

HBL

ASSET MANAGEMENT LTD.

ایسٹیت میجمنٹ لمیٹڈ

AMC Rating : AM1 by VIS

QUARTERLY REPORT 2024

For the period ended September 30, 2024

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of October 24, 2024)

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

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

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 Savings Fund, HBL Islamic Fixed Tern Fund and HBL LiveStock Fund (the Funds) for the period ended September 30, 2024.

ECONOMIC REVIEW AND OUTLOOK

Continuing from the previous year, Pakistan's macroeconomic outlook marked significant improvements during the first quarter of the current fiscal year. Pakistan's external account position improved further with improvements in current account balance due to healthy growth in remittances, along with receipt of first tranche of the new 37-month USD7 billion Extended Fund Facility by the IMF that led to increase in Pakistan's foreign exchange reserves and appreciation of domestic currency. Pakistan's credit rating was also upgraded by Fitch and Moody's after financing assurances from friendly countries and staff-level agreement with the IMF. Persistent disinflation where monthly reading came down to single-digit, led to further reduction in interest rates during the quarter.

Current account balance posted a small deficit of USD98 million during the quarter under review with last two months posting a combined surplus of USD148 million. Current account deficit during the same quarter of the previous year was USD1.2 billion. Remittances from overseas Pakistanis contributed mostly to this progression, registering a growth of 38.8%. Foreign exchange reserves of the country increased to USD15.4 billion from USD14 billion at the end of the FY24. Domestic currency also showed strength with an appreciation of 0.2% during the quarter under review.

Headline inflation, continued on a downward trajectory during the quarter and entered single-digit with September 2024 outturn of 6.9% compared to 12.6% on June 2024. Apart from high base effect from the previous year, slowdown in food and decline in energy prices are the key cause of this disinflation. Core Non-Food-Non-Energy inflation also came down to 10.5% in September 2024 from 14.2% in June 2024. The Monetary Policy Committee (MPC) of the central bank (SBP) started reducing interest rates from June 2024 and reduced the policy rate further to 17.5% compared to 20.5% at the end of June 2024.

Pakistan economy has entered the phase of gradual recovery where the real GDP growth is estimated at around 3% for the ongoing fiscal year compared to 2.5% of the previous year. Declining inflation, reduction in interest rates, and stable external account position, are expected to help achieving this growth target. However, performance of agriculture sector remains a concern where Large Scale Manufacturing Index for the first two months of the ongoing fiscal year has also declined by 0.2%. With average inflation for the year expected in single-digit, further cuts in interest are expected in the coming MPC meetings. The new program with the IMF and support from friendly countries in the shape of roll-overs of debt and new investments, could lead to support from other bilateral and multilateral partners, which may lead to further upgrade in the country's credit rating. However, implementation of the much-needed structural reforms are crucial for achieving a long-term all-inclusive growth. With declining interest rates, fiscal account is also expected to post a healthy recovery with declining cost of debt servicing. Overall outlook of Pakistan's macroeconomy is positive with risks emanating from external factors including increase in international commodities prices amid middle eastern conflict. On the domestic side, political instability and delays in implementation of the long-pending structural reforms are the key risks to persistent economic recovery.

STOCK MARKET REVIEW

Pakistan equities market remained range bound during majority of the quarter under review with thin turnover. Despite improving macroeconomic outlook, political uncertainties, delays in approval of the new EFF by the IMF, and expected foreign selling after the FTSE rebalancing, led investors to remain on sidelines. However, towards the end of the quarter under review, renewed optimism and investor confidence was seen in the market with the approval of the IMF EFF and rating upgrade of the country. However, early termination of contracts with old power producers led to pressure in Hub Power, one of the heavy weights in the KMI30 Index. The benchmark for Shariah compliant stocks KMI30 Index lost 1,673 points, -1.3% to close the quarter at 124,751 level.

Overall activity during the quarter under review remained thin with a decline in KMI-All-Share Index average daily volume and value traded to 234.9 million shares and PKR12.4 billion, respectively compared to 280.8 million shares and PKR14.8 billion, respectively of the previous quarter, registering a decline of 16.4% and 16.3%, respectively on quarter-on-quarter basis. On a yearly comparison however, turnover improved by 26.3% and 71.4%, respectively. Foreign investors sold equities worth USD21.7 million during the quarter while on the domestic side, individuals, mutual funds, and banks were major buyers in the market.

Top positive contributing sectors to the KMI30 Index were Oil & Gas E&P, Fertilizer, and Technology with contributions of 3,049, 1,235, and 225 points, respectively. Whereas top negative contributing sectors to the KMI30 Index were Power, Automobile Assemblers, and Banks with contributions of -3,988, -817, and -412 points, respectively.

Although a healthy performance of Pakistan's equities market is witnessed in the recent past, taking it along the best performing markets of the World, the performance is expected to continue in the medium to long-term as the country marches on the path of gradual economic recovery. A manageable external account with the support of IMF and bilateral and multilateral partners would also lead to further improvement in credit rating of the country. Declining inflation and interest rates, and improving corporate profitability are likely to fetch more liquidity towards the equities market of the country. Attractive valuations where the market still offers dividend yields of up to 15% along with a PER of around 4.0x, makes Pakistan's equities market an enticing case of handsome returns in the medium to long term.

MONEY MARKET REVIEW

As the MPC of the central bank initiated monetary easing with a cumulative reduction of 450 basis point since June 2024, secondary market yields on 3-month, 6-month, 1-year, 3-year, 5-year, and 10-year, government securities, in anticipation of more cuts to come, have further declined by 4.5%, 5.3%, 5.2%, 4.2%, 3.2%, and 2%, respectively to 15.5%, 14.6%, 13.5%, 12.3%, 12.2%, and 12.1%, respectively, against a policy rate of 17.5%.

In the last auction of Ijara Sukuk held on September 16th, 2024, rental rates of fixed rate instruments with tenures of 3-year, and 5-year, declined to 13.9%, and 13.9%, respectively from 15.8%, and 15.1%, respectively in June 2024.

Despite decline in interest rates, real interest rates have remained significantly positive on both spot and forward-looking basis due to sharp decline in inflation. Further cuts in policy rate are expected leading to further decline in money market yields going forward.

FUND'S PERFORMANCE AND PAYOUTS

HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 2.94 billion and Rs. 2.77 billion respectively during the period ended September 30, 2024. The Net Asset Value (NAV) of the Fund was Rs. 105.6758 per unit as on September 30, 2024 as compared to Rs. 101.3535 per unit as on June 30, 2024, thereby giving an annualized return of 17.85%. During the period the benchmark return (3 Month bank deposit rates) was 10.65%. The size of Fund was Rs. 57.74 billion as on September 30, 2024 as compared to Rs. 65.10 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. 880.97 million and Rs. 797.76 million respectively during the period ended September 30, 2024. The Net Asset Value (NAV) of the Fund was Rs. 108.4136 per unit as on September 30, 2024 as compared to Rs. 103.7234 per unit as on June 30, 2024, thereby giving an annualized return of 17.94%. During the same period the benchmark return (6 Month bank deposit rates) was 10.82%. The size of Fund was Rs. 19.27 billion as on September 30, 2024 as compared to Rs. 14.90 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. 3.61 million and Rs. 1.65 million respectively during the period ended September 30, 2024. The Net Asset Value (NAV) of the Fund was Rs. 135.0561 per unit as on September 30, 2024 as compared to Rs. 133.6610 per unit as on June 30, 2024, thereby giving a return of 1.04% during the period, against the benchmark return (KMI 30 Index) of negative 1.32%. The size of Fund was Rs. 0.15 billion as on June 30, 2024 as compared to Rs. 0.14 billion at the start of the year.

HBL Islamic Equity Fund

The total and net loss of the Fund was Rs. 0.57 million and Rs. 2.92 million respectively during the period ended September 30, 2024. The Net Asset Value (NAV) of the Fund was Rs. 110.3530 per unit as on September 30, 2024 as compared to Rs. 111.4243 per unit as on June 30, 2024, thereby giving a negative return of 0.96% during the period, against the benchmark return (KMI 30 Index) of negative 1.32%. The size of Fund was Rs. 0.13 billion as on September 30, 2024 as compared to Rs. 0.13 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. 83.43 million and Rs. 78.58 million respectively during the period ended June 30, 2024. The Net Asset Value (NAV) of the HBL-IAAF increased from Rs. 171.1578 per unit as on June 30, 2024 to Rs. 174.7011 per unit as on September 30, 2024, thereby giving a return of 2.07% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of negative 1.03%. The Net Asset Value (NAV) of the HBL-IAAF Plan-I was Rs. 107.2673 per unit as on September 30, 2024 as compared to Rs. 102.2464 per unit as on June 30, 2024, thereby giving a return of 4.91% during the period against the benchmark return of 1.86%. The Net Asset Value (NAV) of the HBL-IAAF Plan-II was Rs. 106.3963 as on September 30, 2024 as compared to Rs. 100.5438 as on June 30, 2024, thereby giving a return of 4.95% while the benchmark return during the period was 1.86%. The collective size of Fund was Rs. 1.27 billion as on September 30, 2024 as compared to Rs. 1.93 billion at the start of the year.

HBL Islamic Savings Fund

The total and net income of the Fund was Rs. 260.38 million and Rs. 233.02 million respectively during the period ended September 30, 2024. The Net Asset Value (NAV) of the Fund was Rs. 104.5761 per unit as on September 30, 2024 as compared to Rs. 100.1648 as on June 30, 2024, thereby giving a return of 17.47% during the period, against the benchmark return (KMI 30 Index) of 10.80%. The size of Fund was Rs. 5.38 billion as on September 30, 2024 as compared to Rs. 5.25 billion as at start of the year.

HBL Islamic Fixed Term Fund

The total and net income of the Fund was Rs. 80.73 million and Rs. 77.29 million respectively during the period ended September 30, 2024. The Net Asset Value (NAV) of the Fund was Rs. 105.1035 per unit as on September 30, 2024 as compared to Rs. 100.4517 per unit as on June 30, 2024, thereby giving a return of 18.37% during the period, against the benchmark return (KMI 30 Index) of 17.55%. The size of Fund was Rs. 1.75 billion as on September 30, 2024 as compared to Rs. 1.67 billion as at start of the year.

HBL LiveStock Fund

During the period under review, the Fund earned a total and net income of Rs. 223.17 million and Rs. 64.04 million respectively. The Net Asset Value (NAV) of the Fund was 1,042.6975 as at September 30, 2024. The size of the Fund was Rs. 1.56 billion as on September 30, 2024.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited (VIS) has reaffirmed the management quality rating of 'AM-I' (AM-One) to the Management Company 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 کو 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 سیونگز کے مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے پر خوشی ہے۔ فنڈ، ایچ بی ایل اسلامک فکسڈ ٹرن فنڈ اور ایچ بی ایل لائیو اسٹاک فنڈ (فنڈز) 30 ستمبر 2024 کو ختم ہونے والی مدت کے لیے۔

اقتصادی جائزہ اور آؤٹ لک

پچھلے سال سے جاری، پاکستان کے میکرو اکنامک آؤٹ لک میں رواں مالی سال کی پہلی سہ ماہی کے دوران نمایاں بہتری دیکھنے میں آئی۔ ترسیلات زر میں صحت مند نمو کے باعث کرنٹ اکاؤنٹ بیلنس میں بہتری کے ساتھ پاکستان کے بیرونی کھاتوں کی پوزیشن میں مزید بہتری آئی، آئی ایم ایف کی جانب سے 37 ماہ کی نئی 7 ارب امریکی ڈالر کی توسیعی فنڈ سہولت کی پہلی قسط کی وصولی جس کی وجہ سے پاکستان کے زرمبادلہ کے ذخائر میں اضافہ ہوا اور اس کی قدر میں اضافہ ہوا۔ گھریلو کرنسی کے دوست ممالک کی مالیاتی یقین دہانیوں اور آئی ایم ایف کے ساتھ عملے کی سطح کے معاہدے کے بعد فچ اور موڈیز نے پاکستان کی کریڈٹ ریٹنگ کو بھی اپ گریڈ کیا۔ مسلسل ڈس انفلیشن جہاں ماہانہ ریڈنگ سنگل ڈیجٹ پر آگئی، سہ ماہی کے دوران شرح سود میں مزید کمی کا باعث بنی۔

کرنٹ اکاؤنٹ بیلنس نے زیر جائزہ سہ ماہی کے دوران USD98 ملین کا ایک چھوٹا سا خسارہ پوسٹ کیا اور پچھلے دو ماہ میں USD148 ملین کا مشترکہ سرپلس پوسٹ کیا۔ پچھلے سال کی اسی سہ ماہی کے دوران کرنٹ اکاؤنٹ خسارہ USD1.2 بلین تھا۔ بیرون ملک مقیم پاکستانیوں کی طرف سے ترسیلات زر نے اس پیش رفت میں زیادہ تر حصہ ڈالا، جس میں 38.8 فیصد اضافہ ہوا۔ ملک کے زرمبادلہ کے ذخائر مالی سال 24 کے اختتام پر USD14 بلین سے بڑھ کر USD15.4 بلین ہو گئے۔ زیر نظر سہ ماہی کے دوران ملکی کرنسی نے بھی 0.2% کی تعریف کے ساتھ مضبوطی دکھائی۔

ہیڈ لائن افراط زر، سہ ماہی کے دوران نیچے کی طرف جاری رہا اور جون 2024 کے 12.6 فیصد کے مقابلے میں ستمبر 2024 میں 6.9 فیصد کی پیداوار کے ساتھ سنگل ہندسہ میں داخل ہوا۔ پچھلے سال سے زیادہ بنیادی اثر کے علاوہ، خوراک میں سست روی اور توانائی کی قیمتوں میں کمی اس ڈس انفلیشن کی اہم وجہ۔ بنیادی نان فوڈ نان انرجی افراط زر بھی ستمبر 2024 میں 10.5 فیصد پر آگیا جو جون 2024 میں 14.2 فیصد تھا۔ مرکزی بینک (SBP) کی مانیٹری پالیسی کمیٹی (MPC) نے جون 2024 سے شرح سود کو کم کرنا شروع کیا اور پالیسی کو کم کر دیا۔ جون 2024 کے آخر میں 20.5 فیصد کے مقابلے میں شرح مزید 17.5 فیصد ہو گئی۔

پاکستان کی معیشت بتدریج بحالی کے مرحلے میں داخل ہو چکی ہے جہاں حقیقی جی ڈی پی نمو کا تخمینہ جاری مالی سال کے لیے لگ بھگ 3 فیصد لگایا گیا ہے جو پچھلے سال کے 2.5 فیصد تھا۔ گرتی ہوئی افراط زر، شرح سود میں کمی اور بیرونی کھاتوں کی مستحکم پوزیشن سے توقع کی جاتی ہے کہ ترقی کے اس ہدف کو حاصل کرنے میں مدد ملے گی۔ تاہم، زرعی شعبے کی کارکردگی تشویشناک ہے جہاں جاری مالی سال کے پہلے دو ماہ کے لیے بڑے پیمانے پر مینوفیکچرنگ انڈیکس میں بھی 0.2 فیصد کی کمی واقع ہوئی ہے۔ سنگل ہندسے میں متوقع سال کے لیے اوسط افراط زر کے ساتھ، آنے والی MPC میٹنگز میں سود میں مزید کمی متوقع ہے۔ آئی ایم ایف کے ساتھ نیا پروگرام اور قرضوں کے رول اوور اور نئی سرمایہ کاری کی شکل میں دوست ممالک کی حمایت، دوسرے دوطرفہ اور کثیر جہتی شراکت داروں کی حمایت کا باعث بن سکتی ہے، جو ملک کی کریڈٹ ریٹنگ میں مزید اپ گریڈ کا باعث بن سکتی ہے۔ تاہم، طویل مدتی ہمہ گیر ترقی کے حصول کے لیے انتہائی ضروری ساختی اصلاحات کا نفاذ بہت ضروری ہے۔ شرح سود میں کمی کے ساتھ، مالیاتی اکاؤنٹ سے قرض کی خدمت کی لاگت میں کمی کے ساتھ صحت مند بحالی کی بھی توقع ہے۔ پاکستان کی میکرو اکانومی کا مجموعی آؤٹ لک مثبت ہے جس میں مشرق وسطیٰ کے تنازعات کے دوران بین الاقوامی اشیاء کی قیمتوں میں اضافہ سمیت بیرونی عوامل سے پیدا ہونے والے خطرات شامل ہیں۔ ملکی سطح پر سیاسی عدم استحکام اور طویل عرصے سے زیر التوا ڈھانچہ جاتی اصلاحات کے نفاذ میں تاخیر معاشی بحالی کے لیے اہم خطرات ہیں۔

اسٹاک مارکیٹ کا جائزہ

پاکستان کی ایکویٹی مارکیٹ کم ٹرن اوور کے ساتھ زیر جائزہ سہ ماہی کی اکثریت کے دوران حد تک محدود رہی۔ میکرو اکنامک آؤٹ لک میں بہتری کے باوجود، سیاسی غیر یقینی صورتحال، IMF کی جانب سے نئے EFF کی منظوری میں تاخیر، اور FTSE کے دوبارہ توازن کے بعد متوقع غیر ملکی فروخت نے سرمایہ کاروں کو سائیڈ لائن پر رہنے کا باعث بنا۔ تاہم، زیر جائزہ سہ ماہی کے اختتام کی طرف، IMF EFF کی منظوری اور ملک کی ریٹنگ اپ گریڈ کے ساتھ مارکیٹ میں نئی امید اور سرمایہ کاروں کا اعتماد دیکھا گیا۔ تاہم، پرانے پاور پروڈیوسرز کے ساتھ معاہدوں کے جلد ختم ہونے

