On-balance sheet financial instruments							(Rupees in '000)
Financial assets measured at fair value							
Investments							
- Listed equity securities	119,600	-	-	119,600	119,600	-	119,600
Term Finance certificate	17,301	-	-	17,301	-	17,301	17,301
	<u>136,901</u>	<u>-</u>	<u>-</u>	<u>136,901</u>			
Financial assets not measured at fair value							
Bank balances	-	69,747	-	69,747			
Investments							
- Un-Listed equity securities	-	-	-	-			
- At amortized cost - Placements	-	-	-	-			
Dividend receivable and accrued mark-up	-	550	-	550			
Advances, deposits, prepayments and other receivables	-	3,151	-	3,151			
	<u>-</u>	<u>73,448</u>	<u>-</u>	<u>73,448</u>			
Financial liabilities not measured at fair value							
Payable to Management Company	-	-	1,110	1,110			
Payable to Trustee	-	-	30	30			
Accrued expenses and other liabilities	-	-	3,447	3,447			
	<u>-</u>	<u>-</u>	<u>4,587</u>	<u>4,587</u>			

17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2020.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

- 18.2** In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

**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

HBL Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2020

Note	September 30, 2020				June 30, 2020					
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	
(Unaudited)				(Audited)						
(Rupees in '000)										
Assets										
Bank balances	4	1,021	6,268	841	8,130	3,468	4,116	185	954	8,723
Investments	5	60,178	54,165	139,587	253,930	54,195	53,447	-	143,634	251,276
Advance, deposits and other receivables		89	54	11	154	90	55	-	-	145
Preliminary expenses and flotation costs		575	545	-	1,120	644	603	-	-	1,247
Total assets		61,863	61,032	140,439	263,334	58,397	58,221	185	144,588	261,391
Liabilities										
Payable to the Management Company	6	11	6,562	23	6,596	10	2,325	-	24	2,335
Payable to the Trustee		5	8	10	23	5	5	-	10	10
Payable to Securities and Exchange Commission of Pakistan	7	3	4	7	14	15	12	9	23	36
Accrued expenses and other liabilities	8	520	326	556	1,402	920	3,330	-	3,037	4,250
Payable against redemption of units		-	-	-	-	-	-	176	-	176
Total liabilities		539	6,900	596	8,035	950	5,672	185	3,094	6,807
Net assets		61,324	54,132	139,843	255,299	57,447	52,549	-	141,494	251,490
Unit holders' fund (as per statement attached)		61,324	54,132	139,843	255,299	57,447	52,549	-	141,494	251,490
Number of units in issue		594,822	485,631	1,325,763		598,746	485,204	-	1,350,169	2,434,119
(Rupees)										
Net asset value per unit		103.0971	111.4672	105.4811		95.9459	108.3030	-	104.7978	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

Condensed Interim Income Statement and Other Comprehensive Income (Unaudited)

For the Three months ended September 30, 2020

Note	September-20			Total	September-19			For the period from September 16, 2019 to September 30, 2019	
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
----- (Rupees in '000) ----- (Rupees in '000) -----									
Income									
Mark-up on deposits with bank	29	145	3	177	35	2	2	103	142
Capital (loss) / gain on sale of investment - net	-	1,818	14	1,832	(1,208)	(112)	(2,549)	18	(3,851)
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	4,255	76	1,049	5,380	(394)	760	5,100	849	6,315
Dividend income	227	-	-	227	868	-	375	-	1,243
Bank End load	-	-	26	-	-	-	-	-	-
Total income / (loss)	4,511	2,039	1,092	7,616	(699)	650	2,928	970	3,849
Expenses									
Remuneration of the Management Company	6.1	6	50	1	57	4	-	7	13
Sindh Sales Tax on remuneration of the Management Company	6.2	1	7	-	8	1	-	1	2
Remuneration of the Trustee	7.1	16	21	36	73	23	16	43	89
Annual fee to Securities and Exchange Commission of Pakistan	7	3	4	7	14	4	3	9	17
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	31	42	70	143	43	30	82	169
Amortisation of preliminary expenses and flotation costs		67	58	-	125	67	58	169	294
Auditors' remuneration		17	16	42	75	26	22	26	78
Bank charges		2	3	-	5	3	4	3	14
Listing Fee		7	6	4	17	8	6	17	31
Total expenses		150	207	160	517	179	141	349	707
Net (loss) / income from operating activities		4,361	1,832	932	7,099	(878)	508	2,579	3,142
Provision for Sindh Workers' Welfare Fund	8.1	(87)	(37)	(19)	(143)	-	(10)	(51)	(79)
Net (loss) / income for the Period before taxation		4,274	1,795	913	6,956	(878)	498	2,528	3,063
Taxation	9	-	-	-	-	-	-	-	-
Net (loss) / income for the Period after taxation		4,274	1,795	913	6,956	(878)	498	2,528	3,063
Earning per unit	10								
Income already paid on redemption of units		56	-	7	-	159	7	-	-
Accounting income available for distribution:									
-Relating to capital gains		4,199	1,795	1,056	-	339	2,521	867	-
-Excluding capital gains		19	-	-	-	-	-	47	-
		4,218	1,795	906	-	339	2,521	914	-
Net loss / income for the Period after taxation		4,274	1,795	913	(878)	498	2,528	914	-
Other comprehensive income for the Period		-	-	-	-	-	-	-	-
Total comprehensive income for the Period		4,274	1,795	913	(878)	498	2,528	914	-

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Statement of Movement In Unitholders' Fund
For the Three months ended September 30, 2020

	September-20			September-19		
	Active Allocation Plan			Active Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
----- (Rupees '000) -----						
Net assets at beginning of the Period	65,400	(7,953)	57,447	110,998	(8,393)	102,605
Issuance of 8,781 (2019: Nil) units						
- Capital value (at net asset value per unit at the par value)	843	-	843	-	-	-
- Element of Income	58	-	58	-	-	-
Total proceeds on issuance of units	901	-	901	-	-	-
Redemption of 12,705 (2019: 288,427 units)						
- Capital value (at net asset value per unit at the par value)	(1,219)	-	(1,219)	(27,973)	-	(27,973)
- Amount paid out of element of income	(23)	-	(23)	782	-	782
- Income already paid on redemption of units	-	(56)	(56)	-	-	-
Total payments on redemption of units	(1,242)	(56)	(1,298)	(27,191)	-	(27,191)
Total comprehensive income for the Period	-	4,274	4,274	-	(878)	(878)
Net assets at end of the Period	65,059	(3,735)	61,324	83,807	(9,271)	74,536
Undistributed income brought forward		(7,953)			(8,393)	
Accounting income available for distribution						
- Relating to capital gains		4,199			-	
- Excluding capital gains		-			-	
		4,199			-	
Total comprehensive loss for the period		4,274			(878)	
Undistributed income carried forward		520			(9,271)	
Undistributed income carried forward						
- Realised		(3,735)			(8,877)	
- Unrealised		4,255			(394)	
		520			(9,271)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the Period			<u>95.9459</u>			<u>96.9864</u>
Net assets value per unit at end of the Period			<u>103.0971</u>			<u>96.8617</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Statement of Movement In Unitholders' Fund
For the Three months ended September 30, 2020

	September-20			September-19		
	Conservative Allocation Plan			Conservative Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees '000) -----					
Net assets at beginning of the Period	46,342	6,207	52,549	62,239	4,812	67,051
Issuance of 2,608,437 (2019: Nil) units						
- Capital value (at net asset value per unit at the par value)	282,502	-	282,502	-	-	-
- Element of Income	6,903	-	6,903	-	-	-
Total proceeds on issuance of units	289,405	-	289,405	-	-	-
Redemption of 2,608,010 (2019: 157,498) units						
- Capital value (at net asset value per unit at the par value)	(282,455)	-	(282,455)	(16,352)	-	(16,352)
- Amount paid out of element of income	(7,162)	-	(7,162)	313	-	313
- Income already paid on redemption of units	-	-	-	-	(159)	(159)
Total payments on redemption of units	(289,617)	-	(289,617)	(16,039)	(159)	(16,198)
Total comprehensive income for the Period	-	1,795	1,795	-	498	498
Net assets at end of the Period	46,130	8,002	54,132	46,200	5,151	51,351
Undistributed income brought forward		6,207			4,812	
Accounting income available for distribution						
- Relating to capital gains		1,795			339	
- Excluding capital gains		-			-	
		1,795			339	
Undistributed income carried forward		8,002			5,151	
Undistributed income carried forward						
- Realised		7,926			4,391	
- Unrealised		76			760	
		8,002			5,151	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the Period			<u>108.3030</u>			<u>103.8264</u>
Net assets value per unit at end of the Period			<u>103.0971</u>			<u>96.8617</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Statement of Movement In Unitholders' Fund
For the Three months ended September 30, 2020

	September-20			September-19		
	Speical Income Plan			Speical Income Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees '000) -----					
Net assets at beginning of the Period	135,761	5,733	141,494	-	-	-
Issuance of Nil (2019: 1,509,061) units						
- Capital value (at net asset value per unit at the par value)	-	-	-	150,906	-	150,906
- Element of Income	-	-	-	12	-	12
Total proceeds on issuance of units	-	-	-	150,918	-	150,918
Redemption of 24,406 (2019: Nil) units						
- Capital value (at net asset value per unit at the par value)	(2,558)	-	(2,558)	-	-	-
- Amount paid out of element of income	1	-	1	-	-	-
- Income already paid on redemption of units	-	(7)	(7)	-	-	-
Total payments on redemption of units	(2,557)	(7)	(2,564)	-	-	-
Total comprehensive income for the Period	-	913	913	-	914	914
Net assets at end of the Period	133,204	6,639	139,843	150,918	914	151,832
Undistributed income brought forward		5,733			-	
Accounting income available for distribution						
- Relating to capital gains		1,056			867	
- Excluding capital gains		-			47	
		1,056			914	
Undistributed income carried forward		6,789			914	
Undistributed income carried forward						
- Realised		5,740			65	
- Unrealised		1,049			849	
		6,789			914	
			(Rupees)			(Rupees)
Net assets value per unit at end of the Period			105.4811			100.6138

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

Condensed Interim Cash Flow Statement (unaudited)

For the Three months ended September 30, 2020

Note	September-20			Total	September-19			Special Income Plan	Total
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan		
	(Rupees in '000)			(Rupees in '000)					
Cash flows from operating activities									
Net (loss) / income for the Period before taxation	4,274	1,795	913	6,982	(878)	498	2,528	914	3,062
Adjustments for non-cash items									
Dividend income	(227)	-	-	(227)	-	-	-	-	-
Capital loss / (gain) on sale of investment - net	-	(1,818)	(14)	(1,832)	1,208	112	2,549	(18)	3,851
Unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(4,255)	(76)	(1,049)	(5,380)	394	(760)	(5,100)	(849)	(6,315)
	(208)	(99)	(150)	(457)	724	(150)	(23)	47	598
(Increase) / Decrease in assets									
Investments - net	(1,501)	1,176	5,110	4,785	26,008	17,844	1,260	(137,582)	(92,470)
Accrued mark-up	-	-	-	-	-	-	-	(103)	(103)
Advance, deposits and other receivables	1	1	(11)	(9)	-	(8)	(47)	(18)	(73)
Preliminary expenses and flotation costs	69	58	-	127	68	58	170	-	296
	(1,431)	1,235	5,099	4,903	26,076	17,894	1,383	(137,703)	(92,350)
(Decrease) / Increase in liabilities									
Payable to the Management Company	1	4,237	(1)	4,237	3	3	14	2,174	2,194
Payable to the Trustee	-	3	-	3	(3)	(2)	(1)	7	1
Payable to Securities and Exchange Commission of Pakistan	(12)	(8)	(16)	(36)	(164)	(88)	(175)	1	(426)
Accrued expenses and other liabilities	(400)	(3,004)	(2,481)	(5,885)	(54)	(1,310)	(3)	23	(1,344)
	(411)	1,228	(2,498)	(1,681)	(218)	(1,397)	(165)	2,205	425
Net cash (used) / flow in / from operating activities	(2,050)	2,364	2,451	2,765	26,582	16,346	1,195	(135,451)	(91,327)
Cash flows from financing activities									
Amount received on issue of units	901	289,405	-	290,306	-	-	-	150,918	150,918
Amount paid on redemption of units	(1,298)	(289,617)	(2,564)	(293,479)	(27,191)	(16,198)	(1,209)	-	(44,598)
Net cash used in financing activities	(397)	(212)	(2,564)	(3,173)	(27,191)	(16,198)	(1,209)	150,918	106,320
Net (decrease) / increase in cash and cash equivalents	(2,447)	2,152	(113)	(408)	(609)	148	(14)	15,467	14,993
Cash and cash equivalents at the beginning of the Period	3,468	4,116	954	8,538	1,293	31	41	-	1,365
Cash and cash equivalents at the end of the Period	4	1,021	6,268	8,130	684	179	27	15,467	16,358

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

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

For the Three months ended September 30, 2020

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 11, 2017.

