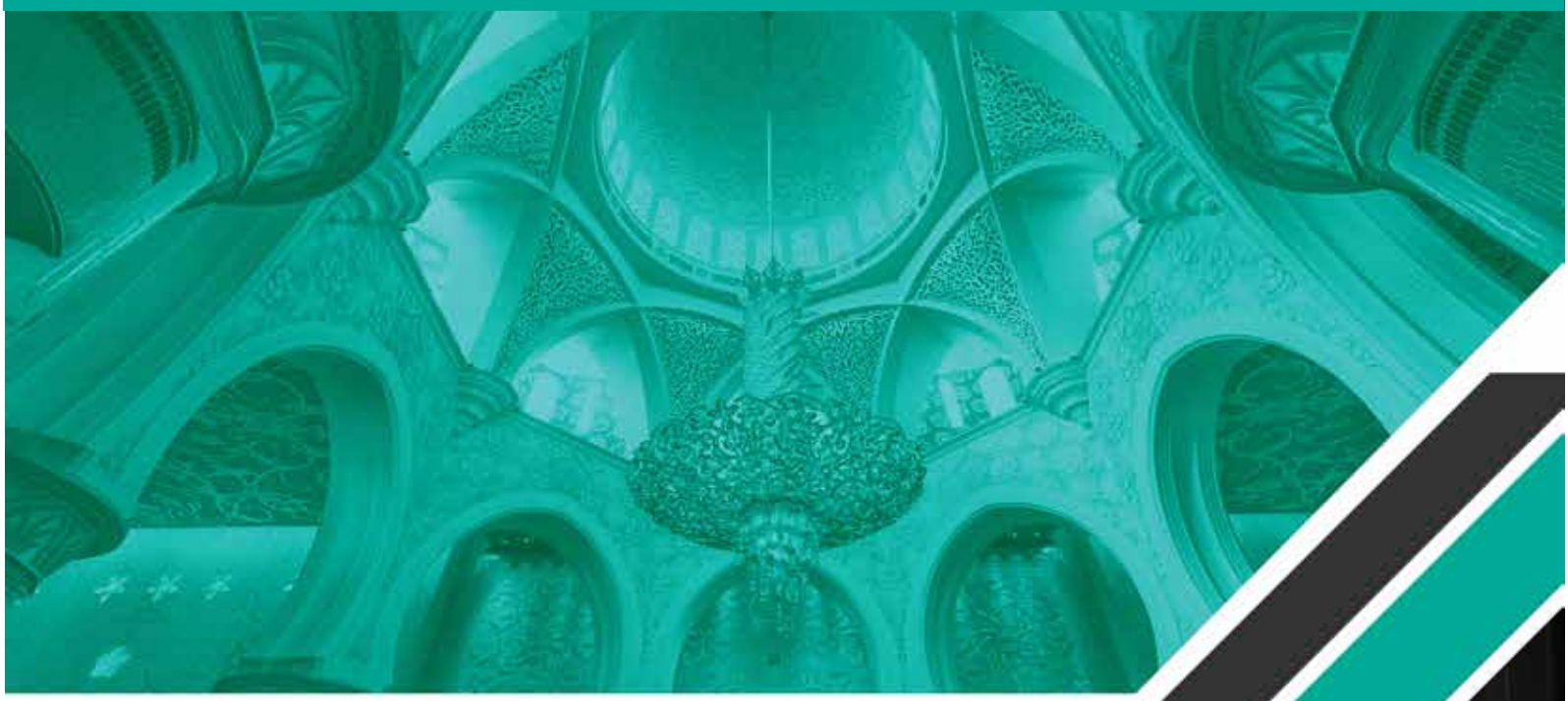
HBL ASSET MANAGEMENT LTD.

ایسیٹ مینجمنٹ لمیٹڈ

AMC Rating : AM1 by VIS



# QUARTERLY REPORT 2023

For the period ended September 30, 2023

MOVING TOWARDS

# EXCELLENCE

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# CORPORATE INFORMATION

**Management Company**

**HBL Asset Management Limited**

**Board of Directors (Composition as of October 27, 2023)**

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

**Audit Committee**

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

**Human Resource & Remuneration Committee**

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

**Risk Management Committee**

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

**Technology Committee**

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

| | |
|---|---|
| **Company Secretary & Chief Financial Officer** | Mr. Noman Qurban |
| **AMC Rating** | AM1 (Stable Outlook) |
| **Legal Advisor** | Bawany & Partners,<br>Lane 13, D.H.A Phase 6, Bukhari Commercial Area,<br>Defense Housing Authority, Karachi. |
| **Website** | www.hblasset.com |
| **Head Office & Registered Office** | 7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi. |

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

**REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY**

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Islamic Money Market Fund, HBL Islamic Income Fund, HBL Islamic Stock Fund, HBL Islamic Equity Fund, HBL Islamic Asset Allocation Fund, HBL Islamic Financial Planning Fund, HBL Islamic Dedicated Equity Fund and HBL LiveStock Fund (the Funds) for the period ended September 30, 2023.

**ECONOMIC REVIEW**

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

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

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

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

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

**STOCK MARKET REVIEW**

During the first quarter the benchmark KMI-30 gained 6,921 points or 9.9% to reach at 77,669 level. IMF program euphoria along with foreign inflows turned the sentiments positive as index gained 13.6% in July. The hysteria was short lived as election uncertainty and high inflation forced investors to do profit taking in August and bringing the index down by 6.3%. In September, market remained range bound and posted a return of 2.7% as clarity emerged on political front.

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

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

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

**MONEY MARKET REVIEW**

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

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

Real interest rates remained positive on forward looking basis due to expected sharp decline in inflation from 2HFY24. The historically elevated interest rates have not only slowed down the economic cycle but also added additional burden in the form of debt servicing on the government. As inflation is expected to ease from current levels, possibility of further rate hike is slim.

**FUTURE OUTLOOK**

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

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

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

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

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

**FUND'S PERFORMANCE AND PAYOUTS**

**HBL Islamic Money Market Fund**

The total income and net income of the Fund was Rs. 3.03 billion and Rs. 2.87 billion respectively during the period ended September 30, 2023. The Net Asset Value (NAV) of the Fund was Rs. 101.3430 per unit as on September 30, 2023 as compared to Rs. 101.3883 per unit as on June 30, 2023, after incorporating dividend of Rs. 5.1667 per unit, thereby giving an annualized return of 20.59%. During the period the benchmark return (3 Month bank deposit rates) was 8.35%. The size of Fund was Rs. 57.63 billion as on September 30, 2023 as compared to Rs. 44.53 billion at the start of the year.

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

**HBL Islamic Income Fund**

The total income and net income of the Fund was Rs. 569 million and Rs. 532 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) of the Fund was Rs. 108.9864 per unit as on September 30, 2023 as compared to Rs. 103.2208 per unit as on June 30, 2023, thereby giving an annualized return of 22.16%. During the same period the benchmark return (6 Month bank deposit rates) was 7.60%. The size of Fund was Rs. 10.47 billion as on September 30, 2023 as compared to Rs. 7.74 billion at the start of the year.

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

**HBL Islamic Stock Fund**

The total and net income of the Fund was Rs. 19.94 million and Rs. 17.32 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) of the Fund was Rs. 85.2187 per unit as on September 30, 2023 as compared to Rs. 77.9684 per unit as on June 30, 2023, thereby giving a return of 9.30% during the period, against the benchmark return (KMI 30 Index) of 9.78%. The size of Fund was Rs. 0.08 billion as on September 30, 2023 as compared to Rs. 0.16 billion at the start of the year.

**HBL Islamic Equity Fund**

The total and net income of the Fund was Rs. 15.52 million and Rs. 13.37 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) of the Fund was Rs. 74.0691 per unit as on September 30, 2023 as compared to Rs. 65.8671 per unit as on June 30, 2023, thereby giving a return of 12.45% during the period, against the benchmark return (KMI 30 Index) of 9.78%. The size of Fund was Rs. 0.06 billion as on September 30, 2023 as compared to Rs. 0.11 billion at the start of the year.

**HBL Islamic Asset Allocation Fund**

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

The total and net income of the Fund including HBL IAAF Plans was Rs. 152.38 million and Rs. 147.33 million respectively during the period ended September 30, 2023. The Net Asset Value (NAV) of the HBL-IAAF increased from Rs. 101.6871 per unit as on June 30, 2023 to Rs. 116.1543 per unit as on September 30, 2023, thereby giving a return of 14.23% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of 8.86%. The Net Asset Value (NAV) of the HBL-IAAF Plan-I was Rs. 106.9549 per unit as on September 30, 2023 as compared to Rs. 101.3349 per unit as on June 30, 2023, thereby giving a return of 5.55% during the period against the benchmark return of 1.30%. The Net Asset Value (NAV) of the HBL-IAAF Plan-II was Rs. 106.4944 as on September 30, 2023 as compared to Rs. 100.9289 as on June 30, 2023, thereby giving a return of 5.51% while the benchmark return during the period was 1.30%.The collective size of Fund was Rs. 2.52 billion as on September 30, 2023 as compared to Rs. 2.52 billion at the start of the year.

**HBL Islamic Financial Planning Fund**

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

The Fund as a whole earned a total and net income of Rs. 6.56 million and Rs. 6.10 million respectively during the period under review. The fund size of the fund stood at Rs. 0.11 billion. Performance review for plan is given below:

**Active Allocation Plan**

During the period under review, the Active allocation plan earned a total and net income of Rs. 6.51 million and Rs. 6.07 million respectively. The net assets of the Active allocation plan stood at Rs. 109 million representing Net Asset Value (NAV) of Rs. 92.7273 per unit as at September 30, 2023 as compared to Rs. 87.5441 as at June 30, 2023. The plan earned a return of 5.92% for the period under review against the benchmark return of 1.97%. The plan is invested to the extent of 99% in fixed income funds.

**Conservative Allocation Plan**

During the period under review, the Conservative allocation plan earned a total income and net income of Rs. 0.05 million and Rs. 0.03 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.80 million representing Net Asset Value (NAV) of Rs. 97.0864 per unit as at September 30, 2023 as compared to Rs. 93.8604 as at June 30, 2022. The plan earned a return of 3.44% for the period under review against the benchmark return of 3.58%. The plan is invested to the extent of 63% in fixed income funds.

**HBL Islamic Dedicated Equity Fund**

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

**HBL LiveStock Fund**

During the period under review, the Fund incurred a total and net loss of Rs. 3.50 million and Rs. 1.01 million respectively. The net assets of the Fund stood at Rs. 92.61 million representing Net Asset Value (NAV) of Rs. 1,028.9690 per unit as on September 30, 2023 as against net assets of 93.62 million and Net Asset Value (NAV) of 1,040.1980 per unit as at June 30, 2023. The Fund earned a negative return of 1.08% for the period under review.

**MANAGEMENT COMPANY RATING**

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

**ACKNOWLEDGEMENT**

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

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

**On behalf of the Board of**
**HBL Asset Management Limited**

**Chief Executive Officer**

## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی مدت کے لئے ایچ بی ایل اسلامک منی مارکیٹ فنڈ، ایچ بی ایل اسلامک انکم فنڈ، ایچ بی ایل اسلامک اسٹاک فنڈ، ایچ بی ایل اسلامک ایکویٹی فنڈ، ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ، ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ، ایچ بی ایل اسلامک ڈیڈیکیٹڈ ایکویٹی فنڈ اور ایچ بی ایل لائیو اسٹاک فنڈ (دی فنڈز) کے مالی بیانات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

### اقتصادی جائزہ

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

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

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

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

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

## اسٹاک مارکیٹ کا جائزہ

پہلی سہ ماہی کے دوران، بینچ مارک KSE-30 انڈیکس 6,921 پوائنٹس یا 9.9 فیصد اضافے سے 77,669 کی سطح پر پہنچ گیا۔ آئی ایم ایف پروگرام کی وجہ غیر ملکی سرمایہ کاری کی آمد کے ساتھ مارکیٹ کو مثبت زون میں داخل کر دیا اور جولائی میں انڈیکس میں 13.6 فیصد کا اضافہ ہوا۔ جو کہ قلیل مدتی رہا کیونکہ انتخابی غیر یقینی صورتحال اور بلند افراط زر نے سرمایہ کاروں کو اگست میں منافع لینے پر مجبور کیا اور ستمبر میں انڈیکس 6.3 فیصد نیچے آ گیا۔ مارکیٹ رینج کی پابندی اور سیاسی منظر نامہ واضح ہونے کے بعد 2.7 فیصد کی واپسی ہوئی۔

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

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

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

## منی مارکیٹ کا جائزہ

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

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

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

## مستقبل کا آؤٹ لک

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

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

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

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

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

## فنڈ کی کارکردگی اور ادائیگیاں

### ایچ بی ایل اسلامک منی مارکیٹ فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 3.03 بلین روپے اور 2.87 بلین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 101.3430 روپے فی یونٹ تھی جو کہ 30 جون 2023 کو 101.3883 فی یونٹ تھا۔ منافع کے شامل کرنے کے 5.1667 فی یونٹ، اس طرح 20.59 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک (3 ماہ بینک ڈپازٹ ریٹس) ریٹرن 8.35 فیصد تھی۔ فنڈ کا حجم 30 ستمبر 2023 تک 57.63 بلین روپے تھا جو سال کے آغاز میں 44.53 بلین روپے تھا۔

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

### ایچ بی ایل اسلامک انکم فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 569 ملین روپے اور 532 ملین روپے تھی۔ 30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 108.9864 روپے فی یونٹ تھی جو کہ 30 جون 2023 کو 103.2208

فی یونٹ تھا۔اس طرح 22.16 فیصد کا سالانہ منافع دیتا ہے۔اس مدت کے دوران بینچ مارک ریٹرن (6 ماہ بینک ڈپازٹ ریٹس) 7.60 فیصد تھی۔فنڈ کا حجم 30 ستمبر 2023 تک 10.47 بلین روپے تھا جو سال کے آغاز میں 7.74 بلین روپے تھا۔

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

## ایچ بی ایل اسلامک اسٹاک فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 19.94 ملین روپے اور 17.32 ملین روپے تھی۔30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 85.2187 روپے فی یونٹ رہی جو کہ 30 جون 2023 کو 77.9684 فی یونٹ تھی۔اس طرح ریٹرن 9.30 فیصد دیتا ہے۔اس مدت کے دوران بینچ مارک ریٹرن (KMI 30 Index) 9.78 فیصد تھی۔فنڈ کا حجم 30 ستمبر 2023 تک 0.08 بلین روپے تھا جو سال کے آغاز میں 0.16 بلین روپے تھا۔

## ایچ بی ایل اسلامک ایکویٹی فنڈ

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل اور خالص آمدن بالترتیب 15.52 ملین روپے اور 13.37 ملین روپے تھی۔30 ستمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 74.0691 روپے فی یونٹ رہی جو کہ 30 جون 2023 کو 65.8671 فی یونٹ تھی۔اس طرح ریٹرن 12.45 فیصد دیتا ہے۔اس مدت کے دوران بینچ مارک ریٹرن (KMI 30 Index) 9.78 فیصد تھی۔فنڈ کا حجم 30 ستمبر 2023 تک 0.06 بلین روپے تھا جو سال کے آغاز میں 0.11 بلین روپے تھا۔

## ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ

ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ (HBL-IAAF) کے تحت ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ - پلان I (ایچ بی ایل IAAF پلان - I) 13 جولائی 2020 کو تشکیل دیا گیا تھا اور ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ - پلان - II کو 05 اگست 2022 کو شروع کیا گیا۔

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران ایچ بی ایل IAAF پلانز سمیت فنڈ کی کل اور خالص آمدن بالترتیب 152.38 ملین روپے اور 147.33 ملین روپے تھی۔ایچ بی ایل IAAF کی خالص ایسٹ قیمت (NAV) میں اضافہ ہوا، جو 30 جون 2023 تک 101.6871 روپے فی یونٹ تھے جبکہ 30 ستمبر 2023 تک 116.1543 روپے فی یونٹ پر آ گئے۔اس طرح 14.23 فیصد کا ریٹرن، بینچ مارک ریٹرن (KMI 30 انڈیکس کا ویٹڈ ایورج یومیہ ریٹرن اور A ریٹیڈ یا اس سے اوپر کے بینکوں کی 6 ماہ کی ڈپازٹ کی شرح) کے مقابلے میں اس مدت کے دوران 8.86 فیصد کا ریٹرن دیتا ہے۔30 ستمبر 2023 تک ایچ بی ایل - IAAF پلان - I کی خالص ایسٹ قیمت (NAV) 106.9549 روپے فی یونٹ تھی۔اس

طرح اس مدت کے دوران 5.55 فیصد کے بینچ مارک ریٹرن کے مقابلے میں 1.30 فیصد کا ریٹرن حاصل ہوا، 30 ستمبر 2023 تک ایچ بی ایل IAAF-I I پلان کی خالص ایسٹ قیمت (NAV) 106.4944 روپے فی یونٹ تھی۔ جو کہ 30 جون 2023 کو 100.9289 روپے فی یونٹ تھا۔ اس طرح اس مدت کے دوران 5.51 فیصد کے بینچ مارک ریٹرن کے مقابلے میں 1.30 فیصد کی واپسی، 30 ستمبر 2023 تک فنڈ کا مجموعی حجم 2.52 بلین روپے رہا جبکہ یہ حجم سال کے آغاز میں 2.52 بلین تھا۔

## ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ

HBL اسلامک فنانشل پلاننگ فنڈ دو ذیلی فنڈز (پلانز) پر مشتمل ہے یعنی ایکٹو ایلوکیشن پلان اور کنزرویٹو ایلوکیشن پلان۔

زیر جائزہ مدت کے دوران فنڈ نے مجموعی طور پر کل اور خالص آمدن بالترتیب 6.56 ملین روپے اور 6.10 ملین روپے حاصل کی۔ فنڈ کا حجم 0.11 بلین روپے رہا۔ پلان کے لیے کارکردگی کا جائزہ ذیل میں دیا گیا ہے:

### ایکٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران ایکٹو ایلوکیشن پلان نے کل اور خالص آمدن بالترتیب 6.51 ملین روپے اور 6.07 ملین روپے حاصل کی۔ 30 ستمبر 2023 کو ایکٹو ایلوکیشن پلان کے خالص ایسٹ (NAV) 92.7773 فی یونٹ کے ساتھ 109 ملین روپے کی نمائندگی کرتے ہیں۔ جبکہ 30 جون 2023 کو 87.5441 فی یونٹ تھا۔ پلان نے زیر جائزہ مدت کے دوران بینچ مارک ریٹرن 5.92 کے مقابلے میں 1.97 فیصد کا ریٹرن حاصل کیا۔ مذکورہ پلان فکسڈ انکم فنڈز میں 99 فیصد کی حد تک سرمایہ کاری کرتا ہے۔

### کنزرویٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلوکیشن پلان نے کل اور خالص آمدن بالترتیب 0.05 ملین روپے اور 0.03 ملین روپے حاصل کی۔ 30 ستمبر 2023 کو کنزرویٹو ایلوکیشن پلان کے خالص ایسٹ (NAV) 97.0864 فی یونٹ کے ساتھ 0.80 ملین روپے کی نمائندگی کرتے ہیں جبکہ 30 جون 2023 کو 93.8604 فی یونٹ تھا۔ پلان نے زیر جائزہ مدت کے دوران بینچ مارک ریٹرن 3.44 کے مقابلے میں 3.58 فیصد کا ریٹرن حاصل کیا۔ مذکورہ پلان فکسڈ انکم فنڈز میں 63 فیصد کی حد تک سرمایہ کاری کرتا ہے۔

## ایچ بی ایل اسلامک ڈیڈیکیٹڈ ایکویٹی فنڈ

زیر جائزہ مدت کے دوران، اسلامک ڈیڈیکیٹڈ ایکویٹی فنڈ غیر فعال رہا اور اس کے فنڈ کا حجم صفر ہے کیونکہ کمپنی کے زیر انتظام فنڈ آف فنڈ پلانز کے ذریعے تمام یونٹس کو واپس لے لیا گیا تھا۔ جیسا کہ فنڈ کے مالیاتی بیانات سے متعلقہ نوٹس میں ظاہر کیا گیا ہے۔

## ایچ بی ایل لائیو اسٹاک فنڈ

زیر جائزہ مدت کے دوران فنڈ کو مجموعی اور خالص نقصان بالترتیب 3.50 ملین روپے اور 1.01 ملین روپے ہوا۔ فنڈ کے خالص اثاثے 92.61 ملین روپے تھے۔ 30 ستمبر 2023 کو خالص ایسٹ ویلیو (NAV) 1,028.9690.0864 فی یونٹ کے ساتھ 93.62 ملین روپے کی نمائندگی کرتے ہیں جبکہ خالص ایسٹ ویلیو (NAV) 30 جون 2023 کو 1,040.1980 فی یونٹ تھا۔ فنڈ نے زیر جائزہ مدت کے لیے 1.08 فیصد کا منفی ریٹرن حاصل کیا۔

## مینجمنٹ کمپنی ریٹرنگ

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

## اعتراف

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

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

## از طرف

بورڈ آف ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ
چیف ایگزیکٹو آفیسر

HBL

# Islamic Money Market Fund

# FUND INFORMATION

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

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

| | Note | September 30, 2023 (Un-Audited) | June 30, 2023 (Audited) |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Assets** | | | |
| Bank balances | 4 | **48,274,356** | 40,290,208 |
| Investments | 5 | **9,083,030** | 4,797,000 |
| Accrued mark-up | | **751,830** | 603,336 |
| Advances, deposits and prepayment | | **21,956** | 22,019 |
| **Total assets** | | **58,131,172** | 45,712,563 |
| **Liabilities** | | | |
| Payable to Management Company | 6 | **60,217** | 38,775 |
| Payable to Trustee | 7 | **3,137** | 2,140 |
| Payable to Securities and Exchange Commission of Pakistan | 8 | **3,766** | 7,495 |
| Accrued expenses and other liabilities | 9 | **431,314** | 1,131,413 |
| **Total liabilities** | | **498,434** | 1,179,823 |
| **Net assets** | | **57,632,738** | 44,532,740 |
| **Unit holders' fund (as per statement attached)** | | **57,632,738** | 44,532,740 |
| **Contingencies and commitments** | 10 | | |
| | | (Number of units) | |
| **Number of units in issue** | | **568,689,892** | 439,229,606 |
| | | (Rupees) | |
| **Net assets value per unit** | | **101.3430** | 101.3883 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

# HBL Islamic Money Market Fund
## Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)
*For the three months ended September 30, 2023*

| | Note | Three months ended September 30, 2023 | 2022 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **Income** | | | |
| Mark-up on deposits with banks | | **896,556** | 558,126 |
| Mark-up on investments | | **2,134,846** | 312,874 |
| Net realised loss on sale of investment | | **(185)** | - |
| | | **3,031,217** | 871,000 |
| **Expenses** | | | |
| Remuneration of Management Company | | **105,347** | 15,386 |
| Remuneration of Trustee | | **8,885** | 3,574 |
| Annual fee to the Securities and Exchange Commisssion of Pakistan | | **10,693** | 1,150 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | **15,421** | 9,939 |
| Selling and Marketing expenses | | **15,421** | 9,939 |
| Auditors' remuneration | | **91** | 281 |
| Fee and Subscription | | **133** | 193 |
| Settlement and bank charges | | **1,014** | 148 |
| | | **157,005** | 40,610 |
| **Net income from operating activities** | | **2,874,212** | 830,390 |
| **Taxation** | *12.* | **-** | - |
| **Net income for the period after taxation** | | **2,874,212** | 830,390 |
| **Allocation of net income for the period:** | | | |
| Income already paid on redemption of units | | **-** | - |
| Accounting income available for distribution: | | | |
| -Relating to capital gains | | **-** | - |
| -Excluding capital gains | | **2,874,212** | 830,390 |
| | | **2,874,212** | 830,390 |
| Other comprehensive income | | **-** | - |
| **Total comprehensive income for the period** | | **2,874,212** | **830,390** |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

# HBL Islamic Money Market Fund
## Condensed Interim Statement Of Movement In Unit Holders' FUND (Un-Audited)
*For the three months ended September 30, 2023*

| | Note | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|---|
| | | Capital Value | Undistributed Income | Total | Capital Value | Undistributed Income | Total |
| | | ----------Rupees in '000'---------- | | | | | |
| **Net assets at beginning of the Period** | | **44,418,371** | **114,369** | **44,532,740** | 15,513,483 | 26,980 | 15,540,463 |
| Issuance of units 526,412,483 units (2022: 195,428,873 units) | | | | | | | |
| - Capital value (at net asset value per unit at the beginning) | | **53,259,469** | **-** | **53,259,469** | 19,787,081 | - | 19,787,081 |
| - Element of income | | **-** | **-** | **-** | - | - | - |
| Total proceeds on issuance of units | | **53,259,469** | **-** | **53,259,469** | 19,787,081 | - | 19,787,081 |
| Redemption of 396,952,198 units (2022: 91,024,295 units) | | | | | | | |
| - Capital value (at net asset value per unit at the beginning) | | **(40,161,398)** | **-** | **(40,161,398)** | (9,224,024) | - | (9,224,024) |
| - Amount paid out of element of income | | | | | | | - |
| Relating to net income for the Period after taxation | | **-** | **-** | **-** | - | - | - |
| Total payments on redemption of units | | **(40,161,398)** | **-** | **(40,161,398)** | (9,224,024) | - | (9,224,024) |
| Total comprehensive income for the Period | | **-** | **2,874,212** | **2,874,212** | - | 830,390 | 830,390 |
| Refund of Capital | | **-** | **-** | **-** | - | - | - |
| Distribution during the Period | | **-** | **(2,872,285)** | **(2,872,285)** | - | (826,331) | (826,331) |
| Net income for the Period less distribution | | **-** | **1,927** | **1,927** | - | 4,059 | 4,059 |
| **Net assets at end of the Period** | | **57,516,442** | **116,296** | **57,632,738** | 26,076,540 | 31,039 | 26,107,579 |
| **Undistributed income brought forward** | | | | | | | |
| - Realised | | | **114,369** | | | 26,980 | |
| - Unrealised | | | **-** | | | - | |
| | | | **114,369** | | | 26,980 | |
| Accounting income available for distribution | | | | | | | |
| - Relating to capital gains | | | **-** | | | - | |
| - Excluding capital gains | | | **2,874,212** | | | 830,390 | |
| | | | **2,874,212** | | | 830,390 | |
| Distribution during the Period | | | **(2,872,285)** | | | (826,331) | |
| Undistributed income carried forward | | | **116,296** | | | 31,039 | |
| **Undistributed income carried forward** | | | | | | | |
| - Realised | | | **116,296** | | | 31,039 | |
| - Unrealised | | | **-** | | | - | |
| | | | **116,296** | | | 31,039 | |
| | | | | ----------(Rupees)---------- | | | |
| **Net assets value per unit at beginning of the Period** | | | | **101.3883** | | | 101.2171 |
| **Net assets value per unit at end of the Period** | | | | **101.3430** | | | 101.2155 |

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

For HBL Asset Management Limited
(Management Company)

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

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

| | Three months ended September 30, | |
|---|---|---|
| | **2023** | 2022 |
| | (Rupees in '000) | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net income for the period | **2,874,212** | 830,390 |
| | **2,874,212** | 830,390 |
| **(Increase) / decrease in assets** | | |
| Investments | **(4,286,030)** | (9,070,000) |
| Accrued profit | **(148,494)** | (274,157) |
| Prepaid expenses | **63** | (259) |
| | **(4,434,461)** | (9,344,416) |
| **Increase / (decrease) in liabilities** | | |
| Payable to Management Company | **21,442** | 15,247 |
| Payable to Trustee | **997** | 501 |
| Payable to Securities and Exchange Commission of Pakistan | **(3,729)** | (763) |
| Accrued expenses and other liabilities | **(700,099)** | 65,030 |
| | **(681,389)** | 80,015 |
| **Net cash used in operating activities** | **(2,241,638)** | (8,434,011) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Amount received on issue of units | **53,259,469** | 19,787,081 |
| Payment against redemption of units | **(40,161,398)** | (9,224,024) |
| Cash dividend paid | **(2,872,285)** | (826,331) |
| **Net cash generated from financing activities** | **10,225,786** | 9,736,726 |
| **Net increase in cash and cash equivalents** | **7,984,148** | 1,302,715 |
| Cash and cash equivalents at beginning of the period | **40,290,208** | 14,146,600 |
| **Cash and cash equivalents at end of the period** | **48,274,356** | 15,449,315 |

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 |
|---|---|---|

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

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

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

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

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

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

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

**2. STATEMENT OF COMPLIANCE**

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

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

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

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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

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

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

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

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

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

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

## 4. BANK BALANCES

| | Note | (Un-Audited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Balances with banks in: | | | |
| Savings accounts | *4.1* | **23,174,356** | 28,205,208 |
| Term Deposit Receipt | *4.2* | **16,500,000** | 5,785,000 |
| Certificate of Musharakah | *4.3* | **8,600,000** | 6,300,000 |
| | | **48,274,356** | 40,290,208 |

**4.1** This represents bank balances held with different banks. Profit rates on these accounts range between 5.50% and 21.35% per annum (June 30, 2023: between 5.50% and 20.85% per annum).