سے حب پاور پر دباؤ بڑھ گیا، جو KMI30 انڈیکس میں بھاری وزن میں سے ایک ہے۔ شریعہ کمپلائنٹ اسٹاکس کے ایم آئی 30 انڈیکس کا بینچ مارک 1,673 پوائنٹس، 1.3 فیصد کی کمی سے سہ ماہی 124,751 کی سطح پر بند ہوا۔

زیر جائزہ سہ ماہی کے دوران مجموعی سرگرمی KMI-All-Share Index کے اوسط یومیہ حجم اور قیمت میں بالترتیب 280.8 ملین حصص اور PKR14.8 بلین کے مقابلے میں بالترتیب 234.9 ملین شیئرز اور PKR12.4 بلین کی تجارت کے ساتھ کم رہی۔ پچھلی سہ ماہی میں، سہ ماہی کی بنیاد پر بالترتیب 16.4% اور 16.3% کی کمی درج کی گئی۔ تاہم، سالانہ مقابلے پر، کاروبار میں بالترتیب 26.3% اور 71.4% بہتری آئی۔ غیر ملکی سرمایہ کاروں نے سہ ماہی کے دوران USD21.7 ملین مالیت کی ایکوئیٹی فروخت کیں جب کہ ملکی سطح پر افراد، میوچل فنڈز اور بینک مارکیٹ میں بڑے خریدار تھے۔

KMI30 انڈیکس میں سرفہرست مثبت تعاون کرنے والے شعبے بالترتیب 3,049، 1,235، اور 225 پوائنٹس کے ساتھ آئل اینڈ گیس E&P، فرٹیلایزر اور ٹیکنالوجی تھے۔ جبکہ KMI30 انڈیکس میں سب سے زیادہ منفی تعاون کرنے والے شعبے پاور، آٹوموبائل اسمبلرز اور بینک تھے جن میں بالترتیب 3,988، 817، اور 412 پوائنٹس کی شراکت تھی۔

اگرچہ ماضی قریب میں پاکستان کی ایکوٹ مارکیٹ کی صحت مند کارکردگی دیکھنے میں آئی ہے، اسے دنیا کی بہترین کارکردگی کا مظاہرہ کرنے والی مارکیٹوں کے ساتھ لے جانے کے باوجود، توقع ہے کہ یہ کارکردگی درمیانی سے طویل مدت تک جاری رہے گی کیونکہ ملک بتدریج معاشی بحالی کی راہ پر گامزن ہے۔ آئی ایم ایف اور دوطرفہ اور کثیر جہتی شراکت داروں کے تعاون سے قابل انتظام بیرونی کھاتہ بھی ملک کی کریڈٹ ریٹنگ میں مزید بہتری کا باعث بنے گا۔ گرتی ہوئی افراط زر اور شرح سود، اور کارپوریٹ منافع میں بہتری سے ملک کی ایکویٹی مارکیٹ کی طرف مزید لیکویڈیٹی حاصل کرنے کا امکان ہے۔ پرکشش قیمتیں جہاں مارکیٹ اب بھی تقریباً 4.0x PER کے ساتھ 15% تک ڈیویڈنڈ کی پیداوار پیش کرتی ہے، پاکستان کی ایکویٹی مارکیٹ کو درمیانی سے طویل مدت میں شاندار منافع کا ایک پرکشش کیس بناتی ہے۔

منی مارکیٹ کا جائزہ

جیسا کہ مرکزی بینک کے MPC نے جون 2024 سے 450 بیسس پوائنٹ کی مجموعی کمی کے ساتھ مانیٹری نرمی کا آغاز کیا، سیکنڈری مارکیٹ کی پیداوار 3-ماہ، 6-ماہ، 1-سال، 3-سال، 5-سال اور 10-سال مزید کٹوتیوں کی توقع میں، سرکاری سیکورٹیز میں بالترتیب 4.5%، 5.3%، 5.2%، 4.2%، 3.2%، اور 2% کی مزید کمی واقع ہوئی ہے، بالترتیب 15.5%، 14.6%، 13.5%، 12.3%، 12.2%، اور 12.1%، بالترتیب، 17.5% کی پالیسی کی شرح کے خلاف۔

اجارا سکوک کی 16 ستمبر 2024 کو ہونے والی آخری نیلامی میں، 3 سال اور 5 سال کی مدت والے مقررہ ریٹ والے آلات کے کرایے کی شرحیں بالترتیب 15.8% اور 15.1% سے کم ہو کر 13.9% اور 13.9% ہو گئیں، بالترتیب جون 2024 میں۔

شرح سود میں کمی کے باوجود، مہنگائی میں تیزی سے کمی کی وجہ سے حقیقی سود کی شرحیں جگہ اور مستقبل دونوں بنیادوں پر نمایاں طور پر مثبت رہی ہیں۔ پالیسی ریٹ میں مزید کٹوتیوں کی توقع ہے جس سے کرنسی مارکیٹ کی پیداوار میں مزید کمی آئے گی۔

فنڈ کی کارکردگی اور ادائیگیاں

ایچ بی ایل اسلامک منی مارکیٹ فنڈ

فنڈ کی کل آمدنی اور خالص آمدنی روپے تھی۔ 2.94 بلین اور روپے 30 ستمبر 2024 کو ختم ہونے والی مدت کے دوران بالترتیب 2.77 بلین روپے۔ فنڈ کی خالص اثاثہ قیمت (NAV) روپے تھی۔ 30 ستمبر 2024 تک فی یونٹ 105.6758 روپے کے مقابلے میں۔ 30 جون 2024 تک 101.3535 روپے فی یونٹ، اس طرح 17.85% کا سالانہ منافع ملتا ہے۔ اس مدت کے دوران بینچ مارک ریٹرن (3 ماہ کے بینک ڈپازٹ کی شرح) 10.65% تھی۔ فنڈ کا حجم روپے تھا۔ 30 ستمبر 2024 تک 57.74 بلین روپے کے مقابلے میں۔ سال کے آغاز میں 65.10 بلین۔

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

فنڈ کی کل آمدنی اور خالص آمدنی روپے تھی۔ 880.97 ملین اور روپے 30 ستمبر 2024 کو ختم ہونے والی مدت کے دوران بالترتیب 797.76 ملین روپے۔ فنڈ کی خالص اثاثہ قیمت (NAV) روپے تھی۔ 30 ستمبر 2024 تک فی یونٹ

108.4136 روپے کے مقابلے میں۔ 30 جون 2024 تک 103.7234 روپے فی یونٹ، اس طرح 17.94% کا سالانہ منافع ملتا ہے۔ اسی مدت کے دوران بینچ مارک ریٹرن (6 ماہ کے بینک ڈپازٹ کی شرح) 10.82% تھی۔ فنڈ کا حجم روپے تھا۔ 30 ستمبر 2024 تک 19.27 بلین روپے کے مقابلے میں۔ سال کے آغاز میں 14.90 بلین۔

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

ایچ بی ایل اسلامک اسٹاک فنڈ

فنڈ کی کل اور خالص آمدنی روپے تھی۔ 3.61 ملین اور روپے 30 ستمبر 2024 کو ختم ہونے والی مدت کے دوران بالترتیب 1.65 ملین۔ فنڈ کی خالص اثاثہ قیمت (NAV) روپے تھی۔ 30 ستمبر 2024 تک فی یونٹ 135.0561 روپے کے مقابلے میں۔ 30 جون 2024 تک 133.6610 روپے فی یونٹ، اس طرح اس مدت کے دوران منفی 1.32 فیصد کے بینچ مارک ریٹرن (KMI 30 انڈیکس) کے مقابلے میں 1.04% کی واپسی۔ فنڈ کا حجم روپے تھا۔ 30 جون 2024 تک 0.15 بلین روپے کے مقابلے میں سال کے آغاز میں 0.14 بلین۔

ایچ بی ایل اسلامک ایکویٹی فنڈ

فنڈ کا کل اور خالص نقصان روپے تھا۔ 0.57 ملین اور روپے 30 ستمبر 2024 کو ختم ہونے والی مدت کے دوران بالترتیب 2.92 ملین۔ فنڈ کی خالص اثاثہ قیمت (NAV) روپے تھی۔ 30 ستمبر 2024 تک فی یونٹ 110.3530 روپے کے مقابلے میں۔ 30 جون 2024 تک 111.4243 روپے فی یونٹ، اس طرح اس مدت کے دوران منفی 1.32% کے بینچ مارک ریٹرن (KMI 30 انڈیکس) کے مقابلے میں 0.96% کا منفی واپسی ہوا۔ فنڈ کا حجم روپے تھا۔ 30 ستمبر 2024 تک 0.13 بلین روپے کے مقابلے میں۔ سال کے آغاز میں 0.13 بلین۔

ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ

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

HBL IAAF پلانز سمیت فنڈ کی کل اور خالص آمدنی روپے تھی۔ 83.43 ملین اور روپے 30 جون 2024 کو ختم ہونے والی مدت کے دوران بالترتیب 78.58 ملین۔ HBL-IAAF کی خالص اثاثہ قیمت (NAV) روپے سے بڑھ گئی۔ 30 جون 2024 تک 171.1578 فی یونٹ سے روپے۔ 30 ستمبر 2024 تک فی یونٹ 174.7011، اس طرح بینچ مارک ریٹرن (KMI 30) انڈیکس کا وزنی اوسط یومیہ ریٹرن اور A ریٹڈ یا اس سے اوپر بینکوں کی 6 ماہ کی ڈپازٹ کی شرح) منفی 1.03% کے مقابلے میں مدت کے دوران 2.07% کا منافع دیتا ہے۔ HBL-IAAF پلان-I کی خالص اثاثہ قیمت (NAV) روپے تھی۔ 30 ستمبر 2024 تک فی یونٹ 107.2673 روپے کے مقابلے میں۔ 30 جون 2024 تک 102.2464 روپے فی یونٹ، اس طرح اس مدت کے دوران 1.86% کے بینچ مارک ریٹرن کے مقابلے میں 4.91% کی واپسی ہوئی۔ HBL-IAAF پلان-II کی خالص اثاثہ قیمت (NAV) روپے تھی۔ 30 ستمبر 2024 کو 106.3963 روپے کے مقابلے میں 30 جون 2024 تک 100.5438، اس طرح 4.95% کی واپسی ہوئی جبکہ اس مدت کے دوران بینچ مارک ریٹرن 1.86% تھا۔ فنڈ کا اجتماعی سائز روپے تھا۔ 30 ستمبر 2024 تک 1.27 بلین روپے کے مقابلے میں۔ سال کے آغاز میں 1.93 بلین۔

ایچ بی ایل اسلامک سیونگز فنڈ

فنڈ کی کل اور خالص آمدنی روپے تھی۔ 260.38 ملین اور روپے 30 ستمبر 2024 کو ختم ہونے والی مدت کے دوران بالترتیب 233.02 ملین روپے۔ فنڈ کی خالص اثاثہ قیمت (NAV) روپے تھی۔ 30 ستمبر 2024 تک فی یونٹ 104.5761 روپے کے مقابلے میں۔ 30 جون 2024 تک 100.1648، اس طرح اس مدت کے دوران 17.47% کی واپسی، 10.80% کے بینچ مارک ریٹرن (KMI 30) انڈیکس کے مقابلے میں۔ فنڈ کا حجم روپے تھا۔ 30 ستمبر 2024 تک 5.38 بلین روپے کے مقابلے میں۔ سال کے آغاز میں 5.25 بلین۔

ایچ بی ایل اسلامک فکسڈ ٹرم فنڈ

فنڈ کی کل اور خالص آمدنی روپے تھی۔ 80.73 ملین اور روپے 30 ستمبر 2024 کو ختم ہونے والی مدت کے دوران بالترتیب 77.29 ملین۔ فنڈ کی خالص اثاثہ قیمت (NAV) روپے تھی۔ 30 ستمبر 2024 تک فی یونٹ 105.1035 روپے کے مقابلے میں۔ 30 جون 2024 تک 100.4517 فی یونٹ، اس طرح اس مدت کے دوران 17.55 فیصد کے بینچ مارک ریٹرن (KMI 30) انڈیکس کے مقابلے میں 18.37 فیصد کا ریٹرن دیا۔ فنڈ کا حجم روپے تھا۔ 30 ستمبر 2024 تک 1.75 بلین روپے کے مقابلے میں۔ سال کے آغاز میں 1.67 بلین۔

ایچ بی ایل لائیو اسٹاک فنڈ

زیر جائزہ مدت کے دوران، فنڈ نے کل اور خالص آمدنی Rs. 223.17 ملین اور روپے بالترتیب 64.04 ملین۔ 30 ستمبر 2024 کو فنڈ کی خالص اثاثہ قیمت (NAV) 1,042.6975 تھی۔ فنڈ کا سائز روپے تھا۔ 30 ستمبر 2024 تک 1.56 بلین۔

مینجمنٹ کمپنی کی درجہ بندی

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے مینجمنٹ کمپنی کو (AM-I) (AM-One) کے انتظامی معیار کی درجہ بندی کی دوبارہ تصدیق کی ہے اور تفویض کردہ درجہ بندی پر آؤٹ لک کا اندازہ 'مستحکم' پر کیا گیا ہے۔

اعتراف

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

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

بورڈ آف کی جانب سے
HBL Asset Management Limited

چیف ایگزیکٹو آفیسر

HBL

Islamic Money Market Fund

FUND INFORMATION

Name of Fund	HBL Islamic Money Market Fund
Name of Auditor	AFF Ferguson & 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 Askari Bank Limited Habib Metropolitan Bank Limited Bank Al Habib Limited Allied Bank Limited Faysal Bank Limited Bank Alfalah Limited Meezan Bank Limited National Bank Limited United Bank Limited MCB Bank limited Dubai Islamic Bank Soneri Bank limited
Fund Rating	AA+(f) (JCR-VIS)

HBL Islamic Money Market Fund

Condensed Interim Statement of Assets and Liabilities

As at September 30, 2024

	Note	September 30, 2024 (Un-Audited) (Rupees in '000)	June 30, 2024 (Audited)
Assets			
Bank balances	4	26,416,757	48,680,062
Investments	5	30,851,383	16,581,636
Accrued mark-up		1,052,450	219,655
Advances, deposits and prepayment		37,903	37,851
Total assets		58,358,493	65,519,204
Liabilities			
Payable to Management Company	6	56,486	65,275
Payable to Trustee	7	2,986	3,497
Payable to Securities and Exchange Commission of Pakistan	8	3,547	4,199
Advance against Issuance of units		-	1,901
Accrued expenses and other liabilities	9	553,792	342,279
Total liabilities		616,811	417,151
Net assets		57,741,682	65,102,053
Unit holders' fund (as per statement attached)		57,741,682	65,102,053
Contingencies and commitments	10		
(Number of units)			
Number of units in issue		546,404,071	642,326,837
(Rupees)			
Net assets value per unit		105.6758	101.3535

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, 2024

	Note	Three months ended September 30,	
		2024	2023
		----- (Rupees in '000) -----	
Income			
Mark-up on deposits with banks		777,349	896,556
Mark-up on investments		2,057,162	2,134,846
Net realised (loss) / gain on sale of investment		(5,072)	(185)
Net Unrealised appreciation on remeasurement of investments classified as 'financial asset at fair value through profit or loss'		115,515	-
		2,944,954	3,031,217
Expenses			
Remuneration of Management Company		154,687	105,347
Remuneration of Trustee		10,068	8,885
Annual fee to the Securities and Exchange Commission of Pakistan		11,939	10,693
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	15,421
Selling and Marketing expenses		-	15,421
Auditors' remuneration		86	91
Fee and Subscription		126	133
Settlement and bank charges		516	1,014
		177,422	157,005
Net income from operating activities		2,767,532	2,874,212
Taxation	12.	-	-
Net income for the period after taxation		2,767,532	2,874,212
Allocation of net income for the period:			
Income already paid on redemption of units		285,020	-
Accounting income available for distribution:			
-Relating to capital gains		110,443	-
-Excluding capital gains		2,372,069	2,874,212
		2,482,512	2,874,212
Other comprehensive income		-	-
Total comprehensive income for the period		2,482,512	2,874,212

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, 2024

	2024			2023		
	Capital Value	Undistribut ed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the Period	64,966,613	135,440	65,102,053	44,418,371	114,369	44,532,740
Issuance of units 374,866,890 units (2023: 526,412,483 units)						
- Capital value (at net asset value per unit at the beginning)	37,926,933	-	37,926,933	53,259,469	-	53,259,469
- Element of income	938,168	-	938,168	-	-	-
Total proceeds on issuance of units	38,865,101	-	38,865,101	53,259,469	-	53,259,469
Redemption of 470,789,656 units (2023: 396,952,198 units)						
- Capital value (at net asset value per unit at the beginning)	(47,631,861)	-	(47,631,861)	(40,161,398)	-	(40,161,398)
- Amount paid out of element of income	(952,378)		(952,378)			
Relating to net income for the Period after taxation	-	(285,020)	(285,020)	-	-	-
Total payments on redemption of units	(48,584,239)	(285,020)	(48,869,259)	(40,161,398)	-	(40,161,398)
Total comprehensive income for the Period	-	2,767,532	2,767,532	-	2,874,212	2,874,212
Refund of Capital	-	-	-	-	-	-
Distribution during the Period	-	(123,745)	(123,745)	-	(2,872,285)	(2,872,285)
Net income for the Period less distribution	-	2,643,787	2,643,787	-	1,927	1,927
Net assets at end of the Period	55,247,475	2,494,207	57,741,682	57,516,442	116,296	57,632,738
Undistributed income brought forward						
- Realised		135,440			114,369	
- Unrealised		-			-	
		135,440			114,369	
Accounting income available for distribution						
- Relating to capital gains		110,443			-	
- Excluding capital gains		2,372,069			2,874,212	
		2,482,512			2,874,212	
Distribution during the Period		(123,745)			(2,872,285)	
Undistributed income carried forward		2,494,207			116,296	
Undistributed income carried forward						
- Realised		2,378,692			116,296	
- Unrealised		115,515			-	
		2,494,207			116,296	
					(Rupees)	
Net assets value per unit at beginning of the Period			101.3535			101.3883
Net assets value per unit at end of the Period			105.6758			101.3430

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, 2024

	Three months ended September 30,	
	2024	2023
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	2,767,532	2,874,212
	2,767,532	2,874,212
(Increase) / decrease in assets		
Investments	(14,269,747)	(4,286,030)
Accrued profit	(832,795)	(148,494)
Advances, deposits and prepayment	(52)	63
	(15,102,594)	(4,434,461)
Increase / (decrease) in liabilities		
Payable to Management Company	(8,789)	21,442
Payable to Trustee	(511)	997
Payable to Securities and Exchange Commission of Pakistan	(652)	(3,729)
Advance against Issuance of units	(1,901)	
Accrued expenses and other liabilities	211,513	(700,099)
	199,660	(681,389)
Net cash used in operating activities	(12,135,402)	(2,241,638)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	38,865,101	53,259,469
Payment against redemption of units	(48,869,259)	(40,161,398)
Cash dividend paid	(123,745)	(2,872,285)
Net cash (used in) / generated from financing activities	(10,127,903)	10,225,786
Net (decrease) / increase in cash and cash equivalents	(22,263,305)	7,984,148
Cash and cash equivalents at beginning of the period	48,680,062	40,290,208
Cash and cash equivalents at end of the period	26,416,757	48,274,356

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

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

For the three months ended September 30, 2024

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 fund has been categorised as a Shariah Compliant Money Market fund as per the criteria laid down by SECP for categorisation of open-end Collective Investment Scheme (CISs).