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

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

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

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

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

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

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 MCB Financial Services Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2020.

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

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

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

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

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

4. BANK BALANCES

	Note	30-Sep-2020				30-Jun-2020				
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
----- (Rupees in '000) -----										
Savings accounts	4.1	1,021	6,268	841	8,130	3,468	4,116	185	954	8,723

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 5.5% to 7.00% (June 2020: 6% to 7.8%) per annum.

5. INVESTMENTS

	Note	30-Sep-2020				30-Jun-2020				
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
----- (Rupees in '000) -----										
Investments by category										
At fair value through profit or loss - held-for-trading										
Units of mutual funds	5.1	60,178	54,165	139,587	253,930	54,195	53,447	-	143,634	251,276

5.1 Units of mutual funds

Name of Investee Funds	As at July 01, 2020	Purchases during the period	Redemptions during the period	As at September 30, 2020	Total carrying value as at September 30, 2020	Total market value as at September 30, 2020	Appreciation/ (diminution) as at September 30, 2020	Market value as a percentage of net assets	Market value as a percentage of total investment
Active Allocation Plan									
HBL Cash Fund	185,093	17,076	-	202,169	20,446	20,538	92	33.49	34.13
HBL Income Fund	67,727	-	-	67,727	7,334	7,501	167	12.23	12.46
HBL Stock Fund	325,953	-	-	325,953	28,143	32,139	3,996	52.41	53.41
	578,773	17,076	-	595,849	55,923	60,178	4,255	98.13	100.00
Conservative Allocation Plan									
HBL Cash Fund	116	1	-	117	12	12	-	0.02	0.02
HBL Money Market Fund	413,095	1,155,391	1,150,494	417,992	43,224	43,477	253	80.32	80.27
HBL Stock Fund	129,178	279,867	300,770	108,275	10,852	10,676	(176)	19.72	19.71
	542,389	1,435,259	1,451,264	526,384	54,088	54,165	77	100.06	100.00
Special Income Plan									
HBL Government Securities Fund	1,279,309	-	45,385	1,233,924	138,538	139,587	1,049	99.82	54.97
	1,279,309	-	45,385	1,233,924	138,538	139,587	1,049	99.82	54.97
Total as at September 30, 2020	2,400,471	1,452,335	1,496,649	2,356,157	248,549	253,930	5,381		
Total as at June 30, 2020	3,403,702	2,572,148	3,575,379	2,400,471	244,800	251,276	6,476		

6. PAYABLE TO THE MANAGEMENT COMPANY

	30-Sep-2020				30-Jun-2020					
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	
Note	(Rupees in '000)				(Rupees in '000)					
Management fee	6.1	1	14	-	15	1	1	-	-	2
Sindh Sales Tax on Management Company's remuneration	6.2	-	2	-	2	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	10	16	23	49	9	9	-	24	42
Sales load payable		-	6,530	-	6,530	-	2,315	-	2,315	4,630
		11	6,562	23	6,596	10	2,325	-	2,339	4,674

6.1 As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the Scheme. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.

6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.

6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	30-Sep-2020				June 30, 2020					
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	
Note	(Rupees in '000)				(Rupees in '000)					
Withholding tax		126	-	23	149	510	558	-	1,845	2,913
Provision for Sindh Workers' Welfare Fund	8.1	258	261	364	883	171	224	155	346	896
Printing		-	4	-	4	-	4	18	-	22
Auditors' remuneration		79	58	166	303	61	43	-	124	228
Other Payables		57	3	3	63	178	2,501	3	722	3,404
		520	326	556	1,402	920	3,330	176	3,037	7,463

8.1 SINDH WORKER'S WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is the same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 0.26 million, Rs. 0.26 million and Rs. 0.36 million for the quarter ended September 30, 2020 (June 2020 Rs. 0.171 million, Rs. 0.224 million Rs. 0.155 million and 0.346 million) in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2020 would have been higher by Re. 0.434 per unit, Re. 0.537 and Re. 0.275 (June 30, 2020 Re. 0.285, Re. 0.462 and Re. 0.256) per unit of the Active Allocation Plan, Conservative Allocation Plan, and Special Income Plan respectively.

9. TAXATION

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

10. EARNINGS PER UNIT (EPU)

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

11.1 Transactions during the period

	For the three months ended September 30, 2020				For the three months ended September 30, 2019				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
----- (Rupees in '000) -----									
HBL Asset Management Limited - Management Company									
Remuneration of the Management Company	6	50	1	57	4	2	-	7	13
Sindh Sales Tax on remuneration of the Management Company	1	7	-	8	1	-	-	1	2
Allocation of expenses related to registrar services, accounting, operation and valuation services	31	42	70	143	43	30	82	14	169
Habib Bank Limited - Sponsor									
Mark-up earned	29	121	-	150	35	1	1	8	45
MCB Financial Services Limited - Trustee									
Remuneration of the Trustee	16	21	36	73	23	16	43	7	89
----- (Rupees in '000) -----									
HBL Cash Fund - CIS managed by Management Company									
Purchase of 17,076 (2019: 65,846) units	1,727	-	-	1,727	6,668	-	-	-	6,668
Purchase of 1 (2019: Nil) units	-	-	-	-	-	-	-	-	-
Purchase of Nil (2019: 3,721) units	-	-	-	-	-	-	375	-	375
Purchase of Nil (2019: 45,224) units	-	-	-	-	-	-	-	4,600	4,600
Redemption of Nil (2019: 227,051) units	-	-	-	-	23,039	-	-	-	23,039
Redemption of Nil (2019: 15,673) units	-	-	-	-	-	-	1,585	24,910	26,495

	For the three months ended September 30, 2020				For the three months ended September 30, 2019				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
	(Rupees in '000)				(Rupees in '000)				
HBL Stock Fund									
- CIS managed by Management Company									
Purchase of Nil (2019: 112,937) units	-	-	-	-	9,000	-	-	-	9,000
Purchase of 279,867 (2019: 24,534) units	-	29,050	-	29,050	-	2,012	-	-	2,012
Redemption of Nil (2019: 226,763) units	-	-	-	-	18,637	-	-	-	18,637
Redemption of 300,770 (2019: 44,882) units	-	30,618	-	30,618	-	3,568	-	-	3,568
Redemption of Nil (2019: 440,522) units	-	-	-	-	-	-	36,967	-	36,967
HBL Money Market Fund									
- CIS managed by Management Company									
Purchase of 1,155,393 (2019: Nil) units	-	119,670	-	119,670	-	-	-	-	-
Redemption of 1,150,494 (2019: 156,531) units	-	119,279	-	119,279	-	16,277	-	-	16,277
HBL Government Securities Fund - CIS managed by Management Company									
Purchase of Nil (2019: 345,994) units	-	-	-	-	-	-	36,967	-	36,967
Purchase of Nil (2019: 1,220,437) units	-	-	-	-	-	-	-	-	-
Redemption of 45,386 (2019: Nil) units	-	-	5,110	5,110	-	-	-	-	-
Mr. Asif Nadeem Minhaas - Connected Person due to 10% holding									
Redemption of 6,066 (2019: 1,372) units	606	-	-	606	130	-	-	-	130
Mr. Jamil Iqbal - Connected Person due to 10% holding									
Issue of Nil (2019: 138,453) units	-	-	-	-	-	-	-	14,000	14,000
Mrs. Shazia Afshan Minhas - Connected Person due to 10% holding									
Issue of Nil (2019: 187,247) units	-	-	-	-	-	-	-	18,962	18,962

11.2 Balances outstanding as at period end

	30-Sep-2020				30-Jun-2020				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
	(Rupees in '000)				(Rupees in '000)				
HBL Asset Management Limited - Management Company									
Management fee	1	14	-	15	1	1	-	-	2
Sindh Sales Tax on Management Company's remuneration	-	2	-	2	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	10	16	23	49	9	9	-	24	42
Sales load payable	-	-	-	-	-	2,315	-	-	2,315
Habib Bank Limited - Sponsor									
Balance in savings account	1,009	4,885	319	6,213	3,457	2,489	200	328	6,474
MCB Financial Services Limited - Trustee									
Remuneration payable to the Trustee	5	8	10	23	5	5	-	10	20
Ms. Shahida Saleem - Connected Person due to 10% holding									
Units held 48,606 (2020: 48,606) units	-	5,418	-	5,418	-	5,264	-	-	5,264
Jamil Iqbal - Connected Person due to holding of 10% or more									
Units held 149,820 (2020: 149,820) units	-	-	15,803	15,803	-	-	-	15,701	15,701
Mrs. Shazia Afshan Minhas - Connected Person due to holding of 10% or more									
Units held 197,780 (2020: 197,780) units	-	-	20,862	20,862	-	-	-	20,727	20,727
Patient Welfare Association - Connected Person due to holding of 10% or more									
Units held 400,000 (2020: 400,000) units	-	44,587	-	44,587	-	43,321	-	-	43,321
Asif Nadeem Minhas - Connected Person due to holding of 10% or more									
Units held 85,888 (2020: 91,894) units	8,855	-	-	8,855	8,817	-	-	-	8,817

	30-Sep-2020				30-Jun-2020				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
	------(Rupees in '000)-----				------(Rupees in '000)-----				
HBL Cash Fund									
- CIS managed by Management Company									
Units held 202,169 (2020: 185,093) units	<u>20,538</u>	-	-	<u>20,538</u>	18,718	-	-	-	18,718
Units held 117 (2020: 116) units	-	12	-	12	-	12	-	-	12
HBL Stock Fund									
- CIS managed by Management Company									
Units held 325,953 (2020: 325,953) units	<u>32,139</u>	-	-	<u>32,139</u>	28,143	-	-	-	28,143
Units held 108,275 (2020: 129,177) units	-	10,676	-	10,676	-	11,153	-	-	11,153
HBL Money Market Fund - CIS managed by Management Company									
Units held 417,992 (2020: 413,094) units	-	43,477	-	43,477	-	42,282	-	-	42,282
HBL Government Securities Fund - CIS managed by Management Company									
Units held 1,233,924 (2020: 1,279,309) units	-	-	139,587	139,587	-	-	-	143,634	143,634
HBL Income Fund - CIS managed by Management Company									
Units held 67,727 (2020: 67,728) units	<u>7,501</u>	-	-	<u>7,501</u>	7,334	-	-	-	7,334

12. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

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

		September 30, 2020							
		Carrying amount			Fair Value				
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	(Rupees in '000)							
Financial assets measured at fair value									
Units of mutual funds	5	253,930	-	-	253,930	253,930	-	-	253,930
		<u>253,930</u>	<u>-</u>	<u>-</u>	<u>253,930</u>	<u>253,930</u>	<u>-</u>	<u>-</u>	<u>253,930</u>
Financial assets not measured at fair value									
Bank balances	12.1	-	8,130	-	8,130				
Accrued mark-up		-	-	-	-				
		<u>-</u>	<u>8,130</u>	<u>-</u>	<u>8,130</u>				
Financial liabilities not measured at fair value									
Payable to the Management Company	12.1	-	6,596	-	-				
Payable to the Trustee		-	23	-	-				
Accrued expenses and other liabilities		-	221	-	-				
Unit holders' fund		-	255,299	-	-				
		<u>-</u>	<u>262,139</u>	<u>-</u>	<u>-</u>				
		June 30, 2020							
		Carrying amount			Fair Value				
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	(Rupees in '000)							
Financial assets measured at fair value									
Units of mutual funds		251,276	-	-	251,276	251,276	-	-	251,276
		<u>251,276</u>	<u>-</u>	<u>-</u>	<u>251,276</u>	<u>251,276</u>	<u>-</u>	<u>-</u>	<u>251,276</u>
Financial assets not measured at fair value									
Bank balances	12.1	-	8,723	-	8,723				
Accrued mark-up		-	-	-	-				
		<u>-</u>	<u>8,723</u>	<u>-</u>	<u>8,723</u>				
Financial liabilities not measured at fair value									
Payable to the Management Company	12.1	-	2,335	-	2,335				
Payable to the Trustee		-	10	-	10				
Accrued expenses and other liabilities		-	3,455	-	3,455				
Unit holders' fund		-	251,490	-	251,490				
		<u>-</u>	<u>257,290</u>	<u>-</u>	<u>257,290</u>				

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the period ended September 30, 2020 is 0.39%, 0.03% and 0.12% (YTD) (2019: 0.0.2%, 0.23%, 0.21% and 0.02) which includes 0.15%, 0.06%, and 0.02% (2019: 0.01%, 0.01%, 0.01% and nil) representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan respectively.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 29, 2020 by the Board of Directors of the Management Company.

15. GENERAL

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

15.2 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

**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	Habib Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited

HBL Growth Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Un-Audited)			June 30, 2020 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----							
Assets							
Bank balances	4	248,120	330,254	578,374	278,910	314,221	593,131
Investments	5	6,091,068	1,663,423	7,754,491	4,869,187	1,502,570	6,371,757
Dividend and profit receivable		5,518	3,779	9,297	6,022	1,777	7,799
Receivable against purchase of investment		-	8,518	8,518	-	9,689	9,689
Security deposits and Prepayments		957	3,571	4,529	184	3,546	3,730
Total assets		6,345,663	2,009,545	8,355,209	5,154,303	1,831,803	6,986,106
Liabilities							
Payable to Management Company	6	30,509	8,538	39,046	23,844	7,330	31,174
Payable to the Trustee		686	256	942	556	265	821
Payable to the Securities and Exchange Commission of Pakistan	8	300	85	386	1,038	494	1,532
Payable against purchase of investment		-	9,979	9,979	-	545	545
Accrued expenses and other liabilities	7	2,534	173,111	175,645	2,415	175,494	177,909
Unclaimed dividend		-	133,250	133,250	-	142,808	142,808
Total liabilities		34,029	325,220	359,248	27,853	326,936	354,789
Net assets		6,311,634	1,684,326	7,995,960	5,126,450	1,504,867	6,631,317
Total unit holders' fund (as per statement attached)		6,311,634	1,684,326	7,995,960	5,126,450	1,504,867	6,631,317
Contingencies and commitments							
Number of units in issue	9	283,500,000	97,283,377		283,500,000	98,929,141	
----- (Rupees) -----							
Net assets value per unit		22.2633	17.3136		18.0827	15.2116	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

Note	Three Months Ended September 30,					
	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Income						
Capital gain on sale of investments - net	-	61,499	61,499	-	(119,834)	(119,834)
Dividend income	19,822	4,482	24,304	-	37,747	37,747
Profit on bank deposits	3,751	4,360	8,111	8,307	18,506	26,812
Back End Load	-	-	-	-	-	-
	23,574	70,340	93,914	8,307	(63,581)	(55,275)
Unrealized appreciation on re-measurement of investments classified as financial assets at 'fair value through profit and loss' - held-for-trading - net	-	161,095	161,095	-	(193,032)	(193,032)
	23,574	231,435	255,009	8,307	(256,613)	(248,307)
Expenses						
Remuneration of Management Company	33,911	9,657	43,567	21,752	17,971	39,723
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,915	712	2,627	1,342	1,131	2,473
Annual fee to the Securities and Exchange Commission of Pakistan	300	85	386	211	176	387
Allocation of expenses related to registrar services, accounting, operation and valuation services	8,253	2,350	10,603	3,751	3,291	7,042
Selling and Marketing Expense	15,755	4,487	20,241	7,591	6,305	13,896
Settlement and bank charges	0	184	184	5	424	429
Auditors' remuneration	122	36	158	62	-	62
Fees & Subscription	14	2	17	91	4	95
Securities transaction costs	-	1,729	1,729	-	4,625	4,625
	60,270	19,242	79,512	34,804	33,927	68,731
Net income from operating activities	(36,696)	212,192	175,496	(26,498)	(290,541)	(317,039)
Provision for Workers' Welfare fund / Sindh Workers' Welfare fund	-	4,244	4,244	-	-	-
Net income for the period before taxation	(36,696)	207,949	171,252	(26,498)	(290,541)	(317,039)
Taxation	-	-	-	-	-	-
Net income for the period after taxation	(36,696)	207,949	171,252	(26,498)	(290,541)	(317,039)
Allocation of net income for the period:						
Net Income for the period	-	207,949	207,949	-	-	-
Income already paid on redemption of units	-	3,715	3,715	-	-	-
		204,233	204,233			
Accounting (loss) / income available for distribution:						
-Relating to capital gains	-	204,233	204,233	-	-	-
-Excluding capital gains	-	-	-	-	-	-
	-	204,233	204,233			
Other comprehensive income / (loss) for the period	1,221,881	-	1,221,881	(355,041)	-	(355,041)
Total comprehensive income / (loss) for the period	1,185,184	207,949	1,393,133	(381,539)	(290,541)	(672,080)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Statement of Movement in Unit Holders' Fund

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	2020					2019										
	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	Total					
	(Rupees)															
Net assets at beginning of the year / period	2,835,000	(3,165,172)	3,448,810	2,007,812	5,126,450	(238,252)	1,743,119	1,504,867	2,835,000	(3,131,131)	3,136,614	2,007,812	4,848,295	2,720,611	1,742,871	4,463,482
Issue of 283,500,000 Class B units at the time of conversion																
Issuance of 1,060,471 units (2019: 1,060,471 units)																
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	3,582	-	3,582	-	-	-	-	-	16,131	-	16,131
- Element of loss	-	-	-	-	-	446	-	446	-	-	-	-	-	(644)	-	(644)
Total proceeds on issuance of units						4,027	-	4,027						15,488	-	15,488
Redemption of 96,606,347 units (2019: 96,606,347 units)																
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	28,617	-	28,617	-	-	-	-	-	1,469,534	-	1,469,534
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to net income for the year / period after taxation	-	-	-	-	-	(57,419)	(3,715)	(61,134)	-	-	-	-	-	(2,898,419)	-	(2,898,419)
Total payment on redemption of units						(28,802)	(3,715)	(32,517)						(1,428,885)	-	(1,428,885)
Total comprehensive income for the year / period	-	(36,696)	1,221,881	-	1,185,184	-	207,949	207,949	-	(26,498)	(355,041)	-	(381,539)	-	(290,541)	(290,541)
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year / period less distribution	-	(36,696)	1,221,881	-	1,185,184	-	207,949	207,949	-	(26,498)	(355,041)	-	(381,539)	-	(290,541)	(290,541)
Net assets at end of the year / period	2,835,000	(3,201,868)	4,670,691	2,007,812	6,311,634	(263,026)	1,947,352	1,684,326	2,835,000	(3,157,629)	2,781,573	2,007,812	4,466,756	1,307,214	1,452,330	2,759,544
Undistributed income / (loss) brought forward																
- Realised		(3,165,172)					1,843,245			(3,131,131)						
- Unrealised		-					(100,126)			-						
		(3,165,172)					1,743,119			(3,131,131)					1,742,871	
Transferred to Class B - Segment on conversion of Fund																
Accounting Income / (Loss) available for distribution										(26,498)					(290,541)	
- Relating to capital gains							204,233			-					-	
- Excluding capital gains							-			-					-	
		(36,696)					204,233			(26,498)					(290,541)	
Distribution during the year / period																
Undistributed income carried forward		(3,201,868)					1,947,352			(3,157,629)					1,452,330	
Undistributed income carried forward																
- Realised		(3,201,868)					1,786,258			(3,157,629)					1,645,362	
- Unrealised		-					161,095			-					(193,032)	
		(3,201,868)					1,947,352			(3,157,629)					1,452,330	
Net assets value per unit at beginning of the year / period	18,0827						15,2116			17,1016					16,0884	
Net assets value per unit at end of the year / period	22,2633						17,3136			15,7558					15,1716	

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

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Note	2020			2019		
		Class A	Class B	Total	Class A	Class B	Total
CASH FLOW FROM OPERATING ACTIVITIES							
Net income for the period		(36,696)	207,949	171,252	(26,498)	(290,541)	(317,039)
Adjustments of non-cash items							
Capital loss / (gain) on sale of investments - net		-	(61,499)	(61,499)	-	119,834	119,834
Unrealised diminution / (appreciation) on remeasurement of investments at fair value through profit or loss - net		-	(161,095)	(161,095)	-	193,032	193,032
Dividend income		(19,822)	(4,482)	(24,304)	-	(37,747)	(37,747)
Profit on bank deposit		(3,751)	(4,360)	(8,111)	(8,307)	(18,506)	(26,812)
		(60,270)	(23,487)	(83,757)	(34,804)	(33,928)	(68,732)
(Increase) / decrease in assets							
Investments - net		-	61,741	61,741	-	1,261,987	1,261,987
Receivable against sale of investments		-	1,171	1,171	-	3,120	3,120
Security deposits		(773)	(25)	(799)	(1,447)	(316)	(1,763)
		(773)	62,886	62,113	(1,447)	1,264,790	1,263,343
Increase / (decrease) in liabilities							
Payable to Management Company		6,665	1,208	7,872	2,575	(222)	2,353
Payable to Central Depository Company of Pakistan Limited - Trustee		130	(9)	121	(84)	(228)	(312)
Payable to the Securities and Exchange Commission of Pakistan		(738)	(409)	(1,146)	(5,806)	(4,700)	(10,506)
Payable against purchase of investment		-	9,435	9,435	-	(10,244)	(10,244)
Accrued expenses and other liabilities		119	(2,383)	(2,264)	76	(112,341)	(112,265)
		6,176	7,842	14,018	(3,239)	(127,734)	(130,973)
Cash used in operations		(54,868)	47,242	(7,626)	(39,490)	1,103,128	1,063,638
Dividend received		19,822	1,991	21,813	182,945	2,477	185,422
Profit received on bank deposit		4,255	4,849	9,104	6,222	18,609	24,831
Net cash generated from operating activities		24,077	6,840	30,917	189,166	21,086	210,252
CASH FLOW FROM FINANCING ACTIVITIES							
Amount received on issue of units		-	4,027	4,027	-	15,488	15,488
Amount paid on redemption of units		-	(32,517)	(32,517)	-	(1,428,885)	(1,428,885)
Dividend paid		-	(9,558)	(9,558)	-	(164)	(164)
Net cash generated from / (used in) financing activities		-	(38,048)	(38,048)	-	(1,413,561)	(1,413,561)
Net (decrease) / increase in cash and cash equivalents		(30,790)	16,034	(14,756)	149,676	(289,347)	(139,672)
Cash and cash equivalents at beginning of the period		278,910	314,221	593,131	127,708	786,197	913,905
Cash and cash equivalents at end of the period	4	248,120	330,254	578,374	277,384	496,850	774,234

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Growth Fund was established under a Trust Deed, executed between PICIC Asset Management Company (Now HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.