**4.2** This amount consists of TDR placement with Bank Alfalah Limited - Islamic Banking and Askari Bank Limited Islamic Banking of Rs. 9,500 million (June 30, 2023: 5,785 million) and Rs. 7,000 million (June 30, 2023: Nil million) respectively which is due to be matured within one month of the current period end and carries profit ranges from rate of 21% to 21.15%. (June 30, 2023: 20.25%)

**4.3** This amount consists of Certificates of Musharakah placed with United Bank Limited - Ameen Islamic Banking of Rs. 8,600 million (June 30, 2023: 6,300 million) which is due to be matured on October 16, 2023 and carries profit at the rate of 21.35% (June 30, 2023: 20.35%).

## 5 INVESTMENTS

| | Note | (Un-Audited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Investment by category** | | | |
| Financial assets at amortised cost | | | |
| Bai Muajjal | *5.1* | **5,930,030** | - |
| Sukuk certificates | *5.2* | **3,153,000** | 4,797,000 |
| | | **9,083,030** | 4,797,000 |

**5.1 Bai Muajjal - at amortised cost**

| | Maturity Date | Rate of return (%) | As at July 1, 2023 | Placements made during the period | Matured during the period | As at Sep 30, 2023 | Market value as a percentage of Total investments of fund | Market value as a percentage of Net Assets of fund |
|---|---|---|---|---|---|---|---|---|
| | | | ---------- (Rupees in '000) ---------- | | | | ---------- (%) ---------- | |
| *Pak Oman Investment Company Limited* | *7-Aug-23* | *21.35* | - | 332,245 | 332,245 | - | - | - |
| *Pak Oman Investment Company Limited* | *7-Aug-23* | *21.35* | - | 801,973 | 801,973 | - | - | - |
| *Pak Oman Investment Company Limited* | *10-Aug-23* | *21.35* | - | 803,417 | 803,417 | - | - | - |
| *Pak Oman Investment Company Limited* | *10-Aug-23* | *21.35* | - | 332,822 | 332,822 | - | - | - |
| *Pak Kuwait Investment Company Limited* | *11-Aug-23* | *21.40* | - | 803,898 | 803,898 | - | - | - |
| *Pak Kuwait Investment Company Limited* | *11-Aug-23* | *21.40* | - | 333,014 | 333,014 | - | - | - |
| *Pak Kuwait Investment Company Limited* | *15-Aug-23* | *21.40* | - | 333,206 | 333,206 | - | - | - |
| *Pak Kuwait Investment Company Limited* | *15-Aug-23* | *21.40* | - | 804,379 | 804,379 | - | - | - |
| *Pak Oman Investment Company Limited* | *7-Sep-23* | *21.28* | - | 234,590 | 234,590 | - | - | - |
| *Pak Oman Investment Company Limited* | *7-Sep-23* | *21.28* | - | 816,891 | 816,891 | - | - | - |
| *Pak Oman Investment Company Limited* | *11-Sep-23* | *21.28* | - | 235,019 | 235,019 | - | - | - |
| *Pak Oman Investment Company Limited* | *11-Sep-23* | *21.28* | - | 818,335 | 818,335 | - | - | - |
| *Pak Kuwait Investment Company Limited* | *12-Sep-23* | *21.28* | - | 235,162 | 235,162 | - | - | - |
| *Pak Kuwait Investment Company Limited* | *12-Sep-23* | *21.28* | - | 818,816 | 818,816 | - | - | - |
| *Pak Kuwait Investment Company Limited* | *15-Sep-23* | *21.28* | - | 235,735 | 235,735 | - | - | - |
| *Pak Kuwait Investment Company Limited* | *15-Sep-23* | *21.28* | - | 820,741 | 820,741 | - | - | - |
| *Pak Kuwait Investment Company Limited* | *19-Oct-23* | *21.30* | - | 830,196 | - | 830,196 | *9.14* | *1.44* |
| *Pak Kuwait Investment Company Limited* | *19-Oct-23* | *21.30* | - | 970,575 | - | 970,575 | *10.69* | *1.68* |
| *Pak Kuwait Investment Company Limited* | *19-Oct-23* | *21.30* | - | 545,975 | - | 545,975 | *6.01* | *0.95* |
| *Pak Kuwait Investment Company Limited* | *20-Oct-23* | *21.30* | - | 834,092 | - | 834,092 | *9.18* | *1.45* |
| *Pak Kuwait Investment Company Limited* | *20-Oct-23* | *21.30* | - | 991,003 | - | 991,003 | *10.91* | *1.72* |
| *Pak Kuwait Investment Company Limited* | *20-Oct-23* | *21.30* | - | 971,149 | - | 971,149 | *10.69* | *1.69* |
| *Pak Kuwait Investment Company Limited* | *20-Oct-23* | *21.30* | - | 240,743 | - | 240,743 | *2.65* | *0.42* |
| *Pak Kuwait Investment Company Limited* | *20-Oct-23* | *21.30* | - | 546,297 | - | 546,297 | *6.01* | *0.95* |
| **Total Value as at September 30, 2023** | | | **-** | **14,690,273** | **8,760,243** | **5,930,030** | **65.29** | **10.29** |
| **Bai-Muajjal Value as at June 30, 2023** | | | | | | **-** | | |

**5.2 Sukuks certificate - at amortised cost**

| | Maturity Date | Rate of return (%) | As at July 1, 2023 | Purchased during the period | Matured during the period | Carrying / Market Value as at September 30, 2023 | Market value as a percentage of Total investments of fund | Market value as a percentage of Net Assets of fund |
|---|---|---|---|---|---|---|---|---|
| | | | ---------- (Rupees in '000) ---------- | | | | ---------- (%) ---------- | |
| *K-Electric Limited* | *10-Aug-23* | *23.07* | 304,000 | - | 304,000 | - | - | - |
| *K-Electric Limited* | *21-Sep-23* | *22.57* | 750,000 | - | 750,000 | - | - | - |
| *Lucky Electric Power Company Limited* | *27-Sep-23* | *23.52* | 750,000 | - | 750,000 | - | - | - |
| *China Power Hub Company Limited* | *28-Sep-23* | *23.67* | 890,000 | - | 890,000 | - | - | - |
| *Lucky Electric Power Company Limited* | *30-Oct-23* | *23.47* | 500,000 | - | - | 500,000 | *5.50* | *0.87* |
| *Hub Power Company Limited* | *17-Nov-23* | *23.27* | 900,000 | - | - | 900,000 | *9.91* | *1.56* |
| *K-Electric Limited* | *17-Nov-23* | *23.42* | 223,000 | - | - | 223,000 | *2.46* | *0.39* |
| *Lucky Electric Power Company Limited* | *13-Dec-23* | *23.47* | 480,000 | - | - | 480,000 | *5.28* | *0.83* |
| *Lucky Electric Power Company Limited* | *15-Feb-24* | *23.53* | - | 1,050,000 | - | 1,050,000 | *11.56* | *1.82* |
| **Total Value as at September 30, 2023** | | | **4,797,000** | **1,050,000** | **2,694,000** | **3,153,000** | **34.71** | **5.47** |
| **Carrying / Market Value as at June 30, 2023** | | | | | | **4,797,000** | | |

| | Note | (Un-Audited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY** | | | |
| Management fee | *6.1* | **32,806** | 24,104 |
| Sindh Sales Tax | *6.2* | **4,265** | 3,134 |
| Sales load payable | | **2,145** | 1,115 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | **5,580** | 2,094 |
| Selling and marketing payable | | **15,421** | 8,328 |
| | | **60,217** | 38,775 |

**6.1** As Per SECP S.R.O. 639 (1)/2019 dated June 20, 2019, there has been amendment in NBFC regulation no. 61, in which limits over management fee had been removed and directed that the asset management company shall disclose in the Offering document the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit. Further, the asset management company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document and such actual rate shall be disclosed in Fund manager report. The management fee expense charged by the asset management company at the rate ranging from 0.65% to 0.7% (June 30, 2023: 0.2% to 0.7%) of average annual Net Asset of the Fund.

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

| | | Note | (Un-Audited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **7** | **PAYABLE TO THE TRUSTEE** | | | |
| | Trustee fee | *7.1* | **2,776** | 1,894 |
| | Sindh Sales Tax | | **361** | 246 |
| | | | **3,137** | 2,140 |

**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.

| | | Note | (Un-Audited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **8** | **PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN** | | | |
| | Annual fee | *8.1* | **3,766** | 7,495 |

**8.1** Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a islamic money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2023 the rate of SECP is increased to 0.075% (June 30, 2023: 0.02%)of the daily average net assets of the Fund. The fee is payable monthly in arrears effective from July 01, 2023.

| | | Note | (Un-Audited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **9.** | **ACCRUED EXPENSES AND OTHER LIABILITES** | | | |
| | Auditors' remuneration | | **478** | 387 |
| | Federal Excise Duty | *9.1* | **2,185** | 2,185 |
| | Withholding tax payable | | **421,697** | 90,214 |
| | Capital gain tax payable | | **27** | 51 |
| | Dividend payable | | **307** | 307 |
| | Other payables | | **6,620** | 1,038,269 |
| | | | **431,314** | **1,131,413** |

**9.1 PROVISION FOR FEDERAL EXCISE DUTY**

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 2.185 million (June 30, 2023 : 2.185 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2023 would have been higher by Rs. 0.00384 (June 30, 2023: Re. 0.00497) per unit.

## 10. CONTINGENCIES AND COMMITMENTS

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

## 11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) annualized of the Fund as at September 30, 2023 is 1.10% (2022: 0.71%) which includes 0.17% (2022: 0.08%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc.

## 12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of 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 year, Fund has distributed dividend on daily basis on close of each business day equivalent to atleast atleast 90 percent of the aforementioned accounting income for the year to its unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

## 13. EARNINGS PER UNIT (EPU)

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

## 14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

| 14.1 Transactions during the period | ( Un - Audited ) Three months ended September 30, | |
|---|---|---|
| | **2023** | 2022 |
| | **(Rupees in '000)** | |
| **HBL Asset Management Limited - Management Company** | | |
| Management Fee | **105,347** | 15,386 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | **15,421** | 9,939 |
| Selling and Marketing expenses | **15,421** | 9,939 |
| Investment of Nil units (2022: Nil units) | **-** | - |

| | ( Un - Audited ) Three months ended September 30, | |
|---|---|---|
| | **2023** | 2022 |
| | (Rupees in '000) | |
| **Habib Bank Limited - Sponsor** | | |
| Mark-up earned during the period | **8,461** | 546 |
| Bank charges paid | **102** | 128 |
| **Directors, Executives and Key management personnel** | | |
| Investment of 69,704 units (2022: 57,227 units) | **7,052** | 5,197 |
| Redemption of 50,700 units (2022: 29,255 units) | **5,130** | 2,943 |
| Dividend Reinvestment 6,026 units (2022: 7,113 units) | **610** | 720 |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Remuneration | **8,885** | 3,574 |
| **ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND - Associate** | | |
| Redemption of 364 units (2022: Nil units) | **37** | - |
| Dividend Reinvestment 5 units (2022: 20,647 units) | **1** | 2,089 |
| **Yunus Textile Mills Limited - Connected Person Due To holding 10% or more units *** | | |
| Issuance of Nil units (2022: 11,860,708 units) | **-** | 1,200,000 |
| Redemption of Nil units (2022: 9,883,923 units) | **-** | 1,000,000 |
| Dividend Reinvestment Nil units (2022: 1,094,892 units) | **-** | 110,775 |
| **Pakistan Defense Officers Housing Authority - Connected Person Due To holding 10% or more units *** | | |
| Issuance of Nil units (2022: 22,733,023 units) | **-** | 2,300,000 |
| Dividend Reinvestment Nil units (2022: 357,467 units) | **-** | 36,167 |
| **MCBFSL Trustee HBL Islamic Financial Planning Fund - Active Allocation Plan (Associate)** | | |
| Issuance of Nil units (2022: 1,383,749 units) | **-** | 140,000 |
| Redemption of Nil units (2022: 1,083,506 units) | **-** | 108,540 |
| Dividend Reinvestment 483 units (2022: 34,196 units) | **49** | 3,460 |
| **MCBFSL Trustee HBL Islamic Financial Planning Fund - Conservative Allocation Plan (Associate)** | | |
| Redemption of Nil units (2022: 21 units) | **2** | 2 |
| Dividend Reinvestment 70 units (2022: 8 units) | **7** | 1 |
| **HBL Asset Management Limited Employees Gratuity Fund - Associate** | | |
| Dividend Reinvestment 2,681 units (2022: Nil units) | **271** | - |
| **HBL Asset Management Limited Employees Provident Fund - Associate** | | |
| Dividend Reinvestment 9,127 units (2022: Nil units) | **923** | - |

| 14.2 | Amounts outstanding as at period end | (Un-Audited) September 30, 2022 | (Audited) June 30, 2023 |
|---|---|---|---|
| | | (Rupees in '000) | |
| | **HBL Asset Management Limited - Management Company** | | |
| | Management fee | **32,806** | 24,104 |
| | Sindh Sales Tax | **4,265** | 3,134 |
| | Selling and Marketing payable | **15,421** | 8,328 |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | **5,580** | 2,094 |
| | Sales load payable | **2,145** | 1,115 |
| | **Habib Bank Limited - Sponsor** | | |
| | Bank Balances | **582,948** | 286,703 |
| | **Directors, Executives and Key management personnel** | | |
| | Units held in the Fund: 201,469 units (June 30, 2023: 176,439 units) | **20,417** | 17,889 |
| | **Central Depository Company of Pakistan Limited - Trustee** | | |
| | Remuneration payable | **3,137** | 2,140 |
| | **ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND - Associate** | | |
| | Investment held in the Fund: Nil units (30 June, 2023: 359 units) | **-** | 36 |
| | **Artistic Milliners Pvt Limited - Connected Person Due To holding 10% or more units *** | | |
| | Investment held in the Fund: 11,967,010 units (June 30, 2022: 16,952,740 units) | - | 1,715,183 |
| | **Yunus Textile Mills Limited - Connected Person Due To holding 10% or more units *** | | |
| | Investment held in the Fund: 38,248,589 units (June 30, 2022: 26,548,373 units) | **-** | 2,686,016 |
| | **Lucky Cement Limited - Connected Person Due To holding 10% or more units **** | | |
| | Investment held in the Fund: 82,123,297 units (June 30, 2022: 19,951,831 units) | **8,322,621** | - |
| | **MCBFSL Trustee HBL Islamic Financial Planning Fund - Conservative Allocation Plan (Associate)** | | |
| | Investment held in the Fund: 1,480 units (30 June, 2023: 1,410 units) | **150** | 143 |
| | **MCBFSL Trustee HBL Islamic Financial Planning Fund - Active Allocation Plan (Associate)** | | |
| | Investment held in the Fund: 10,148 units (30 June, 2023: 9,665 units) | **1,028** | 980 |
| | **HBL Asset Management Limited Employees Gratuity Fund - Associate** | | |
| | Investment held in the Fund: 53,886 units (30 June, 2023: 51,205 units) | **5,461** | 5,192 |
| | **HBL Asset Management Limited Employees Provident Fund - Associate** | | |
| | Investment held in the Fund: 183,440 units (30 June, 2023: 174,313 units) | **18,590** | 17,673 |

* Investors who were reported as Connected Persons due to holding more than 10% units of Fund in the comparative period but does not hold at least 10% units of the Fund at the end of current period.

** Investors who were reported as Connected Persons due to holding more than 10% units of Fund in the current period but does not hold at least 10% units of the Fund at the end of comparative period.

## 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

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

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

| | September 30, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | | | Fair Value | | | |
| | Fair value through profit or loss | At Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | ---------- (Rupees in '000) ---------- | | | | | | |
| **Financial assets not measured at fair value** | | | | | | | |
| Bank balances | - | 48,274,356 | 48,274,356 | - | - | - | - |
| Bai Muajjal | - | 5,930,030 | 5,930,030 | - | - | - | - |
| Sukuk Certificate | - | 3,153,000 | 3,153,000 | | - | | - |
| Accrued mark-up | - | 751,830 | 751,830 | - | - | - | - |
| Prepayment and Other receivables | - | 17,525 | 17,525 | | | | - |
| | - | 58,126,741 | 58,126,741 | - | - | - | - |
| **Financial liabilities not measured at fair value** | | | | | | | |
| Payable to HBL Asset Management Limited - Management Company | - | 60,083 | 60,083 | - | - | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 2,776 | 2,776 | - | - | - | - |
| Accrued expenses and other liabilities | - | 7,432 | 7,432 | - | - | - | - |
| | - | 70,291 | 70,291 | - | - | - | - |

| | June 30, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | | | Fair Value | | | |
| | Fair value through profit or loss | At Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | ---------- (Rupees in '000) ---------- | | | | | | |
| **Financial assets not measured at fair value** | | | | | | | |
| Bank balances | - | 40,290,208 | 40,290,208 | - | - | - | - |
| Sukuk Certificate | - | 4,797,000 | 4,797,000 | - | - | - | - |
| Accrued mark-up | - | 603,336 | 603,336 | - | - | - | - |
| Advance . Prepayment and other receivable | - | 21,934 | 21,934 | - | - | - | - |
| | - | 45,712,478 | 45,712,478 | - | - | - | - |
| **Financial liabilities not measured at fair value** | | | | | | | |
| Payable to HBL Asset Management Limited - Management Company | - | 38,775 | 38,775 | - | - | - | - |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 2,140 | 2,140 | - | - | - | - |
| Accrued expenses and other liabilities | - | 1,038,963 | 1,038,963 | - | - | - | - |
| | - | 1,079,878 | 1,079,878 | - | - | - | - |

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

## 16. DATE OF AUTHORISATION FOR ISSUE

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

## 17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

HBL

# Islamic Asset Allocation Fund

## FUND INFORMATION

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

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

| | Note | September 30, 2023 (Un-Audited) | | | | June 30, 2023 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total |
| | | (Rupees in '000) | | | | | | | |
| **Assets** | | | | | | | | | |
| Bank balances | 4 | **14,631** | **333,935** | **85,627** | **434,193** | 18,906 | 256,273 | 104,454 | 379,633 |
| Investments | 5 | **94,265** | **1,465,328** | **413,400** | **1,972,993** | 83,648 | 1,611,016 | 371,399 | 2,066,063 |
| Dividend receivable and accrued mark-up | | **755** | **90,892** | **22,434** | **114,081** | 350 | 52,502 | 10,880 | 63,732 |
| Preliminary expenses and flotation cost | | **-** | **76** | **-** | **76** | - | 86 | - | 86 |
| Receivable Against Sale of Investment | | **-** | **-** | **-** | **-** | 1,304 | - | - | 1,304 |
| Advances , deposits and other receivables | | **2,882** | **1,392** | **100** | **4,374** | 4,095 | 10,886 | 7,800 | 22,781 |
| **Total assets** | | **112,533** | **1,891,623** | **521,561** | **2,525,717** | 108,303 | 1,930,763 | 494,533 | 2,533,599 |
| **Liabilities** | | | | | | | | | |
| Payable to Management Company | 6 | **374** | **521** | **466** | **1,361** | 331 | 531 | 450 | 1,312 |
| Payable to Trustee | | **19** | **138** | **36** | **193** | 19 | 143 | 34 | 196 |
| Payable to Securities and Exchange Commission of Pakistan | 7 | **8** | **155** | **40** | **203** | 26 | 446 | 80 | 552 |
| Accrued expenses and other liabilities | 8 | **7,146** | **689** | **232** | **8,067** | 7,251 | 639 | 398 | 8,288 |
| Payable against purchase of Investment | | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total liabilities** | | **7,547** | **1,503** | **774** | **9,824** | 7,627 | 1,759 | 962 | 10,348 |
| **Net assets** | | **104,986** | **1,890,120** | **520,787** | **2,515,893** | 100,676 | 1,929,004 | 493,571 | 2,523,251 |
| **Unit holders' fund (as per statement attached)** | | **104,986** | **1,890,120** | **520,787** | **2,515,893** | 100,676 | 1,929,004 | 493,571 | 2,523,251 |
| **Contingencies and commitments** | 9 | | | | | | | | |
| | | (Number of units) | | | | | | | |
| **Number of units in issue** | | **903,848** | **17,672,109** | **4,890,279** | | 990,052 | 19,035,929 | 4,890,279 | |
| | | (Rupees) | | | | | | | |
| **Net assets value per unit** | | **116.1543** | **106.9549** | **106.4944** | | 101.6871 | 101.3349 | 100.9289 | |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

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

| | Note | Three months ended September 30, 2023 | | | | Three months ended September 30, 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | (Rupees in '000) | | | | | | | |
| | | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total |
| **Income** | | | | | | | | | |
| Dividend Income | | **574** | **-** | **-** | **574** | 1,548 | - | - | 1,548 |
| Return on Investment | | **165** | **92,529** | **22,943** | **115,637** | 792 | 65,541 | 7,059 | 73,392 |
| Mark-up on deposits with banks | | **905** | **14,469** | **4,521** | **19,895** | 1,163 | 21,472 | 1,131 | 23,766 |
| Capital gain/loss on sale of investments - net | | **11,215** | **500** | **-** | **11,715** | (1,030) | 774 | - | (256) |
| | | **12,859** | **107,498** | **27,464** | **147,821** | 2,473 | 87,787 | 8,190 | 98,450 |
| Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net | | **2,808** | **638** | **1,111** | **4,557** | (2,879) | (13,627) | (1,373) | (17,879) |
| | | **15,667** | **108,136** | **28,575** | **152,378** | (406) | 74,160 | 6,817 | 80,571 |
| **Expenses** | | | | | | | | | |
| Remuneration of Management Company | | **453** | **843** | **939** | **2,235** | 730 | 1,043 | 399 | 2,172 |
| Remuneration of Trustee | | **60** | **421** | **108** | **589** | 97 | 522 | 46 | 665 |
| Fee of Securities and Exchange Commission of Pakistan | | **25** | **472** | **121** | **618** | 9 | 123 | 11 | 143 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | **200** | **-** | **-** | **200** | 322 | - | - | 322 |
| Selling and Marketing Expense | | **174** | **-** | **-** | **174** | 281 | - | - | 281 |
| Settlement and Bank Charges | | **108** | **94** | **89** | **291** | 99 | 94 | 15 | 208 |
| Auditors' remuneration | | **12** | **110** | **46** | **168** | 12 | 110 | 1 | 123 |
| Fee and Subscriptions | | **12** | **52** | **47** | **111** | 15 | 57 | - | 72 |
| Printing Charges | | **17** | **14** | **9** | **40** | 17 | 14 | 3 | 34 |
| Amortisation of preliminary expenses and floatation costs | | | **11** | | **11** | - | 11 | 41 | 52 |
| Securities Transection Costs | | **575** | **3** | | **578** | 231 | 186 | 131 | 548 |
| Charity Expense | | **29** | **-** | **-** | **29** | 77 | - | - | 77 |
| | | **1,665** | **2,020** | **1,359** | **5,044** | 1,890 | 2,160 | 647 | 4,697 |
| | | **14,002** | **106,116** | **27,216** | **147,334** | (2,296) | 72,000 | 6,170 | 75,874 |
| **Taxation** | 10. | **-** | **-** | **-** | **-** | - | - | - | - |
| **Net income / (Loss) for the period after taxation** | | **14,002** | **106,116** | **27,216** | **147,334** | (2,296) | 72,000 | 6,170 | 75,874 |
| **Allocation of net income for the period:** | | | | | | | | | |
| Income already paid on redemption of units | | **1,022** | **6,797** | **-** | **7,819** | - | - | - | - |
| Accounting income available for distribution: | | | | | | | | | |
| -Relating to capital gains | | **12,980** | **1,065** | **1,111** | **15,156** | - | - | - | - |
| -Excluding capital gains | | **-** | **98,254** | **26,105** | **124,359** | - | 72,000 | 6,170 | 78,170 |
| | | **12,980** | **99,319** | **27,216** | **139,515** | - | 72,000 | 6,170 | 78,170 |
| **Net income for the period after taxation** | | **14,002** | **106,116** | **27,216** | **147,334** | - | 72,000 | 6,170 | 78,170 |
| Other comprehensive income for the period | | **-** | **-** | **-** | **-** | - | - | - | - |
| **Total comprehensive income for the period** | | **14,002** | **106,116** | **27,216** | **147,334** | - | 72,000 | 6,170 | 78,170 |
| **Earning Per Unit** | 11 | | | | | | | | |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

# HBL Islamic Asset Allocation Fund
# Statement of Movement in Unit Holders' Fund (Un-Audited)
*For the three months ended September 30, 2023*

| | Three months ended September 30, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| | Islamic Asset Allocation Fund | | | | Islamic Asset Allocation Fund | | | |
| | Capital value | Undistributed income | Unrealized (losses)/income on investment | Total | Capital value | Undistributed income | Unrealized (losses)/income on investment | Total |
| | (Rupees in '000) | | | | | | | |
| **Net assets at the beginning of the period** | **(10,382)** | **111,058** | **-** | **100,676** | 84,444 | 117,701 | - | 202,145 |
| Issuance of units 39,004 (2022: 18,509 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | **3,966** | **-** | **-** | **3,966** | 1,882 | - | - | 1,882 |
| - Element of loss | **590** | **-** | **-** | **590** | 136 | - | - | 136 |
| | **4,556** | | | **4,556** | 2,018 | - | - | 2,018 |
| Redemption of 125,208 units (2022: 635,236 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | **(12,732)** | **-** | **-** | **(12,732)** | (64,595) | - | - | (64,595) |
| - Income already paid on redemption of units | **-** | **(1,022)** | **-** | **(1,022)** | - | - | - | - |
| - Amount paid out of element of income Relating to net income for the period after taxation | **(494)** | **-** | **-** | **(494)** | (5,773) | - | - | (5,773) |
| | **(13,226)** | **(1,022)** | **-** | **(14,248)** | (70,368) | - | - | (70,368) |
| **Total comprehensive income for the year** | | | | | | | | |
| Net profit / (Loss) for the period after tax | **-** | **14,002** | | **14,002** | - | (2,296) | - | (2,296) |
| Distribution during the period | - | **-** | - | **-** | - | - | - | - |
| Total comprehensive/ income for the period | **-** | **14,002** | **-** | **14,002** | - | (2,296) | - | (2,296) |
| **Net assets at the end of the period** | **(19,052)** | **124,038** | **-** | **104,986** | **16,094** | **115,405** | **-** | **131,499** |
| Undistributed income brought forward | | | | | | | | |
| - Realised | | 112,189 | | | | 135,928 | | |
| - Unrealised | | (1,131) | | | | (18,227) | | |
| | | **111,058** | | | | 117,701 | | |
| Accounting (loss) / income available for distribution | | | | | | | | |
| - Relating to capital gains | | 12,980 | | | | - | | |
| - Excluding capital gains | | - | | | | - | | |
| Net (Loss) / income for the period before taxation | | **12,980** | | | | (2,296) | | |
| **Undistributed income carried forward** | | **124,038** | | | | 115,405 | | |
| Undistributed income carried forward | | | | | | | | |
| - Realised | | **121,230** | | | | 118,248 | | |
| - Unrealised | | **2,808** | | | | (2,879) | | |
| | | **124,038** | | | | 115,405 | | |
| | | | | (Rupees) | | | | |
| **Net assets value per unit at beginning of the period** | | | | **101.6871** | | | | 101.6871 |
| **Net assets value per unit at end of the period** | | | | **116.1543** | | | | 105.5610 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