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 has reaffirmed a management quality rating to 'AM1' (Stable outlook) of the Management Company on December 29, 2023 (2023: AM1 dated on December 30, 2022).

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, 2024.

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, 2024.

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, 2024.

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, 2024."

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, 2024. 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, 2024.

4. BANK BALANCES	Note	(Un-Audited) September 30, 2024	(Audited) June 30, 2024
		(Rupees in '000)	
Balances with banks in:			
Savings accounts	4.1	15,011,020	18,587,915
Term Deposit Receipt	4.2	8,200,000	9,971,000
Certificate of Musharakah	4.3	3,205,737	20,121,147
		<u>26,416,757</u>	<u>48,680,062</u>

4.1 This represents bank balances held with different banks. Profit rates on these accounts range between 5.50% and 17.2% per annum (June 30, 2024: between 6.00% and 21.35% per annum).

4.2 This amount consists of TDR placement with Askari Bank Limited Islamic Banking (June 30, 2024: 8,971 million with Askari Bank Limited and 1,000 million with Bank Alfalah Limited - Islamic Banking) which is due to be matured on October 02, 2024 and carries profit rate of 17.80%. (June 30, 2024: 19.60 to 19.80%).

4.3 This amount consists of Certificates of Musharakah placed with Pak Kuwait Investment Company Limited (June 30, 2024: 8,621 million with Pak Kuwait Investment Company, 9,500 million with UBL Bank Limited and 2,000 million with Faysal Bank Limited) which is due to be matured within forty days from the current period end and carries profit at the rate of 16.50% (June 30, 2024: 19.60 to 19.80%).

5	INVESTMENTS		(Un-Audited)	(Audited)				
			September 30, 2024	June 30, 2024				
		Note	(Rupees in '000)					
Investment by category								
Financial assets at amortised cost								
	Bai Muajjal	5.1	18,804,121	7,632,172				
	Sukuk certificates	5.2	1,942,000	2,144,206				
Financial assets at fair value through profit and loss								
	GOP Ijarah Sukuk	5.3	10,105,262	6,805,258				
			30,851,383	16,581,636				
5.1	Bai Muajjal - at amortised cost							
	Maturity Date	Rate of return (%)	As at July 1, 2024	Placements made during the period	Matured during the period	As at Sep 30, 2024	Market value as a percentage of	
							Total investments of fund	Net Assets of fund
				----- (Rupees in '000) -----			----- (%) -----	
	Pak Brunie Investment Co. Ltd	12-Jul-24	21.15%	3,244,478		3,244,478	-	-
	Pak Brunie Investment Co. Ltd	12-Jul-24	21.15%	2,703,732		2,703,732	-	-
	Pak Brunie Investment Co. Ltd	15-Jul-24	21.05%	1,472,464		1,472,464	-	-
	Pak Brunie Investment Co. Ltd	12-Sep-24	18.50%	-	907,388	907,388	-	-
	Pak Brunie Investment Co. Ltd	13-Sep-24	18.50%	-	3,780,257	3,780,257	-	-
	Pak Brunie Investment Co. Ltd	12-Sep-24	18.50%	-	1,532,648	1,532,648	-	-
	Pak Oman Investment Company Limited	13-Sep-24	18.50%	-	3,242,069	3,242,069	-	-
	Saudi Pak Ind & Agri Investment Co. Ltd	20-Sep-24	18.50%	-	1,999,276	1,999,276	-	-
	Pak Oman Investment Company Limited	13-Sep-24	18.50%	-	3,025,120	3,025,120	-	-
	Pak Brunie Investment Co. Ltd	20-Sep-24	18.50%	-	3,251,312	3,251,312	-	-
	Pak Oman Investment Company Limited	5-Nov-24	16.60%	-	3,307,163		3,307,163	10.72
	Pak Brunie Investment Co. Ltd	8-Nov-24	16.65%	-	4,999,329		4,999,329	16.20
	Pak Oman Investment Company Limited	5-Nov-24	16.60%	-	5,001,793		5,001,793	16.21
	PAK Brunei Investment Company Ltd	8-Nov-24	16.60%	-	3,320,703		3,320,703	10.76
	PAK Brunei Investment Company Ltd.	8-Nov-24	16.60%	-	177,104		177,104	0.57
	Saudi Pak Ind & Agr Inv Co Ltd.	5-Nov-24	16.70%	-	1,998,029		1,998,029	6.48
Total Value as at September 30, 2024			7,420,674	36,542,191	25,158,744	18,804,121	60.95	32.57
Bai-Muajjal Value as at June 30, 2024						7,420,674		
5.2	Sukuks certificate - at amortised cost							
	Maturity Date	Rate of return (%)	As at July 1, 2024	Purchased during the period	Matured during the period	Carrying / Market Value as at September 30, 2024	Market value as a percentage of	
							Total investments of fund	Net Assets of fund
				----- (Rupees in '000) -----			----- (%) -----	
	Lucky Electric Power Company Limited	15-Aug-24	21.58%	972,000	-	972,000	-	-
	Pakistan Telecommunication Company Ltd	18-Jul-24	20.88%	1,000,000	-	1,000,000	-	-
	K Electric Limited	5-Feb-25	19.57%	-	1,000,000	-	1,000,000	3.24
	Lucky Electric Power Company Limited	17-Feb-25	19.08%	-	750,000	-	750,000	2.43
	K Electric Limited	24-Mar-25	17.09%	-	192,000	-	192,000	0.62
Total Value as at September 30, 2024			1,972,000	1,942,000	1,972,000	1,942,000	6.29	3.36
Carrying / Market Value as at June 30, 2024						1,972,000		

5.3 GoP Ijrah Sukuk - Fair value through profit and loss

Market value as a percentage of									
Maturity Date	As at July 1, 2024	Purchased during the period	Matured during the period	As at September 30, 2024	Carrying Value as at September 30, 2024	Market Value as at September 30, 2024	Total investments of fund	Net Assets of fund	
----- (Face Value in '000) -----				---- (Rupees in '000) ---		----- (%) -----			
GOPIS 12 M 24-01-2024	25-Jan-25	1,762,000	-	-	1,762,000	1,684,927	1,677,162	5.44	2.90
GOPIS 12 M 26-04-2024	18-Jul-24	6,000,000	-	-	6,000,000	5,445,025	5,525,400	17.91	9.57
GOPIS 12 M 26-07-2024	5-Feb-25	-	3,000,000	-	3,000,000	2,641,164	2,682,900	8.70	4.65
GOPIS 12 M 18-09-2024	17-Feb-25	-	250,000	-	250,000	218,631	219,800	0.71	0.38
Total Value as at September 30, 2024		7,762,000	3,250,000	-	11,012,000	9,989,747	10,105,262	32.75	17.50
Total Value as at June 30, 2024		-	7,762,000	-	7,762,000	6,783,508	6,805,258		

		(Un-Audited)	(Audited)	
		September 30,	June 30,	
		2024	2024	
		(Rupees in '000)		
6.	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note		
	Management fee	6.1	40,064	47,543
	Sindh Sales Tax	6.2	6,009	6,181
	Sales load payable		10,413	4,290
	Allocation of expenses related to registrar services, accounting, operation and valuation services		-	-
	Selling and marketing payable		-	7,261
			56,486	65,275

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 0.845% (June 30, 2024: 0.65% to 0.845%) of average annual Net Asset of the Fund.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 15% (June 30, 2024: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

		(Un-Audited)	(Audited)
		September 30,	June 30,
		2024	2024
		Note	(Rupees in '000)
7	PAYABLE TO THE TRUSTEE		
	Trustee fee	7.1	2,597
	Sindh Sales Tax		389
			3,497

7.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified in, based on the daily Net Asset Value (NAV) of the Fund. With effect from October 01, 2021 the tariff is 0.055% per annum of Net Assets.

7.2 The Sindh Government has levied Sindh Sales Tax on services at the rate of 15% (June 30, 2024: 13%) on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

		(Un-Audited) September 30, 2024 (Rupees in '000)	(Audited) June 30, 2024
	Note		
8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	SECP Fee	8.1	3,547
			4,199

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02% of the average annual net assets of the scheme. The fee is payable monthly in arrears.

		(Un-Audited) September 30, 2024 (Rupees in '000)	(Audited) June 30, 2024
	Note		
9.	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	492	406
	Federal Excise Duty	9.1	2,185
	Withholding tax payable	2,327	313,481
	Other payables	495,180	25,897
	Capital gain tax payable	53,301	3
	Unclaimed dividend	307	307
		553,792	342,279

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, 2024, 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, 2024 : 2.185 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2024 would have been higher by Rs. 0.0040 (June 30, 2024: Re. 0.0034) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2024.

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) annualized of the Fund as at September 30, 2024 is 1.11% (June 30, 2024: 1.11%) which includes 0.21% (June 30, 2024: 0.18%) 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 at least 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, 2024 2023 (Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management Fee	154,687	105,347
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	15,421
	Selling and Marketing expenses	-	15,421
	Redemption of 1,910,051 units (2023: Nil units)	196,000	-
	Dividend Reinvestment 4,114 units (2023: Nil units)	416	-
	Habib Bank Limited - Sponsor		
	Mark-up earned during the period	6,950	8,461
	Bank charges paid	147	102
	Directors, Executives and Key management personnel		
	Investment of 44,315 units (2023: 69,704 units)	4,529	7,052
	Redemption of 28,396 units (2023: 50,700 units)	2,934	5,130
	Dividend Reinvestment 286 units (2023: 6,026 units)	29	610
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	10,068	8,885
	ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND - Associate		
	Redemption of Nil units (2023: 364 units)	-	37
	Dividend Reinvestment Nil units (2023: 5 units)	-	1
	JUBILEE LIFE INSURANCE COMPANY LIMITED - Associate		
	Investment of 8,804,005 units (2023: Nil units)	900,000	-
	PAKISTAN PETROLEUM LIMITED - Associate		
	Redemption of 75,155,205 units (2023: Nil units)	7,745,984	-
	Dividend Reinvestment 144,125 units (2023: Nil units)	14,582	-
	THE BANK OF KHYBER - Associate		
	Investment of 3,929,088 units (2023: Nil units)	400,000	-
	Redemption of 3,929,088 units (2023: Nil units)	400,791	-
	MCBFSL Trustee HBL Islamic Financial Planning Fund - Active Allocation Plan (Associate)		
	Dividend Reinvestment Nil units (2023: 483 units)	-	49

		(Un - Audited) Three months ended September 30,	
		2024	2023
		(Rupees in '000)	
MCBFSL Trustee HBL Islamic Financial Planning Fund - Conservative Allocation Plan (Associate)			
Redemption of Nil units (2023: Nil units)		-	2
Dividend Reinvestment Nil units (2023: 70 units)		-	7
HBL Asset Management Limited Employees Gratuity Fund - Associate			
Dividend Reinvestment 250 units (2023: 2,681 units)		25	271
HBL Asset Management Limited Employees Provident Fund - Associate			
Dividend Reinvestment 551 units (2023: 9,127 units)		56	923
14.2	Amounts outstanding as at period end	(Un-Audited) September 30, 2024	(Audited) June 30, 2024
		(Rupees in '000)	
HBL Asset Management Limited - Management Company			
Management fee		40,064	47,543
Sindh Sales Tax		6,009	6,181
Selling and Marketing payable		-	7,261
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	-
Sales load payable		10,413	4,290
Units held in the Fund: 235,313 units (June 30, 2024: 2,141,250 units)		24,867	217,023
Habib Bank Limited - Sponsor			
Bank Balances		235,768	1,844,737
Directors, Executives and Key management personnel			
Units held in the Fund: 260,882 units (June 30, 2024: 245,343 units)		27,569	24,866
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable		2,986	3,497
ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND - Associate			
Investment held in the Fund: 561,711 units (30 June, 2024: 561,711 units)		59,359	56,931
JUBILEE LIFE INSURANCE COMPANY LIMITED - Associate			
Investment held in the Fund: 8,804,005 units (30 June, 2024: Nil units)		930,370	-
PAKISTAN PETROLEUM LIMITED - Associate			
Investment held in the Fund: Nil units (30 June, 2024: 75,011,080 units)		-	7,602,635
Artistic Milliners Pvt Limited - Connected Person Due To holding 10% or more units *			
Inv,estment held in the Fund: 76,223,799 units (30 June, 2024: 58,053,835 units)		8,055,011	-
HBL Asset Management Limited Employees Gratuity Fund - Associate			
Investment held in the Fund: 130,170 units (30 June, 2024: 129,921 units)		13,756	13,168
HBL Asset Management Limited Employees Provident Fund - Associate			
Investment held in the Fund: 287,349 units (30 June, 2024: 286,797 units)		30,366	29,068

* 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, 2024						
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	- 26,416,757	26,416,757	-	-	-	-
Bai Muajjal	- 18,804,121	18,804,121	-	-	-	-
Sukuk Certificate	- 1,942,000	1,942,000	-	-	-	-
Accrued mark-up	- 1,052,450	1,052,450	-	-	-	-
Prepayment and Other receivables	- 17,525	17,525	-	-	-	-
	- 48,232,853	48,232,853	-	-	-	-
Financial liabilities not measured at fair value						
Payable to HBL Asset Management Limited - Management Company	- 56,352	56,352	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	- 2,642	2,642	-	-	-	-
Accrued expenses and other liabilities	- 549,280	549,280	-	-	-	-
	- 608,274	608,274	-	-	-	-

June 30, 2024							
Carrying amount			Fair Value				
Fair value through profit or loss	At Amortised cost	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets not measured at fair value							
Bank balances	-	48,680,062	48,680,062	-	-	-	-
Sukuk Certificate	-	16,581,636	16,581,636	-	-	-	-
Accrued mark-up	-	219,655	219,655	-	-	-	-
Advance . Prepayment and other receivable	-	21,934	21,934	-	-	-	-
	-	65,503,287	65,503,287	-	-	-	-
Financial liabilities not measured at fair value							
Payable to HBL Asset Management Limited - Management Company	-	65,275	65,275	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	2,140	2,140	-	-	-	-
Accrued expenses and other liabilities	-	1,038,963	1,038,963	-	-	-	-
	-	1,106,378	1,106,378	-	-	-	-

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 24, 2024.