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

1.3 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to 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.

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

1.5 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

1.6 JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (AM Two Plus) to the Management Company.

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.2 Basis of measurement

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020 except as explained in note 3.1 and 3.2.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. 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, 2020.

4 BANK BALANCES

Note	September 30, 2020			June 30, 2020		
	Class A	Class B	Total	Class A	Class B	Total
In savings account	248,120	330,254	578,374	278,910	314,221	593,131

4.1 Mark-up rates on these accounts range between

5% to 7.2% p.a (June 30, 2020: 7% - 14.05% p.a).

5 INVESTMENTS

Note	September 30, 2020			June 30, 2020		
	Class A	Class B	Total	Class A	Class B	Total
Financial assets 'at fair value through profit or loss' - held-for-trading						
- Listed equity securities	-	1,663,423	1,663,423	-	1,502,570	1,502,570
Available for sale						
- Listed equity securities	6,091,068	-	6,091,068	4,869,187	-	4,869,187
	6,091,068	1,663,423	7,754,491	4,869,187	1,502,570	6,371,757

5.1 Financial assets 'at fair value through profit and loss' - held-for-trading

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

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2020 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2020	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2020		Net Assets of the fund	Total Investments	Investee Paidup Capital
INSURANCE									
Adamjee Insurance Co Ltd	685,000	-	-	473,000	212,000	8,501	0.50%	0.51%	0.06%
IGI Holdings Limited	325,500	-	-	2,300	323,200	70,771	4.20%	4.25%	0.26%
IGI LIFE INSURANCE LIMITED	-	75,000	-	-	75,000	3,355	0.20%	0.20%	0.00%
TPL Insurance Limited	751,695	-	-	-	751,695	21,861	1.30%	1.31%	1.00%
	1,762,195	75,000	-	475,300	1,361,895	104,488	6.20%	6.28%	
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Ltd	765,000	-	-	23,000	742,000	27,691	1.64%	1.66%	0.21%
Interloop Limited	363,415	-	-	32,500	330,915	22,188	1.32%	1.33%	3.81%
Nishat Mills Ltd	382,000	-	-	56,000	326,000	32,949	1.96%	1.98%	0.09%
	1,510,415	-	-	111,500	1,398,915	82,828	4.92%	4.98%	
CEMENT									
Cherat Cement Company Ltd.	239,000	-	-	119,500	119,500	13,953	0.83%	0.84%	0.07%
D G Khan Cement Co.Ltd.	-	265,500	-	4,500	261,000	26,912	1.60%	1.62%	0.06%
Fauji Cement Company Limited	-	200,000	-	-	200,000	3,976	0.24%	0.24%	0.01%
Kohat Cement Ltd	160,000	-	-	72,200	87,800	14,991	0.89%	0.90%	0.07%
Lucky Cement Ltd	223,400	-	-	26,603	196,797	127,341	7.56%	7.66%	0.06%
Maple Leaf Cement Factory Ltd	898,000	-	-	163,500	734,500	26,361	1.57%	1.58%	0.14%
	1,520,400	465,500	-	386,303	1,599,597	213,534	12.68%	12.84%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	970,356	-	-	30,000	940,356	73,780	4.38%	4.44%	0.07%
K-Electric Limited	3,325,500	-	-	3,325,500	-	-	0.00%	0.00%	0.03%
	4,295,856	-	-	3,355,500	940,356	73,780	4.38%	4.44%	
ENGINEERING									
Aisha Steel Mills Ltd. - Conv. Cum. Pref. '	1,628,663	-	-	-	1,628,663	68,404	4.06%	4.11%	55.94%
Amreli Steels Limited	-	160,000	-	-	160,000	7,003	0.42%	0.42%	0.05%
International Industries Ltd	84,000	-	-	84,000	-	-	0.00%	0.00%	-
International Steels Limited	334,000	58,500	-	334,000	58,500	4,507	0.27%	0.27%	0.01%
Mughal Iron & Steel Inds Ltd	-	128,000	-	-	128,000	8,228	0.49%	0.49%	0.05%
	2,046,663	346,500	-	418,000	1,975,163	88,142	5.23%	5.30%	
AUTOMOBILE ASSEMBLER									
Honda Atlas Cars (Pakistan) Ltd	-	45,500	-	-	45,500	11,782	0.70%	0.71%	0.03%
Pak Suzuki Motor Company Limited	-	65,500	-	25,000	40,500	8,160	0.48%	0.49%	0.05%
Sazgar Engineering Works Limited	-	25,000	-	25,000	-	-	0.00%	0.00%	-
	-	136,000	-	50,000	86,000	19,941	1.18%	1.20%	

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2020 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2020	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2020		Net Assets of the fund	Total Investments	Investee Paidup Capital
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	-	250,000	-	250,000	-	-	0.00%	0.00%	-
Waves Singer Pakistan Limited	-	634,500	-	200,500	434,000	11,358	0.67%	0.68%	0.02%
	-	884,500	-	450,500	434,000	11,358	0.67%	0.68%	
TRANSPORT									
Pakistan National Shipping Corp Ltd	106,500	-	-	11,000	95,500	8,691	0.52%	0.52%	0.07%
	106,500	-	-	11,000	95,500	8,691	0.52%	0.52%	
PHARMACEUTICALS									
AGP Limited	194,000	13,500	-	133,000	74,500	8,121	0.48%	0.49%	0.00%
GlaxoSmithKline Pakistan Ltd	111,800	-	-	88,000	23,800	4,370	0.26%	0.26%	0.01%
Highnoon Laboratories Limited	66,550	-	-	11,200	55,350	33,985	2.02%	2.04%	0.01%
The Searle Company Ltd	84,853	-	-	52,000	32,853	8,421	0.50%	0.51%	0.02%
	457,203	13,500	-	284,200	186,503	54,896	3.26%	3.30%	
Vanaspati & Allied Industries									
Unity Foods Limited	-	550,000	-	550,000	-	-	0.00%	0.00%	0.00%
	-	550,000	-	550,000	-	-	0.00%	0.00%	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	-	2,730,894	-	50,000	2,680,894	78,872	4.68%	4.74%	0.24%
	-	2,730,894	-	50,000	2,680,894	78,872	4.68%	4.74%	
GLASS & CERAMICS									
Tariq Glass Industries Ltd	107,500	-	-	107,500	-	-	0.00%	0.00%	0.00%
	107,500	-	-	107,500	-	-	0.00%	0.00%	
MISCELLANEOUS									
Tri-Pack Films Ltd	-	15,000	-	-	15,000	2,532	0.15%	0.15%	0.04%
	-	15,000	-	-	15,000	2,532	0.15%	0.15%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	83,473	-	-	1,000	82,473	112,948	6.71%	6.79%	0.07%
Oil & Gas Development Co Ltd	1,031,100	-	-	245,500	785,600	81,388	4.83%	4.89%	0.02%
Pakistan Oilfields Ltd	21,600	22,000	-	1,500	42,100	17,738	1.05%	1.07%	0.02%
Pakistan Petroleum Ltd	736,036	208,500	-	82,000	862,536	79,405	4.71%	4.77%	0.04%
	1,872,209	230,500	-	330,000	1,772,709	291,480	17.31%	17.52%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	304,956	29,000	-	36,500	297,456	59,551	3.54%	3.58%	0.09%
Sui Northern Gas Pipeline Ltd	710,200	-	-	160,000	550,200	34,008	2.02%	2.04%	0.09%
	1,015,156	29,000	-	196,500	847,656	93,559	5.55%	5.62%	
OIL & GAS EXPLORATION COMPANIES									
Attock Refinery Ltd	-	102,000	-	48,000	54,000	7,532	0.45%	0.45%	0.06%
National Refinery Ltd	-	86,800	-	8,000	78,800	13,709	0.81%	0.82%	0.10%
Pakistan Refinery Limited	-	237,500	-	237,500	-	-	0.00%	0.00%	-
	-	426,300	-	293,500	132,800	21,241	1.26%	1.28%	
COMMERCIAL BANKS									
Bank Al-Falah Limited	2,142,050	-	-	519,000	1,623,050	56,450	3.35%	3.39%	0.10%
Bank Al-Habib Limited	288,380	-	-	288,147	233	15	0.00%	0.00%	0.00%
Bank of Punjab Limited	5,314,500	-	-	1,780,000	3,534,500	34,921	2.07%	2.10%	0.67%
BankIslami Pakistan Limited	760,000	-	-	760,000	-	-	0.00%	0.00%	-
Faysal Bank Limited	25,250	-	-	8,000	17,250	295	0.02%	0.02%	0.00%
*Habib Bank Limited	345,500	-	-	86,000	259,500	33,927	2.01%	2.04%	0.02%
MCB Bank Limited	239,200	45,000	-	35,001	249,199	43,316	2.57%	2.60%	0.02%
National Bank of Pakistan Limited	665,500	-	-	665,500	-	-	0.00%	0.00%	-
Standard Chartered Bank (Pakistan) Ltd	175,000	1,555,000	-	-	1,730,000	54,460	3.23%	3.27%	0.04%
United Bank Limited	470,500	393,705	-	35,000	829,205	95,450	5.67%	5.74%	0.07%
	10,425,880	1,993,705	-	4,176,648	8,242,937	318,834	18.93%	19.17%	
FERTILIZER									
Engro Corporation Ltd	278,370	18,000	-	10,000	286,370	86,206	5.12%	5.18%	0.05%
Engro Fertilizers Limited	375,500	10,000	-	385,500	-	-	0.00%	0.00%	-
Fauji Fertilizer Co Ltd	421,100	-	-	421,100	-	-	0.00%	0.00%	-
	1,074,970	28,000	-	816,600	286,370	86,206	5.12%	5.18%	

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2020 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2020	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2020		Net Assets of the fund	Total Investments	Investee Paidup Capital
CHEMICAL									
Engro Polymer & Chemicals Limited	855,699	-	-	515,500	340,199	13,696	0.81%	0.82%	0.04%
Ghani Global Holdings Limited ICI	-	533,000	-	25,000	508,000	6,883	0.41%	0.41%	0.41%
Pakistan Ltd	-	10,450	-	3,500	6,950	5,029	0.30%	0.30%	0.01%
Sitara Chemical Industries Limited	84,600	-	-	10,000	74,600	23,996	1.42%	1.44%	0.35%
Sitara Peroxide Limited	-	375,000	-	375,000	-	-	0.00%	0.00%	-
	940,299	918,450	-	929,000	929,749	49,605	2.95%	2.98%	
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	107,600	-	-	27,400	80,200	33,710	2.00%	2.03%	0.10%
	107,600	-	-	27,400	80,200	33,710	2.00%	2.03%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	127,500	-	-	127,500	8,571	0.51%	0.52%	0.07%
TPL Trakker Limited	-	1,237,000	-	-	1,237,000	12,865	0.76%	0.77%	0.07%
	-	1,364,500	-	-	1,364,500	21,435	1.27%	1.29%	
AUTOMOBILE PARTS & ACCESSORIES									
Clover Pakistan Limited	-	90,000	-	-	90,000	8,292	0.49%	0.50%	0.03%
	-	90,000	-	-	90,000	8,292	0.49%	0.50%	
Total as at September 30, 2020	27,242,846	10,297,349	-	13,019,451	24,520,744	1,663,423	98.76%	100.00%	
Total as at June 30, 2020	64,550,462	34,544,240	342,271	72,194,127	27,242,846	1,502,570	99.84%	100%	
Cost as at Sep 30, 2020						1,502,328			