# HBL Islamic Asset Allocation Fund
# Statement of Movement in Unit Holders' Fund (Un-Audited)
*For the three months ended September 30, 2023*

| | Three months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Islamic Asset Allocation Fund Plan 1 | | | Islamic Asset Allocation Fund Plan 1 | | |
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees in '000) | | | | | |
| **Net assets at the beginning of the period** | **1,909,286** | **19,718** | **1,929,004** | 2,417,993 | 4,537 | 2,422,530 |
| Issuance of Nill units (2022:453,552 Units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | - | - | - | 45,961 | - | 45,961 |
| - Element of loss | - | - | - | 390 | - | 390 |
| | - | | - | 46,351 | - | 46,351 |
| Redemption of 1,363,820 units (2022: 3,102,484 Units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | **(138,203)** | - | **(138,203)** | (314,390) | - | (314,390) |
| - Income already paid on redemption of units | - | **(6,797)** | **(6,797)** | - | - | - |
| - Amount paid out of element of income Relating to net income for the period after taxation | - | - | - | (4,225) | - | (4,225) |
| | **(138,203)** | **(6,797)** | **(145,000)** | (318,615) | - | (318,615) |
| **Total comprehensive income for the year** | | | | | | |
| Net profit / (Loss) for the period after tax | - | **106,116** | **106,116** | - | 72,000 | 72,000 |
| Distribution during the period | - | - | - | - | - | - |
| Total comprehensive/ income for the period | - | **106,116** | **106,116** | - | 72,000 | 72,000 |
| **Net assets at the end of the period** | **1,771,083** | **119,037** | **1,890,120** | **2,145,729** | **76,537** | **2,222,266** |
| Undistributed income brought forward | | | | | | |
| - Realised | | **27,921** | | | 1,733 | |
| - Unrealised | | **(8,203)** | | | 2,804 | |
| | | **19,718** | | | 4,537 | |
| - Relating to capital gains | | **1,065** | | | - | |
| - Excluding to capital gains | | **98,254** | | | 72,000 | |
| | | **99,319** | | | 72,000 | |
| **Undistributed income carried forward** | | **119,037** | | | 75,537 | |
| Undistributed income carried forward | | | | | | |
| - Realised | | **118,399** | | | 90,164 | |
| - Unrealised | | **638** | | | (13,627) | |
| | | **119,037** | | | 76,537 | |
| | | | (Rupees) | | | |
| **Net assets value per unit at beginning of the period** | | | **101.3349** | | | 100.5354 |
| **Net assets value per unit at end of the period** | | | **106.9549** | | | 103.5503 |

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

For HBL Asset Management Limited
(Management Company)

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

# HBL Islamic Asset Allocation Fund
## Statement of Movement in Unit Holders' Fund (Un-Audited)
*For the three months ended September 30, 2023*

| | Three months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Islamic Asset Allocation Fund Plan 2 | | | Islamic Asset Allocation Fund Plan 2 | | |
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees in '000) | | | | | |
| **Net assets at the beginning of the period** | **489,091** | **4,480** | **493,571** | - | - | - |
| Issuance of NIL units (2023 : 4,123,771 units ) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | - | - | - | 412,377 | - | 412,377 |
| - Element of loss | - | - | - | 17,622 | - | 17,622 |
| | - | | - | 429,999 | - | 429,999 |
| Redemption of Nil units (2023: Nil Units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | - | - | - | - | - | - |
| - Income already paid on redemption of units | - | - | - | - | - | - |
| - Amount paid out of element of income Relating to net income for the period after taxation | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| **Total comprehensive income for the year** | | | | | | |
| Net profit / (Loss) for the period after tax | - | **27,216** | **27,216** | - | 6,170 | 6,170 |
| Distribution during the period | - | - | - | - | - | - |
| Total comprehensive/ income for the period | - | **27,216** | **27,216** | - | 6,170 | 6,170 |
| **Net assets at the end of the period** | **489,091** | **31,696** | **520,787** | **429,999** | **6,170** | **436,169** |
| . | | | | | | |
| Undistributed income brought forward | | | | | | |
| - Realised | | **5,539** | | | - | |
| - Unrealised | | (1,059) | | | - | |
| | | **4,480** | | | - | |
| Accounting (loss)/income available for distribution | | | | | | |
| - Relating to capital gains | | **1,111** | | | - | |
| - Excluding capital gains | | **26,105** | | | 6,170 | |
| | | **27,216** | | | 6,170 | |
| **Undistributed income carried forward** | | **31,696** | | | 6,170 | |
| Undistributed income carried forward | | | | | | |
| - Realised | | **31,058** | | | 19,797 | |
| - Unrealised | | **638** | | | (13,627) | |
| | | **31,696** | | | 6,170 | |
| | | | (Rupees) | | | |
| **Net assets value per unit at beginning of the period** | | | **100.9289** | | | 100.0000 |
| **Net assets value per unit at end of the period** | | | **106.4944** | | | 105.7695 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

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

| | Three months ended September 30, 2023 | | | | Three months ended September 30, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total |
| | (Rupees in '000) | | | | | | | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | |
| Net income / (Loss) for the period | **14,002** | **106,116** | **27,216** | **147,334** | (2,296) | 72,000 | 6,170 | 75,874 |
| **Adjustments** | | | | | | | | |
| Amortisation of preliminary expenses and floatation costs | **-** | **10** | **-** | **10** | - | 11 | (94) | (83) |
| | **14,002** | **106,126** | **27,216** | **147,344** | (2,296) | 72,011 | 6,076 | 75,791 |
| **(Increase) / decrease in assets** | | | | | | | | |
| Investments - net | **(9,313)** | **145,688** | **(42,001)** | **94,374** | 58,635 | (202,980) | (354,327) | (498,672) |
| Accrued mark-up | **(405)** | **(38,390)** | **(11,554)** | **(50,349)** | (170) | (23,544) | (11,917) | (35,631) |
| Advances, deposits and other receivables | **1,213** | **9,494** | **7,700** | **18,407** | (5) | - | - | (5) |
| | **(8,505)** | **116,792** | **(45,855)** | **62,432** | 58,460 | (226,524) | (366,244) | (534,308) |
| **Increase / (decrease) in assets** | | | | | | | | |
| Payable to HBL Asset Management Limited - Management Company | **43** | **(10)** | **16** | **49** | (471) | 21 | 397 | (53) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | **-** | **(5)** | **2** | **(3)** | (25) | 11 | 30 | 16 |
| Payable to Securities and Exchange Commission of Pakistan | **(18)** | **(291)** | **(40)** | **(349)** | (63) | (395) | 11 | (447) |
| Accrued expenses and other liabilities | **(105)** | **50** | **(166)** | **(221)** | (3,966) | 322 | 137 | (3,507) |
| | **(80)** | **(256)** | **(188)** | **(524)** | (4,525) | (41) | 575 | (3,991) |
| **Net cash used in operating activities** | **5,417** | **222,662** | **(18,827)** | **209,252** | 51,639 | (154,554) | (359,593) | (462,508) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | | | | | | |
| Amount received on issue of units | **4,556** | **-** | **-** | **4,556** | 2,018 | 46,351 | 429,999 | 478,368 |
| Payment against redemption of units | **(14,248)** | **(145,000)** | **-** | **(159,248)** | (70,368) | (318,615) | - | (388,983) |
| **Net cash used in financing activities** | **(9,692)** | **(145,000)** | **-** | **(154,692)** | (68,350) | (272,264) | 429,999 | 89,385 |
| **Net (decrease) in cash and cash equivalents** | **(4,275)** | **77,662** | **(18,827)** | **54,560** | (16,711) | (426,818) | 70,406 | (373,123) |
| Cash and cash equivalents at beginning of the period | **18,906** | **256,273** | **104,454** | **379,633** | 35,794 | 753,383 | - | 789,177 |
| **Cash and cash equivalents at end of the period** | **14,631** | **333,935** | **85,627** | **434,193** | 19,083 | 326,565 | 70,406 | 416,054 |

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

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

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

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

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The initial public offer period was from January 07, 2016 to January 08, 2016 (both days inclusive). The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange.

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

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

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

**2 BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

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

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

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

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

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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

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

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

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

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

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

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

**4. Bank Balances**

| | *Note* | **September 30, 2023** | | | | June 30, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Islamic Asset Allocation Fund** | **Islamic Asset Allocation Fund Plan 1** | **Islamic Asset Allocation Fund Plan 2** | **Total** | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total |
| | | **(Rupees in '000)** | | | | | | | |
| Savings accounts | *4.1* | **14,631** | **333,935** | **85,627** | **434,193** | 18,906 | 256,273 | 104,454 | 379,633 |
| | | **14,631** | **333,935** | **85,627** | **434,193** | 18,906 | 256,273 | 104,454 | 379,633 |

**4.1** This represents bank accounts held with different banks. Mark-up rates on these accounts range between 4.00%-21.3% per annum (2022: 3.75% - 15.75% p.a).

**5 INVESTMENTS**

| | | ***September 30, 2023*** | | | | June 30, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Islamic Asset Allocation Fund** | **Islamic Asset Allocation Fund Plan 1** | **Islamic Asset Allocation Fund Plan 2** | **Total** | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total |
| | | **(Rupees in '000)** | | | | | | | |
| Fair Value Through Profit or Loss - Held For Trading | | | | | | | | | |
| - Listed equity Securities | 5.1 | **94,265** | **-** | **-** | **94,265** | 83,648 | - | - | 83,648 |
| - Term Finance Certificate | 5.2 | **-** | **1,465,328** | **293,066** | **1,758,394** | - | 1,566,016 | 301,357 | 1,867,373 |
| - GOP Ijara Sukuk | 5.3 | **-** | | **120,334** | **240,668** | - | - | 70,042 | 70,042 |
| | | **94,265** | **1,465,328** | **413,400** | **2,093,327** | 83,648 | 1,566,016 | 371,399 | 2,021,063 |
| Financial Asset at Amortised Cost | | | | | | | | | |
| - Term Finance Certificate and Sukuks at Amortised Cost | | **-** | - | **-** | **-** | - | 45,000 | | 45,000 |
| | | **-** | - | **-** | **-** | - | 45,000 | | 45,000 |
| | | **94,265** | **1,465,328** | **413,400** | **2,093,327** | 83,648 | 1,611,016 | 371,399 | 2,066,063 |

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

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

| Name of the Investee Company | Number of shares | | | | | Market value as at September 30, 2023 | Market value as a percentage of | | Par value as a percentage of issued capital of the investee company |
|---|---|---|---|---|---|---|---|---|---|
| | As at July 1, 2023 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at September 30, 2023 | (Rupees in '000) | Total Investments | Net Assets | |
| **Cement** | | | | | | | | | |
| Cherat Cement Company Ltd. | 8,600 | 5,000 | - | 13,600 | - | - | - | - | - |
| D G Khan Cement Co.Ltd. | 93,500 | 193,400 | - | 286,900 | - | - | - | - | - |
| Kohat Cement Ltd | - | 10,392 | - | 10,392 | - | - | - | - | - |
| Lucky Cement Ltd | 11,847 | 22,393 | - | 34,240 | - | - | - | - | - |
| Maple Leaf Cement Factory Ltd | 272,943 | 400,500 | - | 602,443 | 71,000 | 2,126 | 2.26% | 2.03% | 0.01% |
| | 386,890 | 631,685 | - | 947,575 | 71,000 | 2,126 | | | |
| **Power generation & distribution** | | | | | | | | | |
| Hub Power Company Ltd | 137,000 | 38,500 | - | 126,700 | 48,800 | 4,310 | 4.57% | 4.11% | 0.00% |
| Nishat Chunian Power Ltd | - | 356,000 | - | 97,500 | 258,500 | 5,780 | 6.13% | 5.51% | 0.07% |
| Nishat Power Limited | - | 323,000 | - | 166,000 | 157,000 | 3,922 | 4.16% | 3.74% | 0.04% |
| | 137,000 | 717,500 | - | 390,200 | 464,300 | 14,012 | | | |
| **Engineering** | | | | | | | | | |
| Mughal Iron & Steel Inds Ltd | 38,834 | 56,000 | - | 94,834 | - | - | - | - | - |
| | 38,834 | 56,000 | - | 94,834 | - | - | | | |
| **TECHNOLOGY & COMMUNICATION** | | | | | | | | | |
| Systems Limited | 10 | 14,400 | - | 14,410 | - | - | - | - | - |
| TPL Trakker Limited | 513,500 | - | - | - | 513,500 | 4,077 | 4.33% | 3.88% | 0.03% |
| | 513,510 | 14,400 | - | 14,410 | 513,500 | 4,077 | | | |
| **Oil and gas exploration companies** | | | | | | | | | |
| Mari Petroleum Company Ltd | 3,349 | 1,180 | - | 4,529 | - | - | - | - | - |
| Oil & Gas Development Co Ltd | 103,300 | 201,500 | - | 145,876 | 158,924 | 15,330 | 16.26% | 14.60% | 0.00% |
| Pakistan Petroleum Ltd | 153,462 | 230,700 | - | 177,000 | 207,162 | 15,344 | 16.28% | 14.62% | 0.01% |
| | 260,111 | 433,380 | - | 327,405 | 366,086 | 30,674 | | | |
| **Oil and gas Marketing companies** | | | | | | | | | |
| Attock Petroleum Limited | - | 6,400 | - | 6,400 | - | - | - | - | - |
| Pakistan State Oil Company Ltd | 503 | 94,600 | - | 26,000 | 69,103 | 8,482 | 9.00% | 8.08% | 0.01% |
| Sui Northern Gas Pipeline Limited | 139,894 | 371,400 | - | 179,500 | 331,794 | 15,588 | 16.54% | 14.85% | 0.05% |
| | 140,397 | 472,400 | - | 211,900 | 400,897 | 24,070 | | | |
| **Refinery** | | | | | | | | | |
| Attock Refinery Ltd | 15,000 | 5,000 | - | 20,000 | - | - | - | - | - |
| | 15,000 | 5,000 | - | 20,000 | - | - | | | |
| **Fertilizers** | | | | | | | | | |
| Engro Corporation Limited | 15,100 | 7,000 | - | 22,100 | - | - | - | - | - |
| Engro Fertilizers Limited | 12,528 | 85,038 | - | 12,528 | 85,038 | 6,456 | 6.85% | 6.15% | 0.01% |
| | 27,628 | 92,038 | - | 34,628 | 85,038 | 6,456 | | | |
| **Commercial Banks** | | | | | | | | | |
| BankIslami Pakistan Limited | 272,011 | 100,000 | - | 372,011 | - | - | - | - | - |
| Faysal Bank Limited | - | 242,000 | - | 242,000 | - | - | - | - | - |
| Meezan Bank Limited | 71,000 | 66,500 | - | 85,000 | 52,500 | 6,017 | 6.38% | 5.73% | 0.00% |
| | 343,011 | 408,500 | - | 699,011 | 52,500 | 6,017 | | | |
| **Pharmaceuticals** | | | | | | | | | |
| Highnoon Laboratries Limited | 4,837 | - | - | 4,800 | 37 | 14 | 0.01% | 0.01% | 0.00% |
| The Searle Company Ltd | 1,333 | - | - | - | 1,333 | 47 | 0.05% | 0.04% | 0.00% |
| | 6,170 | - | - | 4,800 | 1,370 | 61 | | | |
| **GLASS & CERAMICS** | | | | | | | | | |
| Tariq Glass Industries Ltd | - | 139,614 | - | 89,300 | 50,314 | 3,951 | 4.19% | 3.76% | 0.07% |
| | - | 139,614 | - | 89,300 | 50,314 | 3,951 | | | |
| **AUTOMOBILE PARTS & ACCESSORIES** | | | | | | | | | |
| Baluchistan Wheels Ltd. | - | 18,000 | - | - | 18,000 | 2,821 | 2.99% | 2.69% | 0.13% |
| | - | 18,000 | - | - | 18,000 | 2,821 | | | |
| | **1,868,551** | **2,988,517** | **-** | **2,834,063** | **2,023,005** | **94,265** | | | |
| **Cost of investments at September 30, 2023** | | | | | | **91,457** | | | |

**5.1.1** This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.1086 million at September, 2023 (June 30, 2023: Rs. 0.11 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

**5.1.2** Investments include shares having market value aggregating to Rs. 25.5666 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

## 5.2 Term Finance Certificates - Held for trading

**HBL Islamic Asset Allocation Fund Plan 1**

| Name of the Investee Company | Number of certificates | | | | Market value as at September 30, 2023 | Carrying value as a percentage of Total Investment | Carrying value as a percentage of Net Asset |
|---|---|---|---|---|---|---|---|
| | As at July 1, 2023 | Purchases during the year | Sale during the year | As at September 30, 2023 | | | |
| | (Rupees in '000) | | | | | | |
| Meezan Bank limited | 283 | - | - | 283 | 283,000 | 19.31% | 14.97% |
| Dubai Islamic Bank limited | 4,000 | - | - | 4,000 | 20,000 | 1.36% | 1.06% |
| Dubai Islamic Bank limited | 39 | - | - | 39 | 39,098 | 2.67% | 2.07% |
| Hub Power Co. Ltd | 3,015 | - | - | 3,015 | 75,672 | 5.16% | 4.00% |
| K-Electric Ltd- Sukuk (KELSC5) | 2,920 | - | - | 2,920 | 11,943 | 0.82% | 0.63% |
| K-Electric Ltd- Sukuk (KELSC6) | 1,000 | - | 500 | 500 | 50,534 | 3.45% | 2.67% |
| Pakistanb Energy Sukuk-2 Bound (PESC2) | 175,500 | - | - | 175,500 | 877,676 | 59.90% | 46.43% |
| AlBaraka Bank Pakistan Limited | - | 25 | - | 25 | 25,025 | 1.71% | 1.32% |
| Agha Steel Industries Limited | 33 | - | 33 | - | - | 0.00% | 0.00% |
| Agha Steel Industries Limited | 22,440 | - | - | 22,440 | 22,440 | 1.53% | 1.19% |
| AlBaraka Bank Pakistan Limited | 60 | - | - | 60 | 59,940 | 4.09% | 3.17% |
| | 209,290 | 25 | 533 | 208,782 | 1,465,328 | 100.00% | 77.51% |
| **Cost of investments at September 30, 2023** | | | | | 1,477,011 | | |

**HBL Islamic Asset Allocation Fund Plan 2**

| Name of the Investee Company | Number of certificates | | | | Market value as at September 30, 2023 | Carrying value as a percentage of Total Investment | Carrying value as a percentage of Net Asset |
|---|---|---|---|---|---|---|---|
| | As at July 1, 2023 | Purchases during the year | Sale during the year | As at September 30, 2023 | | | |
| | (Rupees in '000) | | | | | | |
| Pakistanb Energy Sukuk-2 Bound (PESC2) | 12,000 | - | - | 12,000 | 60,012 | 14.52% | 11.52% |
| K-Electric Ltd- Sukuk (KELSC5) | 12,000 | - | - | 12,000 | 49,080 | 11.87% | 9.42% |
| Mughal Iron & Steel Industries Ltd | 85 | - | - | 85 | 52,934 | 12.80% | 10.16% |
| Dubai Islamic Bank limited | 60 | - | - | 60 | 60,150 | 14.55% | 11.55% |
| Pakistan International Corporation Ltd. | 12,000 | - | - | 12,000 | 58,890 | 14.25% | 11.31% |
| Meezan Bank Limited | 12 | - | - | 12 | 12,000 | 2.09% | 2.30% |
| | 36,157 | - | - | 36,157 | 293,066 | 70.83% | 56.26% |
| **Cost of investments at September 30, 2023** | | | | | 355,700 | | |

**5.2.1** Significent Terms And Conditions of Term Finance Certificate and Sukuk bonds outstanding as at September 30, 2023 are as follow:

| Name Of Security | Remaining Principles (Per TFC) | Markup Rate (Per Annum) | Issue Date | Maturity Date |
|---|---|---|---|---|
| **Term Finance Certificate - Listed** | | | | |
| Al-Baraka Bank Limited | 1,000,000 | 06 month KIBOR + 0.75 % | 22-Aug-17 | 22-Aug-24 |
| Al-Baraka Bank Limited | 1,000,000 | 06 month KIBOR + 1.5 % | 22-Dec-21 | 22-Dec-31 |
| K-Electric Ltd- Sukuk | 100,000 | 3 month KIBOR + 1.70 % | 23-Nov-21 | 23-Nov-29 |
| Agha Steel Industries Limited | 100,000 | 3 month KIBOR + 0.80 % | 9-Aug-23 | 9-Aug-27 |
| Mughal Iron and Steel | 625,000 | 3 month KIBOR + 1.30 % | 2-Mar-21 | 2-Mar-26 |
| Meezan Bank limited | 1,000,000 | 3 month KIBOR + 1.75 % | 1-Aug-18 | - |
| Dubai Islamic Bank limited | 1,000,000 | 6 month KIBOR + 0.7 % | 2-Dec-22 | 2-Dec-32 |
| Dubai Islamic Bank limited | 5,000 | 3 month KIBOR + 1.75 % | 31-Dec-18 | - |
| Hub Power Co. Ltd | 25,000 | 01 Year KIBOR + 1.90 % | 19-Mar-20 | 19-Mar-24 |
| K-Electric Ltd- Sukuk (KELSC5) | 4,000 | 3 month KIBOR + 1.70 % | 3-Aug-20 | 3-Aug-27 |
| Pakistanb Energy Sukuk-2 Bound | 5,000 | 6 month KIBOR - 0.10 % | 21-May-20 | 21-May-30 |
| Pakistan International Airline Corporation | 4,896 | 01 month KIBOR - 1 % | 26-Jul-21 | 26-Jul-31 |

**5.3** **Investment in Government Securities - GOP Ijara Sukuk - At Fair Value Throught Profit or Loss**

| **HBL Islamic Asset Allocation Fund Plan 2** | | Face Value | | | | Amortised Cost as at September 30, 2023 | Market Value as at September 30, 2023 | Market Value as a Percentage of | |
|---|---|---|---|---|---|---|---|---|---|
| Issuance Date | Tenor | As at July 01, 2023 | Purcahse During the Period | Sold During the period | As at September 30, 2023 | | | Total Investment | Net Asset |
| | | | | | | --------- (Rupees in '000) -------- | | | |
| Apr 17, 2023 | 01 year | 70,000 | - | - | 70,000 | 70,000 | 70,819 | 17.13% | 13.60% |
| Jun 26, 2023 | 03 year | 50,000 | - | - | 50,000 | 49,203 | 49,515 | 11.98% | 9.51% |
| | | **120,000** | **-** | **-** | **120,000** | **119,203** | **120,334** | | |

**6.** **PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY**

| | | **September 30, 2023** | | | | June 30, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Islamic Asset Allocation Fund** | **Islamic Asset Allocation Fund Plan 1** | **Islamic Asset Allocation Fund Plan 2** | **Total** | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total |
| | | | | | **(Rupees in '000)** | | | | |
| Management fee | *6.1* | **126** | **244** | **275** | **645** | 125 | 253 | 261 | 639 |
| Sindh Sales Tax | *6.2* | **16** | **32** | **36** | **84** | 16 | 33 | 34 | 83 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | **63** | **-** | **-** | **-** **63** | 62 | - | - | 62 |
| Selling and Marketing Expense | | **169** | **-** | **-** | **169** | 128 | - | - | 128 |
| Formation Cost | | **-** | **245** | **155** | **400** | **-** | 245 | 155 | 400 |
| | | **374** | **521** | **466** | **1,361** | 331 | 531 | 450 | 1,312 |

**6.1** Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Management Company has charged its remuneration at the rate of 1.5 percent per annum (June 2023: 1.5 percent per annum) of the average annual net assets, 0.15 Percent per annum of the average annual net asset in Plan-1 and 0.65 Percent per annum of the average annual net asset in Plan-2.

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

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

| | | September 30, 2023 | | | | June 30, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | (Rupees in '000) | | | | | | | |
| | | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Total |
| Fee | 7.1 | **8** | **155** | **40** | **203** | **26** | **446** | **80** | 552 |

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

## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Auditors' remuneration | | **30** | **410** | **123** | **563** | 18 | 300 | 77 | 395 |
| Charity payable | | **516** | **-** | **-** | **516** | 488 | - | - | 488 |
| Withholding tax payable | | **-** | **-** | **-** | **-** | - | - | 248 | 248 |
| Payable to NCCPL | | **24** | **32** | **28** | **84** | 35 | 35 | 28 | 98 |
| Payable to Shariah Advisor | | **8** | **14** | **37** | **59** | 1 | 17 | 4 | 22 |
| Federal Excise Duty | 8.1 | **1,063** | **-** | **-** | **1,063** | 1,063 | - | - | 1,063 |
| Payable to Broker | | **207** | **13** | **-** | **220** | 351 | 88 | 8 | 447 |
| Dividend Payable | | **25** | **-** | **-** | **25** | 25 | - | - | 25 |
| Other payable | | **5,273** | **220** | **44** | **5,537** | 5,270 | 199 | 33 | 5,502 |
| | | **7,146** | **689** | **232** | **8,067** | 7,251 | 639 | 398 | 8,288 |

### 8.1 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.06 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2023 would have been higher by Re. 1.1761 (June 30, 2023: Re. 1.0737) per unit.

## 9. CONTINGENCIES AND COMMITMENTS

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

## 10. TAXATION

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

## 11. EARNINGS PER UNIT (EPU)

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

## 12. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 6.12% (September 30,2022: 4.21%) and 0.56% representing Government Levies, and SECP Fee (September 30,2022: 0.24%) in HBL IAAF , 0.41% (September 30,2022: 0.36%) and 0.13 representing government levies and SECP Fee (September 30,2022: 0.04%) in HBL IAAF Plan-1 and 1.06% (September 30,2022: 0.75%) 0.19 representing government levies and SECP Fee (September 30,2022: 0.08%) in HBL IAAF Plan-2.13.

## TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

| 13.1 Transactions during the period | Three months ended September 30, 2023 | | | Three months ended September 30, 2022 | | |
|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | |
| | **Islamic Asset Allocation Fund** | **Islamic Asset Allocation Fund Plan 1** | **Islamic Asset Allocation Fund Plan 2** | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 |
| **HBL Asset Management Limited - Management Company** | | | | | | |
| Management fee | **453** | **843** | **939** | 730 | 1,043 | 399 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | **200** | **-** | **-** | 322 | - | - |
| Charging of Selling and marketing expenses | **174** | **-** | **-** | 281 | - | - |
| **Habib Bank Limited - Sponsor** | | | | | | |
| Redemption of Nill Units (2022: 531,283 Units) | **-** | - | - | 59,219 | - | - |
| Bank charges paid | **8** | - | - | 7 | - | - |
| Mark-up earned during the period | **30** | - | - | 663 | - | - |
| Mark-up received during the period | **36** | - | - | 1,443 | - | - |
| **Central Depository Company of Pakistan Limited - Trustee** | | | | | | |
| Remuneration | **60** | **421** | **108** | 97 | 522 | 46 |
| CDC Charges | **15** | **11** | **2** | 3 | 1 | 15 |
| **Pak Qatar Investment Account - Connected Person due to holding more then 10% holding** | | | | | | |
| Redemption: 681,910 units | **-** | **72,500** | **-** | - | - | - |
| **Pak Qatar Individual Family Participant Investment Fund- Connected Person due to holding more then 10% holding** | | | | | | |
| Redemption: 681,910 units ( Sep 30, 2022: 1,932,126 Units) | **-** | **72,500** | **-** | - | 200,000 | - |
| **Dawood Family takaful Limited Aggressive Fund -Connected Person due to holding more then 10% holding** | | | | | | |
| Investment: Nill units (2022: 536,946 units) | **-** | **-** | **-** | **-** | **55,000** | **-** |

| | Three months ended September 30, 2023 | | | Three months ended September 30, 2022 | | |
|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | |
| | **Islamic Asset Allocation Fund** | **Islamic Asset Allocation Fund Plan 1** | **Islamic Asset Allocation Fund Plan 2** | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 |
| **Dawood Family takaful Limited Balanced Fund -Connected Person due to holding more then 10% holding** | | | | | | |
| Investment: Nill units (2022; 1,865,149 units) | **-** | **-** | **-** | - | **195,000** | - |
| **Dawood Family takaful Limited Income Fund -Connected Person due to holding more then 10% holding** | | | | | | |
| Investment: Nill units (2022: 1,243,433 units) | **-** | **-** | **-** | - | **130,000** | - |
| **Dawood Family takaful Limited Individual -Connected Person due to holding more then 10% holding** | | | | | | |
| Investment: Nill units (2022: 478,243 units) | **-** | **-** | **-** | - | **50,000** | - |
| **Dawood Family takaful Limited** | | | | | | |
| Purchase of Sukuks | **-** | **-** | **-** | - | **182,000** | - |
| **HBL Islamic Income Fund** | | | | | | |
| Purchase of GOP Ijara | **7,709** | **-** | **-** | - | **-** | - |
| Sale of GOP Ijara | **10,932** | **-** | **-** | - | **-** | - |
| **HBL Financial Sector Income Fund 1** | | | | | | |
| Purchase of GOP Ijara | **5,467** | **-** | **-** | - | **-** | - |
| **HBL Islamic Asset Allocation Fund Plan 1** | | | | | | |
| Sale of Sukuks | **-** | **-** | **-** | **27,454** | **-** | - |
| **HBL Islamic Asset Allocation Fund** | | | | | | |
| Purchase of Sukuks | **-** | **-** | **-** | - | **27,454** | - |

**13.2 Amounts outstanding as at period end**

| | September 30, 2023 | | | June 30, 2023 | | |
|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | |
| | **Islamic Asset Allocation Fund** | **Islamic Asset Allocation Fund Plan 1** | **Islamic Asset Allocation Fund Plan 2** | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 1 |
| **HBL Asset Management Limited - Management Company** | | | | | | |
| Management Fee | **126** | **244** | **275** | 125 | 253 | 261 |
| Sindh Sales Tax | **16** | **32** | **36** | 16 | 33 | 34 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | **63** | **-** | **-** | 62 | - | - |
| Charging of Selling and marketing expenses | **169** | **-** | **-** | 128 | - | - |
| Sales load payable | **-** | **-** | **-** | - | - | - |
| Formation Cost | **-** | **245** | **155** | - | 245 | 155 |
| **Habib Bank Limited - Sponsor** | | | | | | |
| Investment held in the Fund : Nil units (June 30, 2022: 531,283 units) | **-** | - | - | - | - | - |
| Bank balances | **1,059** | - | - | 929 | - | - |
| Mark-up receivable on deposits with bank | **-** | - | - | - | - | - |
| **Central Depository Company of Pakistan Limited - Trustee** | | | | | | |
| Remuneration payable | **17** | **122** | **32** | 17 | 127 | 30 |
| Sindh Sales Tax | **2** | **16** | **4** | 2 | 16 | 4 |
| Security Deposit | **100** | **100** | **100** | 100 | 100 | 100 |
| **HBL Asset Management Limited Employees Gratuity Fund** | | | | | | |
| Investment held in the Fund 4,909 units (2023: 4,909 units) | **534** | - | - | 499 | - | - |
| **HBL Asset Management Limited Employees Provident Fund** | | | | | | |
| Investment held in the Fund 14,169 units (2023: 14,169 units) | **1,541** | - | - | 1,441 | - | - |
| **Pak Qatar Investment Account - Connected Person due to holding more then 10% holding** | | | | | | |
| Unit held: 10,330,515 units (2023: 11,012,425 units) | - | **1,102,967** | **-** | - | 1,115,943 | - |

| | September 30, 2023 | | | June 30, 2023 | | |
|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | |
| | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 2 | Islamic Asset Allocation Fund | Islamic Asset Allocation Fund Plan 1 | Islamic Asset Allocation Fund Plan 1 |
| **Pak Qatar Individual Family Participant Investment Fund- Connected Person due to holding more then 10% holding** | | | | | | |
| Investment held in the fund 4,923,336 units (2023: 5,605,246 units) | - | **525,654** | - | - | 568,007 | - |
| **Dawood Family takaful Limited Aggressive Fund -Connected Person due to holding more then 10% holding** | | | | | | |
| Investment held 636,751 units (Jun 2023 :636,751 units) | - | - | **67,810** | - | - | **64,267** |
| **Dawood Family takaful Limited Balanced Fund -Connected Person due to holding more then 10% holding** | | | | | | |
| Investment held 2,211,835 units (Jun 2023 : 2,211,835 units) | - | - | **235,548** | - | - | **223,238** |
| **Dawood Family takaful Limited Income Fund -Connected Person due to holding more then 10% holding** | | | | | | |
| Investment held 1,474,556 units (Jun 2023 : 1,474,556 units) | - | - | **157,032** | - | - | **148,825** |
| **Dawood Family takaful Limited Individual -Connected Person due to holding more then 10% holding** | | | | | | |
| Investment held 567,137 units (Jun 2023 :567,137 units) | - | - | **60,397** | - | - | **57,241** |
| **Tariq Mehmood Malik- Connected Person due to holding more then 10% holding** | | | | | | |
| Unit held: 187,104 units ( June 30, 2023: 187,104 units) | **21,733** | - | - | 19,026 | - | - |
| **Abdullah Farooq Azam- Connected Person due to holding more then 10% holding** | | | | | | |
| Unit held: 118,966 units ( June 30, 2023: 118,966 units) | **13,819** | - | - | 12,097 | - | - |

## 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

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

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

| HBL Islamic Asset Allocation Fund | September 30, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair Value | | | |
| | Fair value through profit or loss | At amortized Cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | ---------- (Rupees in '000) ---------- | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | |
| Investments | | | | | | | | |
| - Listed Equities Securities | 94,265 | - | - | 94,265 | 94,265 | - | - | 94,265 |
| - Term finance certificate - unlisted | - | - | - | - | - | - | - | - |
| - GOP Ijara Sukuk | - | - | - | - | - | - | - | - |
| | 94,265 | - | - | 94,265 | | | | |
| **Financial assets not measured at fair value** | | | | | | | | |
| Bank balances | - | 14,631 | - | 14,631 | | | | |
| Term finance certificates and sukuk bonds | - | - | - | - | | | | |
| Commercial Paper | - | - | - | - | | | | |
| Accrued mark-up | - | 755 | - | 755 | | | | |
| Advances, deposits and other receivables | - | 2,882 | - | 2,882 | | | | |
| | - | 18,268 | - | 18,268 | | | | |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Payable to Management Company | - | - | 358 | 358 | | | | |
| Payable to Trustee | - | - | 19 | 19 | | | | |
| Accrued expenses and other liabilities | - | - | 6,083 | 6,083 | | | | |
| | - | - | 6,460 | 6,460 | | | | |

| HBL Islamic Asset Allocation Fund Plan 1 | September 30, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair Value | | | |
| | Fair value through profit or loss | At amortized Cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | ---------- (Rupees in '000) ---------- | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | |
| Investments | | | | | | | | |
| - Listed Equities Securities | - | - | - | - | - | - | - | - |
| - Term finance certificate - unlisted | 1,465,328 | - | - | 1,465,328 | - | 1,465,328 | - | 1,465,328 |
| - GOP Ijara Sukuk | 120,334 | - | - | 120,334 | - | 120,334 | - | 120,334 |
| | 1,585,662 | - | - | 1,585,662 | | | | |
| **Financial assets not measured at fair value** | | | | | | | | |
| Bank balances | - | 333,935 | - | 333,935 | | | | |
| Accrued mark-up | - | 90,892 | - | 90,892 | | | | |
| Advances, deposits and other receivables | - | 1,392 | - | 1,392 | | | | |
| | - | 426,219 | - | 426,219 | | | | |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Payable to Management Company | - | - | 489 | 489 | | | | |
| Payable to Trustee | - | - | 138 | 138 | | | | |
| Accrued expenses and other liabilities | - | - | 689 | 689 | | | | |
| | - | - | 1,316 | 1,316 | | | | |

**HBL Islamic Asset Allocation Fund Plan 2**

| | September 30, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair Value | | | |
| | Fair value through profit or loss | At amortized Cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | (Rupees in '000) | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | |
| Investments | | | | | | | | |
| - Listed Equities Securities | - | - | - | - | - | - | - | - |
| - Term finance certificate - unlisted | **293,066** | - | - | **293,066** | - | **293,066** | - | **293,066** |
| - GOP Ijara Sukuk | **120,334** | - | - | **120,334** | - | **120,334** | - | **120,334** |
| | **413,400** | - | - | **413,400** | | | | |
| **Financial assets not measured at fair value** | | | | | | | | |
| Bank balances | - | **85,627** | - | **85,627** | | | | |
| Accrued mark-up | - | **22,434** | - | **22,434** | | | | |
| Advances, deposits and other receivables | - | - | - | - | | | | |
| | - | **108,061** | - | **108,061** | | | | |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Payable to Management Company | - | - | **466** | **466** | | | | |
| Payable to Trustee | - | - | **36** | **36** | | | | |
| Accrued expenses and other liabilities | - | - | **232** | **232** | | | | |
| | - | - | **734** | **734** | | | | |

| | HBL Islamic Asset Allocation Fund | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2023 | | | | | | | |
| | Carrying amount | | | | Fair Value | | | |
| | Fair value through profit or loss | At amortized Cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | (Rupees in '000) | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | |
| Investments | | | | | | | | |
| - Listed Equities Securities | 129,668 | - | - | 129,668 | 129,668 | - | - | 129,668 |
| - Term finance certificate - unlisted | 29,720 | - | - | 29,720 | - | 29,720 | - | 29,720 |
| - GOP Ijara Sukuk | - | - | - | - | - | - | - | - |
| | 159,388 | - | - | 159,388 | | | | |
| **Financial assets not measured at fair value** | | | | | | | | |
| Bank balances | - | 35,794 | - | 35,794 | | | | |
| Term finance certificates and sukuk bonds | - | - | - | - | | | | |
| Commercial Paper | | 11,940 | | 11,940 | | | | |
| Dividend receivable and accrued mark-up | - | 2,181 | - | 2,181 | | | | |
| Advances, deposits and other receivables | - | 2,803 | - | 2,803 | | | | |
| | - | 52,718 | - | 52,718 | | | | |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Payable to Management Company | - | - | 1,001 | 1,001 | | | | |
| Payable to Trustee | - | - | 48 | 48 | | | | |
| Accrued expenses and other liabilities | - | - | 6,897 | 6,897 | | | | |
| | - | - | 7,946 | 7,946 | | | | |

| | HBL Islamic Asset Allocation Fund Plan 1 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2023 | | | | | | | |
| | Carrying amount | | | | Fair Value | | | |
| | Fair value through profit or loss | At amortized Cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | (Rupees in '000) | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | |
| Investments | | | | | | | | |
| - Term finance certificate - unlisted | 1,620,518 | - | - | 1,620,518 | - | 1,620,518 | - | 1,620,518 |
| - GOP Ijara Sukuk | - | - | - | - | - | - | - | - |
| | 1,620,518 | - | - | 1,620,518 | | | | |
| **Financial assets not measured at fair value** | | | | | | | | |
| Bank balances | - | 753,383 | - | 753,383 | | | | |
| Dividend receivable and accrued mark-up | - | 50,186 | - | 50,186 | | | | |
| Preliminary expenses and flotation costs | - | 129 | - | 129 | | | | |
| Advances, deposits and other receivables | - | 100 | - | 100 | | | | |
| | - | 803,798 | - | 803,798 | | | | |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Payable to Management Company | - | - | 565 | 565 | | | | |
| Payable to Trustee | - | - | 160 | 160 | | | | |
| Accrued expenses and other liabilities | - | - | 543 | 543 | | | | |
| | - | - | 1,268 | 1,268 | | | | |

| | HBL Islamic Asset Allocation Fund Plan 2 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2023 | | | | | | | |
| | Carrying amount | | | | Fair Value | | | |
| | Fair value through profit or loss | At amortized Cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | ---------- (Rupees in '000) ---------- | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | |
| Investments | | | | | | | | |
| - Term finance certificate - unlisted | 301,357 | - | - | 301,357 | - | 301,357 | - | 301,357 |
| - GOP Ijara Sukuk | 70,042 | - | - | 70,042 | - | 70,042 | - | 70,042 |
| | 371,399 | - | - | 371,399 | | | | |
| **Financial assets not measured at fair value** | | | | | | | | |
| Bank balances | - | 104,454 | - | 104,454 | | | | |
| Dividend receivable and accrued mark-up | - | 10,880 | - | 10,880 | | | | |
| Advances, deposits and other receivables | - | 7,800 | - | 7,800 | | | | |
| | - | 123,134 | - | 123,134 | | | | |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Payable to Management Company | - | 450 | - | 450 | | | | |
| Payable to Trustee | - | 34 | - | 34 | | | | |
| Accrued expenses and other liabilities | - | 150 | - | 150 | | | | |
| | - | 634 | - | 634 | | | | |

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

## 16. DATE OF AUTHORISATION FOR ISSUE

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

## 17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

HBL

# Islamic Stock Fund

## FUND INFORMATION

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

# HBL Islamic Stock Fund
## Condensed Interim Statement of Assets and Liabilities (Un-Audited)
*As at Sep 30, 2023*

| | Note | (Un-Audited) September 20 2023 | (Audited) June 30, 2023 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **Assets** | | | |
| Bank balances | 4 | **21,049** | 15,902 |
| Investments | 5 | **77,828** | 148,169 |
| Dividend and profit receivable | | **492** | 301 |
| Receivable against sale of investment | | **6,293** | 4,854 |
| Advances, deposits, prepayments and other receivables | | **2,993** | 3,000 |
| Receivable from HBL Asset Management Limited - Management Company | | | 2,469 |
| **Total assets** | | **108,655** | 174,695 |
| **Liabilities** | | | |
| Payable to the Management Company | 6 | **538** | 895 |
| Payable to the Trustee | | **16** | 29 |
| Payable to Securities and Exchange Commission of Pakistan | 7 | **7** # | 43 |
| Payable against Purchase of Equity Securities | | **6,363** | 6,645 |
| Dividend Payable | | **-** | - |
| Accrued expenses and other liabilities | 8 | **20,645** | 8,398 |
| **Total liabilities** | | **27,569** | 16,010 |
| **Net assets** | | **81,086** | 158,685 |
| **Unit holders' fund (as per statement attached)** | | **81,086** | 158,685 |
| | | ---------- (Number of units) ---------- | |
| **Number of units in issue** | | **951,507** | 2,035,251 |
| | | ---------- (Rupees) ---------- | |
| **Net assets value per unit** | | **85.2187** | 77.9684 |

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 Islamic Stock Fund
## Condensed Interim Income Statement and other Comprehensive Income (Un-Audited)
*For the three months ended September 30, 2023*

| | Note | For the Period Ended September 30, 2023 | 2022 |
|---|---|---|---|
| | | ------- (Rupees in '000) ----- | |
| **Income** | | | |
| Dividend income | | **780** | 3,934 |
| Profit on bank deposits | | **745** | 618 |
| Capital gain / (loss) on sale of investments - net | | **18,073** | 3,093 |
| | | **19,598** | 7,645 |
| Net unrealised appreciation / (diminution) on re-measurement of investments classified at fair value through profit or loss - held-for-trading | | **343** | (5,036) |
| **Total Income / (Loss)** | | **19,941** | 2,609 |
| **Expenses** | | | |
| Remuneration of the Management Company | 6.1 & 6.2 | **721** | 1,893 |
| Remuneration of the Trustee | | **72** | 189 |
| fee to Securities and Exchange Commission of Pakistan | | **30** | 17 |
| Selling and marketing expenses | | **335** | 880 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | **175** | 461 |
| Securities transaction costs | | **757** | 761 |
| Auditors' remuneration | | **210** | 102 |
| Settlement and bank charges | | **211** | 139 |
| Shariah advisory fee | | **64** | 68 |
| Fees and subscription | | **7** | 139 |
| Haram Income Expense | | **39** | 197 |
| | | **2,622** | **4,846** |
| **Net Income / (loss) from operating activities** | | **17,319** | **(2,237)** |
| **Net income / (loss) for the period before taxation** | | **17,319** | **(2,237)** |
| Taxation | 9 | **-** | - |
| **Net income/ (loss) for the period after taxation** | | **17,319** | **(2,237)** |
| Income already paid on redemption of units | | 11,891 | |
| Accounting income available for distribution: | | | |
| - Relating to capital gains | | 5,428 | |
| - Excluding capital gains | | **-** | - |
| | | 5,428 | - |
| Other comprehensive income for the period | | **-** | - |
| **Total comprehensive income/ (loss) for the period** | | **17,319** | **(2,237)** |

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 Islamic Stock Fund
## Condensed Interim Statement of Movement in Unit Holders' Fund
*For the three months ended September 30, 2023*

| | Note | Three months ended September 30, 2023 | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | | Capital value | Undistributed income / (Accumulated loss) | Total | Capital value | Undistributed income / (Accumulated loss) | Unrealised income / (loss) on investment | Total |
| | | (Rupees in '000) | | | | | | |
| **Net assets at beginning of the period** | | **616,234** | **(457,549)** | **158,685** | **851,523** | (440,485) | - | **411,039** |
| Issue of units 621,515 (2022: 1,724,750 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | | **48,460** | **-** | **48,460** | 134,476 | - | - | 134,476 |
| - Element of loss | | **4,612** | **-** | **4,612** | 14,903 | - | - | 14,903 |
| Total proceeds on issuance of units | | **53,072** | **-** | **53,072** | 149,379 | - | - | 149,379 |
| Redemption of 1,705,259 units (2022: 3,440,695 units) | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | | **(132,956)** | **-** | **(132,956)** | (268,265) | - | - | (268,265) |
| - Amount paid out of element of income relating to net income for the year after taxation | | **(3,143)** | **(11,891)** | **(15,034)** | (40,061) | - | - | (40,061) |
| Total payments on redemption of units | | **(136,099)** | **(11,891)** | **(147,990)** | (308,326) | - | - | (308,326) |
| Total comprehensive income for the period | | **-** | **17,319** | **17,319** | - | (2,237) | - | (2,237) |
| **Net assets at end of the period** | | **533,207** | **(452,121)** | **81,086** | **692,576** | **(442,722)** | **-** | 249,855 |
| **Undistributed income brought forward** | | | | | | | | |
| - Realised | | | **(452,577)** | | | (358,392) | | |
| - Unrealised | | | **(4,972)** | | | (82,093) | | |
| | | | **(457,549)** | | | (440,485) | | |
| Accounting income available for distribution | | | | | | | | |
| - Relating to capital gains | | | **5,428** | | | - | | |
| - Excluding capital gains | | | **-** | | | - | | |
| | | | **5,428** | | | (2,237) | | |
| **(Accumulated loss) / undistributed income carried forward** | | | **(452,121)** | | | (442,722) | | |
| **(Accumulated loss) / undistributed income carried forward** | | | | | | | | |
| - Realised | | | **(452,464)** | | | (437,686) | | |
| - Unrealised | | | **343** | | | (5,036) | | |
| | | | **(452,121)** | | | (442,722) | | |
| | | | | **Rupees** | | | | Rupees |
| **Net assets value per unit at beginning of the period** | | | | **77.9684** | | | | 88.4322 |
| **Net assets value per unit at end of the period** | | | | **85.2187** | | | | 85.2123 |

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 Islamic Stock Fund
## Condensed Interim Cash Flow Statement (Unaudited)
*For the three months ended September 30, 2023*

| | Note | Three Months ended September 30, 2023 | 2022 |
|---|---|---|---|
| | | ---------- (Rupees in '000) --------- | |
| **Cash flows from operating activities** | | | |
| Net (loss) / income for the period before taxation | | **17,319** | (2,237) |
| **Adjustments** | | | |
| Capital loss / (gain) during the period | | **(18,073)** | (3,093) |
| Dividend Income | | **(780)** | (3,934) |
| Profit on bank deposits | | **(745)** | (618) |
| Unrealised dimunition on re-measurement of investments classified at fair value through profit or loss - held-for-trading | | **(343)** | 5,036 |
| | | **(2,622)** | (4,846) |
| **(Increase) / decrease in assets** | | | |
| Investments - net | | **87,036** | (79,921) |
| Dividend receivable and accrued mark-up | | **1,334** | 3,316 |
| Recievable against sale of equity instruments | | **2,469** | |
| Advances, deposits, prepayments and other receivables | | **7** | (20) |
| | | **90,846** | (76,625) |
| **Increase / (decrease) in liabilities** | | | |
| Payable to the Management Company | | **(357)** | 502 |
| Payable to the Trustee | | **(13)** | 13 |
| Payable to Securities and Exchange Commission of Pakistan | | **(36)** | (26) |
| Accrued expenses and other liabilities | | **12,247** | 976 |
| | | **11,841** | 1,464 |
| **Net cash (used in) / generated from operating activities** | | **100,065** | (80,007) |
| **Cash flows from financing activities** | | | |
| Amount received on issue of units | | **53,072** | 149,379 |
| Payment against redemption of units | | **(147,990)** | (308,326) |
| **Net cash generated from financing activities** | | **(94,918)** | (158,947) |
| **Net increase in cash and cash equivalents** | | **5,147** | (238,954) |
| Cash and cash equivalents at beginning of the period | | **15,902** | 15,902 |
| **Cash and cash equivalents at end of the period** | 4 | **21,049** | (223,052) |

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 |
|---|---|---|

## 1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

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

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

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

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

### 2.2 Basis of measurement

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

**2.3 Functional and presentation currency**

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

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

**3.1** The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2023.

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

**3.3** The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2023.

**3.4** There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

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

| | Note | **(Un-Audited) September 30, 2023** | (Audited) June 30, 2023 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **4. BANK BALANCES** | | | |
| Balances with banks in: | | | |
| savings accounts | 4.1 | **21,049** | 15,902 |
| current account | | **-** | - |
| | | **21,049** | 15,902 |

**4.1** The balance in savings accounts carry expected profit which ranges from 5.00% to 22.25% (June 30, 2023: 4% to 20.20%) per annum.

| | Note | **(Un-Audited) September 30, 2023** | (Audited) June 30, 2023 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **5. INVESTMENTS** | | | |
| - Listed equity securities | 5.1 | **77,828** | 148,169 |
| | | **77,828** | 148,169 |

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

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

| Name of the Investee Company | As at July 01, 2023 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at September 30, 2023 | Market value as at September 30, 2023 Rupees in '000' | Market value as a percentage of Total Investments | Market value as a percentage of Net Assets | Par value as a percentage of issued capital of the investee company |
|---|---|---|---|---|---|---|---|---|---|
| | ---------- Number of shares ---------- | | | | | | ---------- % ---------- | | |
| **CEMENT** | | | | | | | | | |
| Cherat Cement Company Ltd. | 52,000 | 10,000 | - | 62,000 | - | - | 0% | 0% | - |
| D G Khan Cement Co.Ltd. | 74,970 | 288,638 | - | 289,608 | 74,000 | 3,213 | 4% | 4% | 0.02% |
| Fauji Cement Company Limited | 325,000 | 150,000 | - | 475,000 | - | - | 0% | 0% | - |
| Kohat Cement Ltd | - | 18,500 | - | 18,500 | - | - | 0% | 0% | - |
| Lucky Cement Ltd | 29,347 | 40,140 | - | 62,297 | 7,190 | 4,058 | 5% | 5% | 0.00% |
| Maple Leaf Cement Factory Ltd | 300,000 | 276,500 | - | 337,790 | 238,710 | 7,147 | 9% | 9% | 0.05% |
| Pioneer Cement Limited | 37,000 | - | - | 37,000 | - | - | 0% | 0% | - |
| | 818,317 | 783,778 | - | 1,282,195 | 319,900 | 14,418 | 19% | 18% | |
| **POWER GENERATION & DISTRIBUTION** | | | | | | | | | |
| Hub Power Company Ltd | 164,000 | 42,500 | - | 172,500 | 34,000 | 3,003 | 4% | 4% | 2% |
| Nishat Power Limited | - | 342,056 | - | 342,056 | - | - | 0% | 0% | 2% |
| | 164,000 | 384,556 | - | 514,556 | 34,000 | 3,003 | 0 | 0 | |
| **ENGINEERING** | | | | | | | | | |
| Mughal Iron & Steel Inds Ltd | - | 87,000 | - | 40,000 | 47,000 | 2,343 | 0% | 0% | 0% |
| | - | 87,000 | - | 40,000 | 47,000 | 2,343 | 0% | 0% | 0% |
| **PHARMACEUTICALS** | | | | | | | | | |
| Highnoon Laboratories Limited | - | 19,300 | - | 12,700 | 6,600 | 2,507 | 3% | 309% | 0.00% |
| The Searle Company Ltd | 2,968 | - | - | - | 2,968 | 104 | 0% | 13% | 0.00% |
| | 2,968 | 19,300 | - | 12,700 | 9,568 | 2,612 | 3% | 322% | |
| **OIL & GAS EXPLORATION COMPANIES** | | | | | | | | | |
| Mari Petroleum Company Ltd | 6,169 | 863 | - | 4,700 | 2,332 | 3,638 | 5% | 4% | 0.00% |
| Oil & Gas Development Co Ltd | 198,300 | 80,500 | - | 213,000 | 65,800 | 6,347 | 8% | 8% | 0.00% |
| Pakistan Petroleum Ltd | 219,920 | 220,267 | - | 324,500 | 115,687 | 8,569 | 11% | 11% | 0.01% |
| | 424,389 | 301,630 | - | 542,200 | 183,819 | 18,554 | 24% | 23% | |
| **OIL & GAS MARKETING COMPANIES** | | | | | | | | | |
| Pakistan State Oil Company Ltd | 850 | 80,000 | - | 41,000 | 39,850 | 4,891 | 6% | 6% | 0.01% |
| Sui Northern Gas Pipeline Ltd | 175,526 | 169,498 | - | 229,998 | 115,026 | 5,404 | 7% | 0% | 0.02% |
| | 176,376 | 249,498 | - | 270,998 | 154,876 | 10,295 | 13% | 6% | |
| **REFINERY** | | | | | | | | | |
| Attock Refinery Ltd | 21,500 | 21,000 | - | 42,500 | - | - | 0% | 0% | 0% |
| | 21,500 | 21,000 | - | 42,500 | - | - | 0% | 0% | |
| **COMMERCIAL BANKS** | | | | | | | | | |
| BankIslami Pakistan Limited | 261,000 | 278,798 | - | 539,798 | - | - | 0% | 0% | 0% |
| Faysal Bank Limited | - | 314,000 | - | 314,000 | - | - | 0.00% | 0% | 0% |
| Meezan Bank Ltd | 132,076 | 17,500 | - | 116,761 | 32,815 | 3,761 | 4.83% | 5% | 0.00% |
| | 393,076 | 610,298 | - | 970,559 | 32,815 | 3,761 | 6% | 5% | |
| **FERTILIZER** | | | | | | | | | |
| Engro Corporation Ltd | 23,700 | 48,313 | - | 72,013 | - | - | 0% | 0% | - |
| Engro Fertilizers Limited | 135,333 | 88,201 | - | 133,333 | 90,201 | 6,848 | 9% | 8% | 0.01% |
| | 159,033 | 136,514 | - | 205,346 | 90,201 | 6,848 | 9% | 8% | |

| Name of the Investee Company | As at July 01, 2023 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at September 30, 2023 | Market value as at September 30, 2023 Rupees in '000' | Market value as a percentage of Total Investments | Market value as a percentage of Net Assets | Par value as a percentage of issued capital of the investee company |
|---|---|---|---|---|---|---|---|---|---|
| | ---------- Number of shares ---------- | | | | | | ---------- % ---------- | | |
| **GLASS & CERAMICS** | | | | | | | | | |
| Tariq Glass Industries Ltd | 19,000 | 153,664 | - | 105,027 | 67,637 | 5,311 | 7% | 7% | 1% |
| | 19,000 | 153,664 | - | 105,027 | 67,637 | 5,311 | 7% | 7% | |
| **TECHNOLOGY & COMMUNICATION** | | | | | | | | | |
| Systems Limited | 16,659 | 35,100 | - | 37,859 | 13,900 | 5,474 | 7% | 7% | 5% |
| TPL Trakker Limited | 656,000 | - | - | - | 656,000 | 5,209 | 0% | | 1% |
| | 672,659 | 35,100 | - | 37,859 | 669,900 | 10,683 | 7% | 7% | |
| **Grand total** | **2,851,318** | **2,782,338** | **-** | **4,023,940** | **1,609,716** | **77,828** | | | |
| **Cost of investments at September 30, 2023** | | | | | | **77,485** | | | |

Investments include shares having market value aggregating to Rs. 26.1000 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 includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.21 million at September 30, 2023 (June 30, 2023: Rs. 0.209 million ) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

| | Note | **(Un-Audited) September 30, 2023** | (Audited) June 30, 2023 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **6. PAYABLE TO THE MANAGEMENT COMPANY** | | | |
| Management fee | | **144** | 739 |
| Sindh Sales Tax on Management Company's remuneration | | **19** | 96 |
| Sales load payable | | **-** | - |
| Selling and marketing payable | | **335** | 1,643 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | **40** | 320 |
| | | **538** | 2,798 |

| 7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | (Un-Audited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|
| | | -------- (Rupees in '000) | ---------- |
| Fee | 7.1 | 7 | 43 |

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

| 8. ACCRUED EXPENSES AND OTHER LIABILITIES | Note | (Un-Audited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|
| | | ---------- (Rupees in '000) | -------- |
| Federal Excise Duty | 8.1 | 6,785 | 6,785 |
| Charity payable | 8.2 | 920 | 1,050 |
| Withholding tax payable | | - | 8 |
| Auditors' remuneration | | 226 | 294 |
| Payable to brokers | | 557 | 261 |
| Other payables | | 12,157 | 123 |
| | | 20,645 | 8,521 |

**8.1** The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.785 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2020 would have been higher by Rs. 7.1308 per unit (June 30, 2023: 3.33 per unit).