17. GENERAL

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

17.2 The fund has discontinued the daily disbursement of profit through daily execution of dividend w.e.f July 02, 2024.

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	Central Depository Company of Pakistan Limited
Name of Trustee	Yousuf Adil & Co., Chartered Accountants
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited Bank Al Habib Limited Dubai Islamic Bank Limited Askari Bank Limited Soneri Bank Limited Allied Bank Limited Bank Islami Pakistan Limited Al Baraka Bank Pakistan Limited MCB Islamic Bank Limited National Bank Limited The Bank of Khyber Faysal Bank Limited U Microfinance Bank Limited Meezan Bank Limited Bank Alfalah Limited

HBL Islamic Asset Allocation Fund

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

As at September 30, 2024

	Note	September 30, 2024 (Un-Audited)				June 30, 2024 (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	49,415	97,972	135,177	282,564	34,104	263,203	118,828	416,135
Investments	5	256,039	238,188	466,721	960,948	171,553	849,805	467,951	1,489,309
Dividend receivable and accrued mark-up		5,556	17,146	30,076	52,778	548	29,514	11,030	41,092
Preliminary expenses and flotation cost		-	39	-	39	-	43	-	43
Advances , deposits and other receivables		3,496	5,541	327	9,364	3,495	5,541	100	9,136
Total assets		314,506	358,886	632,301	1,305,693	209,700	1,148,106	597,909	1,955,715
Liabilities									
Payable to Management Company	6	1,502	301	539	2,342	423	401	515	1,339
Payable to Trustee	7	39	29	43	111	35	80	42	157
Payable to Securities and Exchange Commission of Pakistan	8	18	34	48	100	14	91	47	152
Accrued expenses and other liabilities	9	14,376	781	110	15,267	16,514	734	403	17,651
Payable to PIA Holding Co. Limited		-	-	1,458	1,458	-	-	1,458	1,458
Payable against purchase of Investment		20,979	-	-	20,979	501	-	-	501
Total liabilities		36,914	1,145	2,198	40,257	17,487	1,306	2,465	21,258
Net assets		277,592	357,741	630,103	1,265,436	192,213	1,146,800	595,444	1,934,457
Unit holders' fund (as per statement attached)		277,592	357,741	630,103	1,265,436	192,213	1,146,800	595,444	1,934,457
Contingencies and commitments	8	-	-	-	-	-	-	-	-
------(Number of units)-----									
Number of units in issue		1,588,953	3,335,045	5,922,233		1,123,013	11,216,044	5,922,233	
------(Rupees)-----									
Net assets value per unit		174.7011	107.2673	106.3963		171.1578	102.2464	100.5438	

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, 2024

Note	Three months ended September 30, 2024				Three months ended September 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
Income								
Dividend Income	4,122	-	-	4,122	574	-	-	574
Return on Investment	-	26,406	23,194	49,600	165	92,529	22,943	115,637
Return on deposits with banks	886	9,016	5,865	15,767	905	14,469	4,521	19,895
Capital gain / (loss) on sale of investments - net	916	2,773	(88)	3,601	11,215	500	-	11,715
	5,924	38,195	28,971	73,090	12,859	107,498	27,464	147,821
Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - net	2,288	884	7,172	10,344	2,808	638	1,111	4,557
Total Income	8,212	39,079	36,143	83,434	15,667	108,136	28,575	152,378
Expenses								
Remuneration of Management Company	1,871	322	1,156	3,349	453	843	939	2,235
Remuneration of Trustee	143	161	133	437	60	421	108	589
Annual fee of Securities and Exchange Commission of Pakistan	52	177	147	376	25	472	121	618
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	200	-	-	200
Selling and Marketing Expense	-	-	-	-	174	-	-	174
Settlement and Bank Charges	94	63	-	157	108	94	89	291
Auditors' remuneration	13	49	24	86	12	110	46	168
Fee and Subscriptions	9	26	13	48	12	52	47	111
Printing Charges	16	15	11	42	17	14	9	40
Amortisation of preliminary expenses and floatation costs	-	4	-	4	-	11	-	11
Securities Transaction Costs	225	77	-	302	575	3	-	578
Provision of Debt Securities	-	2,244	-	-	-	-	-	-
Charity Expense	54	-	-	54	29	-	-	29
	2,477	3,138	1,484	4,855	1,665	2,020	1,359	5,044
Net income / (loss) for the period before taxation	5,735	35,941	34,659	78,579	14,002	106,116	27,216	147,334
Taxation	-	-	-	-	-	-	-	-
Net income/ (loss) for the period after taxation	5,735	35,941	34,659	78,579	14,002	106,116	27,216	147,334
Allocation of net income for the period:								
Income already paid on redemption of units	131	19,196	-	19,327	1,022	6,797	-	7,819
Accounting income available for distribution:								
-Relating to capital gains	3,204	3,657	7,084	13,945	12,980	1,065	1,111	15,156
-Excluding capital gains	2,400	13,088	27,575	43,063	-	98,254	26,105	124,359
	5,604	16,745	34,659	57,008	12,980	99,319	27,216	139,515
Net income / (loss) for the period after taxation	5,735	35,941	34,659	76,335	14,002	106,116	27,216	147,334
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	5,735	35,941	34,659	76,335	14,002	106,116	27,216	147,334
Earning Per Unit								

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Statement of Movement in Unit Holders' Fund (Un-Audited)
For the three months ended September 30, 2024

	Three months ended					
	September 30, 2024			September 30, 2023		
	Islamic Asset Allocation Fund			Islamic Asset Allocation Fund		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the period	22,067	170,146	192,213	(10,382)	111,058	100,676
Issuance of 647,050 units (2023: 39,004 units)						
- Capital value (at net asset value per unit at the beginning of the period)	110,748	-	110,748	3,966	-	3,966
- Element of loss	(346)	-	(346)	590	-	590
	110,402		110,402	4,556	-	4,556
Redemption of 181,110 units (2023: 125,208 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(30,998)	-	(30,998)	(12,732)	-	(12,732)
- Income already paid on redemption of units	-	(131)	(131)	-	(1,022)	(1,022)
- Amount paid out of element of income						
Relating to net income for the period after taxation	371	-	371	(494)	-	(494)
	(30,627)	(131)	(30,758)	(13,226)	(1,022)	(14,248)
Total comprehensive income for the year						
Net profit / (loss) for the period after tax	-	5,735	5,735	-	14,002	14,002
Distribution during the period	-	-	-	-	-	-
Total comprehensive/ income for the period	-	5,735	5,735	-	14,002	14,002
Net assets at the end of the period	101,842	175,750	277,592	(19,052)	124,038	104,986
Undistributed income brought forward						
- Realised	137,292			112,189		
- Unrealised	32,854			(1,131)		
	170,146			111,058		
Accounting (loss) / income available for distribution						
-Relating to capital gains	3,204			12,980		
-Excluding capital gains	2,400			-		
	5,604			12,980		
Undistributed income carried forward	175,750			124,038		
Undistributed income carried forward						
- Realised	173,462			121,230		
- Unrealised	2,288			2,808		
	175,750			124,038		
	----- (Rupees) -----					
Net assets value per unit at beginning of the period	171.1578			101.6871		
Net assets value per unit at end of the period	174.7011			116.1543		

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, 2024

	Three months ended					
	September 30, 2024			September 30, 2023		
	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	1,119,012	27,788	1,146,800	1,909,286	19,718	1,929,004
Issuance of Nil units (2023: Nil Units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-
Redemption of 7,880,999 units (2023: 1,363,820 Units)						
- Capital value (at net asset value per unit at the beginning of the period)	(805,804)	-	(805,804)	(138,203)	-	(138,203)
- Income already paid on redemption of units	-	(19,196)	(19,196)	-	(6,797)	(6,797)
- Amount paid out of element of income	-	-	-	-	-	-
Relating to net income for the period after taxation	(805,804)	(19,196)	(825,000)	(138,203)	(6,797)	(145,000)
Total comprehensive income for the year						
Net profit / (Loss) for the period after tax	-	35,941	35,941	-	106,116	106,116
Distribution during the period	-	-	-	-	-	-
Total comprehensive/ income for the period	-	35,941	35,941	-	106,116	106,116
Net assets at the end of the period	313,208	44,533	357,741	1,771,083	119,037	1,890,120
Undistributed income brought forward						
- Realised	27,353			27,921		
- Unrealised	435			(8,203)		
	27,788			19,718		
-Relating to capital gains	3,657			1,065		
-Excluding capital gains	13,088			98,254		
	16,745			99,319		
Undistributed income carried forward	44,533			119,037		
Undistributed income carried forward						
- Realised	43,649			118,399		
- Unrealised	884			638		
	44,533			119,037		
(Rupees)						
Net assets value per unit at beginning of the period	102.2464			101.3349		
Net assets value per unit at end of the period	107.2673			106.9549		

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, 2024

	Three months ended					
	September 30, 2024			September 30, 2023		
	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	593,450	1,994	595,444	489,091	4,480	493,571
Issuance of NIL units (2023: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-
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	-	34,659	34,659	-	27,216	27,216
Distribution during the period	-	-	-	-	-	-
Total comprehensive/ income for the period	-	34,659	34,659	-	27,216	27,216
Net assets at the end of the period	593,450	36,653	630,103	489,091	31,696	520,787
Undistributed income brought forward						
- Realised	-			5,539		
- Unrealised	1,994			(1,059)		
Accounting (loss) / income available for distribution						
-Relating to capital gains	7,084			1,111		
-Excluding capital gains	27,575			26,105		
Undistributed income carried forward	36,653			31,696		
Undistributed income carried forward						
- Realised	29,481			31,058		
- Unrealised	7,172			638		
Net assets value per unit at beginning of the period	100.5438			100.9289		
Net assets value per unit at end of the period	106.3963			106.4944		

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, 2024

	Three months ended September 30, 2024				Three months ended September 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)-----								
CASH FLOW FROM OPERATING ACTIVITIES								
Net income / (loss) for the period	5,735	35,941	34,659	76,335	14,002	106,116	27,216	147,334
Adjustments								
Amortisation of preliminary expenses and floatation costs	-	4	-	4	-	10	-	10
	5,735	35,945	34,659	76,339	14,002	106,126	27,216	147,344
(Increase) / decrease in assets								
Investments - net	(64,008)	611,617	1,230	548,839	(9,313)	145,688	(42,001)	94,374
Accrued mark-up	(5,008)	12,368	(19,046)	(11,686)	(405)	(38,390)	(11,554)	(50,349)
Advances, deposits and other receivables	(1)	-	(227)	(228)	1,213	9,494	7,700	18,407
	(69,017)	623,985	(18,043)	536,925	(8,505)	116,792	(45,855)	62,432
Increase / (decrease) in assets								
Payable to HBL Asset Management Limited - Management Company	1,079	(100)	24	1,003	43	(10)	16	49
Payable to Central Depository Company of Pakistan Limited - Trustee	4	(51)	1	(46)	-	(5)	2	(3)
Payable to Securities and Exchange Commission of Pakistan	4	(57)	1	(52)	(18)	(291)	(40)	(349)
Accrued expenses and other liabilities	(2,138)	47	(293)	(2,384)	(105)	50	(166)	(221)
	(1,051)	(161)	(267)	(1,479)	(80)	(256)	(188)	(524)
Net cash generated from / (used in) operating activities	(64,333)	659,769	16,349	611,785	5,417	222,662	(18,827)	209,252
CASH FLOW FROM FINANCING ACTIVITIES								
Amount received on issue of units	110,402	-	-	110,402	4,556	-	-	4,556
Payment against redemption of units	(30,758)	(825,000)	-	(855,758)	(14,248)	(145,000)	-	(159,248)
Net cash generated from / (used in) financing activities	79,644	(825,000)	-	(745,356)	(9,692)	(145,000)	-	(154,692)
Net increase / (decrease) in cash and cash equivalents	15,311	(165,231)	16,349	(133,571)	(4,275)	77,662	(18,827)	54,560
Cash and cash equivalents at beginning of the period	34,104	263,203	118,828	416,135	18,906	256,273	104,454	379,633
Cash and cash equivalents at end of the period	49,415	97,972	135,177	282,564	14,631	333,935	85,627	434,193

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For the three months ended September 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

JCR-VIS Credit Rating Agency has assigned management quality rating of '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, 2024."

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, 2024.

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, 2024.

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, 2024."

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, 2024. 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, 2024.

4.	Bank Balances	Note	September 30, 2024				June 30, 2024			
			Islamic Asset	Islamic Asset	Islamic Asset	Total	Islamic Asset	Islamic Asset	Islamic Asset	Total
			Allocation	Allocation	Allocation		Allocation	Allocation	Allocation	
			Fund	Fund	Fund		Fund	Fund	Fund	
			Plan 1	Plan 2			Plan 1	Plan 2		
(Rupees in '000)										
	Savings accounts	4.1	49,415	97,972	135,177	282,564	34,104	263,203	118,828	416,135
			49,415	97,972	135,177	282,564	34,104	263,203	118,828	416,135

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 4.00% - 18.50% per annum (June 30, 2024: 10% - 22.50% p.a).

5	INVESTMENTS	Note	September 30, 2024				June 30, 2024			
			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)-----										
Investment at fair value through profit and loss;										
	- Listed equity Securities	5.1	256,039	-	-	256,039	171,553	-	-	171,553
	- Corporate Sukuks	5.2	-	238,188	251,890	490,078	-	849,805	259,884	1,109,689
	- GOP Ijara Sukuk	5.3	-	-	214,831	214,831	-	-	208,067	208,067
			256,039	238,188	466,721	960,948	171,553	849,805	467,951	1,489,309
			256,039	238,188	466,721	960,948	171,553	849,805	467,951	1,489,309

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

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

Name of the Investee Company	Number of shares					Carrying value as at		Market value as a percentage of		
	As at July 1, 2024	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2024	September 30, 2024	Market value as at September 30, 2024	Total investments of fund	Net Assets of fund	Par value as a percentage of issued capital
Cement										
Kohat Cement Limited	-	-	-	-	-	-	-	-	-	-
Fauji Cement Company Limited	350,000	187,000	-	-	537,000	12,303	13,575	5.30	4.89	0.02
Pioneer Cement Limited	34,800	11,000	-	-	45,800	7,908	8,299	3.24	2.99	0.02
Cherat Cement Company Limited	5,400	-	-	-	5,400	881	980	0.38	0.35	-
Flying Cement Company	216,000	-	-	-	216,000	1,797	3,799	1.48	1.37	0.03
D.G. Khan Cement Company Limited	133,498	-	-	-	133,498	12,051	9,812	3.83	3.53	0.03
Lucky Cement Limited	-	13,000	-	900	12,100	10,712	10,697	4.18	3.85	-
Maple Leaf Cement Factory Limited	169,000	85,000	-	-	254,000	9,230	8,240	3.22	2.97	0.02
Thatta Cement Company Limited	-	44,000	-	-	44,000	2,053	3,646	1.42	1.31	0.04
	908,698	340,000	-	900	1,247,798	56,935	59,048			
Power Generation & Distribution										
The Hub Power Company Limited	110,569	40,000	-	-	150,569	22,906	17,969	7.02	6.47	0.01
K- Electric Limited *	388,790	93,500	-	-	482,290	2,233	1,813	0.71	0.65	-
	499,359	133,500	-	-	632,859	25,139	19,782			
Engineering										
International steels limited	25,350	-	-	3,300	22,050	1,864	1,383	0.54	0.50	0.01
Aisha Steels Limited	63,000	-	-	-	63,000	464	397	0.16	0.14	0.01
Agha Steel Ind. Limited	45,870	-	-	45,870	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	10,000	-	-	-	10,000	930	775	0.30	0.28	-
	144,220	-	-	49,170	95,050	3,258	2,555			
Technology and Communication										
Avanceon Limited	30,208	3,092	-	-	33,300	1,960	1,699	0.66	0.61	0.01
Systems Limited	1,500	-	-	-	1,500	627	609	0.24	0.22	-
TPL Trakker Limited	513,500	-	-	-	513,500	3,184	4,493	1.75	1.62	0.27
Air Link Communication Limited	-	21,700	-	-	21,700	2,698	2,824	1.10	1.02	0.01
	545,208	24,792	-	-	570,000	8,469	9,625			
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	1,400	2,400	30,400	-	34,200	10,002	14,553	5.68	5.24	0.03
Oil & Gas Development Company Limited	130,849	134,651	-	27,100	238,400	32,888	34,194	13.35	12.32	0.01
Pakistan Oilfields Limited	-	3,600	-	3,600	-	-	-	-	-	-
Pakistan Petroleum Limited	153,687	93,413	-	15,000	232,100	26,479	24,793	9.68	8.93	0.01
	285,936	234,064	30,400	45,700	504,700	69,169	73,540			
Oil & Gas Marketing Companies										
Pakistan State Oil Company Limited	77,803	15,200	-	7,000	86,003	14,198	13,871	5.42	5.00	0.02
Sui Northern Gas Pipeline Limited	192,344	20,656	-	32,000	181,000	11,586	11,538	4.51	4.16	0.03
	270,147	35,856	-	39,000	267,003	25,784	25,409			
Refinery										
Attock Refinery Limited	10,240	-	-	10,240	-	-	-	-	-	-
National Refinery Limited	5,430	-	-	5,430	-	-	-	-	-	-
	15,670	-	-	15,670	-	-	-			
Fertilizers										
Fauji Fertilizer Bin Qasim Limited	57,500	125,000	-	7,000	175,500	7,668	8,796	3.44	3.17	0.01
Engro Fertilizers Limited	-	88,500	-	-	88,500	16,632	16,838	6.58	6.07	0.01
	57,500	213,500	-	7,000	264,000	24,300	25,634			
Commercial Banks										
Bankislami Pakistan Limited	95,000	-	-	42,000	53,000	1,180	1,085	0.42	0.39	-
Meezan Bank Limited	30,162	20,678	-	20,700	30,140	7,082	6,876	2.69	2.48	-
	125,162	20,678	-	62,700	83,140	8,262	7,961			
Pharmaceuticals										
AGP Limited	13,000	-	-	-	13,000	1,201	1,440	0.56	0.52	-
Ferozsons Laboratories Limited	16,400	18,500	-	4,000	30,900	7,881	8,975	3.51	3.23	0.07
Abbott Laboratories Limited	3,200	-	-	500	2,700	1,979	2,066	0.81	0.74	-
The Searle Company Limited	48,333	-	-	15,500	32,833	1,875	1,870	0.73	0.67	0.01
Hignoon Laboratories Limited	1,637	2,500	-	-	4,137	2,890	2,839	1.11	1.02	-
	82,570	21,000	-	20,000	83,570	15,826	17,190			
Glass & Ceramics										
Tariq Glass Industries Ltd	15,500	-	-	-	15,500	1,807	1,728	0.67	0.62	0.01
	15,500	-	-	-	15,500	1,807	1,728			
Automobile Parts & Accessories										
Atlas Battery Limited	2,074	-	-	-	2,074	614	702	0.27	0.25	0.01
Baluchistan Wheels Limited	17,500	-	-	200	17,300	2,249	1,824	0.71	0.66	0.13
Exide Pakistan Limited	4,700	-	-	2,150	2,550	1,503	2,245	0.88	0.81	0.03
	24,274	-	-	2,350	21,924	4,366	4,771			
Automobile Assembler										
Al Ghazi Tractors Limited	3,319	-	-	-	3,319	1,158	1,271	0.50	0.46	0.01
Ghandhara Industries Limited	-	5,500	-	850	4,650	1,870	1,492	0.58	0.54	0.01
Honda Atlas Cars (Pakistan) Limited	7,850	-	-	1,400	6,450	1,828	1,615	0.63	0.58	-
Sazgar Engineering Works Limited	1,140	-	-	-	1,140	949	1,097	0.43	0.40	-
	12,309	5,500	-	2,250	15,559	5,805	5,475			
Paper and Board										
Century Paper & Board Mills Limited	60,000	-	-	-	60,000	1,797	1,498	0.59	0.54	0.01
	60,000	-	-	-	60,000	1,797	1,498			
Chemicals										
Descon Oxychem Limited	-	53,478	-	-	53,478	1,084	1,087	0.42	0.39	0.03
Ittehad Chemicals Limited	15,000	-	-	-	15,000	707	653	0.26	0.24	0.02
	15,000	53,478	-	-	68,478	1,791	1,740			
Property										
TPL Properties Limited	75,000	-	-	75,000	-	-	-	-	-	-
	75,000	-	-	75,000	-	-	-			
Miscellaneous										
Pakistan Hotels Developers Ltd	-	1,500	-	-	1,500	1,043	83	0.03	0.03	0.01
	-	1,500	-	-	1,500	1,043	83			
Total Value as at September 30, 2024	3,136,553	1,083,868	30,400	319,740	3,931,081	253,751	256,039	100.00	92.23	
Total Value as at June 30, 2024	1,868,551	6,254,154	15,823	5,076,975	3,061,553	138,698	171,553	100.00	89.25	