*Sponsor of the Management Company

5.1.1 Investments include shares having market value aggregating to Rs. 185.926 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 1.08 million at September 30, 2020 (June 30, 2020: Rs. 0.839) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.2 Listed equity securities - Available for Sale

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2020 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2020	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2020		Net Assets of the fund	Total Investments	Investee Paidup Capital
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	27,364,904	-	-	-	27,364,904	5,478,454	86.80%	89.94%	8.39%
Sui Northern Gas Pipeline Limitec	9,911,246	-	-	-	9,911,246	612,614	9.71%	10.06%	1.56%
TOTAL SEPTEMBER 30, 2020	37,276,150	-	-	-	37,276,150	6,091,068	96.51%	100%	
TOTAL JUNE 30, 2020	32,715,333	-	4,560,817	-	37,276,150	4,869,187	94.99%	100%	
Cost as at June 30, 2020						1,420,375			

5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 45.65 million at September 30, 2020 (June 30, 2020: Rs. 36.067 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

6 PAYABLE TO MANAGEMENT COMPANY

Note	September 30, 2020			June 30, 2020		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)			(Rupees in '000)		
Management Fee	10,501	2,884	13,384	8,190	2,516	10,706
Sindh Sales Tax	1,365	375	1,740	1,065	327	1,392
Allocation of expenses relating to registrar services, accounting operation and valuation service	2,888	793	3,681	2,252	692	2,944
Selling and marketing expense	15,755	4,487	20,241	12,337	3,795	16,132
	<u>30,509</u>	<u>8,538</u>	<u>39,046</u>	<u>23,844</u>	<u>7,330</u>	<u>31,174</u>

6.1 The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2020: 2% per annum) of the average annual net assets of the Fund for the current year.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020:13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	September 30, 2020			June 30, 2020		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)			(Rupees in '000)		
Provision for Sindh Workers' Welfare Fund	2,065	45,927	47,992	-	41,683	41,683
Provision for Federal Excise Duty and additional Sales tax on Management Fee	-	125,303	125,303	2,065	125,303	127,368
Brokerage	-	607	607	-	126	126
Auditors' remuneration	453	177	630	331	141	472
Withholding tax	15	100	115	13	7,269	7,282
Others	1	998	999	6	972	978
	<u>2,534</u>	<u>173,111</u>	<u>175,645</u>	<u>2,415</u>	<u>175,494</u>	<u>177,909</u>

7.1 PROVISION FOR WORKERS' WELFARE FUND AND 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, 2020.

In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 2.065 million and Rs. 44.926.7 million (June 30, 2020 Rs. 2.065 million and Rs. 41.683 million) for Class A and Class B fund respectively in this condensed interim financial information. Had the provision not been made, net asset value per unit at September 30, 2020 would have been higher by Re. 0.007 in Class A and Re.0.4721 in Class B (June 30, 2020 Rs.0.007 Class A & Re. 0.147 in class B) per unit.

7.2 PROVISION FOR FEDERAL EXCISE DUTY

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

The Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 125.303 million (June 30, 2020: Rs. 125.303 million). Had the provision not been made, the Net Asset Value per unit of Class-B as at September 30, 2020 would have been higher by Re. 1.2880 (June 30, 2020: Re. 1.267) per unit.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	September 30, 2020			June 30, 2020		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)			(Rupees in '000)		
Fee Payable	300	85	386	1,038	494	1,532

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2020.

10 TAXATION

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

11 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio for the Three Months Ended September 30, 2020 is 1.01% and 1.39% which includes 0.07% and 0.34% representing government levy, and SECP fee of the Class A and Class B respectively.

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL asset management limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund. As mentioned in note 1, PICIC Asset Management Company Limited merged with and into HBL Asset Management Limited, therefore PICIC Asset Management Company Limited remained related party till August 31, 2016.

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

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

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

12.1 Transactions during the period

	Three Months Ended					
	September 30,					
	2020			2019		
Class A	Class B	Total	Class A	Class B	Total	
(Rupees in '000)			(Rupees in '000)			
HBL Asset Management Limited - Management Company						
Remuneration of the Management Company	30,009	8,546	38,555	19,249	15,904	35,153
Sales tax on remuneration of the management company	3,901	1,111	5,012	2,502	2,067	4,570
Allocation of expenses related to registrar services, accounting, operation and valuation services	8,253	2,350	10,603	3,751	3,291	7,042
Selling and Marketing Expense	15,755	4,487	20,241	7,591	6,305	13,896
Habib Bank Limited - Sponsor						
Dividend income	-	1,628	1,628	-	1,628	1,628
Profit on saving account	-	37	37	-	37	37
Central Depository Company of Pakistan						
Trustee Fee	1,915	712	1,915	1,342	1,131	2,627
CDS Charges	-	183	183	-	183	183

12.2 Balances at period end

	September 30,			June 30,		
	2020			2020		
	Class A	Class B	Total	Class A	Class B	Total
(Un-Audited)			(Audited)			
(Rupees in '000)			(Rupees in '000)			
HBL Asset Management Company Limited - Management Company						
Payable to management company	10,501	2,884	13,384	8,190	2,516	10,706
Sindh sales tax	1,365	375	1,740	1,065	327	1,392
Allocation of expenses relating to registrar services, accounting, operation and valuation services	2,888	793	3,681	2,252	692	2,944
Selling and Marketing Expense	15,755	4,487	20,241	12,337	3,795	16,132
Habib Bank Limited - Sponsor						
Bank Balances	-	1,400	1,400	-	1,366	1,366
Pakistan Reinsurance Company Limited - Connected person						
- due to holding more than 10% Units						
Units held: 30,406,721 Units (June 2020: 30,406,721 Units)	304,067	-	-	304,067	-	304,067
Units held: 15,000,000 Units (June 2020: 15,000,000 Units)	-	259,704	-	-	228,174	228,174
STATE LIFE INSURANCE CORP. OF PAKISTAN						
- due to holding more than 10% units						
Units held: 12,024,904 Units (June 2020: 12,024,904 Units)	120,249	-	120,249	120,249	-	120,249
Units held: 12,384,663 Units (June 2020: 12,384,663 Units)	-	214,423	-	-	188,391	188,391
Central Depository Company of Pakistan Limited - Trustee						
Trustee remuneration payable	686	256	942	556	235	791
Security Deposit with trustee	100	175	275	100	175	275
CDS Charges Payable	-	122	122	-	30	30
Jubilee General Insurance Company Limited - Associate						
Units held: 142,500 Units (June 2020: 142,500 Units)	1,425	-	1,425	1,425	-	1,425
Units held: 146,124 Units (June 2020: 146,124 Units)	-	2,530	2,530	-	2,223	2,223
Directors and Executives of the Management Company						
Units held: 18,000 Units (June 2019: 18,000 Units)	180	-	180	180	-	180
Units held: 18,000 Units (June 2020: 18,000 Units)	-	312	312	-	274	274

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

13.1

		Class A							
		September 30, 2020							
		Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading*	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	----- (Rupees in '000) -----							
Financial assets measured at fair value									
Investment in listed equity securities - available for sale	-	6,091,068	-	-	6,091,068	6,091,068	-	-	6,091,068
	-	6,091,068	-	-	6,091,068	6,091,068	-	-	6,091,068
Financial assets not measured at fair value									
Bank balances	-	-	248,120	-	248,120	-	-	-	-
Dividend and profit receivable	-	-	5,518	-	5,518	-	-	-	-
Security deposits	-	-	100	-	100	-	-	-	-
	-	-	253,738	-	253,738	-	-	-	-
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	-	30,509	30,509	-	-	-	-
Payable to trustee	-	-	-	686	686	-	-	-	-
Accrued expenses and other liabilities	-	-	-	2,519	2,519	-	-	-	-
	-	-	-	33,715	33,715	-	-	-	-

13.2

		Class B								
		September 30, 2020								
		Carrying amount				Fair Value				
	Note	Fair value through profit and loss - held-for-trading ¹	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments		(Rupees in '000)								
Financial assets measured at fair value										
Investment in listed equity securities - at fair value through profit and loss		1,663,423	-	-	-	1,663,423	1,663,423	-	-	1,663,423
		1,663,423	-	-	-	1,663,423	1,663,423	-	-	1,663,423
Financial assets not measured at fair value										
Bank balances		-	-	330,254	-	330,254	-	-	-	-
Dividend and profit receivable		-	-	3,779	-	3,779	-	-	-	-
Deposits		-	-	2,675	-	2,675	-	-	-	-
		-	-	336,708	-	336,708	-	-	-	-
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	-	8,538	8,538	-	-	-	-
Payable to trustee		-	-	-	256	256	-	-	-	-
Accrued expenses and other liabilities		-	-	-	129,619	129,619	-	-	-	-
		-	-	-	138,414	138,414	-	-	-	-
		Class A								
		June 30, 2020								
		Carrying amount				Fair Value				
	Note	Fair value through profit and loss - held-for-trading ¹	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments		(Rupees in '000)								
Financial assets measured at fair value										
Investment in listed equity securities - available for sale		-	4,869,187	-	-	4,869,187	4,869,187	-	-	4,869,187
		-	4,869,187	-	-	4,869,187	4,869,187	-	-	4,869,187
Financial assets not measured at fair value										
Bank balances		-	-	278,910	-	278,910	-	-	-	-
Dividend and profit receivable		-	-	6,022	-	6,022	-	-	-	-
Deposits		-	-	184	-	184	-	-	-	-
		-	-	285,116	-	285,116	-	-	-	-
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	-	23,844	23,844	-	-	-	-
Payable to trustee		-	-	-	556	556	-	-	-	-
Accrued expenses and other liabilities		-	-	-	2,415	2,415	-	-	-	-
		-	-	-	26,815	26,815	-	-	-	-
		Class B								
		June 30, 2020								
		Carrying amount				Fair Value				
	Note	Fair value through profit and loss - held-for-trading ¹	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments		(Rupees in '000)								
Financial assets measured at fair value										
Investment in listed equity securities - at fair value through profit and loss		1,502,570	-	-	-	1,502,570	1,502,570	-	-	1,502,570
		1,502,570	-	-	-	1,502,570	1,502,570	-	-	1,502,570
Financial assets not measured at fair value										
Bank balances		-	-	314,221	-	314,221	-	-	-	-
Dividend and profit receivable		-	-	1,777	-	1,777	-	-	-	-
Deposits		-	-	3,546	-	3,546	-	-	-	-
		-	-	319,544	-	319,544	-	-	-	-
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	-	7,330	7,330	-	-	-	-
Payable to trustee		-	-	-	265	265	-	-	-	-
Accrued expenses and other liabilities		-	-	-	175,494	175,494	-	-	-	-
		-	-	-	183,089	183,089	-	-	-	-

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

14 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2020.