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

## 9. TAXATION

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

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

| | | For the three months ended September 30, | |
|---|---|---|---|
| | | **2023** | 2022 |
| | | ---------- (Rupees in '000) ---------- | |
| **10.1** | **Transactions during the period** | | |
| | **HBL Asset Management Limited - Management Company** | | |
| | Management fee including sales tax thereon | **721** | 1,893 |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | **175** | 461 |
| | Selling and marketing expenses | **335** | 880 |
| | **Habib Bank Limited - Sponsor** | | |
| | Bank charges paid | **13** | 19 |
| | Bank profit | **82** | 139 |
| | Redemption Nil units (2022: 1,319,805 units) | **-** | 119,943 |
| | **Executives and their relatives** | | |
| | Redemption 6,422 units (2022: 44,637 units) | **578** | 3,799 |
| | **Central Depository Company of Pakistan Limited - Trustee** | | |
| | Remuneration | **72** | 189 |
| | Central Depository services charges | **26** | 21 |
| | **MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND - CONSERVATIVE ALLOCATION PLAN - ASSOCIATE** | | |
| | Redemption Nil units (2022: 26 units) | **-** | 2 |
| | **PAK QATAR FAMILY TAKAFUL LTD** | | |
| | **-Connected party due to more than 10%** | | |
| | Issue of Nil units (2022: 293,086 units) | **-** | 25,000 |
| | Redemption Nil units (2022: 216,541 units) | **-** | 20,000 |
| | **PAK QATAR GENERAL TAKAFUL LIMITED** | | |
| | **-Connected party due to more than 10%** | | |
| | Issue of Nil; units (2022: 588,160 units) | **-** | 50,000 |
| | Redemption Nil units (2022: 295,074 units) | **-** | 26,352 |
| | **IGI LIFE INSURANCE-TAF** | | |
| | **-Connected party due to more than 10%** | | |
| | Issue of 236,560 units (2022: Nil units) | **20,000** | 50,000 |
| | Redemption 143,043 units (2022: Nil units) | **(11,900)** | 26,352 |

| | (Un-Audited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| **10.2 Balances outstanding as at period / year end** | | |
| **HBL Asset Management Limited - Management Company** | | |
| Management fee | **144** | 739 |
| Sindh Sales Tax on Management Company's remuneration | **19** | 96 |
| Sales load payable | **-** | - |
| Selling and marketing payable | **335** | 1,643 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | **40** | 320 |
| **Habib Bank Limited - Sponsor** | | |
| Bank balances | **4,331** | 2,794 |
| Profit receivable | **5** | 19 |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Remuneration payable including sales tax thereon | **16** | 29 |
| Security deposit | **100** | 100 |
| **Executives and their relatives** | | |
| Investment held in the Fund: Nil units (June 30, 2023: 6,421 units) | **-** | 4,167 |
| **MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND - CONSERVATIVE ALLOCATION PLAN - ASSOCIATE** | | |
| Investment held in the Fund 1,585 units (2023: 1,726 units) | **147** | 1,350 |
| **PAK QATAR FAMILY TAKAFUL LTD** | | |
| **-Connected party due to more than 10%** | | |
| Investment held in the Fund Nil units (2023: 621,176 units) | **-** | 48,432 |
| **PAK QATAR GENERAL TAKAFUL LIMITED** | | |
| **-Connected party due to more than 10%** | | |
| Investment held in the Fund Nil units (2023: 293,086 units) | **-** | 22,851 |
| **IGI LIFE INSURANCE-TAF** | | |
| **-Connected party due to more than 10%** | | |
| Investment held in the Fund 105,551 units (2023: Nil units) | **8,994** | - |

## 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 (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

| | | September 30, 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | | Fair Value | | | |
| | | Available-for-sale | Held-for-trading | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | Note | (Rupees in '000) | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | | |
| Investments | | | | | | | | | | |
| - Listed equity securities | 5 | **77,828** | | **-** | **-** | **77,828** | **77,828** | **-** | **-** | **77,828** |
| **Financial assets not measured at fair value** | 11.1 | | | | | | | | | |
| Bank balances | | **-** | | **21,049** | **-** | **21,049** | **-** | **-** | **-** | **-** |
| Dividend and profit receivable | | **-** | | **492** | **-** | **492** | **-** | **-** | **-** | **-** |
| Receivable against sale of investment | | | | **6,293** | | **6,293** | | | | |
| Other receivables | | **-** | | **2,993** | **-** | **2,993** | **-** | **-** | **-** | **-** |
| | | **-** | | **30,827** | **-** | **30,827** | **-** | **-** | **-** | **-** |
| **Financial liabilities not measured at fair value** | 11.1 | | | | | | | | | |
| Payable to the Management Company | | **-** | **-** | **-** | **538** | **538** | **-** | **-** | **-** | **-** |
| Payable to Securities and Exchange Commission of Pakistan | | **-** | | **-** | **7** | **7** | **-** | **-** | **-** | **-** |
| Payable to the Trustee | | **-** | **-** | **-** | **16** | **16** | **-** | **-** | **-** | **-** |
| Accrued expenses and other liabilities | | **-** | | **-** | **13,860** | **13,860** | **-** | **-** | **-** | **-** |
| | | **-** | | **-** | **14,421** | **14,421** | **-** | **-** | **-** | **-** |

| | | June 30, 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | | Fair Value | | | |
| | | Available-for-sale | Held-for-trading | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | | | |
| **Financial assets measured at fair value** | 11.1 | | | | | | | | | |
| Investments | | | | | | | | | | |
| - Listed equity securities | | 148,169 | | - | - | 148,169 | 1,389,046 | - | - | 1,389,046 |
| | | | | - | - | | | - | - | |
| | | 148,169 | - | - | - | 148,169 | 1,389,046 | - | - | 1,389,046 |
| **Financial assets not measured at fair value** | 11.1 | | | | | | | | | |
| Bank balances | | - | - | 15,902 | - | 15,902 | | | | |
| Dividend and profit receivable | | - | - | 301 | - | 301 | | | | |
| Receivable against sale of investment | | | | 4,854 | | 4,854 | | | | |
| Other receivables | | - | - | 3,000 | - | 3,000 | | | | |
| | | - | - | 24,057 | - | 24,057 | | | | |
| **Financial liabilities not measured at fair value** | | | | | | | | | | |
| Payable to the Management Company | | - | - | - | 895 | 895 | | | | |
| Payable to Securities and Exchange Commission of Pakistan | | - | - | - | 43 | 43 | | | | |
| Payable to the Trustee | | - | - | - | 29 | 29 | | | | |
| Accrued expenses and other liabilities | | - | - | - | 8,398 | 8,398 | | | | |
| | | | - | - | 9,365 | 9,365 | | | | |

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

**11.2 Transfers during the period**

There were no transfers between various levels of fair value hierarchy during the period.

**12. TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the three months ended September 30, 2023 is 8.11% (September 30, 2022 is 4.84%), which includes 0.66% (September 30, 2022 is 0.36%) representing government levy, Workers' Welfare Fund and SECP fee.

**13 DATE OF AUTHORISATION FOR ISSUE**

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

**14. GENERAL**

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

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

**14.3** This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures presented in condensed interim income statement and statement of comprehensive income for the quarter ended September 30, 2023 have not been reviewed.

For HBL Asset Management Limited
(Management Company)

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

HBL

# Islamic Income Fund

## FUND INFORMATION

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

# HBL Islamic Income Fund
## Condensed Interim Statement Of Assets And Liabilities (Unaudited)
*AS AT September 30, 2023*

| | Note | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|
| | | (Rupees in 000's) | |
| **ASSETS** | | | |
| Bank balances | 4 | 3,797,885 | 2,045,477 |
| Investments | 5 | 6,095,847 | 5,575,761 |
| Profit recievable | | 622,304 | 255,625 |
| Deposits and prepayments and Others | | 20,241 | 319 |
| **Total assets** | | 10,536,277 | 7,877,182 |
| **LIABILITIES** | | | |
| Payable to the Management Company | 6 | 21,331 | 14,248 |
| Payable to the Trustee | | 1,177 | 1,095 |
| Annual fee payable to Securities and Exchange Commission of Pakistan | 7 | 628 | 1,557 |
| Dividend payable | | 5,137 | 5,137 |
| Accrued expenses and other liabilities | 8 | 42,660 | 119,444 |
| **Total liabilities** | | 70,934 | 141,481 |
| **NET ASSETS** | | 10,465,343 | 7,735,701 |
| **UNIT HOLDERS' FUND** | | 10,465,343 | 7,735,701 |
| **CONTINGENCIES AND COMMITMENTS** | 9 | | |
| | | (Number of units) | |
| Number of units in issue | | 96,024,288 | 74,943,266 |
| | | (Rupees) | |
| Net assets value per unit | | 108.9864 | 103.2208 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

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

| | Note | September 30, 2023 | 2022 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **INCOME** | | | |
| Capital loss on sale of investments - net | | 6,116 | (563) |
| Profit from bank deposits | | 151,791 | 121,854 |
| Profit from Sukuks | | 60,393 | 68,898 |
| Profit from GOP | | 254,442 | - |
| Profit from TDRs | | 47,746 | 7,947 |
| Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit or loss' | | 48,557 | (3,499) |
| | | 569,045 | 194,637 |
| **EXPENSES** | | | |
| Remuneration to the Management Company | 6.1 | 19,021 | 6,170 |
| Sindh Sales Tax on remuneration of management company on management fee | 6.2 | 2,473 | 802 |
| Remuneration to the Trustee | | 2,058 | 1,111 |
| Annual fee to Securities and Exchange Commission of Pakistan | 7 | 1,817 | 262 |
| Fund operations, accounting and related costs | | 5,831 | 2,776 |
| Shahriah Advisory Charges | | 56 | 54 |
| Auditors' remuneration | | 72 | 59 |
| Fees and subscription | | 78 | 67 |
| Securities transactionm, settlement and bank charges | | 267 | 96 |
| Selling and Marketing expenses | | 5,831 | 2,776 |
| | | 37,504 | 14,173 |
| Net income from operating activities | | 531,541 | 180,464 |
| Net income for the period before taxation | | 531,541 | 180,464 |
| Taxation | 10 | - | - |
| Net income for the period after taxation | | 531,541 | 180,464 |
| **Allocation of net income for the period:** | | | |
| Income already paid on redemption of units | | 84,949 | 22,671 |
| Accounting income available for distribution: | | | |
| -Relating to capital gains | | 45,935 | - |
| -Excluding capital gains | | 400,657 | 157,793 |
| | | 446,592 | 157,793 |
| **Net income for the period after taxation** | | 531,541 | 180,464 |
| Other comprehensive income for the period | | - | - |
| **Total comprehensive income for the period** | | 531,541 | 180,464 |
| **Earnings per unit** | 11 | | |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

# HBL Islamic Income Fund
## Condensed Interim Statement Of Movement In Unit Holders' Fund
*FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023*

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Capital Value** | **Undistributed Income** | **Total** | Capital Value | Undistributed Income | Total |
| | ----------Rupees in '000'---------- | | | | | |
| **Net assets at beginning of the period** | 7,635,924 | 99,777 | 7,735,701 | 4,605,667 | 65,169 | 4,670,836 |
| Issuance of 75,222,604 units (2022: 14,346,636 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 1,480,871 | - | 1,480,871 | 1,480,871 | - | 1,480,871 |
| - Element of loss | 3,034,475 | - | 3,034,475 | (383,105) | - | (383,105) |
| Total proceeds on issuance of units | 4,515,346 | - | 4,515,346 | 1,097,766 | - | 1,097,766 |
| Redemption of 54,141,649 units (2022: 15,181,356 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (1,567,030) | - | (1,567,030) | (1,567,032) | - | (1,567,032) |
| - Amount relating to element of loss | | (84,949) | (84,949) | | (22,671) | (22,671) |
| Relating to net loss for the period after taxation | (665,266) | - | (665,266) | 387,316 | - | 387,316 |
| Total payments on redemption of units | (2,232,296) | (84,949) | (2,317,245) | (1,179,716) | (22,671) | (1,202,387) |
| Total comprehensive income for the period | - | 531,541 | 531,541 | - | 180,464 | 180,464 |
| Refund of Capital | - | - | - | - | - | - |
| Distribution for the period | | - | - | | - | - |
| Total comprehensive income for the period less distribution | - | 531,541 | 531,541 | - | 180,464 | 180,464 |
| **Net assets at end of the period** | 9,918,974 | 546,369 | 10,465,343 | 4,523,717 | 222,962 | 4,746,679 |
| **Undistributed income brought forward** | | | | | | |
| - Realised | | 96,511 | | | 55,463 | |
| - Unrealised | | 3,267 | | | 9,706 | |
| | | 99,778 | | | 65,169 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | 45,935 | | | - | |
| - Excluding capital gains | | 400,657 | | | 157,793 | |
| | | 446,592 | | | 157,793 | |
| **Undistributed income carried forward** | | 546,369 | | | 222,962 | |
| **Undistributed income carried forward** | | | | | | |
| - Realised | | 497,812 | | | 226,461 | |
| - Unrealised | | 48,557 | | | (3,499) | |
| | | 546,369 | | | 222,962 | |
| **Net assets value per unit at beginning of the period** | | | 103.2208 | | | 103.2208 |
| **Net assets value per unit at end of the period** | | | 108.9864 | | | 106.3827 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

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

| | September 30, 2023 | September 30, 2022 |
|---|---|---|
| | (Rupees in '000') | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income for the year | 531,541 | 180,464 |
| **Adjustments for non cash charges and other items:** | | |
| Amortisation of deferred formation cost | - | - |
| Capital loss on sale of investments - net | (6,116) | 563 |
| Unrealize diminution/ (appreciation) on re-measurement of investments as 'financial assets at fair value through profit of loss' - net | (48,557) | 3,499 |
| | (54,673) | 4,062 |
| **(Increase) / decrease in assets** | | |
| Investments - net | (465,413) | (581,002) |
| Profit receivable | (366,679) | (59,763) |
| Deposits and prepayments | (19,922) | (811) |
| | (852,014) | (641,576) |
| **Increase / (Decrease) in liabilities** | | |
| Payable to the Management Company | 7,083 | 1,367 |
| Payable to the Trustee | 82 | 48 |
| Annual fee payable to Securities and Exchange Commission of Pakistan | (929) | (163) |
| Redemption Payable | - | 20,717 |
| Dividend payable | - | - |
| Accrued expenses and other liabilities | (76,784) | (25,644) |
| | (70,548) | (3,675) |
| Net cash (used in ) / generated from operating activities | (445,694) | (460,725) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Cash received from issuance of units | 4,515,346 | 1,097,766 |
| Cash paid on redemption of units | (2,317,245) | (1,202,387) |
| Dividend paid | - | - |
| Net cash used in financing activities | 2,198,101 | (104,621) |
| Net decrease in cash and cash equivalents | 1,752,407 | (565,346) |
| Cash and cash equivalents at the beginning of the period | 2,045,477 | 2,966,406 |
| Cash and cash equivalents at the end of the period | 3,797,885 | 2,401,061 |

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

## 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

## 2 BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

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

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

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

**2.20 Basis of measurement**

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

**2.30 Functional and presentation currency**

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

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

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

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

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

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

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

| | | Note | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|---|
| | | | (Rupees in 000') | |
| **4** | **BANK BALANCES** | | | |
| | In savings accounts | | **3,797,866** | 2,045,427 |
| | In current accounts | 4.1 | **19** | 50 |
| | | | 3,797,885 | 2,045,477 |

**4.1** Mark-up rates on these accounts range between 10.50% to 21.30% per annum (June 30, 2023: 8.70% to 20.25% per annum).

| | | Note | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|---|
| **5** | **INVESTMENTS** | | (Rupees in 000') | |
| | **Financial Assets at fair value through profit & loss:** | | | |
| | Corporate Sukuk | 5.1 | 810,917 | 1,302,865 |
| | Gop Ijara Sukuk | 5.2 | 5,329,932 | 2,861,140 |
| | **At amortized cost** | | | |
| | Financial asset at amortized cost | 5.3 | - | 1,411,756 |
| | | | **6,140,849** | 5,575,761 |

**5.1** **Corporate Sukuks:**

| Entity | Long Term Rating | Number of Units: As at July 1, 2023 | Purchases during the period | Sales / matured during the year | As at September 30, 2023 | Market value | Market value as a percentage of net assets | Market value as a percentage of total investments |
|---|---|---|---|---|---|---|---|---|
| | | ----------No. of Certificates---------- | | | | -----Rupees in '000'----- | --------%-------- | |
| **Corporate Sukuks** | | | | | | | | |
| Agha Steel Industries Limited 090823 | | - | 4,964 | - | 4,964 | 49,640 | 0.47% | 0.81% |
| Agha Steel Industries Limited 091018 | | 73 | - | 73 | - | - | 0.00% | 0.00% |
| OBS AGP Private Limited | | 1,100 | - | - | 1,100 | 82,623 | 0.79% | 1.36% |
| Ghani Gases Limited | | 1,330 | - | - | 1,330 | 10,410 | 0.10% | 0.17% |
| Hub Power Company Limited - 190320 | | 350 | - | - | 350 | 8,784 | 0.08% | 0.14% |
| Hub Power Company Limited - 121120 | | 1,050 | - | - | 1,050 | 106,897 | 1.02% | 1.75% |
| TPL Corporation Limited | | 150 | - | - | 150 | 15,000 | 0.14% | 0.25% |
| Lucky Electric Power Company 060423 | | 250 | - | 250 | - | - | 0.00% | 0.00% |
| TPL Trakker Limited | | 44 | - | - | 44 | 26,745 | 0.26% | 0.44% |
| Lucky Electric Power Company Limited 150823 | | - | 1,050 | - | 1,050 | 105,000 | 1.00% | 1.72% |
| K-Electric | | 4,170 | - | - | 4,170 | 360,815 | 3.45% | 5.92% |
| **Total - September 30, 2023** | | **8,517** | **6,014** | **323** | **51,828** | **765,914** | **7.32%** | **12.56%** |
| **Cost of investment - September 30, 2023** | | | | | | **762,453** | | |

These Sukuk carry semi annual mark-up at the rate of 22.62% to 25.91% per annum. (June 30, 2023: semi annual mark-up at the rate of 11.90 % to 24.94% per annum) respectively.

**5.1.2** Significant terms and conditions of corporate sukuk as at September 30, 2023 are as follows:

| Name of Investee Company | Payment term | Remaining Principal (per sukuk bond) | Profit Rate (per annum) | Issue Date | Maturity Date |
|---|---|---|---|---|---|
| Agha Steel Industries Limited | Quarterly | 49,640 | 3 month KIBOR + 0.8% | August 9, 2023 | August 9, 2027 |
| OBS AGP Private Limited | Quarterly | 75,000 | 3 month KIBOR + 1.55% | July 15, 2021 | July 15, 2026 |
| Ghani Gases Limited | Quarterly | 8,333 | 3 month KIBOR + 1% | February 2, 2017 | November 2, 2023 |
| Hub Power Company Limited - 190320 | Semi Annually | 50,000 | 12 month KIBOR + 1.9% | March 19, 2020 | March 19, 2024 |
| Hub Power Company Limited - 121120 | Semi Annually | 100,000 | 6 month KIBOR + 2.5% | November 12, 2020 | November 12, 2025 |
| TPL Corporation Limited | Quarterly | 100,000 | 3 month KIBOR + 3% | March 30, 2021 | March 30, 2026 |
| TPL Trakker Limited | Quarterly | | 3 month KIBOR + 3% | March 30, 2021 | March 30, 2026 |
| Lucky Electric Power Company Limited | Annually | 611,111 | 6 month KIBOR + 0.5% | August 16, 2023 | February 16, 2024 |
| K-Electric | Quarterly | 5,000 | 6 month KIBOR + 1.7% | November 23, 2022 | November 23, 2029 |

**5.2** **GOP Ijara Sukuk**

| Issue details | Issue date | Face Value: As at July 1, 2023 | Purchases during the year | Sales during the year | As at June 30, 2023 | Market Value as at September 30, 2023 | Market value as a percentage of net assets | Market value as a percentage of total investments |
|---|---|---|---|---|---|---|---|---|
| | | | | x | | | | |
| GOP IJARA SUKUK | 26-Oct-22 | 616,500 | - | 477,000 | 139,500 | 139,040 | 1.33% | 2.28% |
| GOP IJARA SUKUK | 25-May-23 | 109,500 | 453,700 | 42,100 | 521,100 | 523,028 | 5.00% | 8.58% |
| GOP IJARA SUKUK | 17-Apr-23 | 2,135,500 | 4,820,300 | 2,353,000 | 4,602,800 | 4,656,653 | 44.50% | 76.39% |
| GOP IJARA SUKUK | 26-Jun-23 | - | 11,200 | - | 11,200 | 11,211 | 0.11% | 0.18% |
| GOP IJARA SUKUK | 07-Aug-23 | - | 3,000,000 | 3,000,000 | - | - | 0.00% | 0.00% |
| Total as at September 30, 2023 | | 2,861,500 | 8,285,200 | 5,872,100 | 5,274,600 | 5,329,932 | 50.93% | 87.44% |
| Total as at June 30, 2023 | - | | 20,432,000 | 17,570,500 | 2,861,500 | 2,861,140 | 51.31% | 36.99% |

**5.2.1** These GOP Ijara sukuk certificates, during the period carry profit at the rates ranging from 21.9445% to 22.68% (June 2023: 15.69% to 22.68%).

**5.3** **Term Deposit Receipt**

| Name of investee company | As at July 1, 2023 | Placement made during the year | Income accrued | Sales /matured | As at September 30, 2023 | Market value as a percentage of net assets | Market value as a percentage of total investments |
|---|---|---|---|---|---|---|---|
| UBL Ameen Islamic Banking | 1,411,756 | 8,350,000 | 47,746 | 9,809,502 | - | 0.00% | 0.00% |
| **Total - September 30, 2023** | **1,411,756** | **8,350,000** | **47,746** | **9,809,502** | **-** | **0.00%** | **0.00%** |

**5.3.1** This Term deposit receipt carry profit rates of Nil (June 2023: 20.35%)

| | | Note | September 30, 2023 (Un-Audited) | June 30, 2023 (Audited) |
|---|---|---|---|---|
| **6** | **PAYABLE TO MANAGEMENT COMPANY** | | | |
| | Management fee | 6.1 | **8,036** | 5,042 |
| | Sindh Sales Tax | 6.2 | **1,045** | 655 |
| | Sales load payable | | **3,833** | 1,582 |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | | **2,586** | 1,483 |
| | Selling and Marketing expenses | | **5,831** | 5,486 |
| | | | **21,331** | 14,248 |

**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 fee is being charged at the rate ranging between 0.68% - 1.00% 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 on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

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

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

| | | Note | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|---|
| | | | (Rupees in 000's) | |
| **8** | **ACCRUED EXPENSES AND OTHER LIABILITIES** | | | |
| | Provision for Sindh Workers' Welfare Fund | | - | - |
| | Provision for Federal Excise Duty | 8.1 | 1,344 | 1,344 |
| | Payable to brokers | | 364 | - |
| | Withholding tax payable | | 40,270 | 117,492 |
| | Auditors' remuneration | | 267 | 195 |
| | Printing Charges | | - | - |
| | Others | | 415 | 414 |
| | | | **42,660** | **119,445** |

**8.1 PROVISION FOR FEDERAL EXCISE DUTY**

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.344 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2023 would have been higher by Re. 0.140 (June 30, 2023: Re. 0.0179 ) per unit.

## 9 CONTINGENCIES AND COMMITMENTS

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

## 10 TAXATION

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

## 11 EARNINGS PER UNIT

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

## 12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2023 is 1.55%(2022: 1.07%) which includes 0.19%(2022: 0.08%) representing government levy and SECP fee.