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. 0.20 million at September, 2024 (June 30, 2024: Rs. 0.16 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. 33.2799 million (June 30, 2024: 34.43 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 Corporate Sukuk Certificates - fair value through profit and loss;

HBL Islamic Asset Allocation Fund Plan 1

Name of the Investee Company	Note	Number of certificates			Carrying Value as at September 30, 2024	Market Value as at September 30, 2024	Market value as a percentage of	
		As at July 1, 2024	Purchases during the period	Sale / Matured during the period	As at September 30, 2024		Total investments of fund	Net Assets of fund
						-----Rs. In 000-----	-----%-----	
Dubai Islamic Bank limited		39	-	39	-	-	-	-
K-Electric Ltd- Sukuk (KELSC5)		2,920	-	-	2,920	8,913	3.74	2.49
Pakistanb Energy Sukuk-2 Bound (PESC2)		30,500	-	-	30,500	152,683	64.47	42.93
AlBaraka Bank Pakistan Limited		60	-	60	-	-	-	-
Ghani Chemical Industries Limited		1,200	-	600	600	60,000	25.19	16.77
Agha Steel Industries Limited *	5.2.1	33	-	-	33	15,708	6.59	4.39
AlBaraka Bank Pakistan Limited		33	-	33	-	-	-	-
Total Value as at September 30, 2024		34,785	-	732	34,053	237,304	100.00	66.58
Total Value as at June 30, 2024						849,805		

5.2.1 This represents Provision made against non performing securities in accordance with the criteria specified in Circular No. 33 of 2012 dated October 24, 2012 issued by SECP.

Name of Non Compliant Investment	Value of Investment	Provision Held (if any)	Value of Investment (after Provision)
Agha Steel Industries Limited	22,440	6,732	15,708

HBL Islamic Asset Allocation Fund Plan 2

Name of the Investee Company	Note	Number of certificates			Carrying Value as at September 30, 2024	Market Value as at September 30, 2024	Market value as a percentage of	
		As at July 1, 2024	Purchases during the period	Sale / Matured during the period	As at September 30, 2024		Total investments of fund	Net Assets of fund
						-----Rs. In 000-----	-----%-----	
Pakistanb Energy Sukuk-2 Bound (PESC2)		12,000	-	-	12,000	60,072	12.95	9.59
K-Electric Ltd- Sukuk (KELSC5)		12,000	-	-	12,000	36,630	7.85	5.81
Mughal Iron & Steel Industries Ltd		85	-	-	85	32,089	6.85	5.08
Dubai Islamic Bank limited		60	-	-	60	60,197	12.93	9.58
PIA Holding Company Limited	5.2.2	12,000	-	-	12,000	50,494	10.82	8.01
Meezan Bank Limited		12	-	-	12	12,000	2.57	1.90
Total Value as at September 30, 2024		36,157	-	-	36,157	251,482	53.97	39.97
Total Value as at June 30, 2024						259,884		

5.2.3 Significant Terms And Conditions of Corporate Sukuk bonds outstanding as at September 30, 2024 are as follow:

Name Of Security	Remaining Principles (Per Sukuks)	Markup Rate (Per Annum)	Issue Date	Maturity Date
Meezan Bank limited - Perpetual	1,000,000	03 month KIBOR + 1.75 %	1-Aug-18	
Dubai Islamic Bank limited - Tier II	1,000,000	06 month KIBOR + 0.70 %	2-Dec-22	2-Dec-32
Agha Steel Industries Limited	680,000	3 month KIBOR + 0.80 %	17-Aug-23	17-Aug-27
Mughal Iron and Steel Industries	375,000	3 month KIBOR + 1.30 %	2-Mar-21	2-Mar-26
K-Electric Ltd- Sukuk (KELSC5)	3,000	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
PIA Holding Company Limited	4,758	Lower of KIBOR or 12%	1-Jan-24	1-Jan-32
Ghani Chemical Industries Limited	100,000	3 month KIBOR + 1.25 %	16-Jan-24	16-Jan-30

HBL Islamic Asset Allocation Fund Plan 2

Total Value as at June 30, 2024

	September 30, 2024				June 30, 2024			
Note	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
	----- (Rupees in '000) -----							
6.1	587	48	333	968	313	138	319	770
6.2	87	8	51	146	41	18	41	100
6.3	-	-	-	-	69	-	-	69
	828	-	-	828	-	-	-	-
	-	245	155	400	-	245	155	400
	1,502	301	539	2,342	423	401	515	1,339

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 15% (June 30, 2024: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

- 6.3** SECP through its S.R.O. 639 (I)/2019 dated June 20, 2019 has made an amendment in NBFC regulation no. 60 (3) point (s) and (v), in which limits to allocate fee and expenses pertaining to registrar services, accounting, operation, valuation services and selling and marketing expenses had been removed. Accordingly, the selling and marketing expense charged by the fund is Nil per annum (June 30, 2024: 0.65%) and allocation of expenses pertaining to registrar services, accounting, operation, valuation services are Nil per annum (June 30, 2024: 0.1% to 0.75%) of net assets of the Fund.

7. PAYABLE TO THE TRUSTEE

Note	September 30, 2024				June 30, 2024			
	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) -----								
Trustee's remuneration	34	26	38	98	31	71	37	139
Sindh Sales Tax	5	3	5	13	4	9	5	18
	39	29	43	111	35	80	42	157

- 7.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund.

- 7.2** The Sindh Government has levied Sindh Sales Tax at the rate of 15% (June 30, 2024: 13%) on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.

8. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note	September 30, 2024				June 30, 2024			
	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) -----								
SECP Fee	18	34	48	100	14	91	47	152

- 8.1** SECP vide S.R.O 685(1)/2019 dated: June 28, 2019 has revised rate of annual fee at 0.02% of net assets applicable on all categories of Collective Investment schemes from July 01 2019, the Fund has charged SECP Fee accordingly.

9. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	September 30, 2024				June 30, 2024			
	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) -----								
Auditors' remuneration	35	322	61	418	22	273	37	332
Charity payable	480	-	-	480	425	-	-	425
Withholding tax payable	12	58	22	92	1,872	43	251	2,166
Payable to NCCPL	79	64	2	145	19	10	53	82
Payable to Shariah Advisor	26	9	3	38	24	16	15	55
Federal Excise Duty	1,063	-	-	1,063	1,063	-	-	1,063
Payable to Broker	229	161	-	390	60	130	-	190
Dividend Payable	25	-	-	25	25	-	-	25
Other payable	12,427	167	22	12,616	13,004	262	47	13,313
	14,376	781	110	15,267	16,514	734	403	17,651

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2024, 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, 2024 would have been higher by Re. 0.669 (June 30, 2024: Re. 0.9470) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2024.

11. TAXATION

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

12. EARNINGS PER UNIT (EPU)

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

13. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 4.57% (June 30, 2024: 3.85%) of which 0.60% representing government levies, and SECP Fee (June 30, 2024: 0.43%) in HBL IAAF, 1.68% (June 30, 2024: 0.70%) of which 0.13% representing government levies and SECP Fee (June 30, 2024: 0.12%) in HBL IAAF Plan-1 and 0.96% (June 30, 2024: 1.02%) of which 0.21% representing government levies and SECP Fee (June 30, 2024: 0.19%) in HBL IAAF Plan-2.

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

14.1	Transactions during the period	Three months ended			Three months ended		
		September 30,			September 30,		
		2024			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 2
	HBL Asset Management Limited - Management Company						
	Management fee	1,871	322	1,156	453	843	939
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	200	-	-
	Charging of Selling and marketing expenses	-	-	-	174	-	-
	Habib Bank Limited - Sponsor						
	Bank charges paid	5	-	-	8	-	-
	Mark-up earned during the period	21	-	-	30	-	-
	Central Depository Company of Pakistan Limited - Trustee						
	Remuneration	143	161	133	60	421	108
	CDC Charges	8	2	2	15	11	2
	Executives and their Relatives						
	Investment: 1,721 units (2023: Nil units)	300	-	-	-	-	-
	Redemption: 35,832 units (2023: Nil units)	6,257	-	-	-	-	-
	Pak Qatar Investment Account - Connected Person due to holding more than 10% holding						
	Redemption: 4,626,340 units (2023: 681,910 units)	-	687,500	-	-	72,500	-
	Pak Qatar Individual Family Participant Investment Fund- Connected Person due to holding more than 10% holding						
	Redemption: 3,254,660 units (2023: 681,910 Units)	-	137,500	-	-	72,500	-
	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	-
14.2	Amounts outstanding as at period end	September 30,			June 30,		
		2024			2024		
		(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	587	48	333	313	138	319
	Sindh Sales Tax	87	8	51	41	18	41
	Charging of Selling and marketing expenses	-	-	-	69	-	-
	Sales load payable	828	-	-	-	-	-
	Formation Cost	-	245	155	-	245	155
	Investment held in the Fund : 34,416 units (June 30, 2024: 34,416 units)	6,013	-	-	5,966	-	-
	Habib Bank Limited - Sponsor						
	Bank balances	2,148	-	-	4,627	-	-
	Central Depository Company of Pakistan Limited - Trustee						
	Remuneration payable	34	25	37	31	71	37
	Sindh Sales Tax	5	4	6	4	9	5
	Security Deposit	100	100	100	100	100	100

	September 30, 2024			June 30, 2024		
	(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
Central Depository Company of Pakistan Limited - Trustee						
Remuneration payable	34	25	37	31	71	37
Sindh Sales Tax	5	4	6	4	9	5
Security Deposit	100	100	100	100	100	100
HBL Asset Management Limited Employees Gratuity Fund						
Investment held in the Fund: 5,151 units (June 30, 2024: 5,151 units)	900	-	-	893	-	-
HBL Asset Management Limited Employees Provident Fund						
Investment held in the Fund: 14,870 units (June 30, 2024: 14,870 units)	2,598	-	-	2,578	-	-
Executives and their relatives						
Investment held in the Fund: 33,038 units (June 30, 2024: 50,340 units)	5,772	-	-	8,726	-	-
Pak Qatar Investment Account - Connected Person due to holding more than 10% holding						
Investment held in the Fund: 3,308,108 units (June 30, 2024: 7,934,448 units)	-	354,852	-	-	1,015,614	-
Pak Qatar Individual Family Participant Investment Fund- Connected Person due to holding more than 10% holding						
Investment held in the Fund: 26,937 units (June 30, 2024: 3,281,597 units)	-	2,889	-	-	335,215	-
Dawood Family Takaful Limited Aggressive Fund -Connected Person due to holding more than 10% holding						
Investment held in the Fund: 771,119 units (June 30, 2024: 771,119 units)	-	-	82,044	-	-	78,150
Dawood Family Takaful Limited Balanced Fund -Connected Person due to holding more than 10% holding						
Investment held in the Fund: 2,678,579 units (June 30, 2024: 2,678,579 units)	-	-	284,991	-	-	271,465
Dawood Family Takaful Limited Income Fund -Connected Person due to holding more than 10% holding						
Investment held in the Fund: 1,785,719 units (June 30, 2024: 1,785,719 units)	-	-	189,994	-	-	180,977
Dawood Family Takaful Limited Individual -Connected Person due to holding more than 10% holding						
Investment held in the Fund: 686,819 units (June 30, 2024: 686,819 units)	-	-	73,075	-	-	69,606
Ammar Akbar - Connected Person due to holding more than 10% holding						
Unit held: 284,183 units (June 30, 2024: Nil units)	49,647	-	-	-	-	-
Abdullah Farooq Azam- Connected Person due to holding more than 10% holding						
Unit held: Nil units (June 30, 2024: 123,969 units)	-	-	-	21,490	-	-
Tariq Mahmood Malik - Connected Person due to holding more than 10% holding						
Unit held: Nil units (June 30, 2024: 187,104 units)	-	-	-	33,557	-	-
Atyab Ahmed - Connected Person due to holding more than 10% holding						
Unit held: 180,041 units (June 30, 2024: Nil units)	31,453	-	-	-	-	-

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, 2024							
	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	256,039	-	-	256,039	256,039	-	-	256,039
- Term finance certificate - unlisted	-	-	-	-	-	-	-	-
- GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	256,039	-	-	256,039				
Financial assets not measured at fair value								
Bank balances	-	49,415	-	49,415				
Accrued mark-up	-	5,556	-	5,556				
Advances, deposits and other receivables	-	3,496	-	3,496				
	-	58,467	-	58,467				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	1,415	1,415				
Payable to Trustee	-	-	39	39				
Accrued expenses and other liabilities	-	-	13,313	13,313				
	-	-	14,767	14,767				

HBL Islamic Asset Allocation Fund Plan 1

		September 30, 2024						
		Carrying amount			Fair Value			
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed Equities Securities	-	-	-	-	-	-	-	-
- Term finance certificate - unlisted	238,188	-	-	238,188	-	238,188	-	238,188
- GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	238,188	-	-	238,188				
Financial assets not measured at fair value								
Bank balances	-	97,972	-	97,972				
Accrued mark-up	-	17,146	-	17,146				
Advances, deposits and other receivables	-	5,541	-	5,541				
	-	120,659	-	120,659				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	293	293				
Payable to Trustee	-	-	29	29				
Accrued expenses and other liabilities	-	-	781	781				
	-	-	1,103	1,103				

HBL Islamic Asset Allocation Fund Plan 2

		September 30, 2024						
		Carrying amount			Fair Value			
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed Equities Securities	-	-	-	-	-	-	-	-
- Term finance certificate - unlisted	251,890	-	-	251,890	-	251,890	-	251,890
- GOP Ijara Sukuk	214,831	-	-	214,831	-	214,831	-	214,831
	466,721	-	-	466,721				
Financial assets not measured at fair value								
Bank balances	-	135,177	-	135,177				
Accrued mark-up	-	30,076	-	30,076				
Advances, deposits and other receivables	-	-	-	-				
	-	165,253	-	165,253				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	539	539				
Payable to Trustee	-	-	43	43				
Accrued expenses and other liabilities	-	-	110	110				
	-	-	692	692				

HBL Islamic Asset Allocation Fund

		June 30, 2024						
		Carrying amount			Fair Value			
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
- Listed Equities Securities	171,553	-	-	171,553	171,553	-	-	171,553
	171,553	-	-	171,553				
Financial assets not measured at fair value								
Bank balances	-	34,104	-	34,104				
Dividend receivable and accrued mark-up	-	548	-	548				
Advances, deposits and other receivables	-	3,495	-	3,495				
	-	38,147	-	38,147				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	423	423				
Payable to Trustee	-	-	35	35				
Payable against purchase of investments	-	-	501					
Accrued expenses and other liabilities	-	-	15,451	15,451				
	-	-	16,410	15,909				

HBL Islamic Asset Allocation Fund Plan 1								
June 30, 2024								
	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								
Sukuks bonds	849,805	-	-	849,805	-	849,805	-	849,805
GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	<u>849,805</u>	<u>-</u>	<u>-</u>	<u>849,805</u>				
Financial assets not measured at fair value								
Bank balances	-	263,203	-	263,203				
Dividend receivable and accrued mark-up	-	29,514	-	29,514				
Advances, deposits and other receivables	-	5,541	-	5,541				
	<u>-</u>	<u>298,258</u>	<u>-</u>	<u>298,258</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	401	401				
Payable to Trustee	-	-	80	80				
Accrued expenses and other liabilities	-	-	734	734				
	<u>-</u>	<u>-</u>	<u>1,215</u>	<u>1,215</u>				

HBL Islamic Asset Allocation Fund Plan 2								
June 30, 2024								
	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								
Sukuks bonds	259,884	-	-	259,884	-	259,884	-	259,884
GOP Ijara Sukuk	208,067	-	-	208,067	-	208,067	-	208,067
	<u>467,951</u>	<u>-</u>	<u>-</u>	<u>467,951</u>				
Financial assets not measured at fair value								
Bank balances	-	118,828	-	118,828				
Dividend receivable and accrued mark-up	-	11,030	-	11,030				
Advances, deposits and other receivables	-	100	-	100				
	<u>-</u>	<u>129,958</u>	<u>-</u>	<u>129,958</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	515	515				
Payable to Trustee	-	-	42	42				
Accrued expenses and other liabilities	-	-	403	403				
	<u>-</u>	<u>-</u>	<u>960</u>	<u>960</u>				

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

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 24, 2024.