15 GENERAL

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

15.2 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

**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 Zarai Taraqati Bank Limited

HBL Investment Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Un-Audited)			June 30, 2020 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----							
Assets							
Bank balances	4	85,012	192,241	277,253	98,673	183,558	282,231
Investments	5	2,202,526	1,283,089	3,485,615	1,754,372	1,142,187	2,896,559
Dividend and profit receivable		2,003	3,010	5,013	2,211	852	3,063
Receivable against sale of investment		-	6,687	6,687	-	18,141	18,141
Advances & deposits		472	3,481	3,954	100	3,480	3,580
Total assets		2,290,013	1,488,508	3,778,520	1,855,356	1,348,218	3,203,574
Liabilities							
Payable to the Management Company	6	10,995	6,590	17,585	8,573	5,650	14,223
Payable to the trustee		307	219	526	259	239	498
Payable to the Securities and Exchange Commission of Pakistan		108	66	174	371	329	700
Payable against purchase of investment		-	5,678	5,678	-	1,090	1,090
Accrued expenses and other liabilities	7	1,486	84,423	85,909	1,229	84,190	85,419
Unclaimed dividend		-	85,446	85,446	-	101,015	101,015
Total liabilities		12,896	182,422	195,318	10,432	192,513	202,945
Net assets		2,277,117	1,306,086	3,583,201	1,844,924	1,155,705	3,000,629
Total unit holders' fund (as per statement attached)		2,277,117	1,306,086	3,583,201	1,844,924	1,155,705	3,000,629
Contingencies and commitments							
Number of units in issue	8	284,125,000	145,782,553		284,125,000	146,528,631	
Net assets value per unit		8.0145	8.9591		6.4934	7.8872	

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 THREE MONTHS ENDED SEPTEMBER 30, 2020

Note	Three months ended						
	2020			2019			
	Class A	Class B	Total	Class A	Class B	Total	
------(Rupees in '000)-----							
Income							
Capital gain on sale of investments - net	-	45,708	45,708	-	(26,464)	(26,464)	
Dividend income	4,976	3,483	8,459	-	24,233	24,233	
Profit on bank deposits	1,248	2,492	3,740	3,076	9,445	12,521	
Back end Load Income	-	-	-	-	-	-	
	6,224	51,684	57,908	3,076	7,214	10,290	
Unrealised Appreciation / (diminution) on remeasurement of investments at fair value through profit or loss - net	-	123,419	123,419	-	(121,532)	(121,532)	
	6,224	175,102	181,326	3,076	(114,318)	(111,242)	
Expenses							
Remuneration of Management Company	6.1	10,815	6,588	17,403	6,830	9,080	15,910
Sindh Sales tax on remuneration of the Management company	6.2	1,406	856	2,262	888	1,180	2,068
Remuneration of Trustee		785	483	1,268	545	730	1,275
Annual fee to the Securities and Exchange Commission of Pakistan		108	66	174	75	100	175
Selling & marketing expense	6.4	5,678	3,459	9,137	2,693	3,593	6,286
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	2,974	1,812	4,786	1,331	1,813	3,144
Securities transaction costs		-	1,507	1,507	-	2,169	2,169
Auditors' remuneration		97	61	158	73	79	152
Printing Charges		5	-	5	-	-	-
Fee and Subscription Charges		317	7	324	407	27	434
Bank Charges		-	2	2	3	11	14
Conversion expense from closed end to open end fund		-	-	-	-	-	-
		22,185	14,840	37,025	12,845	18,782	31,627
Net loss from operating activities		(15,961)	160,262	144,301	(9,769)	(133,100)	(142,869)
Provision for Sindh Workers' Welfare Fund	7.1	-	(3,205)	(3,205)	-	-	-
Net loss for the period before taxation		(15,961)	157,057	141,096	(9,769)	(133,100)	(142,869)
Taxation	9	-	-	-	-	-	-
Net (loss)/Income for the period after taxation		(15,961)	157,057	141,096	(9,769)	(133,100)	(142,869)
Allocation Of Net Income For The Period							
Income already paid on redemption		-	1,031	1,031	-	-	-
Accounting income available for distribution		-	-	-	-	-	-
-Realtg to capital gain		-	156,026	156,026	-	-	-
-Excluding capital gain		-	-	-	-	-	-
		(15,961)	156,026	140,065	(9,769)	(133,100)	(142,869)
Net (Loss)/income for the period after taxation		(15,961)	157,057	141,096	(9,769)	(133,100)	(142,869)

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
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Three months ended					
	2020			September		
	Class A	Class B	Total	Class A	Class B	Total
	------(Rupees in '000)-----					
Net income / (loss) for the year after taxation	(15,961)	157,057	141,096	(9,769)	(133,100)	(142,869)
Item that may be reclassified subsequently to Income Statement						
Unrealised diminution re-measurement of investments classified as available-for-sale	-	-	-	-	-	-
Items that will not be reclassified to income statement						
Unrealised diminution on re-measurement of investments classified as fair value through other comprehensive income	448,154	-	448,154	(123,157)	-	(123,157)
Total comprehensive loss for the year	432,193	157,057	589,250	(132,926)	(133,100)	(266,026)

The annexed notes 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund

Condensed Interim Statement Of Movemet In Unit Holder's Fund

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

Three months ended
September

	2020				2019										
	Class A		Class B		Class A		Class B								
	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total							
Net assets at beginning of the year / period	2,841,250	(2,233,206)	1,236,880	1,844,924	1,580,790	(425,085)	1,155,705	2,841,250	(2,221,541)	1,101,989	1,721,698	2,784,354	(444,345)	2,340,009	
Issuance of 152,762 units (2019:738,850 units)	-	-	-	-	1,189	-	1,189	-	-	-	-	-	6,212	-	6,212
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	240	-	240	-	-	-	-	-	(572)	-	(572)
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	1,429	-	1,429	-	-	-	-	5,640	-	5,640	
Redemption of 896,840 units(2019: 44,217,252 units)	-	-	-	-	(7,074)	-	(7,074)	-	-	-	-	-	-	-	
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	(1,031)	(1,031)	-	-	-	-	(371,741)	-	(371,741)	
- Amount paid out of element of income	-	-	-	-	(0)	-	(0)	-	-	-	-	23,579	-	23,579	
- Relating to net income for the year / period after taxation	-	-	-	-	(7,074)	(1,031)	(8,105)	-	-	-	-	(348,162)	-	(348,162)	
Total payment on redemption of units	-	-	-	-	(7,074)	(1,031)	(8,105)	-	-	-	-	(348,162)	-	(348,162)	
Total comprehensive income for the year / period	-	(15,961)	448,154	432,193	-	157,057	157,057	-	(9,769)	(123,157)	(132,926)	-	(133,100)	(133,100)	
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net income for the year / period less distribution	-	(15,961)	448,154	432,193	-	157,057	157,057	-	(9,769)	(123,157)	(132,926)	-	(133,100)	(133,100)	
Net assets at end of the year / period	2,841,250	(2,249,167)	1,685,034	2,277,117	1,575,145	(269,059)	1,306,086	2,841,250	(2,231,310)	978,832	1,588,772	2,441,832	(577,445)	1,864,387	
Undistributed income / (loss) brought forward	-	(2,233,206)	-	-	(349,006)	(76,079)	-	-	(2,221,541)	-	-	(69,471)	(374,874)	-	
- Realised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Unrealised	-	(2,233,206)	-	-	(349,006)	(76,079)	-	-	(2,221,541)	-	-	(69,471)	(374,874)	-	
Transferred to Class B - Segment on conversion of Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accounting income available for distribution	-	-	-	-	156,026	-	-	-	-	-	-	-	-	-	
- Relating to capital gains	-	-	-	-	156,026	-	-	-	-	-	-	-	-	-	
- Excluding capital gains	(15,961)	-	-	-	-	-	-	(9,769)	-	-	-	(133,100)	-	-	
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Undistributed income carried forward	-	(2,249,167)	-	-	(269,059)	-	-	-	(2,231,310)	-	-	(577,445)	-	-	
Undistributed income carried forward	-	(2,249,167)	-	-	(392,478)	123,419	-	-	(2,231,310)	-	-	(455,913)	(121,532)	-	
- Realised	-	(2,249,167)	-	-	(392,478)	123,419	-	-	(2,231,310)	-	-	(455,913)	(121,532)	-	
- Unrealised	-	-	-	-	(269,059)	-	-	-	(2,231,310)	-	-	(577,445)	-	-	
Net assets value per unit at beginning of the year / period	6.4934	-	-	-	7.8872	-	-	6.0597	-	-	-	8.4072	-	-	
Net assets value per unit at end of the year / period	8.0145	-	-	-	8.9591	-	-	5.5918	-	-	-	7.9384	-	-	

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
Condensed Interim Statement of Cash Flow (Un- Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Three months ended					
	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					
CASH FLOW FROM OPERATING ACTIVITIES						
Net loss for the period	(15,961)	157,057	141,096	(9,769)	(133,100)	(142,869)
Adjustments of non-cash items						
Unrealised diminution on remeasurement of investments at fair value through profit or loss - net	-	(123,419)	(123,419)	-	121,532	121,532
Dividend income	(4,976.00)	(3,483)	(8,459)	-	(24,233)	(24,233)
Profit on bank deposit	(1,248)	(2,492)	(3,740)	(3,076)	(9,445)	(12,521)
	(22,185)	27,663	5,478	(12,845)	(45,246)	(58,091)
(Increase) / decrease in assets						
Investments - net	-	(17,484)	(17,484)	-	347,614	347,614
Receivable against sale of investments	-	11,454	11,454	-	1,410	1,410
Security deposits	(372)	(1)	(374)	(944)	(57)	(1,001)
	(372)	(6,031)	(6,403)	(944)	348,967	348,023
Increase / (decrease) in liabilities						
Payable to Management Company	2,422	940	3,362	901	948	1,849
Payable to Central Depository Company of Pakistan Limited - Trustee	48	(20)	28	(30)	(90)	(120)
Payable to the Securities and Exchange Commission of Pakistan	(263)	(263)	(526)	(2,081)	(2,448)	(4,529)
Payable against purchase of investment	-	4,588	4,588	-	4,077	4,077
Accrued expenses and other liabilities	257	233	490	(120)	(43,082)	(43,202)
Unclaimed dividend	-	(15,569)	(15,569)	-	(247)	(247)
	2,464	(10,091)	(7,627)	(1,330)	(40,842)	(42,172)
Cash used in operations	(20,093)	11,542	(8,552)	(15,119)	262,879	247,760
Dividend received	4,976	1,044	6,020	59,824	10,469	70,293
Profit received on bank deposit	1,456	2,773	4,229	2,359	9,156	11,515
Net cash generated from operating activities	6,432	3,817	10,249	62,183	19,625	81,808
CASH FLOW FROM FINANCING ACTIVITIES						
Amount received on issue of units	-	1,429	1,429	-	5,640	5,640
Amount paid on redemption of units	-	(8,105)	(8,105)	-	(348,162)	(348,162)
Net cash generated from / (used in) financing activities	-	(6,676)	(6,676)	-	(342,522)	(342,522)
Net (decrease) / increase in cash and cash equivalents	(13,661)	8,683	(4,978)	47,064	(60,018)	(12,954)
Cash and cash equivalents at beginning of the period	98,673	183,558	282,231	49,550	390,621	440,171
Cash and cash equivalents at end of the period	4 85,012	192,241	277,253	96,614	330,603	427,217

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

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

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

1. STATUS AND NATURE OF BUSINESS

- 1.1** HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has a Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to the following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holder of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.5** JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (AM Two Plus) 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

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

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

2.1.1 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.1.2 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2020.