## 13 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

| | | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|---|
| **13.1** | **Balance as at September 30, 2023** | **(Rupees in '000)** | |
| | **HBL Asset Management Company Limited** | | |
| | Management fee payable | 8,036 | 5,042 |
| | Sindh Sales Tax | 1,045 | 655 |
| | Sales load payable | 3,833 | 1,582 |
| | Allocation of expenses related to registrar services, accounting opertion and valuation services | 2,586 | 1,483 |
| | Selling & Marketing Expense | 5,831 | 5,486 |
| | **Central Depository Company of Pakistan Limited - Trustee** | | |
| | Trustee Fee payable | 1,177 | 969 |
| | Security deposit | 100 | 126 |
| | **Habib Bank Limited-Sponsor** | | |
| | Bank balances | 49,667 | 364,622 |
| | **HBL Asset Management Limited Employees Gratuity Fund** | | |
| | Units held : 6,971 units (June 30, 2023: 5,949 units) | 720 | 719 |
| | **HBL Asset Management Limited Employees Provident Fund** | | |
| | Units held 37,425 units (June 30, 2023: 31,980 units) | 3,871 | 3,863 |
| | **Directors and executives of the Management Company** | | |
| | Units held 253,937 units (June 30, 2023: 48,163 units) | 27,598 | 2,536 |
| | **HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management** | | |
| | Units held : 993,531 (June 30 2023: Nil) units | 108,415 | 92,820 |
| | **HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management** | | |
| | Units held : 4,419 (June 30, 2023: 5,512) units | 457 | 456 |
| | **Jubilee Life Insurance Company Limited** | | |
| | Units held : Nil (2023: 3,961,318) units | - | 468,066 |

| | (Unaudited) | (Unaudited) |
|---|---|---|
| | Quarter ended September 30, | |
| | 2023 | 2022 |
| | (Rupees in '000) | |
| **Transactions during the year** | | |
| **HBL Asset Management Company Limited** | | |
| Remuneration of the Management Company for the period | 19,021 | 6,170 |
| Sindh Sales tax on remuneration of the Management Company | 2,473 | 802 |
| **Habib Bank Limited - Sponsors** | | |
| Profit on bank deposits | 3,478 | 361 |
| Bank charges paid | - | 78 |
| **Central Depository Company of Pakistan Limited-Trustee** | | |
| Trustee fee | 2,058 | 1,111 |
| CDS charges | - | 4 |
| **Directors and executives of the Management Company** | | |
| Issue of 321,222 units (2022: 9,518 units) | 34,018 | 1,000 |
| Redemption of 238,785 units (2022: 50,094 units) | 25,372 | 5,243 |
| **HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management** | | |
| Investment of 104,864 (2022: Nil) units | 10,847 | - |
| Redemption of 10,566 (2022: Nil) units | 1,125 | - |
| **HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management** | | |
| Investment of Nil (2022: Nil) units | - | - |
| Redemption of Nil (2022: 182) units | - | 19 |
| **HBL Government Securities Fund** | | |
| Sale of GOP Ijara Sukuk | 54,748 | - |
| Purchase of GOP Ijara Sukuk | 399,029 | - |
| **HBL Islamic Pension - Debt Sub Fund** | | |
| Sale of GOP Ijara Sukuk | - | - |
| Purchase of GOP Ijara Sukuk | 77,390 | - |
| Sale of GOP Ijara Sukuk | 141,065 | - |
| **HBL Multi Asset Fund** | | |
| Sale of GOP Ijara Sukuk | 5,467 | - |
| Purchase of GOP Ijara Sukuk | 5,550 | - |
| Purchase of GOP Ijara Sukuk | 14,145 | - |
| | | - |

| | (Unaudited) | (Unaudited) |
|---|---|---|
| | Quarter ended September 30, | |
| | 2023 | 2022 |
| **HBL Islamic Asset Allocation Fund** | (Rupees in '000) | |
| Sale of GOP Ijara Sukuk | 7,709 | - |
| Purchase of GOP Ijara Sukuk | 3,289 | - |
| Purchase of GOP Ijara Sukuk | 7,642 | - |
| **HBL Islamic Pension - Money Market Sub Fund** | | |
| Sale of GOP Ijara Sukuk | 253,699 | - |
| Purchase of GOP Ijara Sukuk | - | - |
| **HBL Financial Sector Income Fund Plan I** | | |
| Sale of GOP Ijara Sukuk | 492,737 | - |
| Purchase of GOP Ijara Sukuk | - | - |

## 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

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

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

| | Note | September 30, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | Fair Value | | | |
| | | Fair value through profit and loss | At amortized cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | | ---------- (Rupees in '000) ---------- | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | |
| Investments | | | | | | | | | |
| - Corporate Sukuk | 6 | **765,914** | **-** | **-** | **765,914** | **-** | **765,914** | **-** | **765,914** |
| | | **765,914** | **-** | **-** | **765,914** | **-** | **765,914** | **-** | **765,914** |
| **Financial assets not measured at fair value** | | | | | | | | | |
| Bank balances | | **-** | **3,797,885** | **-** | **3,797,885** | **-** | **-** | **-** | **-** |
| Profit receivable | | **-** | **622,304** | **-** | **622,304** | | | | |
| Deposits | | **-** | **20,241** | **-** | **20,241** | | | | |
| | | **-** | **4,440,430** | **-** | **4,440,430** | **-** | **-** | **-** | **-** |
| **Financial liabilities not measured at fair value** | | | | | | | | | |
| Payable to the Management Company | | **-** | **-** | **21,331** | **21,331** | **-** | **-** | **-** | **-** |
| Payable to the Trustee | | **-** | **-** | **1,177** | **1,177** | **-** | **-** | **-** | **-** |
| Accrued expenses and other liabilities | | **-** | **-** | **1,046** | **1,046** | **-** | **-** | **-** | **-** |
| | | | **-** | **23,554** | **23,554** | **-** | **-** | **-** | **-** |

| | Note | June 30, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | Fair Value | | | |
| | | Fair value through profit and loss | At amortized cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| **On-balance sheet financial instruments** | | ---------- (Rupees in '000) ---------- | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | |
| Investments | | | | | | | | | |
| - Corporate Sukuk | 6 | 5,575,761 | - | - | 5,575,761 | - | 5,575,761 | - | 5,575,761 |
| | | 5,575,761 | - | - | 5,575,761 | - | 5,575,761 | - | 5,575,761 |
| **Financial assets not measured at fair value** | | | | | | | | | |
| Bank balances | | - | 2,045,477 | - | 2,045,477 | - | - | - | - |
| Profit receivable | | - | 255,625 | - | 255,625 | - | - | - | - |
| | | - | 2,301,102 | - | 2,301,102 | - | - | - | - |
| **Financial liabilities not measured at fair value** | | | | | | | | | |
| Payable to the Management Company | | - | - | 14,248 | 14,248 | - | - | - | - |
| Payable to the Trustee | | - | - | 1,095 | 1,095 | - | - | - | - |
| Accrued expenses and other liabilities | | - | - | 119,444 | 119,444 | - | - | - | - |
| | | - | - | 134,787 | 134,787 | - | - | - | - |

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

## 15 DATE OF AUTHORISATION FOR ISSUE

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

## 16 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For HBL Asset Management Limited
(Management Company)

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

HBL

# Islamic Equity Fund

## FUND INFORMATION

| | |
|---|---|
| Name of Fund | HBL Islamic Equity Fund |
| Name of Auditor | Yousuf Adil & Co. Chartered Accountants |
| Name of Trustee | Central Depository Company of Pakistan Limited (CDC) |
| Bankers | Bank Islami Pakistan Limited<br>Bank Al Baraka Limited<br>MCB Bank Limited<br>Faisal Bank Limited<br>Habib Bank Limited |

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

| | Note | September 30, 2023 (Un-audited) | June 30, 2023 (Audited) |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Assets** | | | |
| Bank balances | 4 | **19,284** | 11,548 |
| Investments | 5 | **73,425** | 92,808 |
| Dividend and profit receivable | | **2,387** | 667 |
| Receivable against sale of investments | | **28,997** | 1,831 |
| Deposits and prepayments | | **4,985** | 4,992 |
| **Total assets** | | **129,078** | 111,846 |
| **Liabilities** | | | |
| Payable to Management Company | 6 | **470** | 486 |
| Payable to the Trustee | | **17** | 18 |
| Payable to the Securities and Exchange Commission of Pakistan | 7 | **7** | 24 |
| Payable against purchase of investments | | **-** | - |
| Payable against redemption of units | | **67,361** | - |
| Accrued expenses and other liabilities | 8 | **5,359** | 4,220 |
| **Total liabilities** | | **73,214** | 4,748 |
| **Net assets** | | **55,864** | 107,098 |
| **Unit holders' fund (as per statement attached)** | | **55,864** | 107,098 |
| **Contingencies and commitments** | 9 | | |
| | | (Number of units) | |
| **Number of units in issue** | | **754,225** | **1,625,967** |
| | | (Rupees) | |
| **Net assets value per unit** | | **74.0691** | 65.8671 |

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 Islamic Equity Fund
## Condensed Interim Income Statement & Comprehensive Income (Un-Audited)
*FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023*

| | Note | Quarter ended September 30, 2023 | 2022 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **INCOME** | | | |
| Capital gain /(loss) on sale of investments - net | | 12,811 | (3,371) |
| Dividend income | | 1,354 | 2,488 |
| Profit from bank deposits | | 365 | 2,340 |
| Unrealize appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | | 989 | (3,028) |
| | | 15,519 | (1,571) |
| **EXPENSES** | | | |
| Remuneration to the Management Company | | 504 | 736 |
| Sindh Sales Tax on remuneration of management company | | 65 | 96 |
| Remuneration to the Trustee | | 57 | 83 |
| Annual fee to Securities and Exchange Commission of Pakistan | | 24 | 7 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | | 138 | 202 |
| Amortisation of preliminary expenses and floatation costs | | - | - |
| Auditors' remuneration | | 69 | 59 |
| Fees and subscription | | 7 | 7 |
| Securities transaction and bank charges | | 965 | 488 |
| Printing charges | | - | - |
| Expense to Shariah Advisory Services | | 54 | 54 |
| Selling and marketing expense | | 264 | 386 |
| | | 2,147 | 2,118 |
| **Net loss from operating activities** | | 13,372 | (3,689) |
| Reversal / (Provision) for Sindh Workers' Welfare Fund | 8.1 | - | - |
| Net loss for the period before taxation | | 13,372 | (3,689) |
| Taxation | 10 | - | - |
| **Net loss for the period after taxation** | | 13,372 | (3,689) |
| **Allocation of net loss for the period:** | | | |
| Income already paid on redemption of units | | 8,248 | - |
| Accounting income available for distribution: | | | |
| -Relating to capital gains | | 5,124 | - |
| -Excluding capital gains | | - | - |
| | | 5,124 | - |
| **Net loss for the period after taxation** | | 13,372 | (3,689) |
| Other comprehensive income for the period | | - | - |
| **Total comprehensive loss for the period** | | 13,372 | (3,689) |

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 Islamic Equity Fund
## Condensed Interim Statement of Movement in Unitholders' Fund
*FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023*

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Capital Value** | **Undistributed Income** | **Total** | Capital Value | Undistributed Income | Total |
| | Rupees in '000' | | | | | |
| **Net assets at beginning of the period** | 426,612 | (319,515) | 107,097 | 455,922 | (309,984) | 145,938 |
| Issuance of 362,003 units (2022: 1,018,634 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 67,094 | - | 67,094 | 71,284 | - | 71,284 |
| - Element of loss | (41,395) | - | (41,395) | 612 | - | 612 |
| Total proceeds on issuance of units | 25,699 | - | 25,699 | 71,896 | - | 71,896 |
| Redemption of 1,233,746 units (2022: 980,398 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (64,576) | - | (64,576) | (68,608) | - | (68,608) |
| - Amount relating to element of loss | (17,482) | (8,248) | (25,730) | 153 | | 153 |
| Relating to net loss for the year after taxation | - | - | - | - | - | - |
| Total payments on redemption of units | (82,058) | (8,248) | (90,306) | (68,455) | - | (68,455) |
| Total comprehensive income for the year | - | 13,372 | 13,372 | - | (3,689) | (3,689) |
| Distribution for the year | - | - | - | - | - | - |
| Total comprehensive income for the year less distribution | - | 13,372 | 13,372 | - | (3,689) | (3,689) |
| **Net assets at end of the year** | 370,253 | (314,391) | 55,864 | 459,363 | (313,673) | 145,690 |
| **Undistributed income brought forward** | | | | | | |
| - Realised | | (316,947) | | | (278,691) | |
| - Unrealised | | (2,568) | | | (31,293) | |
| | | (319,515) | | | (309,984) | |
| Accounting income / (loss) available for distribution: | | | | | | |
| -Relating to capital gains | | 5,124 | | | - | |
| -Excluding capital gains | | - | | | - | |
| | | 5,124 | | | (3,689) | |
| **Undistributed income carried forward** | | (314,391) | | | (313,673) | |
| **Undistributed income carried forward** | | | | | | |
| - Realised | | (315,380) | | | (310,645) | |
| - Unrealised | | 989 | | | (3,028) | |
| | | (314,391) | | | (313,673) | |
| **Net assets value per unit at beginning of the year** | | | 65.8671 | | | 69.9797 |
| **Net assets value per unit at end of the year** | | | 74.0691 | | | 68.6029 |

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 Islamic Equity Fund
## Condensed Interim Cash Flow Statement (Unaudited)
*FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023*

| | | Quarter ended September 30, 2023 | 2022 |
|---|---|---|---|
| | | (Rupees in 000's) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net loss for the period | | 13,372 | (3,689) |
| **Adjustments for non cash charges and other items:** | | | |
| Amortisation of deferred formation cost | | - | - |
| Capital gain on sale of investments - net | | (12,811) | 3,371 |
| Unrealize diminution/ (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | | (989) | 3,028 |
| | | (13,800) | 6,399 |
| **Decrease / (increase) in assets** | | | |
| Investments - net | | 33,183 | 8,315 |
| Dividend and profit recievable | | (1,720) | (2,380) |
| Receivable from equity market settlement | | (27,166) | (5,918) |
| Deposits and prepayments | | 7 | (21) |
| Preliminary and floatation costs | | - | - |
| | | 4,304 | (4) |
| **(decrease) / Increase in liabilities** | | | |
| Payable to the Management Company | | (16) | 927 |
| Payable to the Trustee | | (1) | - |
| Annual fee payable to Securities and Exchange Commission of Pakistan | | (17) | (60) |
| Payable against equity market settlement | | - | - |
| Accrued expenses and other liabilities | | 1,139 | 579 |
| | | 1,105 | 1,446 |
| Net cash generated from / (used in) operating activities | | 4,981 | 4,152 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Cash received from issuance of units | | 25,699 | 71,896 |
| Cash paid on redemption of units | | (22,945) | (78,242) |
| Net cash used in / generated from financing activities | | 2,754 | (6,346) |
| Net (decrease)/ increase in cash and cash equivalents | | 7,735 | (2,194) |
| Cash and cash equivalents at the beginning of the period | | 11,548 | 15,503 |
| Cash and cash equivalents at the end of the period | 4 | 19,284 | 13,309 |

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

## 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

**2.1.1** This condensed interim financial information 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 (Establishement and Regulation) Rules, 2003 (the NBFC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirments of the IFRS the requirments of NBFC Rules,the NBFC Regulations or the directives issued by the SECP shall prevail.

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

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

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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

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

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

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

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

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

**3.5** The Fund's financial risk management objectives and policies are consistent with that disclosed in this condensed interim financial information for the period ended September 30, 2023.

| | Note | September 30, 2023 (Un-Audited) | June 30, 2023 Audited |
|---|---|---|---|
| | | (Rupees in '000) | |
| **4 BANK BALANCES** | | | |
| Current accounts | | **1** | 1 |
| PLS deposit accounts under mark-up arrangements | 4.1 | **19,283** | 11,547 |
| | | **19,284** | 11,548 |

**4.1** Mark-up rates on these accounts range between 6.54% to 20.00% p.a (June 30, 2023: 14.50% - 19.75% p.a).

| | Note | September 30, 2023 (Un-Audited) | June 30, 2023 Audited |
|---|---|---|---|
| | | (Rupees in '000) | |
| **5 INVESTMENTS** | | | |
| **Financial assets 'at fair value thorugh profit or loss' held for trading** | | | |
| - Listed equity securities | 5.1 | **73,425** | 92,808 |
| | | **73,425** | 92,808 |

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

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

| Name of the Investee Company | Number of shares | | | | | Market value | | | Par value as a percentage of issued capital of the investee company |
|---|---|---|---|---|---|---|---|---|---|
| | As at July 1, 2023 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at September 30, 2023 | As at September 30, 2023 (Rupees in | As a percentage of total Investments | As a percentage of net Assets | |
| **CEMENT** | | | | | | | | | |
| Cherat Cement Company Ltd. | 35,000 | 67,500 | - | 102,500 | - | - | - | - | - |
| D G Khan Cement Co.Ltd. | - | 112,000 | - | 112,000 | - | - | - | - | - |
| Lucky Cement Limited | 2,288 | 18,792 | - | 21,080 | - | - | - | - | - |
| Maple Leaf Cement Factory Ltd | 382,000 | 776,077 | - | 914,077 | 244,000 | 7,305 | 9.95% | 13.08% | - |
| | | | | | | 7,305 | 9.95% | 13.07% | |
| **POWER GENERATION & DISTRIBUTION** | | | | | | | | | |
| Hub Power Company Ltd | 99,000 | 160,500 | - | 211,500 | 48,000 | 4,240 | 5.77% | 7.59% | 0.02% |
| Nishat Chunian Power Ltd | - | 426,500 | - | 73,500 | 353,000 | 7,893 | 10.75% | 14.13% | 0.02% |
| | | | | | | 12,133 | 0 | 0 | |
| **ENGINEERING** | | | | | | | | | |
| Mughal Iron & Steel Inds Ltd | 33,320 | 111,500 | - | 144,820 | - | - | - | - | - |
| | | | | | | - | - | - | |
| **PHARMACEUTICALS** | | | | | | | | | |
| The Searle Company Limited | 1,985 | - | - | - | 1,985 | 70 | 0.10% | 0.13% | 0.01% |
| | | | | | | 70 | 0.10% | 0.12% | |
| **OIL & GAS EXPLORATION COMPANIES** | | | | | | | | | |
| Mari Petroleum Company Limited | 145 | - | - | - | 145 | 226 | 0.31% | 0.40% | 0.02% |
| Oil and Gas Development Company Limited | 141,500 | 238,000 | - | 333,500 | 46,000 | 4,437 | 6.04% | 7.94% | 0.01% |
| Pakistan Petroleum Limited | 186,000 | 404,500 | - | 522,500 | 68,000 | 5,037 | 6.86% | 9.02% | 0.01% |
| | | | | | | 9,700 | 13.21% | 17.35% | |
| **OIL & GAS MARKETING COMPANIES** | | | | | | | | | |
| Pakistan State Oil Company Limited | 38,849 | 181,651 | - | 159,000 | 61,500 | 7,549 | 10.28% | 13.51% | 0.02% |
| Sui Northern Gas Pipeline Limited | 106,000 | 613,105 | - | 599,105 | 120,000 | 5,638 | 7.68% | 10.09% | 0.02% |
| | | | | | | 13,187 | - | - | |
| **REFINERY** | | | | | | | | | |
| Attock Refinery Ltd | - | 130,500 | - | 102,000 | 28,500 | 7,254 | 9.88% | 12.99% | 0.02% |
| National Refinery Ltd | - | 61,500 | - | 37,000 | 24,500 | 5,349 | 7.28% | 9.58% | 0.02% |
| | | | | | | 12,603 | 17.16% | 22.55% | |
| **COMMERCIAL BANKS** | | | | | | | | | |
| BankIslami Pakistan Limited | 865,000 | 982,680 | - | 1,557,680 | 290,000 | 5,072 | 6.91% | 9.08% | 0 |
| Faysal Bank Limited | - | 263,000 | - | 263,000 | - | - | - | - | - |
| Meezan Bank Limited | - | 193,402 | - | 168,402 | 25,000 | 2,865 | 3.90% | 5.13% | 0.02% |
| | | | | | | 7,937 | 0 | 0 | |
| **FERTILIZER** | | | | | | | | | |
| Engro Corporation Limited | - | 12,834 | - | 12,834 | - | - | - | - | - |
| Engro Fertilizers Limited | 125,000 | - | - | 125,000 | - | - | - | - | - |
| | | | | | | - | - | - | |
| **TECHNOLOGY & COMMUNICATION** | | | | | | | | | |
| Systems Limited | 6,898 | - | - | - | 6,898 | 2,717 | 3.70% | 4.86% | 0.00% |
| TPL Trakker Limited | 995,500 | - | - | 16,500 | 979,000 | 7,773 | 10.59% | 13.91% | 0.00% |
| | | | | | | 10,490 | 14.29% | 18.77% | |
| **Total September 30, 2023** | 3,018,485 | 4,754,041 | - | 5,475,998 | 2,296,528 | 73,425 | 14.29% | 18.77% | |
| **Carrying value as at September 30, 2023** | | | | | | **72,435** | | | |

**5.2** The above investments include shares with market value aggregating to Rs 14.94 million (2023: Rs 11.22 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, which are as follows:

These investments include gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 3.105 million (June 30, 2023 Rs. 3.161 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end. Moreover the requirement to deduct tax on bonus shares has been withdrawn through Finance Act, 2018.

| | | Note | September 30, 2023 (Un-Audited) | June 30, 2023 (Audited) |
|---|---|---|---|---|
| **6** | **PAYABLE TO MANAGEMENT COMPANY** | | | |
| | Management fee | 6.1 | **147** | 160 |
| | Sindh Sales Tax | 6.2 | **19** | 21 |
| | Sales load payable | | **-** | - |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | | **40** | 44 |
| | Selling and marke | | **264** | 261 |
| | | | **470** | 486 |

**6.1** Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged aforementioned expense to the extent of 2% of the average daily net assets of the Fund.

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

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

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

| | | Note | September 30, 2023 (Un-Audited) | June 30, 2023 (Audited) |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **8** | **ACCRUED EXPENSES AND OTHER LIABILITIES** | | | |
| | Provision for Sindh Workers' Welfare Fund | 8.1 | - | - |
| | Provision for Federal Excise Duty | 8.2 | **3,268** | **3,268** |
| | Donation payable | | **607** | **607** |
| | Payable to brokers | | **1,089** | **156** |
| | Withholding tax payable | | **127** | **45** |
| | Auditors' remuneration | | **179** | **110** |
| | Printing Charges | | - | - |
| | Others | | **89** | **34** |
| | | | **5,359** | 4,220 |

**8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND**

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

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

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

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

**8.2 PROVISION FOR FEDERAL EXCISE DUTY**

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating aggregating to Rs. 3.268 million (June 30, 2018: Rs. 3.268 million ). Had the provision not been made, the Net Asset Value per unit as at September 30, 2023 would have been higher by Re. 4.333 (June 30, 2023: Re. 2.010 ) per unit.

**9 CONTINGENCIES AND COMMITMENTS**

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

## 10 TAXATION

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

## 11 EARNINGS PER UNIT

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

## 12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2023 is 0.61% which includes 0.36% representing government levy and SECP fee.

## 13 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

### 13.1 Balance as at September 30, 2023

| | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|
| | (Rupees in '000) | |
| **HBL Asset Management Company Limited** | | |
| Management fee payable | **147** | 160 |
| Sindh Sales tax on remuneration of the Management Company | **19** | 21 |
| Sales load payable | **-** | - |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | **40** | 44 |
| Allocation of expenses related to Selling and Marketing, | **264** | 261 |

| | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|---|---|---|
| | (Rupees in '000) | |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Trustee Fee payable | **17** | 18 |
| **Directors and executives of the Management Company** | | |
| Units held 9,847 (2023: 95,369) units | **722** | 847 |
| **HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management** | | |
| Units held Nil (2023: Nil) units | **-** | 10,000 |
| **HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management** | | |
| Units held Nil (2023: Nil) units | **-** | 20 |
| **Munira Aamir Vasi** | | |
| Units held Nil (2023: 531,947) units | **-** | 35,038 |
| **Muhammad Farhan Fancy - Connected Person due to holding more than 10% units:** | | |
| Units held: Nil (2023: 281,371) | **-** | - |
| **Muhammad Arshad - Connected Person due to holding more than 10% units:** | | |
| Units held: Nil (2023: Nil) | **-** | **23,020** |
| **IGI Life Insurance - Connected Person due to holding more than 10% units:** | | |
| Units held: 120,118 (2023: Nil) | **8,812** | - |

| | (Unaudited) | (Unaudited) |
|---|---|---|
| | Quarter ended September 30, | |
| | 2023 | 2022 |
| | (Rupees in '000) | |
| **Transactions during the year** | | |
| **HBL Asset Management Company Limited** | | |
| Remuneration of the Management Company for the period | **504** | 736 |
| Sindh Sales tax on remuneration of the Management Company | **65** | 96 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | **138** | 202 |
| Allocation of expenses related to Selling and Marketing, | **264** | 386 |
| **Directors and executives of the Management Company** | | |
| Redemption of 11,825 (2022: 95,369) units | **872** | **6,477** |
| Issue of 13,944 (2022: 7,305) units | **999** | **499** |

| | (Unaudited) | (Unaudited) |
|---|---|---|
| | Quarter ended September 30, | |
| | 2023 | 2022 |
| | (Rupees in '000) | |
| **HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management** | | |
| Redemption of 154,559 (2022: Nil) units | **10,847** | - |
| Issue of Nil (2022: Nil) units | **-** | - |
| **Central Depository Company of Pakistan Limited** | | |
| Trustee fee | **57** | 83 |
| CDS charges | **10** | 10 |
| **Muhammad Arshad - Connected Person due to holding more than 10% units:** | | |
| Issue of Nil (2022: 316,746) units | **-** | 23,020 |
| **IGI Life Insurance - Connected Person due to holding more than 10% units:** | | |
| Redemption of 34,542 (2022: Nil) units | **2,500** | - |
| Issue of 114,493 (2022: Nil) units | **8,000** | - |

## 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | Fair Value | | | |
| | Note | Fair value through profit or loss - held-for- trading | Loans and receivables | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | | |
| **On-balance sheet financial instruments** | | | | | | | | | |
| **Financial assets measured at fair value** | 14.1 | | | | | | | | |
| Investments | | | | | | | | | |
| - Listed equity securities | | **73,425** | **-** | **-** | **73,425** | **73,425** | **-** | **-** | **73,425** |
| | | **73,425** | **-** | **-** | **73,425** | **73,425** | **-** | **-** | **73,425** |
| **Financial assets not measured at fair value** | 14.1 | | | | **-** | | | | |
| Bank balances | | **-** | **19,284** | **-** | **19,284** | **-** | **-** | **-** | **-** |
| Investments | | | | | | | | | |
| Dividend and profit receivable | | **-** | **2,387** | **-** | **2,387** | **-** | **-** | **-** | **-** |
| Deposits and prepayments | | **-** | **4,985** | **-** | **4,985** | **-** | **-** | **-** | **-** |
| | | **-** | **26,656** | **-** | **26,656** | **-** | **-** | **-** | **-** |
| **Financial liabilities not measured at fair value** | 14.1 | | | | | | | | |
| Payable to Management Company | | **-** | **-** | **470** | **470** | **-** | **-** | **-** | **-** |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | **-** | **-** | **17** | **17** | **-** | **-** | **-** | **-** |
| Payable against purchase of investments | | | | **-** | **-** | **-** | **-** | **-** | **-** |
| Accrued expenses and other liabilities | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | **-** | **-** | **487** | **487** | **-** | **-** | **-** | **-** |

| | | June 30, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | Fair Value | | | |
| | | Fair value through profit or loss - held-for- trading | Loans and receivables | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | | |
| **On-balance sheet financial instruments** | | | | | | | | | |
| **Financial assets measured at fair value** | 14.1 | | | | | | | | |
| Investments | | | | | | | | | |
| - Listed equity securities | | 92,808 | - | - | 92,808 | 92,808 | - | - | 92,808 |
| | | 92,808 | - | - | 92,808 | 92,808 | - | - | 92,808 |
| **Financial assets not measured at fair value** | 14.1 | | | | - | | | | |
| Bank balances | | - | 11,548 | - | 11,548 | - | - | - | - |
| Investments | | | | | | | | | |
| -Unlisted Equity Securities | | - | - | - | - | - | - | - | - |
| Dividend and profit receivable | | - | 667 | - | 667 | - | - | - | - |
| | | - | 12,215 | - | 12,215 | - | - | - | - |
| **Financial liabilities not measured at fair value** | 14.1 | | | | | | | | |
| Payable to Management Company | | - | - | 486 | 486 | - | - | - | - |
| Payable to Trustee | | - | - | 18 | 18 | - | - | - | - |
| Accrued expenses and other liabilities | | - | - | - | - | - | - | - | - |
| | | - | - | 504 | 504 | - | - | - | - |

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

**15 DATE OF AUTHORISATION FOR ISSUE**

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

**16 CORRESPONDING FIGURES**

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

**17 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

HBL

# Islamic Financial Planning Fund

## FUND INFORMATION

| | |
|---|---|
| Name of Fund | HBL Islamic Financial Planning Fund |
| Name of Auditor | KPMG Taseer Hadi & Co., Chartered Accountants |
| Name of Trustee | Digital Custodian Company Limited |
| Name of Shariah Advisor | Al Hilal Shariah Advisors (Pvt.) Limited |
| Bankers | Habib Bank Limited<br>Dubai Islamic Bank Limited<br>Bank Islami Pakistan Limited |