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.
Name of Trustee	Central Depository Company of Pakistan Limited
Name of Shariah Advisors	AI - Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited Dubai Islamic Bank Limited Bank Islamic Pakistan Limited Bank Al Baraka Limited

HBL Islamic Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at Sep 30, 2024

		(Un-Audited) September 20 2024	(Audited) June 30, 2024
Note		----- (Rupees in '000) -----	
Assets			
Bank balances	4	14,171	8,560
Investments	5	143,182	141,143
Dividend and profit receivable		3,034	421
Receivable against sale of investment		-	92
Receivable from HBL Asset Management Limited - Management Company		-	3,000
Advances, deposits, prepayments and other receivables		1,306	1,957
Total assets		161,693	155,173
Liabilities			
Payable to the Management Company	6	364	278
Payable to the Trustee		80	24
Payable to Securities and Exchange Commission of Pakistan	7	33	10
Payable against Purchase of Equity Securities		-	4,843
Dividend Payable		-	-
Accrued expenses and other liabilities	8	13,797	8,065
Total liabilities		14,273	13,220
Net assets		147,421	141,953
Unit holders' fund (as per statement attached)		147,421	141,953
----- (Number of units) -----			
Number of units in issue		1,091,553	1,062,035
----- (Rupees) -----			
Net assets value per unit		135.0561	133.6610

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, 2024

		For the Period Ended	
		September 30,	
		2024	2023
Note		----- (Rupees in '000) -----	
Income			
	Dividend income	7,839	780
	Profit on bank deposits	573	745
	Capital gain / (loss) on sale of investments - net	(604)	18,073
		7,808	19,598
	Net unrealised appreciation / (diminution) on re-measurement of investments classified at fair value through profit or loss - held-for-trading	(4,196)	343
	Total Income / (Loss)	3,612	19,941
Expenses			
	Remuneration of the Management Company	856	721
	Remuneration of the Trustee	74	72
	Annual fee to Securities and Exchange Commission of Pakistan	33	30
	Selling and marketing expenses	-	335
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	175
	Securities transaction costs	230	757
	Auditors' remuneration	135	210
	Settlement and bank charges	490	211
	Shariah advisory fee	21	64
	Fees and subscription	123	7
	Haram Income Expense	-	39
		1,964	2,622
	Net Income / (loss) from operating activities	1,648	17,319
	Net income / (loss) for the period before taxation	1,648	17,319
	Taxation	-	-
	Net income/ (loss) for the period after taxation	1,648	17,319
	Income already paid on redemption of units	10	11,891
	Accounting income available for distribution:		
	- Relating to capital gains	(4,800)	5,428
	- Excluding capital gains	6,438	-
		1,638	5,428
	Other comprehensive income for the period	-	-
	Total comprehensive income/ (loss) for the period	1,648	17,319

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, 2024

		Three months ended September 30, 2024					
		2024			2023		
Note	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	579,380	(437,427)	141,953	616,234	(457,549)	-	158,685
Issue of units 921,722 (2023: 621,515 units)							
- Capital value (at net asset value per unit at the beginning of the period)	123,198	-	123,198	83,073	-	-	83,073
- Element of loss	43	-	43	(30,001)	-	-	(30,001)
Total proceeds on issuance of units	123,241	-	123,241	53,072	-	-	53,072
Redemption of 892,203 units (2023: 1,705,259 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(119,253)	-	(119,253)	(227,927)	-	-	(227,927)
- Amount paid out of element of income relating to net income for the year after taxation	(158)	(10)	(168)	91,828	(11,891)	-	79,937
Total payments on redemption of units	(119,411)	(10)	(119,421)	(136,099)	-	-	(147,990)
Total comprehensive income for the period	-	1,648	1,648	-	17,319	-	17,319
Net assets at end of the period	583,210	(435,789)	147,421	533,207	(440,230)	-	81,086
Undistributed income brought forward							
- Realised		(447,962)			(452,577)		
- Unrealised		10,535			(4,972)		
		(437,427)			(457,549)		
Accounting income available for distribution							
- Relating to capital gains		(4,800)			5,428		
- Excluding capital gains		6,438			-		
		1,638			5,428		
(Accumulated loss) / undistributed income carried forward		(435,789)			(452,121)		
(Accumulated loss) / undistributed income carried forward							
- Realised		(431,593)			(452,464)		
- Unrealised		(4,196)			343		
		(435,789)			(452,121)		
			Rupees				Rupees
Net assets value per unit at beginning of the period			133.6610				133.6610
Net assets value per unit at end of the period			135.0561				85.2187

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, 2024

	Three Months ended September 30,	
	2024	2023
Note	(Rupees in '000)	
Cash flows from operating activities		
Net (loss) / income for the period before taxation	1,648	17,319
Adjustments		
Capital loss / (gain) during the period	604	(18,073)
Dividend Income	(7,839)	(780)
Profit on bank deposits	(573)	(745)
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss - held-for-trading	4,196	(343)
	(1,964)	(2,622)
(Increase) / decrease in assets		
Investments - net	(11,590)	77,050
Dividend receivable and accrued mark-up	5,797	1,454
Receivable against sale of equity instruments	651	1,957
Receivable from HBL Asset Management Limited - Management Company	3,000	7
	(2,142)	80,468
Increase / (decrease) in liabilities		
Payable to the Management Company	86	260
Payable to the Trustee	56	(8)
Payable to Securities and Exchange Commission of Pakistan	23	(3)
Accrued expenses and other liabilities	5,732	12,580
	5,896	12,829
Net cash (used in) / generated from operating activities	1,790	90,675
Cash flows from financing activities		
Amount received on issue of units	123,241	53,072
Payment against redemption of units	(119,421)	(147,990)
Net cash generated from financing activities	3,820	(94,918)
Net increase in cash and cash equivalents	5,611	(4,243)
Cash and cash equivalents at beginning of the period	8,560	8,560
Cash and cash equivalents at end of the period	14,171	4,317

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4

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

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

JCR-VIS Credit Rating Company has assigned a management quality rating of 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, 2024.
- 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, 2024.
- 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, 2024 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, 2024.

		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
savings accounts	4.1	14,171	8,560
current account		-	-
		<u>14,171</u>	<u>8,560</u>

- 4.1 The balance in savings accounts carry expected profit which ranges from 5.00% to 18.0% (June 30, 2024: 4% to 20.80%) per annum.

		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
- Listed equity securities	5.1	143,182	141,143
		<u>143,182</u>	<u>141,143</u>

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

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

Name of the Investee Company	As at July 01, 2024	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2024	Market value as at September 30, 2024 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									
DG Khan Cement Co Ltd	116,894	44,000	-	109,294	51,600	3,793	3%	3%	-
Fauji Cement Company Ltd	426,500	216,000	-	291,000	351,500	8,886	6%	6%	0.02%
Flying Cement Company Limited	171,000	49,000	-	98,250	121,750	2,142	2%	1%	
LUCKY CEMENT LTD	-	3,000	-	480	2,520	2,228	2%	2%	
Maple Leaf Cement Ltd.	240,710	69,790	-	82,500	228,000	7,396	5%	5%	0.00%
Pioneer Cement Co Limited	21,900	23,600	-	3,880	41,620	7,542	5%	5%	0.05%
Thatta Cement Company Limited	-	32,046	-	-	32,046	2,655	2%	2%	-
	977,004	437,436	-	585,404	829,036	34,642	24%	23%	
POWER GENERATION & DISTRIBUTION									
THE HUB POWER COMPANY LIMITED	98,142	25,158	-	21,600	101,700	12,137	8%	8%	2%
K-ELECTRIC LIMITED	300,000	-	-	8,000	292,000	1,098	1%	1%	2%
	398,142	25,158	-	29,600	393,700	13,235	0	0	
ENGINEERING									
Agha Steel Ind.Ltd	112,000	-	-	112,000	-	-	0%	0%	0%
Aisha Steel Mills Limited	63,299	153,500	-	28,500	188,299	1,186	1%	1%	0%
Amreli Steels Limited	28,500	-	-	28,500	-	-	0%	0%	0%
International Steels Limited	13,000	-	-	600	12,400	778	1%	1%	0%
Mughal Iron	45,500	8,000	-	29,400	24,100	1,867	1%	1%	0%
	262,299	161,500	-	199,000	224,799	3,831	3%	3%	0%
PHARMACEUTICALS									
Abbott Laboratories (Pakistan) Ltd	3,350	-	-	-	3,350	2,564	2%	174%	0.00%
AGP LIMITED	7,500	13,600	-	-	21,100	2,337	2%	159%	
Highnoon Laboratories Ltd	3,000	-	-	-	3,000	2,058	1%	140%	
The Searle Comp	19,168	-	-	5,000	14,168	807	1%	55%	0.00%
	33,018	13,600	-	5,000	41,618	7,766	5%	527%	
OIL & GAS EXPLORATION COMPANIES									
MARI PETROLEUM COMPANY LIMITED	2,002	3,729	31,448	1,800	35,379	15,055	11%	10%	0.00%
Oil & Gas Development Co Ltd	93,100	51,100	-	47,200	97,000	13,912			
Pakistan Oilfields Ltd	-	2,500	-	2,500	-	-	0%	0%	0.00%
PAKISTAN PETROLEUM LIMITED	103,587	64,063	-	48,650	119,000	12,711	9%	9%	0.01%
	198,689	121,392	31,448	100,150	251,379	41,678	19%	19%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	48,950	-	-	8,300	40,650	6,556	5%	4%	0.01%
Sui Northern Gas Pipeline Ltd	119,126	-	-	16,000	103,126	6,573	5%	0%	0.02%
	168,076	-	-	24,300	143,776	13,129	9%	4%	
REFINERY									
Attock Refinery Ltd	4,900	-	-	4,900	-	-	0%	0%	0%
National Refinery Ltd	4,250	-	-	4,250	-	-			
	4,900	-	-	9,150	-	-	0%	0%	
COMMERCIAL BANKS									
BankIslami Pakistan Limited	67,767	-	-	67,767	-	-	0%	0%	0%
Meezan Bank Ltd	12,000	-	-	12,000	-	-	0.00%	0%	0%
	79,767	-	-	79,767	-	-	0%	0%	

Name of the Investee Company	As at July 01, 2024	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2024	Market value as at September 30, 2024 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						%			
FERTILIZER									
Engro Fertilizer Limited	-	15,500	-	-	15,500	2,949	2%	2%	-
Fauji Fertilizer Bin Qasim Ltd	35,000	50,000	-	22,500	62,500	3,133	2%	2%	0.01%
	35,000	65,500	-	22,500	78,000	6,082	4%	4%	
GLASS & CERAMICS									
Tariq Glass Industries Ltd	18,368	-	-	1,000	17,368	1,936	1%	1%	1%
	18,368	-	-	1,000	17,368	1,936	1%	1%	
TECHNOLOGY & COMMUNICATION									
Air Link Communication Ltd	-	18,850	-	1,500	17,350	2,258	2%	2%	5%
Avanceon Limited	-	40,055	-	14,455	25,600	1,306	1%	1%	
Systems Limited	3,150	-	-	3,150	-	-	0%	0%	
TPL TRAKKER LIMITED	656,000	-	-	-	656,000	5,740	4%	4%	1%
	659,150	58,905	-	19,105	698,950	9,304	7%	6%	
AUTOMOBILE ASSEMBLER									
Al-Ghazi Tractors Limited	2,700	-	-	750	1,950	747	1%	1%	0%
Ghandhara Industries Limited	-	5,000	-	570	4,430	1,422	1%	1%	0%
Honda Atlas Cars (Pakistan) Limited	16,900	-	-	8,800	8,100	2,028	1%	1%	0%
Sazgar Engineering Works Limited	740	-	-	740	-	-	0%	0%	0%
	20,340	5,000	-	10,860	14,480	4,197	0	0	
AUTOMOBILE PARTS & ACCESSORIES									
Atlas Battery Limited	2,500	-	-	490	2,010	680	0%	0%	
Baluchistan Wheels Limited	9,310	1,600	-	200	10,710	1,129	1%	1%	
	11,810	1,600	-	690	12,720	1,809	0	0	
CHAMICAL									
Biafo Industries Limited	-	2,600	-	-	2,600	301	0%	0%	0%
Descon Oxychem Limited	-	35,000	-	-	35,000	712	1%	0%	0%
Ferozsons Laboratories Limited	8,700	-	-	-	8,700	2,527	2%	0%	0%
	8,700	37,600	-	-	46,300	3,540	0	-	
PAPER & BOARD									
Century Paper & Board Mills Ltd	78,500	-	-	14,766	63,734	1,591	1%	0%	
	78,500	-	-	14,766	63,734	1,591	0	-	
MISCELLANEOUS									
TPL Properties Limited	47,117	-	-	47,117	-	-	0%	0%	0%
Pakistan Hotels Developers Limited	-	8,000	-	-	8,000	442	0%	0%	0%
	47,117	8,000	-	47,117	8,000	442	0	-	
Grand total	3,000,880	935,691	31,448	1,148,409	2,823,860	143,182			

Cost of investments at September 30, 2024

147,378

Investments include shares having market value aggregating to Rs. 25.23 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.

	(Un-Audited)	(Audited)
	September 30,	June 30,
	2024	2024
Note	----- (Rupees in '000) -----	

Management fee	281	212
Sindh Sales Tax on Management Company's remuneration	42	27
Sales load payable	40	39
Selling and marketing payable	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-
	<u>364</u>	<u>278</u>

	(Un-Audited)	(Audited)
	September 30,	June 30,
	2024	2024
Note	----- (Rupees in '000) -----	

Fees	7.1	33	10
------	-----	----	----

	(Un-Audited) September 30, 2024	(Audited) June 30, 2024
Note	----- (Rupees in '000) -----	

Federal Excise Duty	8.1	6,785	6,785
Charity payable	8.2	-	289
Withholding tax payable		284	264
Auditors' remuneration		283	298
Payable to brokers		3,148	45
Other payables		3,296	280
Zakat Payable		104	104
		<u>13,796</u>	<u>8,065</u>

-
- 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, 2024 would have been higher by Rs. 6.2159 per unit (June 30, 2024: 3.33 per unit).

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

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

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

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

- 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, 2024 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,	
		2024	2023
		----- (Rupees in '000) -----	
10.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Management fee including sales tax thereon	856	721
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	175
	Selling and marketing expenses	-	335
	Habib Bank Limited - Sponsor		
	Bank charges paid	-	13
	Bank profit	93	82
	Executives and their relatives		
	Issue of 78,519 units (2023: Nil units)	10,513	-
	Redemption 2,217 units (2023: 6,422 units)	300	578
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	74	72
	Central Depository services charges	-	26
	IGI LIFE INSURANCE-TAF		
	-Connected party due to more than 10%		
	Issue of Nil units (2023: 236,560 units)	-	20,000
	Redemption Nil units (2023: 143,043 units)	-	(11,900)
		(Un-Audited)	(Audited)
		September 30,	June 30,
		2024	2024
		----- (Rupees in '000) -----	
10.2	Balances outstanding as at period / year end		
	HBL Asset Management Limited - Management Company		
	Management fee	281	212
	Sindh Sales Tax on Management Company's remuneration	42	27
	Sales load payable	40	39
	Outstanding held in the Fund 39,464 units (June 30, 2024 : 39,464 units)	5,330	5,275
	Habib Bank Limited - Sponsor		
	Bank balances	15,493	5,846
	Profit receivable	34	108
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable including sales tax thereon	80	24
	Security deposit	100	100
	Executives and their relatives		
	Investment held in the Fund: 92,194 units (June 30, 2024: 17,387 units)	12,526	2,324

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, 2024							
		Carrying amount				Fair Value			
	Note	Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3
		(Rupees in '000)							
Financial assets measured at fair value									
Investments									
- Listed equity securities	5	143,182	-	-	-	143,182	143,182	-	-
Financial assets not measured at fair value									
Bank balances		-	-	14,171	-	14,171	-	-	-
Dividend and profit receivable		-	-	3,034	-	3,034	-	-	-
Receivable against sale of investment		-	-	-	-	-	-	-	-
Other receivables		-	-	-	-	-	-	-	-
		-	-	17,205	-	17,205	-	-	-
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	-	364	364	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	33	33	-	-	-
Payable to the Trustee		-	-	-	80	80	-	-	-
Accrued expenses and other liabilities		-	-	-	6,727	6,727	-	-	-
		-	-	-	7,203	7,203	-	-	-

		June 30, 2024							
		Carrying amount				Fair Value			
		Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3
		(Rupees in '000)							
Financial assets measured at fair value	11.1								
Investments									
- Listed equity securities		141,143	-	-	-	141,143	1,389,046	-	-
		141,143	-	-	-	141,143	1,389,046	-	-
Financial assets not measured at fair value	11.1								
Bank balances		-	-	8,560	-	8,560			
Dividend and profit receivable		-	-	421	-	421			
Receivable against sale of investment		-	-	92	-	92			
Other receivables		-	-	3,000	-	3,000			
		-	-	12,073	-	12,073			
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	-	278	278			
Payable to Securities and Exchange Commission of Pakistan		-	-	-	10	10			
Payable to the Trustee		-	-	-	24	24			
Accrued expenses and other liabilities		-	-	-	8,065	8,065			
		-	-	-	8,377	8,377			

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, 2024 is 4.90% (Jun 30, 2024: 4.49%), which includes 0.57% (Jun 30, 2024: 0.98%) 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 24, 2024 .