4 BANK BALANCES

	September 30, 2020 (Un-Audited)			June 30, 2020 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
In savings account	85,012	192,241	277,253	98,673	183,558	282,231
	<u>85,012</u>	<u>192,241</u>	<u>277,253</u>	<u>98,673</u>	<u>183,558</u>	<u>282,231</u>

4.1 Mark-up rates on these accounts range between 5.6% to 6.20% p.a (June 30, 2020: 7% - 14.05% p.a).

5 INVESTMENTS	September 30, 2020 (Un-Audited)			June 30, 2020 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
At fair value through profit						
Listed Equity Securities	-	1,283,089	1,283,089	-	1,142,187	1,142,187
At fair value through other comprehensive income						
Listed Equity Securities	2,202,526	-	2,202,526	1,754,372	-	1,754,372
	<u>2,202,526</u>	<u>1,283,089</u>	<u>3,485,615</u>	<u>1,754,372</u>	<u>1,142,187</u>	<u>2,896,559</u>

5.1 Financial assets 'at fair value through profit or loss

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

Name of investee company	Number of Shares					Market value as at September 30, 2020 (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, 2020	Purchases during the year	Right issue	Sales during the year	As at September 30, 2020		Total Investments	Net Assets	
Class B									
Automobile Parts and Accessories									
Thal Limited (Par value Rs. 5 per share)	82,800	-	-	20,900	61,900	26,018	2.03%	1.99%	0.08%
	<u>82,800</u>	<u>-</u>	<u>-</u>	<u>20,900</u>	<u>61,900</u>	<u>26,018</u>	<u>2.03%</u>	<u>1.99%</u>	
AUTOMOBILE ASSEMBLER									
Honda Atlas Cars (Pakistan) Ltd	-	34,900	-	-	34,900	9,037	0.70%	0.69%	0.02%
Pak Suzuki Motor Company Limited	-	56,000	-	25,000	31,000	6,246	0.49%	0.48%	0.04%
Sazgar Engineering Works Limited	-	25,000	-	25,000	-	-	0.00%	0.00%	-
	<u>-</u>	<u>115,900</u>	<u>-</u>	<u>50,000</u>	<u>65,900</u>	<u>15,283</u>	<u>1.19%</u>	<u>1.17%</u>	
Chemical									
Engro Polymer & Chemicals Ltd	567,462	-	-	287,000	280,462	11,291	0.88%	0.86%	0.03%
Ghani Global Holdings Limited	-	412,000	-	20,000	392,000	5,312	0.41%	0.41%	0.31%
ICI Pakistan Ltd	-	8,200	-	2,000	6,200	4,486	0.35%	0.34%	0.01%
Sitara Chemical Industries Limited	64,200	-	-	7,500	56,700	18,238	1.42%	1.40%	0.26%
Sitara Peroxide Limited	-	291,000	-	291,000	-	-	0.00%	0.00%	-
	<u>631,662</u>	<u>711,200</u>	<u>-</u>	<u>607,500</u>	<u>735,362</u>	<u>39,327</u>	<u>3.07%</u>	<u>3.01%</u>	
Cement									
Cherat Cement Company Ltd.	181,000	-	-	89,500	91,500	10,684	0.83%	0.82%	0.05%
D G Khan Cement Co.Ltd.	-	204,500	-	1,500	203,000	20,931	1.63%	1.60%	0.05%
Fauji Cement Company Limited	-	200,000	-	-	200,000	3,976	0.31%	0.30%	0.01%
Kohat Cement Ltd	123,500	-	-	55,500	68,000	11,610	0.90%	0.89%	0.05%
Lucky Cement Ltd	174,200	-	-	23,000	151,200	97,837	7.63%	7.49%	0.05%
Maple Leaf Cement Factory Ltd	688,000	-	-	119,000	569,000	20,421	1.59%	1.56%	0.11%
	<u>1,166,700</u>	<u>404,500</u>	<u>-</u>	<u>288,500</u>	<u>1,282,700</u>	<u>165,459</u>	<u>12.90%</u>	<u>12.67%</u>	
Commercial Banks									
Bank Al-Falah Ltd	1,623,650	-	-	392,500	1,231,150	42,819	3.34%	3.28%	0.08%
Bank Al-Habib Limited	185,967	-	-	185,000	967	62	0.00%	0.00%	-
Bank of Punjab Ltd	4,084,500	-	-	1,476,000	2,608,500	25,772	2.01%	1.97%	0.49%
BankIslami Pakistan Limited	584,500	-	-	584,500	-	-	0.00%	0.00%	-
Faysal Bank Limited	18,000	-	-	9,000	9,000	154	0.01%	0.01%	-
Habib Bank Ltd	265,600	-	-	65,000	200,600	26,226	2.04%	2.01%	0.01%
MCB Bank Ltd	182,800	36,000	-	28,101	190,699	33,147	2.58%	2.54%	0.02%
National Bank of Pakistan Ltd	480,000	-	-	480,000	-	-	0.00%	0.00%	-
Standard Chartered Bank (Pakistan) Ltd	127,000	1,189,000	-	-	1,316,000	41,428	3.23%	3.17%	0.03%
United Bank Limited	362,200	313,000	-	28,500	646,700	74,442	5.80%	5.70%	0.05%
	<u>7,914,217</u>	<u>1,538,000</u>	<u>-</u>	<u>3,248,601</u>	<u>6,203,616</u>	<u>244,051</u>	<u>19.02%</u>	<u>18.69%</u>	

Name of investee company	Number of Shares					Market value as at September 30, 2020 (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, 2020	Purchases during the year	Right issue	Sales during the year	As at September 30, 2020		Total Investments	Net Assets	
Engineering									
Aisha Steel Mills Ltd. - Conv. Cum. Pref. Shares	1,065,000	-	-	-	1,065,000	44,730	3.49%	3.42%	36.58%
Amreli Steels Limited	-	130,500	-	-	130,500	5,712	0.45%	0.44%	0.04%
International Industries Ltd	61,800	-	-	61,800	-	-	0.00%	0.00%	-
International Steels Limited	257,000	45,000	-	257,000	45,000	3,467	0.27%	0.27%	0.01%
Mughal Iron & Steel Inds Ltd	-	103,000	-	-	103,000	6,621	0.52%	0.51%	0.04%
	1,383,800	278,500	-	318,800	1,343,500	60,530	4.72%	4.63%	
Fertilizer									
Engro Corporation Limited	214,300	13,500	-	4,700	223,100	67,160	5.23%	5.14%	0.04%
Engro Fertilizers Limited	291,500	8,000	-	299,500	-	-	0.00%	0.00%	-
Fauji Fertilizers Company Limited	323,500	-	-	323,500	-	-	-	-	-
	829,300	21,500	-	627,700	223,100	67,160	5.23%	5.14%	
Insurance									
Adamjee Insurance Co Ltd	527,000	-	-	364,000	163,000	6,536	0.51%	0.50%	0.05%
IGI Holdings Limited	269,900	-	-	-	269,900	59,100	4.61%	4.52%	0.22%
IGI LIFE INSURANCE LIMITED	-	41,500	-	-	41,500	1,856	0.14%	0.14%	-
TPL Insurance Limited	536,189	-	-	-	536,189	15,594	1.22%	1.19%	0.71%
	1,333,089	41,500	-	364,000	1,010,589	83,086	0.51%	0.50%	
Oil and Gas Exploration Companies									
Mari Petroleum Company Limited	64,806	-	-	1,000	63,806	87,384	6.81%	6.69%	0.06%
Oil and Gas Development Company	781,200	-	-	173,400	607,800	62,968	4.91%	4.82%	0.01%
Pakistan Oilfields Limited	16,500	17,000	-	1,000	32,500	13,693	1.07%	1.05%	0.01%
Pakistan Petroleum Limited	567,246	149,500	-	49,700	667,046	61,408	4.79%	4.70%	0.03%
	1,429,752	166,500	-	225,100	1,371,152	225,453	17.57%	17.26%	
Oil & Gas Marketing Companies									
Pakistan State Oil Company Limited	234,692	22,500	-	27,500	229,692	45,984	3.58%	3.52%	0.07%
Sui Northern Gas Pipeline Limited	545,000	-	-	120,000	425,000	26,269	2.05%	2.01%	0.07%
	779,692	22,500	-	147,500	654,692	72,254	5.63%	5.53%	
Pharmaceuticals									
AGP Limited	150,500	9,000	-	101,000	58,500	6,377	0.50%	0.49%	-
GlaxoSmithKline Pakistan Ltd	85,900	-	-	67,600	18,300	3,360	0.26%	0.26%	0.01%
Hignoon Laboratories Limited	49,500	-	-	6,800	42,700	26,218	2.04%	2.01%	-
The Searle Company Ltd	68,996	-	-	42,000	26,996	6,919	0.54%	0.53%	0.01%
	354,896	9,000	-	217,400	146,496	42,874	3.34%	3.28%	
Power Generation and Distribution									
The Hub Power Company Limited	746,909	-	-	20,000	726,909	57,033	4.44%	4.37%	0.06%
K-Electric Limited (Par value Rs. 3.50 per share)	2,640,500	-	-	2,640,500	-	-	0.00%	0.00%	-
	3,387,409	-	-	2,660,500	726,909	57,033	4.44%	4.37%	
Textile									
Gul Ahmed Textile Mills Ltd	588,500	-	-	18,000	570,500	21,291	1.66%	1.63%	0.16%
Interloop Limited	279,642	-	-	25,000	254,642	17,074	1.33%	1.31%	2.93%
Nishat Mills Limited	273,500	-	-	21,500	252,000	25,470	1.99%	1.95%	0.07%
Mohib Textile Mills Limited*	40,820	-	-	-	40,820	-	-	-	0.27%
Sunshine Cloth Limited*	50,000	-	-	-	50,000	-	-	-	0.64%
	1,232,462	-	-	64,500	1,167,962	63,834	4.98%	4.89%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	100,000	-	-	100,000	6,722	0.52%	0.51%	0.05%
TPL Trakker Limited	-	950,500	-	-	950,500	9,885	0.77%	0.76%	0.05%
	-	1,050,500	-	-	1,050,500	16,607	1.29%	1.27%	
REFINERY									
Attock Refinery Ltd	-	79,000	-	35,500	43,500	6,067	0.47%	0.46%	0.05%
National Refinery Ltd	-	67,600	-	6,000	61,600	10,717	0.84%	0.82%	0.08%
Pakistan Refinery Limited	-	183,500	-	183,500	-	-	0.00%	0.00%	-
	-	330,100	-	225,000	105,100	16,784	1.31%	1.29%	

Name of investee company	Number of Shares					Market value as at September 30, 2020 (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, 2020	Purchases during the year	Right issue	Sales during the year	As at September 30, 2020		Total Investments	Net Assets	
GLASS & CERAMICS									
Tariq Glass Industries Ltd	83,000	-	-	83,000	-	-	0.00%	0.00%	-
	<u>83,000</u>	<u>-</u>	<u>-</u>	<u>83,000</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	-	2,180,572	-	50,000	2,130,572	62,681	4.89%	4.80%	0.19%
	<u>-</u>	<u>2,180,572</u>	<u>-</u>	<u>50,000</u>	<u>2,130,572</u>	<u>62,681</u>	<u>4.89%</u>	<u>4.80%</u>	
FOOD & PERSONAL CARE PRODUCTS									
Clover Pakistan Limited	-	70,000	-	-	70,000	6,449	0.50%	0.49%	0.02%
	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>6,449</u>	<u>0.50%</u>	<u>0.49%</u>	
Vanaspati & Allied Industries									
Unity Foods Limited	-	425,000	-	425,000	-	-	0.00%	0.00%	-
	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>	
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	-	215,000	-	215,000	-	-	0.00%	0.00%	-
Waves Singer Pakistan Limited	-	479,000	-	129,000	350,000	9,160	0.71%	0.70%	0.02%
	<u>-</u>	<u>694,000</u>	<u>-</u>	<u>344,000</u>	<u>350,000</u>	<u>9,160</u>	<u>0.00%</u>	<u>0.00%</u>	
Transport									
Pakistan National Shipping Corp Ltd	74,500	-	-	2,000	72,500	6,598	0.51%	0.51%	0.05%
	<u>74,500</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>72,500</u>	<u>6,598</u>	<u>0.51%</u>	<u>0.51%</u>	
MISCELLANEOUS									
Tri-Pack Films Ltd	-	14,500	-	-	14,500	2,447	0.19%	0.19%	0.04%
	<u>-</u>	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>14,500</u>	<u>2,447</u>	<u>0.19%</u>	<u>0.19%</u>	
PAPER & BOARD									
Century Paper & Board Mills Ltd	150,000	-	-	-	150,000	4,125.00	0.32%	0.32%	0.10%
	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>4,125</u>	<u>0.32%</u>	<u>0.32%</u>	
Total as at September 30, 2020	20,833,279	8,073,772	-	9,970,001	18,937,050	1,287,213	1	1	
Carrying value as at September 30, 2020						1,159,670			