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

| | Note | Sep 30, 2023 (Un-Audited) | | | June 30, 2023 (Audited) | | |
|---|---|---|---|---|---|---|---|
| | | **Active Allocation Plan** | **Conservative Allocation Plan** | **Total** | Active Allocation Plan | Conservative Allocation Plan | Total |
| | | (Rupees in '000) | | | | | |
| **ASSETS** | | | | | | | |
| Bank balances | 4 | **935** | **214** | **1,149** | 311 | 91 | 402 |
| Bank balances of matured plan | | **-** | **-** | **4,642** | | | 4,642 |
| Investments | 5 | **109,190** | **788** | **109,978** | 103,815 | 752 | 104,567 |
| Accrued mark-up | | **4** | **1** | **5** | | 1 | 1 |
| Advances, deposits and other receivables | | **-** | **-** | **-** | 107 | 136 | 243 |
| **TOTAL ASSETS** | | **110,129** | **1,003** | **115,774** | 104,233 | 980 | 109,855 |
| **LIABILITIES** | | | | | | | |
| Payable to the Management Company | 6 | **18** | **-** | **18** | 17 | - | 17 |
| Payable to the Trustee | | **9** | **-** | **9** | 9 | | 9 |
| Payable to Securities and Exchange | | | | | | | - |
| Commission of Pakistan | | **2** | **-** | **2** | 17 | - | 17 |
| Accrued expenses and other liabilities | 7 | **630** | **22** | **652** | 1,833 | 230 | 2,063 |
| Accrued expenses and other liabili | | | | **1,137** | | | 1,137 |
| Payable to unitholders' | | | | **3,505** | | | 3,505 |
| Dividend Payable | | **292** | **-** | **292** | - | - | - |
| Payable against redemption of units | | | **185** | | | | |
| **TOTAL LIABILITIES** | | **951** | **207** | **5,615** | 1,876 | 230 | 6,748 |
| **NET ASSETS** | | **109,178** | **795** | **109,973** | 102,357 | 750 | 103,107 |
| **UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)** | | **109,178** | **795** | **109,973** | 102,357 | 750 | 103,107 |
| | | (Units) | | | | | |
| **NUMBER OF UNITS IN ISSUE** | | **1,177,410** | **8,192** | **-** | 1,169,207 | 7,982 | - |
| | | (Rupees) | | | (Rupees) | | |
| **NET ASSETS VALUE PER UNIT** | | **92.7273** | **97.0864** | | 87.5441 | 93.8604 | |

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

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

# HBL Islamic Financial Planning Fund
## Condensed Interim Income Statement and Other Comprehensive Income (Un-Audited)
*For the Three months period ended on September 30, 2023*

| | Note | For the three months ended September 30, 2022 | | | For the three months ended September 30, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Active Allocation Plan | Conservative Allocation | Total | Active Allocation Plan | Conservative Allocation | Total |
| | | (Rupees in '000) | | | | | |
| **Income** | | | | | | | |
| Mark-up on deposits with bank | | **8** | **3** | **11** | 48 | 4 | 52 |
| Capital gain / (loss) on sale of investment - net | | **885** | **-** | **885** | - | 1 | 1 |
| Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net | | **5,566** | **40** | **5,606** | - | 13 | 13 |
| Dividend Income | | **50** | **7** | **57** | 3,460 | 1 | 3,461 |
| | | **6,509** | **50** | **6,559** | 3,508 | 19 | 3,527 |
| **Expenses** | | | | | | | |
| Remuneration of the Management Company | 6.1 | **-** | **-** | **-** | 9 | - | 9 |
| Sindh Sales Tax on remuneration of the Management Company | 6.2 | **-** | **-** | **-** | 1 | - | 1 |
| Remuneration of the Trustee | | **27** | **-** | **27** | 25 | - | 25 |
| Annual fee to the Securities and Exchange Commission of Pakistan | | **5** | **-** | **5** | 5 | - | 5 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 6.3 | **53** | **-** | **53** | 50 | - | - 50 |
| Amortisation of preliminary expenses and flotation costs | | | **-** | **-** | | - | - |
| Auditors' remuneration | | **107** | **1** | **108** | 77 | 7 | 84 |
| Printing charges | | **29** | **1** | **30** | 36 | 3 | 39 |
| Bank charges | | **134** | **22** | **156** | 3 | 9 | 12 |
| Fees and subscription | | **-** | **-** | **-** | 6 | - | 6 |
| Shariah advisory fee | | **85** | **-** | **85** | 54 | - | 54 |
| Tax on bank profit | | | | **-** | | | - |
| Legal Fee | | **-** | **-** | **-** | - | - | - |
| | | **440** | **24** | **464** | 266 | 19 | 285 |
| **Net income / (loss) from operating activities** | | **6,069** | **26** | **6,095** | 3,242 | - | 3,242 |
| Taxation | 8 | **-** | **-** | **-** | - | - | - |
| **Net income / (loss) for the period after taxation** | | **6,069** | **26** | **6,095** | 3,242 | - | 3,242 |
| Income already paid on redemption of units | | **3** | **1** | **4** | - | - | - |
| Accounting income available for distribution | | | | | | | |
| - Relating to capital gains | | **6,066** | **25** | **6,091** | 3,242 | - | 3,242 |
| - Excluding capital gains | | **-** | **-** | **-** | - | - | - |
| | | **6,066** | **25** | **6,091** | 3,242 | - | 3,242 |
| **Net income / (loss) for the period after taxation** | | **6,069** | **26** | **6,095** | 3,242 | - | 3,242 |
| Other comprehensive income for the period | | **-** | **-** | **-** | - | - | - |
| **Total comprehensive income / (loss) for the period** | | **6,069** | **26** | **6,095** | 3,242 | - | 3,242 |

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

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

# HBL Islamic Financial Planning Fund
# Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
*For the Three months period ended on September 30, 2023*

| | For the three months ended September | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Active Allocation Plan | | | Active Allocation Plan | | |
| | Capital value | Undistributed income / (accumulated loss) | Total | Capital value | Undistributed income / (accumulated loss) | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| **Net assets at beginning of the period** | **112,299** | **(9,942)** | **102,357** | 133,704 | (10,366) | 53,520 |
| Issuance of 210 units (2022: 3,860) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | **18** | **-** | **18** | 135,239 | - | 135,239 |
| - Element of loss | **861** | **-** | **861** | 4,323 | - | 4,323 |
| Total proceeds on issuance of units | **879** | **-** | **879** | 139,562 | - | 139,562 |
| Redemption of 1,383 units (2022: 56,951 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | **(121)** | **-** | **(121)** | (108,073) | - | (108,073) |
| - Element of income | **(3)** | **(3)** | **(6)** | (2,724) | - | (2,724) |
| Total payments on redemption of units | **(124)** | **(3)** | **(127)** | (110,797) | - | (110,797) |
| | | | | | - | - |
| Total comprehensive income / loss for the period | **-** | **6,069** | **6,069** | - | 3,242 | 3,242 |
| | **-** | **6,069** | **6,069** | - | 3,242 | 3,242 |
| **Net assets at end of the period** | **113,054** | **(3,876)** | **109,178** | 162,469 | (7,124) | 85,526 |
| **Undistributed income brought forward** | | | | | | |
| - Realised | | **(10,355)** | | | (10,366) | |
| - Unrealised | | **413** | | | - | |
| | | **(9,942)** | | | (10,366) | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | **6,066** | | | 3,242 | |
| - Excluding capital gains | | **-** | | | - | |
| | | **6,066** | | | 3,242 | |
| **Accumulated loss carried forward** | | **(3,876)** | | | (7,124) | |
| **Accumulated loss carried forward** | | | | | | |
| - Realised | | **(9,442)** | | | (7,124) | |
| - Unrealised | | **5,566** | | | - | |
| | | **(3,876)** | | | (7,124) | |
| | | | **(Rupees)** | | | (Rupees) |
| **Net assets value per unit at beginning of the period** | | | **87.5441** | | | 87.1696 |
| **Net assets value per unit at end of the period** | | | **92.7273** | | | 89.9742 |

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

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

**Chief Financial Officer** | **Chief Executive Officer** | **Director**

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

**Chief Financial Officer** | **Chief Executive Officer** | **Director**

# HBL Islamic Financial Planning Fund
# Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
*For the Three months period ended on September 30, 2023*

| | For the three months ended ---------- September ---------- | | | | | |
|---|---|---|---|---|---|---|
| | ---------- 2023 ---------- | | | ---------- 2022 ---------- | | |
| | **Conservative Allocation Plan** | | | Conservative Allocation Plan | | |
| | **Capital value** | **Undistributed income / (accumulated loss)** | **Total** | Capital value | Undistributed income / (accumulated loss) | Total |
| | ---------- (Rupees in '000) ---------- | | | ---------- (Rupees in '000) ---------- | | |
| **Net assets at beginning of the period** | **(300)** | **1,050** | **750** | (302) | 1,027 | 725 |
| Issuance of 571 units (2022: 209,350 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | **54** | **-** | **54** | 1 | - | 1 |
| - Element of loss | **1** | **-** | **1** | - | - | - |
| Total proceeds on issuance of units | **55** | **-** | **55** | 1 | - | 1 |
| Redemption of 361 units (2022: 244,456 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | **(35)** | **-** | **(35)** | (17) | - | (17) |
| - Element of income | **-** | **(1)** | **(1)** | (1) | - | (1) |
| Total payments on redemption of units | **(35)** | **(1)** | **(36)** | (18) | - | (18) |
| Total comprehensive income for the period | **-** | **26** | **26** | - | - | - |
| | **-** | **26** | **26** | - | - | - |
| **Net assets at end of the period** | **(280)** | **1,075** | **795** | (319) | 1,027 | 708 |
| **Undistributed income brought forward** | | | | | | |
| - Realised | | **1,045** | | | 1,064 | |
| - Unrealised | | **5** | | | (37) | |
| | | **1,050** | | | 1,027 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | **25** | | | - | |
| - Excluding capital gains | | **-** | | | - | |
| | | **25** | | | - | |
| | | | | | - | |
| **Accumulated gain carried forward** | | **1,075** | | | 1,027 | |
| **Accumulated gain carried forward** | | | | | | |
| - Realised | | **1,035** | | | 1,014 | |
| - Unrealised | | **40** | | | 13 | |
| | | **1,075** | | | 1,027 | |
| | | | **(Rupees)** | | | (Rupees) |
| **Net assets value per unit at beginning of the period** | | | **93.8604** | | | 90.9171 |
| **Net assets value per unit at end of the period** | | | **97.0864** | | | 90.8155 |

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

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

| **Chief Financial Officer** | **Chief Executive Officer** | **Director** |
|---|---|---|

# HBL Islamic Financial Planning Fund
# Condensed Interim Cash Flow Statement (Unaudited)
*For the Three months period ended on September 30, 2023*

| | Note | Three months ended September 30, 2023 | | | Three months ended September 30, 2022 | | |
|---|---|---|---|---|---|---|---|
| | | Active Allocation Plan | Conservative Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Total |
| | | (Rupees in '000) | | | (Rupees in '000) | | |
| **Cash flows from operating activities** | | | | | | | |
| Net loss for the period before taxation | | **6,069** | **26** | **6,095** | 3,242 | - | 3,242 |
| **Adjustments for non-cash items** | | | | | | | |
| Mark-up on deposits with bank | | **(8)** | **(3)** | **(11)** | (48) | (4) | (52) |
| Capital (gain) / loss on sale of investment - net | | **(885)** | **-** | **(885)** | - | (1) | (1) |
| Unrealised diminution on re-measurement of investments investments at 'fair value through profit or loss - held-for-trading' - net | | **(5,566)** | **(40)** | **(5,606)** | - | (13) | (13) |
| Amortisation of preliminary expenses and flotation costs | | | | | - | - | - |
| Dividend Income | | **(50)** | **(7)** | **(57)** | | | |
| | | **(440)** | **(24)** | **(464)** | 3,194 | (19) | 3,175 |
| **(Increase) / decrease in assets** | | | | | | | |
| Investments | | **1,076** | **4** | **1,080** | 1,594 | 41 | 1,635 |
| Preliminary expenses and flotation costs | | **-** | **-** | **-** | 4 | - | 4 |
| Other receivables | | **157** | **144** | **301** | 3 | 3 | 3 |
| | | **1,233** | **148** | **1,381** | 1,601 | 44 | 1,645 |
| **Increase / (decrease) in liabilities** | | | | | | | |
| Payable to the Management Company | | **1** | **-** | **1** | - | 1 | 1 |
| Payable to the Trustee | | **-** | **-** | **-** | - | 1 | 1 |
| Payable to Securities and Exchange Commission of Pakistan | | **(15)** | **-** | **(15)** | (13) | 3 | (10) |
| Accrued expenses and other liabilities | | **(1,203)** | **(23)** | **(1,226)** | (496) | (45) | (541) |
| Dividend Payable | | **-** | **-** | **-** | 26 | - | 26 |
| | | **(1,217)** | **(23)** | **(1,240)** | (483) | (40) | (523) |
| | | **(424)** | **101** | **(323)** | 4,311 | (14) | 4,297 |
| Profit received on bank deposits | | **4** | **3** | **7** | 13 | 12 | 1,759 |
| **Net cash (used in) / generated from operating activities** | | **(420)** | **104** | **(316)** | 4,324 | (3) | 6,056 |
| **Cash flows from financing activities** | | | | | | | |
| Amount received / receivable on issue of units | | **879** | **55** | **934** | 500 | 6 | 506 |
| Amount paid / payable on redemption of units | | **(127)** | **(36)** | **(163)** | (2,065) | (11) | (2,076) |
| Dividend paid | | **292** | **-** | **292** | - | - | - |
| **Net cash generated from / (used in) financing activities** | | **1,044** | **19** | **1,063** | (1,565) | (5) | (1,571) |
| **Net (decrease) / increase in cash and cash equivalents** | | **624** | **123** | **747** | 2,759 | (7) | 4,485 |
| Cash and cash equivalents at the beginning of the period | | **311** | **91** | **402** | 789 | 584 | 1,373 |
| **Cash and cash equivalents at the end of the period** | 4 | **935** | **214** | **1,147** | 3,547 | 577 | 5,856 |

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

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

**Chief Financial Officer** | **Chief Executive Officer** | **Director**

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

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

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

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

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

- The “Active Allocation Plan” is an Allocation Plan under the Fund with an objective to earn a potentially high return through active asset allocation between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on the Fund Manager’s outlook on the asset classes.

- The “Strategic Allocation Plan” is an Allocation Plan under the Fund with an objective to earn a potentially high return through active allocation of funds between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. Fund Manager take a medium term strategic view of the portfolio assets to deliver competitive returns to investors. The duration of this plan is 24 months (Two Years).

- The “Islamic Capital Preservation Plan” is an Allocation Plan under the Fund with an objective to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities and Shariah Compliant Money Market based Collective Investment Schemes, Shariah compliant saving accounts and term deposits while aiming providing capital preservation on the initial amount excluding front end load upon maturity of the allocation plan. The duration of this plan is 24 months (Two Years).

**1.2** VIS Credit Rating Company has assigned a management quality rating of AM1 (stable outlook) to the Management Company.

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance,1984; and

- "Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed."

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

**2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

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

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

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

### 3.1 SIGNIFICANT ACCOUNTING POLICIES

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

## 3.2 USE OF ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2023.

## 3.3 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2023.

## 4. BANK BALANCES

| | | September 30, 2023 (Un-Audited) | | | June 30, 2023 (Audited) | | |
|---|---|---|---|---|---|---|---|
| | | **Active Allocation Plan** | **Conservative Allocation Plan** | **Total** | Active Allocation Plan | Conservative Allocation Plan | Total |
| | **Note** | **(Rupees in '000)** | | | (Rupees in '000) | | |
| Savings accounts | 4.1 | **935** | **214** | **1,149** | 2,709 | 247 | 2,956 |

**4.1** This represents bank accounts held with various banks. Mark-up rates on these accounts range between 4% to 7% (June 2020 : 3% to 17%) per annum.

## 5. INVESTMENTS

| | | September 30, 2023 (Un-Audited) | | | June 30, 2023 (Audited) | | |
|---|---|---|---|---|---|---|---|
| | **Note** | **Active Allocation Plan** | **Conservative Allocation Plan** | **Total** | Active Allocation Plan | Conservative Allocation Plan | Total |
| | | **(Rupees in '000)** | | | (Rupees in '000) | | |
| **Investments by category** | | | | | | | |
| **At fair value through profit or loss - held-for-trading** | | | | | | | |
| Units of mutual funds | 5.1 | **109,190** | **788** | **109,978** | 103,815 | 752 | 104,567 |

## 5.1 Units of mutual funds

| Name of Investee Funds | As at July 1, 2023 | Purchases during the period | Redemptions during the period | As at September 30, 2023 | Total carrying value as at September 30, 2023 | Total market value as at September 30, 2023 | Appreciation/ (diminution) as at September 30, 2023 | Market value as a percentage of net assets | Market value as a percentage of total value of Investment |
|---|---|---|---|---|---|---|---|---|---|
| | ---------- Number of units ---------- | | | | | | | ---------- % ---------- | |
| **Active Allocation Plan** | | | | | | | | | |
| HBL Islamic Income Fund | 899,234 | 104,864 | 10,566 | 993,532 | 102,184 | 108,164 | 5,980 | 99.07 | 99.06 |
| HBL Islamic Equity Fund | 154,559 | - | 154,559 | - | - | - | - | - | - |
| HBL Islamic Money Market | 9,665 | 483 | - | 10,148 | 1,027 | 1,027 | (0) | 0.94 | 0.94 |
| | 1,063,458 | 105,347 | 165,125 | 1,003,680 | 103,211 | 109,190 | 5,979 | | |
| **Conservative Allocation Plan** | | | | | | | | | |
| HBL Islamic Equity Fund | 292 | - | - | 292 | 19 | 22 | 3 | 2.77 | 2.79 |
| HBL Islamic Income Fund | 4,419 | | - | 4,419 | 455 | 481 | 26 | 60.50 | 61.04 |
| HBL Islamic Money Market Fund | 1,408 | 71 | - | 1,479 | 150 | 150 | - | 18.87 | 19.04 |
| HBL Islamic Stock Fund | 1,726 | - | 141 | 1,585 | 136 | 135 | (1) | 16.98 | 17.13 |
| | 7,845 | 71 | 141 | 7,776 | 760 | 788 | 28 | | |
| **Total as at September 30, 2023** | 1,071,303 | 105,418 | 165,266 | 1,011,456 | 103,971 | 109,978 | 6,007 | | |

## 6. Payable to the Management Company

| | Note | September 30, 2023 (Un-Audited) | | | June 30, 2023 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | | Active Allocation Plan | Conservative Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Capital Preservation Plan | Total |
| | | ---------- (Rupees in '000) ---------- | | | | | | |
| Formation cost | | - | - | - | - | - | 1,860 | 1,860 |
| Management fee | 6.1 | - | - | 4 | 1 | 1 | | 2 |
| Sindh Sales Tax on Management Company's remuneration | 6.2 | - | - | 0 | - | - | | - |
| Allocation of expenses related to registrar services, accounting, operation and vauation services | | 18 | - | 21 | 8 | 6 | | 14 |
| Sales load payable | | - | - | - | 13 | 358 | | 371 |
| | | 18 | - | 24 | 22 | 365 | 1,860 | 2,247 |

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

**6.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

| | Note | September 30, 2023 (Un-Audited) | | | | June 30, 2023 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Active Allocation Plan** | **Conservative Allocation Plan** | | **Total** | Active Allocation Plan | Conservative Allocation Plan | Capital Preservation Plan | Total |
| | | (Rupees in '000) | | | | | | | |
| Withholding tax | | **-** | **-** | **-** | **-** | - | - | - | - |
| Shariah advisory fee | | **43** | **-** | **-** | **43** | 34 | 1 | | 35 |
| Printing | | **121** | **18** | **-** | **139** | 74 | 10 | | 84 |
| Auditors' remuneration | | **426** | **4** | **-** | **430** | 200 | 43 | - | 243 |
| Other payables | | **40** | **-** | **-** | **40** | | 2 | | 2 |
| | | **630** | **22** | **-** | **652** | 308 | 56 | - | 364 |

## 8. TAXATION

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

## 9. TRANSACTIONS WITH CONNECTED PERSONS

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

**9.1 Transactions during the period**

| | For the three month ended - September 2023 | | | For the three months ended - September 2022 | | | |
|---|---|---|---|---|---|---|---|
| | **Active Allocation Plan** | **Conservative Allocation Plan** | **Total** | Active Allocation Plan | Conservative Allocation Plan | Plan | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | | |
| **HBL Asset Management Limited - Management Company** | | | | | | | |
| Remuneration of the Management Company | **-** | **-** | **-** | 1 | - | - | 1 |
| Sindh Sales Tax on remuneration of the Management Company | **-** | **-** | **-** | 1 | - | - | 1 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | **53** | **-** | **53** | 26 | 26 | - | 52 |
| **Habib Bank Limited - Sponsor** | | | | | | | |
| Mark-up on deposits with bank | **8** | **7** | **15** | 11 | 7 | - | 18 |
| Bank Charges | **134** | **4** | **138** | 5 | 4 | - | 9 |
| **Digital Custodian Company Limited - Trustee** | | | | | | | |
| Remuneration of the Trustee | **27** | **-** | **27** | 25 | - | - | 25 |

| | For the three month ended - September 2023 | | | For the three months ended - September 2022 | | | |
|---|---|---|---|---|---|---|---|
| | Active Allocation Plan | Conservative Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Plan | Total |
| **Collective investment scheme managed by Management Company** | (Rupees in '000) | | | (Rupees in '000) | | | |
| **HBL Islamic Income Fund** | | | | | | | |
| Purchase of 104,864 units (2022: Nil units) | 10,847 | 19 | 10,866 | - | - | - | - |
| Redemption of 10,566 units (2022: Nil units) | 1,125 | 19 | 1,144 | - | - | - | - |
| Purchase of Nil units (2022: Nil units) | - | 19 | 19 | - | - | - | - |
| Redemption of Nil units (2022: Nil units) | - | 19 | 19 | - | 19 | - | 19 |
| **HBL Islamic Money Market Fund** | | | | | | | |
| Purchase of 483units (2022: 1,417,946 units) | 49 | - | 49 | 143,460 | - | | 143,460 |
| Redemption of Nil units units (2022: 1,083,506 units) | - | - | - | 109,523 | - | | 109,523 |
| Purchase of 71 units (2022: 7 units) | | 7 | 7 | | 1 | - | 1 |
| Redemption of Nil units units (2022: 21 units) | | - | - | - | 2 | | 2 |
| Dividend Income | 3,460 | 1 | 3,461 | 3,460 | 1 | | |
| **HBL Islamic Stock Fund** | | | | | | | |
| Redemption of Nil units (2022: 26 units) | - | 12 | 12 | - | 2 | - | 2 |
| **HBL Islamic Equity Fund** | | | | | | | |
| Redemption of 154,559 units units (2022: Nil units) | 10,847 | - | 10,847 | - | - | | - |
| **Syed Fayez Asar - Connected Person due to 10% holding** | | | | | | | |
| Issue of Nil units (June 30, 2022: 440,017 units) | - | - | - | 39,962 | - | | 39,962 |
| **Balances outstanding as at year end** | | | | | | | |
| **HBL Asset Management Limited - Management Company** | | | | | | | |
| Remuneration payable to the Management Company | - | - | - | - | - | | - |
| Sindh Sales Tax payable on remuneration of the managemnet compnay | - | - | - | - | - | | - |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 18 | - | 18 | 17 | - | | 17 |
| Investment held in the fund : 793,941 (June 30, 2023: 793,941) | 73,453 | - | 73,453 | 69,505 | - | | 69,505 |
| **Habib Bank Limited - Sponsor** | | | | | | | |
| Mark-up receivable on deposits with bank | 4 | 1 | 5 | 1 | 2 | | 3 |
| Bank Balance | 935 | 214 | 1,149 | 295 | 78 | | 373 |
| **Digital Custodian Company Limited** | | | | | | | |
| Remuneration payable to the Trustee | 8 | - | 8 | 8 | - | | 8 |
| Sindh Sales Tax | 1 | - | 1 | 1 | - | | 1 |
| **Amjad Maqsood - Connected Person due to 10% or more holding** | | | | | | | |
| Investment held in the fund : Nil units held (June 30, 2023: 1,849) | - | - | - | - | 174 | | 174 |
| | | | - | | | | |
| **Muhammad Ashraf - Connected Person due to 10% or more holding** | | | - | | | | |
| Investment held in the fund : Nil units (June 30, 2023: 5,747) | - | - | - | - | 539 | | 539 |
| | | | - | | | | |
| **HBL Asset Management Limited Employees Gratuity Fund** | | | - | | | | |
| Investment held in the fund : 56,160 units (June 30, 2023: 56,160) | 5,208 | - | 5,208 | 4,916 | - | | 4,916 |
| | | | - | | | | |
| **HBL Asset Management Limited Employees Provident Fund** | | | - | | | | |
| Investment held in the fund : 194,703 units (June 30, 2023: 194,703 units) | 18,054 | - | 18,054 | 17,045 | - | | 17,045 |
| | | | - | | | | |
| **HBL Islamic Income Fund** | | | - | | | | |
| Investment held in the fund 993,532 (June 30, 2023: 993,532 units) | 108,164 | - | 108,164 | 92,423 | - | | 92,423 |
| Investment held in the fund 4,417 (June 30, 2023: 4,417 units) | - | 481 | 481 | - | 433 | | 433 |
| | | | - | | | | |
| **HBL Islamic Equity Fund** | | | - | | | | |
| Investment held in the fund : 292 (June 30, 2023: 292 units) | - | 22 | 22 | - | 20 | | 20 |
| Investment held in the fund :Nil (June 30, 2023: 154,559 units) | - | - | - | 10,000 | - | | 10,000 |
| | | | - | | | | |
| **HBL Islamic Money Market Fund** | | | - | | | | |
| Investment held in the fund : 10,148 (June 30, 2022: 9,661 units) | 1,027 | - | 1,027 | 977 | - | | 977 |
| Investment held in the fund : 1,479 (June 30, 2022: 1,408 units) | - | 150 | 150 | - | 142 | | 142 |
| | | | - | | | | |
| **HBL Islamic Stock Fund** | | | - | | | | |
| Investment held in the fund : 1,585 (June 30, 2023: 1,726 units) | - | 135 | 135 | - | 150 | | 150 |

## 10. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

| | | September 30, 2023 (Un-Audited) Active Allocation Plan | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | Fair Value | | | |
| | | Fair value through profit and loss - held-for-trading | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | Note | (Rupees in '000) | | | | | | | |
| **On-balance sheet financial instruments** | | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | |
| Units of mutual funds | | **109,190** | **-** | **-** | **109,190** | **109,190** | **-** | **-** | **109,190** |
| | | **109,190** | **-** | **-** | **109,190** | **109,190** | **-** | **-** | **109,190** |
| **Financial assets not measured at fair value** | 10.1 | | | | | | | | |
| Bank balances | | **-** | **935** | **-** | **935** | | | | |
| Accrued mark-up | | **-** | **4** | **-** | **4** | | | | |
| Other receivables | | **-** | **-** | **-** | **-** | | | | |
| | | **-** | **939** | **-** | **939** | | | | |
| **Financial liabilities not measured at fair value** | 10.1 | | | | | | | | |
| Payable to the Management Company | | **-** | **-** | **18** | **18** | | | | |
| Payable to the Trustee | | **-** | **-** | **9** | **9** | | | | |
| Accrued expenses and other liabilities | | **-** | **-** | **630** | **630** | | | | |
| Unit Holders' Fund | | **-** | **-** | **109,178** | **109,178** | | | | |
| | | **-** | **-** | **109,835** | **109,835** | | | | |

| | | June 30, 2023 (Audited) Active Allocation Plan | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | Fair Value | | | |
| | | Fair value through profit and loss - held- | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | Note | (Rupees in '000) | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Units of mutual funds | 5 | 103,815 | - | - | 103,815 | 103,815 | - | - | 103,815 |
| | | 103,815 | - | - | 103,815 | 103,815 | - | - | 103,815 |
| Financial assets not measured at fair value | 10.1 | | | | | | | | |
| Bank balances | | - | 311 | - | 311 | | | | |
| Accrued mark-up | | - | - | - | - | | | | |
| Receivable against sale of units | | - | - | - | - | | | | |
| | | - | 311 | - | 311 | | | | |
| Financial liabilities not measured at fair value | 10.1 | | | | | | | | |
| Payable to the Management Company | | - | - | 17 | 17 | | | | |
| Payable to the Trustee | | - | - | 9 | 9 | | | | |
| Accrued expenses and other liabilities | | - | - | 308 | 308 | | | | |
| Dividend payable | | - | - | - | - | | | | |
| Payable against redemption of units | | - | - | - | - | | | | |
| Unit Holders' Fund | | - | - | 102,357 | 102,357 | | | | |
| | | - | - | 102,691 | 102,691 | | | | |

| | Note | September 30, 2023 (Un-Audited) Conservative Allocation Plan | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | Fair Value | | | |
| | | Fair value through profit and loss - held-for-trading | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | | |
| **On-balance sheet financial instruments** | | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | |
| Units of mutual funds | | **788** | **-** | **-** | **788** | **788** | **-** | **-** | **788** |
| | | **788** | **-** | **-** | **788** | **788** | **-** | **-** | **788** |
| **Financial assets not measured at fair value** | 10.1 | | | | | | | | |
| Bank balances | | **-** | **214** | **-** | **214** | | | | |
| Accrued mark-up | | **-** | **1** | **-** | **1** | | | | |
| Receivable against sale of units | | **-** | **-** | **-** | **-** | | | | |
| Other receivables | | **-** | **-** | **-** | **-** | | | | |
| | | **-** | **215** | **-** | **215** | | | | |
| **Financial liabilities not measured at fair value** | 10.1 | | | | | | | | |
| Payable to the Management Company | | **-** | **-** | **-** | **-** | | | | |
| Payable to the Trustee | | **-** | **-** | **-** | **-** | | | | |
| Accrued expenses and other liabilities | | **-** | **-** | **22** | **22** | | | | |
| Unit Holders' Fund | | **-** | **-** | **795** | **795** | | | | |
| | | **-** | **-** | **818** | **818** | | | | |

| | Note | June 30, 2023 (Audited) Conservative Allocation Plan | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | | Fair Value | | | |
| | | Fair value through profit and loss - held- | Loans and receivables | 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 | | | | | | | | | |
| Units of mutual funds | 5 | 752 | - | - | 752 | 752 | - | - | 752 |
| | | 752 | - | - | 752 | 752 | - | - | 752 |
| Financial assets not measured at fair value | 10.1 | | | | | | | | |
| Bank balances | | - | 91 | - | 91 | | | | |
| Accrued mark-up | | - | 1 | - | 1 | | | | |
| Receivable against sale of units | | - | - | - | - | | | | |
| | | - | 92 | - | 92 | | | | |
| Financial liabilities not measured at fair value | 10.1 | | | | | | | | |
| Payable to the Management Company | | - | - | - | - | | | | |
| Payable to the Trustee | | - | - | - | - | | | | |
| Accrued expenses and other liabilities | | - | - | 56 | 56 | | | | |
| Payable against redemption of units | | - | - | - | - | | | | |
| Unit Holders' Fund | | - | - | 750 | 750 | | | | |
| | | - | - | 806 | 806 | | | | |

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

**10.2 Transfers during the period**

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

**11. TOTAL EXPENSE RATIO**

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the three months ended September 30, 2023 is 1.67% and 12.24% (YTD) (September 30, 2022 is 0.04% and 0.00%) which includes 0.03% and 0.04% (September 30, 2022 is 1.07% and 0.00%) representing government levy and SECP fee of the Active Allocation Plan and Conservative Allocation Plan respectively.