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, 2024 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	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited
Name of Shariah Advisors	Al - Hilal Shariah Advisors (Pvt.) Limited
Bankers	Bank Islami Pakistan Limited Bank Al Baraka Limited Faysal Bank Limited Habib Bank Limited Dubai Islamic Bank Limited Askari Bank Limited Bank Al Habib Limited Soneri Al Tijarah MCB Islamic Bank Limited U Microfinance Bank National Bank Limited

HBL Islamic Income Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
AS AT September 30, 2024

		(Unaudited) September 30, 2024 (Rupees in 000's)	(Audited) June 30, 2024
	Note		
ASSETS			
Bank balances	4	8,031,354	6,339,205
Investments	5	9,735,200	8,487,118
Profit receivable		1,911,334	394,696
Deposits and prepayments and Others		100	100
Total assets		19,677,988	15,221,119
LIABILITIES			
Payable to the Management Company	6	28,321	26,694
Payable to the Trustee		1,175	1,497
Annual fee payable to Securities and Exchange			
Commission of Pakistan	7	1,189	910
Dividend payable		77,565	81,407
Accrued expenses and other liabilities	8	295,385	211,276
Total liabilities		403,635	321,784
NET ASSETS		19,274,353	14,899,335
UNIT HOLDERS' FUND		19,274,353	14,899,335
CONTINGENCIES AND COMMITMENTS	9		
		(Number of units)	
Number of units in issue		177,785,344	143,644,892
		(Rupees)	
Net assets value per unit		108.4136	103.7234

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, 2024

	Note	September 30, 2024	2023 (Rupees in '000')
INCOME			
Capital (loss) / gain on sale of investments - net		(97,156)	6,116
Profit from bank deposits		400,604	151,791
Profit from investments		468,977	362,581
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		108,543	48,557
		880,968	569,045
EXPENSES			
Remuneration to the Management Company	6.1	70,661	21,494
Remuneration to the Trustee		4,139	2,058
Annual fee to Securities and Exchange Commission of Pakistan	7	3,397	1,817
Fund operations, accounting and related costs		27	5,831
Shahriah Advisory Charges		83	56
Auditors' remuneration		69	72
Fees and subscription		228	78
Securities transactionm, settlement and bank charges		2	267
Provision for debt securities		4,606	-
Selling and Marketing expenses		-	5,831
		83,212	37,504
Net income from operating activities		797,756	531,541
Net income for the period before taxation		797,756	531,541
Taxation	10	-	-
Net income for the period after taxation		797,756	531,541
Allocation of net income for the period:			
Income already paid on redemption of units		58,666	84,949
Accounting income available for distribution:			
-Relating to capital gains		11,387	45,935
-Excluding capital gains		727,703	400,657
		739,090	446,592
Net income for the period after taxation		797,756	531,541
Other comprehensive income for the period		-	-
Total comprehensive income for the period		797,756	531,541
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, 2024

	2024			2023		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the period	14,698,018	201,317	14,899,335	7,635,924	99,777	7,735,701
Issuance of 177,785,344 units (2023: 75,222,604 units)						
- Capital value (at net asset value per unit at the beginning of the period)	7,132,468	-	7,132,468	1,480,871	-	1,480,871
- Element of loss	192,258	-	192,258	3,034,475	-	3,034,475
Total proceeds on issuance of units	7,324,726	-	7,324,726	4,515,346	-	4,515,346
Redemption of 34,623,854 units (2023: 54,141,649 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(3,591,304)	-	(3,591,304)	(1,567,030)	-	(1,567,030)
- Amount relating to element of loss		(58,666)	(58,666)		(84,949)	(84,949)
Relating to net loss for the period after taxation	(97,494)	-	(97,494)	(665,266)	-	(665,266)
Total payments on redemption of units	(3,688,798)	(58,666)	(3,747,464)	(2,232,296)	(84,949)	(2,317,245)
Total comprehensive income for the period	-	797,756	797,756	-	531,541	531,541
Refund of Capital	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	797,756	797,756	-	531,541	531,541
Net assets at end of the period	18,333,946	940,407	19,274,353	9,918,974	546,369	10,465,343
Undistributed income brought forward						
- Realised		249,408			96,511	
- Unrealised		(48,091)			3,267	
		201,317			99,778	
Accounting income available for distribution						
- Relating to capital gains		11,387			45,935	
- Excluding capital gains		727,703			400,657	
		739,090			446,592	
Undistributed income carried forward		940,407			546,370	
Undistributed income carried forward						
- Realised		831,864			497,812	
- Unrealised		108,543			48,557	
		940,407			546,369	
Net assets value per unit at beginning of the period			103.7234			103.2208
Net assets value per unit at end of the period			108.4136			108.9864

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, 2024

	September 30,	
	2024	2023
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	797,756	531,541
Adjustments for non cash charges and other items:		
Capital loss on sale of investments - net	97,156	(6,116)
Unrealize diminution/ (appreciation) on re-measurement of as 'financial assets at fair value through profit of loss' - net	(108,543)	(48,557)
	(11,387)	(54,673)
(Increase) / decrease in assets		
Investments - net	(1,236,695)	(465,413)
Profit receivable	(1,516,638)	(366,679)
Deposits and prepayments	-	(19,922)
	(2,753,333)	(852,014)
Increase / (Decrease) in liabilities		
Payable to the Management Company	1,627	7,083
Payable to the Trustee	(322)	82
Annual fee payable to Securities and Exchange Commission of Pakistan	279	(929)
Dividend payable	(3,842)	-
Accrued expenses and other liabilities	84,109	(76,784)
	81,851	(70,548)
Net cash used in operating activities	(1,885,113)	(445,694)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	7,324,726	4,515,346
Cash paid on redemption of units	(3,747,464)	(2,317,245)
Dividend paid	-	-
Net cash used in financing activities	3,577,262	2,198,101
Net increase in cash and cash equivalents	1,692,149	1,752,408
Cash and cash equivalents at the beginning of the period	6,339,205	2,045,477
Cash and cash equivalents at the end of the period	8,031,354	3,797,885

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

Notes To The Condensed Interim Financial Statements (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

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, 2024.

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, 2024.

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, 2024.

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, 2024."

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, 2024. 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, 2024.

	Note	(Unaudited) September 30, 2024 (Rupees in 000')	(Audited) June 30, 2024
4 BANK BALANCES			
In savings accounts	4.1	8,031,335	6,257,155
In current accounts		19	82,050
		<u>8,031,354</u>	<u>6,339,205</u>
4.1 Mark-up rates on these accounts range between 6.00% to 18.50% per annum (June 30, 2024: 15% to 21.30% per annum).			
5 INVESTMENTS	Note	(Unaudited) September 30, 2024 (Rupees in 000')	(Audited) June 30, 2024
Financial Assets at fair value through profit & loss:			
Corporate Sukuk	5.1	2,176,469	376,182
Gop Ijara Sukuk	5.2	7,558,731	6,566,035
Financial asset at amortized cost			
Term Deposit Receipts	5.3	-	1,544,901
		<u>9,735,200</u>	<u>8,487,118</u>

5.1 Corporate Sukuks:

Entity	Notes	Number of Units				Market value	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2024	Purchases during the period	Sales / matured during the period	As at September 30, 2024			
		-----No. of Certificates-----				-----Rupees in '000'-----	-----%-----	
Corporate Sukuks								
Agha Steel Industries Limited 090823	5.1.2	4,964	-	-	4,964	34,748	0.18%	0.36%
OBS Pharma		2,250	-	2,250	-	-	-	-
Hub Power Company Limited - 121120		1,050	-	-	1,050	80,253	0.42%	0.82%
TPL Corporation Limited		150	-	-	150	14,100	0.07%	0.14%
TPL Trakker Limited		44	-	-	44	17,368	0.09%	0.18%
Lucky Electric Power Co. Ltd		-	75	-	75	750,000	3.89%	7.70%
K Electric Limited		-	900	-	900	900,000	4.67%	9.24%
Pakistan Telecommunication Co. Ltd		-	380	-	380	380,000	1.97%	3.90%
Total - September 30, 2024		8,458	1,355	2,250	7,563	2,176,469	11.29%	22.36%
Total as at June 30, 2024		8,517	8,264	8,323	8,458	376,182		

5.1.1 Significant terms and conditions of corporate sukuk as at September 30, 2024 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	8,000	3 month KIBOR + 0.8%	October 9, 2018	October 9, 2025
Hub Power Company Limited	Semi Annually	75,000	6 month KIBOR + 2.5%	November 12, 2020	November 12, 2025
TPL Corporation Limited	Quarterly	100,000	3 month KIBOR + 2.25%	June 23, 2022	June 23, 2027
TPL Trakker Limited	Quarterly	388,889	3 month KIBOR + 3%	March 30, 2021	March 30, 2026
Lucky Electric Power Co. Ltd	Semi Annually	1,000,000	3 month KIBOR + 0.05%	August 15, 2024	February 17, 2025
K Electric Limited	Semi Annually	1,000,000	3 month KIBOR + 0.10%	September 23, 2024	March 24, 2025
Pakistan Telecommunication Co. Ltd	Semi Annually	1,000,000	3 month KIBOR + 0.10%	September 18, 2024	March 18, 2025

5.1.2 This represents Provision made against non performing securities in accordance with the criteria specified in Circular No. 33 of 2012 dated October 24, 2012 issued by SECP.

Name of Non Compliant Investment	Value of Investment	Provision Held (if any)	Value of Investment (after Provision)
Agha Steel Industries Limited	49,640	14,892	34,748

5.2 GOP Ijara Sukuk

Issue details	Issue date	Face Value				Market Value as at September 30, 2024	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2024	Purchases during the period	Sales / Matured during the period	As at September 30, 2024			
		-----No. of Certificates-----				Rs. In '000		
GOPIS-VRR-07082024	07-Aug-23	2,100	-	2,100	-	-	-	-
GOPIS-FRR-09102024	09-Oct-23	5,275,000	-	-	5,275,000	5,284,495	27.42%	54.28%
GOPIS-VRR-04122024	04-Dec-23	15,200	-	-	15,200	15,319	0.08%	0.16%
GOPIS-FRR-04122026	04-Dec-23	150,000	-	-	150,000	157,455	0.82%	1.62%
GOPIS-VRR-12072024	12-Jul-23	75,000	-	75,000	-	-	-	-
GOPIS 12M 22-01-2025	24-Jan-24	42,020	-	-	42,020	39,994	0.21%	0.41%
GOPIS 12M 25-04-2025	26-Apr-24	1,124,780	-	-	1,124,780	1,035,810	5.37%	10.64%
GOPIS 12M 25-07-2025	26-Jul-24	-	1,000,000	-	1,000,000	894,300	4.64%	9.19%
GOPIS 12M 17-09-2025	18-Sep-24	-	5,000	-	5,000	4,396	0.02%	0.05%
GOPIS-VRR-18092027	18-Sep-24	-	62,500	-	62,500	63,124	0.33%	0.65%
GOPIS-FRR-18092028	18-Sep-24	-	62,500	-	62,500	63,838	0.33%	0.66%
Total as at September 30, 2024		6,684,100	1,130,000	77,100	7,737,000	7,558,731	39.22%	77.64%
Total as at June 30, 2024		2,861,500	25,548,340	21,725,740	6,684,100	2,861,140		

5.2.1 These GOP Ijara sukuk certificates, during the period carry profit at the rates ranging from 15.75% to 23.71%.

5.3 Term Deposit Receipt

Name of investee company	As at July 1, 2024	Placement made during the period	Income accrued	Sales /matured	As at September 30, 2024	Market value as a percentage of net assets	Market value as a percentage of total investments
Pak Brunie Investment Company Ltd	1,544,901	-	12,536	1,557,437	-	-	-
Total - September 30, 2024	1,544,901	-	12,536	1,557,437	-	-	-
Total as at June 30, 2024	1,411,756	63,547,968	698,698	64,113,521	1,544,901		

		September 30, 2024 (Un-Audited)	June 30, 2024 (Audited)
6	PAYABLE TO MANAGEMENT COMPANY	Note	
	Management fee	6.1	19,172
	Sindh Sales Tax	6.2	2,071
	Sales load payable		1,113
	Allocation of expenses related to registrar services, accounting, operation and valuation services		-
	Selling and Marketing expenses		7,578
		28,321	26,694

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 1.50% 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 15 percent on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. (June 30, 2024: 13%)

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 SECP fee to the Securities and Exchange Commission of Pakistan at 0.02% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

		(Unaudited) September 30, 2024	(Audited) June 30, 2024
	Note		
8	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	8.1	1,344
	Payable to brokers		868
	Withholding tax payable		104,369
	Auditors' remuneration		303
	Printing Charges		52
	Others		188,449
		295,385	211,276

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, 2024, 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, 2024 would have been higher by Re. 0.0076 (June 30, 2024: Re. 0.0094) per unit.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2024 and June 30, 2024.

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, 2024 is 2.13% (June 30, 2024: 1.78%) which includes 0.29%(June 30, 2024: 0.21%) 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, 2024	(Audited) June 30, 2024
	(Rupees in '000)	
13.1 Balance as at September 30, 2024		
HBL Asset Management Company Limited		
Management fee payable	19,172	15,932
Sindh Sales Tax	6,110	2,071
Sales load payable	3,039	1,113
Allocation of expenses related to registrar services, accounting operation and valuation services	-	-
Selling & Marketing Expense	-	7,578

	(Unaudited) September 30, 2024 (Rupees in '000)	(Audited) June 30, 2024
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable	1,175	1,031
CDS Charges payable	-	119
Security deposit	100	100
Habib Bank Limited-Sponsor		
Bank balances	2,558	1,023,995
HBL Asset Management Limited Employees Gratuity Fund		
Units held : 29,588 units (June 30, 2024: 29,588 units)	3,208	3,072
HBL Asset Management Limited Employees Provident Fund		
Units held 87,685 units (June 30, 2024: 87,685 units)	9,506	9,105
Directors and executives of the Management Company		
Units held 31,021 units (June 30, 2024: 148,483 units)	3,363	15,418
Jubilee Life Insurance Company Limited		
Units held : 5,500,587 units (June 30, 2024: 5,500,587) units	596,338	571,168
	(Unaudited) Quarter ended September 30, 2024 (Rupees in '000)	(Unaudited) 2023
Transactions during the period		
HBL Asset Management Company Limited		
Remuneration of the Management Company for the period	61,444	19,021
Sindh Sales tax on remuneration of the Management Company	9,217	2,473
Habib Bank Limited - Sponsors		
Profit on bank deposits	20,030	3,478
Sale of GOP Ijara Sukuk	5,536,821	-
Central Depository Company of Pakistan Limited-Trustee		
Trustee fee	4,139	2,058

	(Unaudited) Quarter ended September 30, 2024	(Unaudited) Quarter ended September 30, 2023 (Rupees in '000)
Directors and executives of the Management Company		
Issue of 12,200 units (2023: 321,222 units)	1,300	34,018
Redemption of 19,003 units (2023: 238,785 units)	1,998	25,372
HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management		
Investment of Nil units (2023: 104,864) units	-	10,847
Redemption of Nil units (2023: 10,566) units	-	1,125
HBL Government Securities Fund		
Sale of GOP Ijara Sukuk	-	54,748
Purchase of GOP Ijara Sukuk	-	399,029
HBL Islamic Pension - Debt Sub Fund		
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
HBL Islamic Asset Allocation Fund		
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
HBL Financial Sector Income Fund Plan I		
Sale of GOP Ijara Sukuk	-	492,737