*Suspended/Delisted Companies

**Sponsors of Management Company

Investments include shares having market value aggregating to Rs. 178.502 million (June 30, 2020: Rs. 163.138 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.541 million at September 30, 2020 (June 30, 2020: Rs. 0.426 Million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.2 Listed equity securities - Fair value through other comprehensive income

Name of investee company	Number of Shares					Market value as at September 30, 2020 (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, 2020	Purchases during the year	Right issue	Sales during the year	As at September 30, 2020		Total Investments	Net Assets	

Class A

Oil and Gas Marketing Companies

Pakistan State Oil Company Limited	10,233,471	-	-	-	10,233,471	93.02%	89.97%	3.14%
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	6.98%	6.75%	0.39%
Total	12,721,495	-	-	-	12,721,495	100%	96.72%	

5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 17.073 million at September 30, 2020 (June 30, 2020: Rs. 13.488) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

6 PAYABLE TO MANAGEMENT COMPANY

Note	September 30, 2020 (Un-Audited)			June 30, 2020 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
Management fee	3,784	2,228	6,012	2,943	1,941	4,884
Sindh Sales Tax	492	290	782	383	252	635
Allocation of expenses relating to registrar services, accounting, operation and valuation services	1,041	613	1,654	809	534	1,343
Selling & Marketing payable	5,678	3,459	9,137	4,438	2,923	7,361
	10,995	6,590	17,585	8,573	5,650	14,223

- 6.1** Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged at the rate of 2% of the average daily net assets of the Fund.. The fee is payable monthly in arrears.
- 6.2** The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020:13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The expense charged by the asset Management Company is 0.55% during the year.
- 6.4** As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 1.05% of the average daily net assets of the Fund.

7 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	September 30, 2020 (Un-Audited)			June 30, 2020 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
Provision for Sindh Workers' Welfare Fund	634	25,483	26,117	634	22,278	22,912
Provision for Federal Excise Duty and additional sales tax on Management Fee	-	55,961	55,961	-	55,961	55,961
Printing Charges	-	-	-	-	-	-
Auditors remuneration	380	272	652	283	211	494
Security Transaction Charges	-	1,403	1,403	-	391	391
Withholding tax payable	279	143	422	312	4,182	4,494
Other Payable	193	1,114	1,307	-	1,167	1,167
Payable to class A	-	-	-	-	-	-
Zakat payable	-	47	47	-	-	-
	1,486	84,423	85,909	1,229	84,190	85,419

- 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, 2020.
- As at September 30, 2020, the provision in relation to SWWF amounted to Rs. 0.634 & 25.483 million (2020: Rs. 0.634 & Rs. 22.278 million) for class A & B respectively in financial statement. Had the provision not been retained, NAV per certificate of the Fund as at September 30, 2020 would have been higher by Rs. 0.002 and 0.175 for class A and B respectively (June 30, 2020: 0.002 and 0.152 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, 2020, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per certificate of the Fund as at September 30, 2020 would have been higher by Rs. 0.384 per unit (June 30, 2020: 0.382 per certificate) of class B.

8 Contingencies & Commitments

There are no contingencies and commitment as at September 30,2020.

9 TAXATION

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

10 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the period ended September 30, 2020 of class A is 1.03% (2019:0.87%) and of class B is 1.38%(2019: 0.95%) which includes 0.07%(2019: 0.06%) of class A and 0.33%(2019: 0.08%) of class B representing government levy and SECP fee.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Class A SEPTEMBER 30, 2020					Fair Value			
	Carrying amount					Level 1	Level 2	Level 3	Total
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Total				
Note	(Rupees in '000)								
Financial assets measured at fair value									
Listed equity securities	-	2,202,526	-	-	2,202,526	2,202,526	-	-	2,202,526
	-	2,202,526	-	-	2,202,526	2,202,526	-	-	2,202,526
Financial assets not measured at fair value									
Bank balances	-	-	-	85,012	85,012				
Dividend and Profit receivable	-	-	-	2,003	2,003				
	-	-	-	87,015	87,015				
Financial liabilities not measured at fair value									
Payable to Management Company		-	-	10,995	10,995				
Payable to Trustee		-	-	307	307				
Accrued expenses and other liabilities		-	-	573	573				
Net assets attributable to unitholders		-	-	2,277,117	2,277,117				
		-	-	2,288,992	2,288,992				
Class B SEPTEMBER 30, 2020									
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)								
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments - Listed equity securities	1,283,089	-	-	-	1,283,089	1,283,089	-	-	1,283,089
	1,283,089	-	-	-	1,283,089	1,283,089	-	-	1,283,089
Financial assets not measured at fair value									
Bank balances	-	-	-	192,241	192,241				
Dividend and Profit receivable	-	-	-	3,010	3,010				
Receivable against purchase of investment	-	-	-	6,687	6,687				
	-	-	-	201,938	201,938				
Financial liabilities not measured at fair value									
Payable to Management Company		-	-	6,590	6,590				
Payable to Trustee		-	-	219	219				
Payable against purchase of investment		-	-	5,678	5,678				
Accrued expenses and other liabilities		-	-	2,789	2,789				
Net assets attributable to unitholders		-	-	1,306,086	1,306,086				
		-	-	1,321,362	1,321,362				

	Class A					Class B			
	June 30, 2020					June 30, 2020			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	At amortized Cost	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
Financial assets measured at fair value									
Listed equity securities	-	1,754,372	-	-	1,754,372	1,754,372	-	-	1,754,372
	-	1,754,372	-	-	1,754,372	1,754,372	-	-	1,754,372
Financial assets not measured at fair value									
Bank balances	-	-	-	98,673	98,673				
Dividend and Profit receivable	-	-	-	2,211	2,211				
	-	-	-	100,884	100,884				
Financial liabilities not measured at fair value									
Payable to Management Company				8,573	8,573				
Payable to Trustee				259	259				
Accrued expenses and other liabilities				283	283				
Net assets attributable to unitholders				1,844,924	1,844,924				
				1,854,039	1,854,039				

	Class B					Class A			
	June 30, 2020					June 30, 2020			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	At amortized Cost	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
Financial assets measured at fair value									
Listed equity securities	1,142,187	-	-	-	1,142,187	1,142,187	-	-	1,142,187
	1,142,187	-	-	-	1,142,187	1,142,187	-	-	1,142,187
Financial assets not measured at fair value									
Bank balances	-	-	-	183,558	183,558				
Dividend and Profit receivable	-	-	-	852	852				
	-	-	-	184,410	184,410				
Financial liabilities not measured at fair value									
Payable to Management Company				5,650	5,650				
Payable to Trustee				239	239				
Payable against purchase of investment				1,090	1,090				
Accrued expenses and other liabilities				1,769	1,769				
Unclaimed dividend				101,015	101,015				
Net assets attributable to unitholders				1,155,705	1,155,705				
				1,265,468	1,265,468				

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

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

	Three Months Ended					
	September 30, 2020			September 30, 2019		
	Class A	Class B	Total	Class A	Class B	Total
Transactions during the year	(Rupees in '000)					
HBL Asset Management Limited						
Remuneration of Management Company	10,815	6,588	17,403	6,830	9,080	15,910
Sindh Sales Tax on remuneration of Management Company	1,406	856	2,262	888	1,180	2,068
Reimbursement of Fund Operations, accounting and Related costs	2,974	1,812	4,786	1,331	1,813	3,144
Selling & Marketing	5,678	3,459	9,137	2,693	3,593	6,286
Habib Bank Limited - Associated Company						
Dividend Income	-	-	-	-	1,021	1,021
Profit on Bank Deposit	-	5	5	-	13	13
MCB Bank Limited						
Connected Person Due to Holding more than 10% Certificate)						
Profit on bank deposits	2	2,048	2,050	2	3,614	3,616
Central Depository Company of Pakistan Limited - Trustee						
Remuneration	785	483	1,268	545	730	1,275
CDC Connection charges	-	67	67	-	103	103
(Rupees in '000)						
September 30, 2020 (Un-Audited)			June 30, 2020 (Audited)			
Class A	Class B	Total	Class A	Class B	Total	
Balances outstanding at the year end						
HBL Asset Management Limited						
Payable to the Management Company	3,784	2,228	6,012	2,943	1,941	4,884
Sindh Sales tax payable on remuneration to management company	492	290	782	383	252	635
Finance and operational cost	1,041	613	1,654	809	534	1,343
Selling & Marketing expense	5,678	3,459	9,137	4,438	2,923	7,361
Central Depository Company Of Pakistan Limited - Trustee						
Trustee fee payable	307	219	526	259	203	462
Security deposit held	100	200	300	100	200	300
CDC Charges Payable	-	36	36	-	36	36
MCB Bank Limited						
Connected Person Due to Holding more than 10% units)						
Bank balance	137	155,541	155,678	135	152,574	152,709
Certificates held: 66,090,021 (2020: 66,090,021 certificates)	660,900	-	660,900	660,900	-	660,900
Profit receivable	-	480	480	-	669	669

	September 30, 2020 (Un-Audited)			June 30, 2020 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
Habib Bank Limited -Sponsor						
Outstanding units :48,662,161 (2020: 48,662,161) units	486,622	-	486,622	486,622	-	486,622
Outstanding units :48,662,173(2020:48,662,173) Units	-	435,969	435,969	-	383,808	383,808
Bank Balances	-	461	461	-	457	457
Associated Companies						
Jubilee General Insurance Company Limited						
Outstanding units:100,379 (2020: 100,379)units	1,004	-	1,004	1,004	-	1,004
Outstanding units:103,333 (2020: 103,333)units	-	926	926	-	815	815
Jubilee General Insurance Company Limited Staff Provident Fund Trust						
Outstanding units:118,454 (2020: 118,454) units	1,184	-	1,184	1,184	-	1,184
Outstanding units:121,940 (2020: 121,940) units	-	1,092	1,092	-	962	962
Jubilee General Insurance Company Limited Gratuity Fund Trust						
Outstanding units:224,000 (2020: 224,000) units	2,240	-	2,240	2,240	-	2,240
Outstanding units:230,592 (2020: 230,592) units	-	2,066	2,066	-	1,819	1,819
Aga Khan University Employees Provident Fund Trust						
Outstanding units:588,000 (2020: 588,000) units	5,880	-	5,880	5,880	-	5,880
Aga Khan University Employees Gratuity Fund Trust						
Outstanding units:138,000 (2020: 138,000) units	1,380	-	1,380	1,380	-	1,380
Directors and Executives of the Management Company						
Outstanding units:26,195 (2020: 26,195) units	262	-	262	262	-	262
Outstanding units:26,813 (2020: 26,813) units	-	240	240	-	220	220

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 29, 2020 by the Board of Directors of the company.

14 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

- 14.1** In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

While the initial outbreak of the Covid-19 in Pakistan has receded significantly and as a result we have witnessed a rebound in mobility and economic activities to pre-covid levels, a second wave of virus can not be ruled out.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

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

Chief Financial Officer

Chief Executive Officer

Director



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Be safe**

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HBL

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