**12. DATE OF AUTHORISATION FOR ISSUE**

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

**13. GENERAL**

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

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

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

HBL

# Islamic Dedicated Equity Fund

## FUND INFORMATION

| | |
|---|---|
| Name of Fund | HBL Islamic Dedicated Equity Fund |
| Name of Auditor | KPMG Taseer Hadi & Co.,Chartered Accountants |
| Name of Trustee | Digital Custodian Company Limited |
| Name of Shariah Advisor | Al Hilal Shariah Advisors (Pvt.) Limited |
| Bankers | Dubai Islamic Bank Limited<br>Bank Islamic Pakistan Limited<br>Allied Bank Limited |

# HBL Islamic Dedicated Equity Fund
## Condensed Interim Statement of Assets and Liabilities
*As at September 30, 2023*

| | Note | September 30, 2023 (Un-audited) | June 30, 2023 (Audited) |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Assets** | | | |
| Bank balances | 4 | **647** | 690 |
| Dividend and profit receivable | | **11** | 14 |
| Preliminary expenses and floatation costs | | **-** | - |
| Advances and deposits | | **6,240** | 6,084 |
| **Total assets** | | **6,898** | 6,789 |
| **Liabilities** | | | |
| Payable to Management Company | 5 | **6,195** | 6,195 |
| Payable to the Trustee | | **-** | - |
| Payable to the Securities and Exchange Commission of Pakistan | | **-** | - |
| Accrued expenses and other liabilities | 6 | **703** | 594 |
| **Total liabilities** | | **6,898** | 6,789 |
| **Net assets** | | - | - |
| **Unit holders' fund (as per statement attached)** | | **-** | - |
| **Contingencies and commitments** | 7 | | |
| | | (Number of units) | |
| **Number of units in issue** | | **-** | - |
| | | (Rupees) | |
| **Net assets value per unit** | | **-** | - |

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 Islamic Dedicated Equity Fund
## Condensed Interim Income Statement and Other Comprehensive Income (Un-Audited)
*For the Three months period ended on September 30, 2023*

| | Note | Quarter ended September 30, 2023 | 2022 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **INCOME** | | | |
| Profit from bank deposits | | 35 | - |
| | | 35 | - |
| **EXPENSES** | | | |
| Auditors' remuneration | | 105 | - |
| Securities transaction and bank charges | | 85 | - |
| Reimbursement from HBL Asset Management Limited | | (155) | - |
| | | 35 | - |
| **Net income / (loss) from operating activities** | | - | - |
| Taxation | 8 | - | - |
| **Net income / (loss) for the period after taxation** | | - | - |
| **Allocation of net loss for the period:** | | | |
| Income already paid on redemption of units | | - | - |
| Accounting income available for distribution: | | | |
| -Relating to capital gains | | - | - |
| -Excluding capital gains | | - | - |
| | | - | - |
| **Net income / (loss) for the period after taxation** | | - | - |
| Other comprehensive income for the period | | - | - |
| **Total comprehensive income / (loss) for the period** | | - | - |

The annexed notes 1 to 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 Islamic Dedicated Equity Fund
## Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
*For the Three months period ended on September 30, 2023*

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Capital Value** | **Undistributed Income** | **Total** | Capital Value | Undistributed Income | Total |
| | ----------Rupees in '000'---------- | | | | | |
| **Net assets at beginning of the period** | **92,140** | **(92,140)** | **-** | 92,140 | (92,140) | **-** |
| Issuance of Nil units (2022: Nil units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | **-** | **-** | - | **-** | **-** | - |
| - Element of loss | **-** | **-** | | **-** | **-** | |
| Total proceeds on issuance of units | **-** | - | **-** | **-** | - | **-** |
| Redemption of Nil units (2022: Nil units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | **-** | **-** | - | **-** | **-** | - |
| - Amount relating to element of loss | | | | | | |
| Relating to net loss for the year after taxation | **-** | **-** | | **-** | **-** | - |
| Total payments on redemption of units | **-** | **-** | **-** | **-** | **-** | **-** |
| Total comprehensive income for the period | **-** | **-** | **-** | - | - | - |
| Distribution for the period | **-** | **-** | **-** | - | - | - |
| Total comprehensive income less distribution | **-** | **-** | **-** | **-** | **-** | **-** |
| **Net assets at end of the period** | **92,140** | **(92,140)** | **-** | 92,140 | (92,140) | - |
| **Undistributed income brought forward** | | | | | | |
| - Realised | | **(92,140)** | | | (92,140) | |
| - Unrealised | | **-** | | | - | |
| | | **(92,140)** | | | (92,140) | |
| Accounting (loss) / income for the period | | **-** | | | **-** | |
| Distribution during the period | | **-** | | | - | |
| **Undistributed income carried forward** | | **(92,140)** | | | (92,140) | |
| **Undistributed income carried forward** | | | | | | |
| - Realised | | **(92,140)** | | | (92,140) | |
| - Unrealised | | **-** | | | - | |
| | | **(92,140)** | | | (92,140) | |
| **Net assets value per unit at beginning of the period** | | | **-** | | | - |
| **Net assets value per unit at end of the period** | | | **-** | | | - |

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 Islamic Dedicated Equity Fund
## Condensed Interim Cash Flow Statement (Unaudited)
*For the Three months period ended on September 30, 2023*

| | Three Months ended September 30, | |
|---|---|---|
| | **2023** | 2022 |
| | (Rupees in '000) | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net income / (loss) for the period after taxation | - | - |
| **(Increase) / decrease in assets** | | |
| Dividend receivable and accrued mark-up | 4 | - |
| Advances, deposits, prepayments and other receivables | (156) | - |
| | (152) | - |
| **Increase / (decrease) in liabilities** | | |
| Payable to Management Company | - | - |
| Accrued expenses and other liabilities | 109 | - |
| | 109 | - |
| **Net cash (used in) from operating activities** | (43) | - |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Amount received on issue of units | - | - |
| Payment against redemption of units | - | - |
| **Net cash generated from financing activities** | - | - |
| **Net decrease in cash and cash equivalents** | (43) | - |
| Cash and cash equivalents at beginning of the period | 690 | 427 |
| **Cash and cash equivalents at end of the period** | 647 | 427 |

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 |
|---|---|---|

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

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

**1.6** VIS Credit Rating Company has assigned an asset manager rating of 'AM1' (stable outlook) to the Management Company on December 31, 2022.However, the Management Company has not obtained the Fund's rating as at June 30, 2023.

**1.7** The Fund's objective is to provide investment avenues to the fund of funds and allocation plans under fund of funds schemes managed by the Management Company, it may become zero as allowed under the terms of its Offering Document. The Fund's investors can only be other collective schemes, managed by the Management Company. the Management Company has decided not to invest in the fund through other collective schemes managed by them and during the current year, consequently they intend to wind up the fund.

**1.8** In view of above, the Fund is not considered a going concern. Accordingly and these financial statements have been prepared on basis other than going concern, as explained in note 2.2 of the financial statements for the year ended June 30, 2023.

**2 BASIS OF PREPARATION**

**Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

**2.2 Basis of measurement**

"As disclosed in note 1.8, the Fund is not considered a going concern, therefore, these financial statements have been prepared on a basis other than going concern, which is as follows:

- All assets are measured at the lower of its carrying amount and fair value less costs to sell (i.e realizable value); and

- All liabilities are stated at amount payable.

While preparing the financial statements on aformentioned basis, management has applied the approved accouting standards as applicable in Pakistan, as disclosed in note 2.1"

**2.3 Functional and presentation currency**

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

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

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

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

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

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

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

| | Note | September 30, 2023 (Un-Audited) | June 30, 2023 Audited |
|---|---|---|---|
| | | (Rupees in '000) | |
| **4 BANK BALANCES** | | | |
| PLS deposit accounts under mark-up arrangements | 4.1 | **647** | 690 |
| | | **647** | 690 |

**4.1** Mark-up rates on these accounts range between 19.5% to 20% p.a (June 30, 2023: 14.24% - 19.25% p.a)

| | | Note | September 30, 2023 (Un-Audited) | June 30, 2023 (Audited) |
|---|---|---|---|---|
| 5 | **PAYABLE TO MANAGEMENT COMPANY** | | | |
| | Management fee | *5.1* | **169** | 169 |
| | Sindh Sales Tax | *5.2* | **22** | 22 |
| | Allocation of expenses related to registrar services, accounting, operation and valuation services | *5.3* | **16** | 16 |
| | Other payable to the Management Company | *5.4* | **5,988** | 5,988 |
| | | | **6,195** | 6,195 |

**5.1** As per offering documents of the fund the maximum limit of management fee is 3% per annum of average annual net assets.During the period, no management fee is charged on fund.

**5.2** 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.

**5.3** 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). For the current year, no expense is charged since average net assets of the Fund were nil (June 30, 2023: nil).

**5.4** This represents interest-free loan of Rs. 6 million from Management Company to the Fund repayable on demand net off debit balance of Rs. 0.012 million. There arose a debit balance of Rs. 0.012 million at end of the year as a result of reversal of Rs. 0.215 million, due to excess selling and marketing expense charged to the Fund by Management Company in prior year.

| | | Note | September 30, 2023 (Un-Audited) | June 30, 2023 (Audited) |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| 6 | **ACCRUED EXPENSES AND OTHER LIABILITIES** | | | |
| | Auditors' remuneration | | **675** | **569** |
| | Others | | **28** | **25** |
| | | | **703** | **594** |

## 7 CONTINGENCIES AND COMMITMENTS

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

## 8 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 period as reduced by accumulated losses and 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. No provision for taxation has been recognised during the year as the Fund has already distributed net income to unit-holders while making payments on redemptions.

## 9 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.

## 10 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2023 is Nil. (June 30, 2023: Nil)

## 11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

| 11.1 Transactions during the period | (Un-Audited) Three Months ended September 30, | |
|---|---|---|
| | **2023** | 2022 |
| | **(Rupees in '000)** | |
| **HBL Asset Management Limited - Management Company** | | |
| Reimbursement of expenses | **155** | - |

| 11.2 Balances outstanding as at period end | **2023** | 2023 |
|---|---|---|
| | **(Un-Audited)** | (Audited) |
| | **(Rupees in '000)** | |
| **HBL Asset Management Limited - Management Company** | | |
| Management fee | **169** | 169 |
| Sindh Sales Tax | **22** | 22 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | **16** | 16 |
| Other payable to the Management Company | **5,988** | 5,988 |
| Receivable From HBL Asset Management Company | **3,640** | 3,484 |

## 12 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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. "

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:

- 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 or indirectly (level 2).

- There are no financial instrument that are measured at fair value

- Unobservable inputs for the asset or liability (level 3).

**13 DATE OF AUTHORISATION FOR ISSUE**

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

**14 CORRESPONDING FIGURES**

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

**15 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

HBL

# Livestock Fund

## FUND INFORMATION

| | |
|---|---|
| Name of Fund | HBL Livestock Fund |
| Name of Auditor | BDO Ebrahim & Co., Chartered Accountants |
| Name of Trustee | Digital Custodian Company Limited (Formerly: MCB Financial Services Limited) |
| Name of Shariah Advisor | Al Hilal Shariah Advisors (Pvt.) Limited |
| Bankers | Habib Bank Limited<br>Al Baraka Bank |

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

| | Note | September 30 2023 | June 30 2023 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **ASSETS** | | | |
| Bank balances | 4 | 56,033 | 12,832 |
| Investments | 5 | 6,947 | 50,000 |
| Formation cost | | 865 | 1,101 |
| Other receivable | | 17,342 | 28,203 |
| Advances, deposits and prepayments | | 14,095 | 4,362 |
| **TOTAL ASSETS** | | 95,282 | 96,498 |
| **LIABILITIES** | | | |
| Payable to the Management Company | 6 | 1,036 | 635 |
| Payable to the Trustee | | 259 | 159 |
| Payable to Securities and Exchange Commission of Pakistan | | 6 | 4 |
| Other liabilities | 7 | 1,374 | 2,082 |
| **TOTAL LIABILITIES** | | 2,675 | 2,880 |
| **NET ASSETS** | | 92,607 | 93,618 |
| **UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)** | | 92,607 | 93,618 |
| **CONTINGENCIES AND COMMITMENTS** | 8 | | |
| | | | **Number of units** |
| **Number of units in issue** | | 90,000 | 90,000 |
| | | **(Rupees)** | |
| **Net assets value per unit** | | 1,028.9690 | 1,040.1980 |

The annexed notes from 1 to 15 form an integral part of these financial statements.

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

# HBL Livestock Fund
## Condensed Interim Income Statement (Un-Audited)
*For the Three months period ended on September 30, 2023*

| | Note | September 30 2023 - (Rupees in '000) - |
|---|---|---|
| **Income** | | |
| Capital (loss) on sale of investments - net | | (4,513) |
| Profit on bank deposits | | 1,426 |
| | | (3,087) |
| Unrealized l(oss) on valuation of livestock investments classified as financial assets at 'fair value through profit or loss' | 5.1 | (408) |
| | | (3,495) |
| **Expenses** | | |
| Remuneration of the Management Company | 6.1 | 355 |
| Sindh Sales Tax on remuneration of the Management Company | 6.2 | 46 |
| Remuneration of the Trustee | | 88 |
| Sindh Sales Tax on remuneration of the Trustee | | 11 |
| Annual fee to Securities and Exchange Commission of Pakistan | 6.3 | 2 |
| Formation Cost | | 222 |
| Auditors' remuneration | | 71 |
| Insurance Fee | | (188) |
| Shariah advisory services | | 14 |
| Bank charges | | - |
| Cost of feed | | (3,556) |
| Testing and inspection cost | | 212 |
| Livestock manager fee | | (76) |
| Travelling Expense | | 468 |
| Livestock overheads | | (153) |
| | | (2,484) |
| **Net loss for the period before taxation** | | (1,011) |
| Taxation | 9 | - |
| **Net loss for the period after taxation** | | (1,011) |
| **Allocation of net income for the Period** | | |
| Income already paid on redemption of units | | - |
| Accounting income available for distribution: | | |
| Relating to capital gains | | - |
| Excluding capital gains | | - |
| | | (1,011) |
| | | (1,011) |
| Earnings per unit | 10 | |

The annexed notes from 1 to 15 form an integral part of these financial statements.

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

# HBL Livestock Fund
## Condensed Interim Comprehensive Income (Un-Audited)
*For the Three months period ended on September 30, 2023*

| | September 30 2023 |
|---|---|
| | ----- (Rupees in '000) ---- |
| Net loss for the period after taxation | (1,011) |
| Other comprehensive income | - |
| Total comprehensive loss for the Period | (1,011) |

The annexed notes from 1 to 15 form an integral part of these financial statements.

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

# HBL Livestock Fund
## Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
*For the Three months period ended on September 30, 2023*

| | September 2023 | | |
|---|---|---|---|
| | Capital value | Undistributed income | Total |
| | ---------- Rupees in '000 ---------- | | |
| **Net assets at beginning of the period** | 90,000 | 3,618 | 93,618 |
| **Issuance of Nil units** | | | |
| Capital value (at net asset value per unit at the beginning of the period) | - | - | - |
| Element of income | - | - | - |
| **Total proceeds on issuance of units** | - | - | - |
| Total comprehensive loss for the period | - | (1,011) | (1,011) |
| **Net assets at end of the period** | 90,000 | 2,607 | 92,607 |
| **Undistributed income brought forward** | | | |
| Realised income | | (12,452) | |
| Unrealised income | | 16,070 | |
| | | 3,618 | |
| **Accounting income available for distribution** | | | |
| Relating to capital gain | | - | |
| Excluding capital gain | | - | |
| | | (1,011) | |
| **Distributions during the period:** | | - | |
| Undistributed income carried forward | | 2,607 | |
| **Undistributed income carried forward** | | | |
| Realised Income | | 3,015 | |
| Unrealised loss | | (408) | |
| | | 2,607 | |

| | (Rupees) |
|---|---|
| **Net assets value per unit at beginning of the period** | 1,040.1980 |
| **Net assets value per unit at end of the period** | 1,028.9690 |

The annexed notes from 1 to 15 form an integral part of these financial statements.

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

# HBL Livestock Fund
## Condensed Interim Cash Flow Statement (Unaudited)
*For the Three months period ended on September 30, 2023*

| | Note | September 2023 - (Rupees in '000) - |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net loss for the period before taxation | | (1,011) |
| Adjustments for: | | |
| Capital loss on sale of investments - net | | 4,513 |
| Profit on bank deposits | | (1,426) |
| Unrealized loss on valuation of livestock investments classified as financial assets at 'fair value through profit or loss' | | 408 |
| | | 2,484 |
| **Decrease in assets** | | |
| Investments - net | | 38,131 |
| Formation cost | | 236 |
| Advances, deposits and prepayments | | (9,733) |
| Other receivables | | 11,170 |
| | | 39,804 |
| **(Decrease) in liabilities** | | |
| Payable to the Management Company | | 401 |
| Payable to the Trustee | | 100 |
| Payable to Securities and Exchange Commission of Pakistan | | 2 |
| Other liabilities | | (708) |
| | | (205) |
| Profit received on bank deposits | | 1,117 |
| Net cash flows from operating activities | | 43,201 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Receipts from issue of units | | - |
| Net cash generated from financing activities | | - |
| Net increase in cash and cash equivalents during the period | | 43,201 |
| Cash and cash equivalents at beginning of the period | | 12,832 |
| Cash and cash equivalents at end of the period | 4 | 56,033 |

The annexed notes from 1 to 15 form an integral part of these financial statements.

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

**1 LEGAL STATUS AND NATURE OF BUSINESS**

The HBL Livestock Fund (the Fund) was established through a Trust Deed (the Deed) dated 29th November, 2022 under the Sindh Trust Act,2020 (the Trust) between HBL Asset Management Limited, the Management Company, and Digital Custodian Company Limited (DCCL)the Trustee.The fund was approved by the Securities and Exchanges Commission of Pakistan (SECP) vide letter no. SCD/AMCW/HBLLSF/159/2022 dated December 20, 2022.

The Fund has been categorised as a Shariah Compliant Lifestock scheme being a specialized trust as defined under section 2(u-i) of the Sindh Trusts Act, 2020, as amended vide Sindh Trusts(Amendment) Act, 2021.SECP has approved the fund for Sandbox testing under 3rd COHORT 2022 as a Livestock Collective Investment Scheme (CIS). It is not listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription at the start of the fund.The units are only transferable at the time of maturity.

The investment objective of HBL Livestock Fund is to provide shariah compliant returns to its investors by investing in cattle for fattening, overheads and expenses related to this activity within a closed-end period of Ten (10) months from the strike date of the Fund.

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

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

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017,

- NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules and the NBFC Regulations and trust deed shall prevail.

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

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

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, unless otherwise stated.

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistani Rupees, which is the Fund's functional currency.

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

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

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

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

**4. BANK BALANCES**

| | Note | September 30, 2023 (Unaudited) | June 30, 2023 (Audited) |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| In savings accounts | 4.1 | 56,033 | 12,832 |
| | | 56,033 | 12,832 |

4.1. These bank accounts carries profit at the rate ranging between 12.5% to 21%

**5. INVESTMENTS**

Financial assets at fair value through profit or loss

| | | | |
|---|---|---|---|
| Livestock | 5.1 | 6,947 | 50,000 |

5.1 Financial assets at 'fair value through profit or loss' - Livestock fund

| Particulars | Kgs | | | | Carrying value as at September 30, 2023 | Market value as at September 30, 2023 | Unrealised appreciation on re-measurement of investments | Market value as a percentage of net assets | Market value as a percentage of total investments |
|---|---|---|---|---|---|---|---|---|---|
| | As At July 01, 2023 | Purchases during the period | Sales during the period | As at September 30, 2023 | | | | | |
| | | | | | Rupees in '000 | | | | |
| Livestock | 100,603 | 14,828 | 100,603 | 14,828 | 7,355 | 6,947 | (408) | 8% | 100% |
| **Total - as at September 30, 2023** | 100,603 | 14,828 | 100,603 | 14,828 | 7,355 | 6,947 | (408) | 8% | 100% |
| **Total - as at June 30, 2023** | - | 139,332 | 50,838 | 100,603 | 33,929 | 50,000 | 16,071 | 36% | 100% |

| | Note | September 30, 2023 (Unaudited) | June 30, 2023 (Audited) |
|---|---|---|---|
| | | ------- (Rupees in '000) ------- | |
| **6 PAYABLE TO THE MANAGEMENT COMPANY** | | | |
| Remuneration payable to Management Company | 6.1 | 917 | 562 |
| Sindh Sales Tax payable on Management | 6.2 | 119 | 73 |
| | | 1,036 | 635 |

6.1 As per the amendment 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. The maximum limit disclosed in the Offering Document (OD) is 3% per annum of average annual net assets.

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

6.3 Under the regulation 62 of the NBFC Regulations, an Asset Management Company managing a collective investment scheme, shall pay SECP an annual fee of 0.02% of the average annual net assets. During the year, Management Company has charged the fee accordingly. The fee is payable monthly in arrears.

| **7 OTHER LIABILITIES** | September 30, 2023 (Unaudited) | June 30, 2023 (Audited) |
|---|---|---|
| | ------- (Rupees in '000) ------- | |
| Audit fee payable | 428 | 356 |
| Shariah advisory fee payable | 71 | 56 |
| Other charges of trustee | 111 | 111 |
| Other payable | 465 | 119 |
| Payable to SGS - testing and inspection | 299 | 87 |
| Formation cost payable to AMC | - | 1,353 |
| | 1,374 | 2,082 |

## 8 CONTINGENCIES AND COMMITMENTS

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

## 9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 10 EARNINGS PER UNIT

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

## 11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Digital Custodian Company 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 Rules, Regulations and the Trust Deed, respectively.

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

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

| 11.1 Transactions during the year | September 30 2023 Rupees in '000 (Unaudited) |
|---|---|
| **HBL Asset Management Limited - Management Company** | |
| Remuneration of the Management Company | 355 |
| Sindh Sales Tax on remuneration of the | 46 |
| **DCCL - Trustee** | |
| Remuneration of the Trustee | 88 |
| Sindh Sales Tax on remuneration of the Trustee | 11 |
| **Habib Bank Limited - Sponsor** | |
| Profit on Bank Deposits | 1 |

| 11.2 Balance outstanding as at the year end | September 30 2023 (Unaudited) | June 30, 2023 (Audited) |
|---|---|---|
| | --------(Rupees in '000)-------- | |
| **HBL Asset Management Limited - Management Company** | | |
| Remuneration payable to the Management Company | 917 | 562 |
| Sindh Sales Tax payable on Management Company's remuneration | 119 | 73 |
| Formation cost payable | - | 1,353 |
| **DCCL** | | |
| Trustee fee payable | 229 | 141 |
| Sindh Sales Tax on remuneration of the Trustee | 30 | 18 |
| Other Charges Payable | - | 111 |
| **Habib Bank Limited - Sponsor** | | |
| Bank balances | 221 | 128 |
| Profit receivable | - | 1 |
| **Ivan N Johns - Directors & Executive** | | |
| Units held: 1,000 units | 1,029 | 1,000 |

## 12 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

- 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.

| Particulars | | September 30, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | Fair value | | | |
| | | Fair value through profit or loss | Amortized cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | Note | ----------Rupees in '000---------- | | | | | | |
| **On-balance sheet financial instruments** | | | | | | | | |
| **Financial assets measured at fair value** | 5.1 | | | | | | | |
| Livestock contract | | 6,947 | - | 6,947 | - | 6,947 | - | 6,947 |
| | | 6,947 | - | 6,947 | - | 6,947 | - | 6,947 |

| Particulars | | June 30, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Carrying amount | | | Fair value | | | |
| | | Fair value through profit or loss | Amortized cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | Note | ----------Rupees in '000---------- | | | | | | |
| **On-balance sheet financial instruments** | | | | | | | | |
| **Financial assets measured at fair value** | 5.1 | | | | | | | |
| Livestock contract | | 50,000 | - | 50,000 | - | 50,000 | - | 50,000 |
| | | 50,000 | - | 50,000 | - | 50,000 | - | 50,000 |

## 13 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the period ended September 30, 2023 is -24.84% which includes 0.0057% representing government levy and SECP fee.

## 14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 27, 2023 by the Board of Directors of the Management Company.

## 15 GENERAL

15.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

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

| Chief Financial Officer | Chief Executive Officer | Director |
|---|---|---|

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SECP

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HBL ASSET MANAGEMENT LTD.

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