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, 2024						
		Carrying amount			Fair Value			
		Fair value through profit and loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Corporate Sukuk	6	2,176,469	-	-	2,176,469	-	2,176,469	-
- GoP Ijarah Sukuk		7,558,731	-	-	7,558,731	-	7,558,731	-
		9,735,200	-	-	9,735,200	-	9,735,200	-
Financial assets not measured at fair value								
Bank balances		-	8,031,354	-	8,031,354	-	-	-
Profit receivable		-	1,911,334	-	1,911,334	-	-	-
Deposits		-	100	-	100	-	-	-
		-	9,942,788	-	9,942,788	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company		-	-	28,321	28,321	-	-	-
Payable to the Trustee		-	-	1,175	1,175	-	-	-
Accrued expenses and other liabilities		-	-	189,672	189,672	-	-	-
		-	-	219,168	219,168	-	-	-

	Note	June 30, 2024							
		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	376,182	-	-	376,182	-	376,182	-	376,182
- GoP Ijarah Sukuk		6,566,035	-	-	6,566,035	-	6,566,035	-	6,566,035
		<u>6,942,217</u>	<u>-</u>	<u>-</u>	<u>6,942,217</u>	<u>-</u>	<u>6,942,217</u>	<u>-</u>	<u>6,942,217</u>
Financial assets not measured at fair value									
Bank balances		-	6,339,205	-	6,339,205	-	-	-	-
Term Deposit Receipts		-	1,544,901	-	1,544,901	-	-	-	-
Profit receivable		-	394,696	-	394,696	-	-	-	-
Deposits and prepayments		-	100	-	100	-	-	-	-
		<u>-</u>	<u>8,278,902</u>	<u>-</u>	<u>8,278,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	24,623	24,623	-	-	-	-
Payable to the Trustee		-	-	912	912	-	-	-	-
Accrued expenses and other liabilities		-	-	1,686	1,686	-	-	-	-
		<u>-</u>	<u>-</u>	<u>27,221</u>	<u>27,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 24, 2024 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
Name of Shariah Advisor	Al - Hilal Shariah Advisors (Pvt.) Limited
Bankers	Bank Islami Pakistan Limited Bank Al Baraka Limited MCB Bank Limited Faisal Bank Limited Habib Bank Limited

HBL Islamic Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2024

		September 30, 2024 (Un-audited) (Rupees in '000)	June 30, 2024 (Audited)
	Note		
Assets			
Bank balances	4	1,420	5,139
Investments	5	203,728	122,820
Dividend and profit receivable		3,884	773
Receivable against sale of investments		-	-
Deposits and prepayments		2,107	4,613
Total assets		211,138	133,345
Liabilities			
Payable to Management Company	6	729	291
Payable to the Trustee		31	25
Payable to the Securities and Exchange Commission of Pakistan	7	14	10
Payable against purchase of investments		-	2,178
Accrued expenses and other liabilities	9	6,130	4,678
Total liabilities		6,905	7,182
Net assets		204,233	126,163
Unit holders' fund (as per statement attached)		204,233	126,163
Contingencies and commitments			
	10		
		(Number of units)	
Number of units in issue		1,850,722	1,132,278
		(Rupees)	
Net assets value per unit		110.3530	111.4243

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Income Statement & Comprehensive Income (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

		Quarter ended September 30, 2024 2023 (Rupees in '000')	
	Note		
INCOME			
Capital gain /(loss) on sale of investments - net		10,133	12,811
Dividend income		2,748	1,354
Profit from bank deposits		770	365
Unrealize appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(14,223)	989
		(570)	15,519
EXPENSES			
Remuneration to the Management Company	6.1	1,050	504
Sindh Sales Tax on remuneration of management company	6.2	157	65
Remuneration to the Trustee	7.1	99	57
Annual fee to Securities and Exchange Commission of Pakistan	7.2	44	24
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	-	138
Auditors' remuneration		69	69
Fees and subscription		91	7
Securities transaction and bank charges		829	965
Expense to Shariah Advisory Services		13	54
Selling and marketing expense	6.4	-	264
		2,352	2,147
Net loss from operating activities		(2,922)	13,372
Net profit / (loss) for the period before taxation		(2,922)	13,372
Taxation	11	-	-
Net profit / (loss) for the period after taxation		(2,922)	13,372
Allocation of net profit / (loss) for the period:			
Income already paid on redemption of units		(52)	8,248
Accounting income available for distribution:			
- Relating to capital gains		-	5,124
- Excluding capital gains		-	-
		(2,870)	5,124
Net profit / (loss) for the period after taxation		(2,922)	13,372
Other comprehensive income for the period		-	-
Total comprehensive profit / (loss) for the period		(2,922)	13,372

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Condensed Interim Statement of Movement in Unitholders' Fund

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

	2024			2023		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in '000'-----						
Net assets at beginning of the period	428,323	(302,160)	126,163	426,612	(319,515)	107,097
Issuance of 1,661,657 units (2023: 362,003 units)						
- Capital value (at net asset value per unit at the beginning of the period)	185,149	-	185,149	113,501	-	113,501
- Element of loss	6,686	-	6,686	(87,802)	-	(87,802)
Total proceeds on issuance of units	191,835	-	191,835	25,699	-	25,699
Redemption of 943,213 units (2023: 1,233,746 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(105,097)	-	(105,097)	(109,240)	-	(109,240)
- Amount relating to element of loss	(5,696)	(52)	(5,748)	27,182	(8,248.00)	18,934
Relating to net loss for the year after taxation	-	-	-	-	-	-
Total payments on redemption of units	(110,793)	(52)	(110,845)	(82,058)	(8,248)	(90,306)
Total comprehensive income for the year	-	(2,922)	(2,922)	-	13,372	13,372
Distribution for the year	-	-	-	-	-	-
Total comprehensive income for the year less distribution	-	(2,922)	(2,922)	-	13,372	13,372
Net assets at end of the year	509,365	(305,134)	204,233	370,253	(314,391)	55,864
Undistributed income brought forward						
- Realised		(316,947)			(316,947)	
- Unrealised		(2,568)			(2,568)	
		(319,515)			(319,515)	
Accounting income / (loss) available for distribution:						
-Relating to capital gains				5,124		
-Excluding capital gains		-		-		
				5,124		
Undistributed income carried forward		(319,515)			(314,391)	
Undistributed income carried forward						
- Realised		(305,292)			(315,380)	
- Unrealised		(14,223)			989	
		(319,515)			(314,391)	
Net assets value per unit at beginning of the year			111.4243			111.4243
Net assets value per unit at end of the year			110.3530			74.0691

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

	Quarter ended September 30, 2024 2023 (Rupees in 000's)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(2,922)	13,372
Adjustments for non cash charges and other items:		
Amortisation of deferred formation cost	-	-
Capital gain on sale of investments - net	(10,133)	(12,811)
Unrealize diminution/ (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(14,223)	(989)
	(24,356)	(13,800)
Decrease / (increase) in assets		
Investments - net	(56,552)	63,195
Dividend and profit receivable	(3,111)	(1,614)
Receivable from equity market settlement	-	(28,997)
Deposits and prepayments	2,506	(372)
Preliminary and floatation costs	-	-
	(57,157)	32,212
(decrease) / Increase in liabilities		
Payable to the Management Company	438	179
Payable to the Trustee	6	(8)
Annual fee payable to Securities and Exchange Commission of Pakistan	4	(3)
Payable against equity market settlement	(2,178)	(2,178)
Accrued expenses and other liabilities	1,455	681
	(275)	(1,329)
Net cash generated from / (used in) operating activities	(84,710)	30,455
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	191,835	25,699
Cash paid on redemption of units	(110,845)	(22,945)
Net cash used in / generated from financing activities	80,990	2,754
Net (decrease)/ increase in cash and cash equivalents	(3,720)	33,209
Cash and cash equivalents at the beginning of the period	5,139	5,139
Cash and cash equivalents at the end of the period	4	1,420
	1,420	38,349

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2024.

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, 2024.

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, 2024.
- 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, 2024.
- 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, 2024.

		September 30, 2024 (Un-Audited) (Rupees in '000)	June 30, 2024 Audited
4	BANK BALANCES	Note	
	Current accounts		- 10
	PLS deposit accounts under mark-up arrangements	4.1	1,420 5,129
			<u>1,420</u> <u>5,139</u>

- 4.1 Mark-up rates on these accounts range between 18.50% to 19.30% p.a (June 30, 2024: 18.50% to 19.30% p.a).

		September 30, 2024 (Un-Audited) (Rupees in '000)	June 30, 2024 Audited
5	INVESTMENTS	Note	
	Financial assets 'at fair value through profit or loss' held for trading		
	- Listed equity securities	5.1	203,728 122,820
			<u>203,728</u> <u>122,820</u>

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

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

Name of the Investee Company	Number of shares				Market value			
	As at July 1, 2024	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2024	As at September 30, 2024 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets
CEMENT								
DG Khan Cement Co Ltd	113,500	44,500	-	90,500	67,500	4,961	2.44%	2.43%
Fauji Cement Company Limited	182,500	-	-	182,500	-	-	0.00%	0.00%
Lucky Cement Ltd	1,300	-	-	1,300	-	-	0.00%	0.00%
Maple Leaf Cement Ltd.	34,000	396,000	-	125,500	304,500	9,878	4.85%	4.84%
Pioneer Cement Co Limited	58,500	41,500	-	25,500	74,500	13,499	6.63%	6.61%
	389,800	482,000	-	425,300	446,500	28,339	13.91%	13.87%
POWER GENERATION & DISTRIBUTION								
THE HUB POWER COMPANY LIMITED	70,000	140,500	-	72,000	138,500	16,529	8.11%	8.09%
	70,000	140,500	-	72,000	138,500	16,529	8.11%	8.09%
ENGINEERING								
Crescent Steel & Allied Products Limited	-	114,500	-	47,000	67,500	5,622	2.76%	2.75%
	-	114,500	-	47,000	67,500	5,622	2.76%	2.75%
PHARMACEUTICALS								
The Searle Comp	1,985	-	-	-	1,985	113	0.06%	0.06%
	1,985	-	-	-	1,985	113	0.06%	0.05%
OIL & GAS EXPLORATION COMPANIES								
MARI PETROLEUM COMPANY LIMITED	145	-	-	-	145	555	0.27%	0.27%
Oil & Gas Development Co Ltd	82,500	131,000	1,160	41,000	173,660	24,742	12.14%	12.11%
PAKISTAN PETROLEUM LIMITED	91,500	65,000	-	39,500	117,000	12,498	6.13%	6.12%
	174,145	196,000	1,160	80,500	290,805	37,795	18.55%	18.50%
OIL & GAS MARKETING COMPANIES								
Pakistan State Oil Company Ltd	35,249	-	-	29,500	5,749	927	0.46%	0.45%
SUI NORTHERN GAS PIPELINES LIMITED	88,000	96,500	-	86,500	98,000	6,247	3.07%	3.06%
	123,249	96,500	-	116,000	103,749	7,174	-	-
Name of the Investee Company	Number of shares				Market value			
	As at July 1, 2024	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2024	As at September 30, 2024 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets
REFINERY								
Attock Refinery Ltd	3,500	-	-	3,500	-	-	0.00%	0.00%
National Refinery Ltd	4,500	-	-	4,500	-	-	0.00%	0.00%
	8,000	-	-	8,000	-	-	0.00%	-0.01%
COMMERCIAL BANKS								
Bank Islami Pakistan Ltd	133,000	188,100	-	186,100	135,000	2,765	1.36%	1.35%
Meezan Bank Ltd	73,500	39,750	-	55,250	58,000	13,233	6.50%	6.48%
	206,500	227,850	-	241,350	193,000	15,998	7.85%	7.83%
FERTILIZER								
Engro Fertilizer Limited	38,700	121,300	-	28,500	131,500	25,019	-	-
	38,700	121,300	-	28,500	131,500	25,019	-	-
TECHNOLOGY & COMMUNICATION								
Avanceon Limited	-	317,500	-	91,500	226,000	11,531	5.66%	5.65%
Systems Limited	6,898	22,500	-	22,500	6,898	2,800	1.37%	1.37%
TPL TRAKKER LIMITED	743,000	160,000	-	5,000	898,000	7,858	3.86%	3.85%
Air Link Communication Ltd	-	52,000	-	27,000	25,000	3,254	1.60%	1.59%
	749,898	552,000	-	146,000	1,155,898	25,442	12.49%	12.45%
AUTOMOBILE ASSEMBLER								
Ghandhara Industries Limited	-	59,000	-	15,500	43,500	13,960	6.85%	6.84%
GHANDHARA AUTOMOBILES LIMITED	-	101,100	-	60,100	41,000	8,928	4.38%	4.37%
Honda Atlas Cars (Pakistan) Ltd	18,500	-	-	18,500	-	-	0.00%	0.00%
Sazgar Engineering Works Limited	10,400	-	-	10,400	-	-	0.00%	0.00%
	28,900	160,100	-	104,500	84,500	22,888	11.23%	11.21%
CABLE & ELECTRICAL GOODS								
PAK ELEKTRON	-	225,000	-	-	225,000	5,639	2.77%	2.76%
	-	225,000	-	-	225,000	5,639	2.77%	2.76%
FOOD & PERSONAL CARE PRODUCTS								
The Organic Meat Company Limited	-	316,500	-	316,500	-	-	0.00%	0.00%
	-	316,500	-	316,500	-	-	0.00%	0.00%
PAPER, BOARD & PACKAGING								
Synthetic Products Enterprises Limi	-	899,000	-	539,500	359,500	13,172	0.00%	0.00%
	-	899,000	-	539,500	359,500	13,172	0.00%	0.00%
Total September 30, 2024	1,791,177	3,531,250	1,160	2,125,150	3,198,437	203,728	12.49%	12.45%
Carrying value as at September 30, 2024	203,728							

- 5.2** The above investments include shares with market value aggregating to Rs 23.95 million (2024: Rs 23.26 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. 3.59 million (June 30, 2024 Rs. 3.515 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, 2024 (Un-Audited)	June 30, 2024 (Audited)
6	PAYABLE TO MANAGEMENT COMPANY		
Management fee	6.1	298	219
Sindh Sales Tax	6.2	95	28
Sales load payable		336	44
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	-
Selling and marketing expenses payable		-	-
		729	291
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 15 percent on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.		
6.3	As per Regulation 60(3) of the amended NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. During the year, management has not charged selling and marketing fee.		
6.4	As per Regulation 60(3) of the NBFC Regulations, selling and marketing expense maybe charged for all categories of funds, except fund of funds. During the year, management has not charged selling and marketing fee.		
7	PAYABLE TO THE TRUSTEE		
Trustee fee payable	7.1	27	22
Sindh Sales Tax payable on Trustee Fee	7.2	4	3
		31	25

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

Based on the Trust deed, Trustee fee has been charged based on the following tariff structure applicable to the Fund:

Average Net asset Value	Tariff per annum
Upto Rs. 1 billion	0.20% per annum of net assets
Over Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets value exceeding Rs. 1,000 million

- 7.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (June 2024: 13%) on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	September 30, 2024 (Un-Audited)	June 30, 2024 (Audited)
SECP fee payable	14	10

- 8.1** "In accordance with the Regulation 62 of NBFC Regulations 2008, a Collective Investment Scheme (CIS) was required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) on annual basis at the rate of 0.02% of average Net Assets of Collective investment Scheme calculated on daily basis.

Effective as of July 01, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.095% and introduced a shift in payment frequency, from annual to monthly basis."

	Note	September 30, 2024 (Un-Audited) (Rupees in '000)	June 30, 2024 (Audited)
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty	9.1	3,268	3,268
Donation payable		265	265
Payable to brokers		630	155
Withholding tax payable		338	486
Auditors' remuneration		298	229
Others		1,331	263
		6,130	4,666

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

On July 16, 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, being prudent has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 3.268 million (2024: Rs. 3.268 million). Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2024 would have been higher by Rs. 1.765 per unit (2024: Rs. 2.886 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2023 and June 30, 2024.

11 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders 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.

12 EARNINGS PER UNIT

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

13 TOTAL EXPENSE RATIO

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, 2024 is 4.96% which includes 0.65% representing government levy and SECP fee.

14 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:

14.1 Balance as at September 30, 2024

	(Unaudited) September 30, 2024 (Rupees in '000)	(Audited) June 30, 2024
HBL Asset Management Company Limited		
Management fee payable	298	219
Sindh Sales tax on remuneration of the Management Company	95	28
Sales load payable	336	44
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-
Allocation of expenses related to Selling and Marketing,	-	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable	31	25
Directors and executives of the Management Company		
Units held 1,777 (2024: 7,478) units	200	833

14.2 Transactions during the year

	(Unaudited) Quarter ended September 30, 2024 (Rupees in '000)	(Unaudited) Quarter ended September 30, 2023
HBL Asset Management Company Limited		
Remuneration of the Management Company for the period	1,050	504
Sindh Sales tax on remuneration of the Management Company	157	65
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	138
Allocation of expenses related to Selling and Marketing,	-	264
Directors and executives of the Management Company		
Redemption of 14,373 (2023: 11,825) units	1,611	872
Issue of 8,672 (2023: 13,944) units	999	999
HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management		
Redemption of Nil (2023: 154,559) units	-	10,847
Issue of Nil (2023: Nil) units	-	-
Central Depository Company of Pakistan Limited		
Trustee fee	99	57
CDS charges	-	10
IGI Life Insurance - Connected Person due to holding more than 10% units:		
Redemption of Nil (2023: 34,542) units	-	2,500
Issue of Nil (2023: 114,493) units	-	8,000

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2024							
Note		Carrying amount				Fair Value			
		Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value	15.1								
Investments									
- Listed equity securities		203,728	-	-	203,728	203,728	-	-	203,728
		203,728	-	-	203,728	203,728	-	-	203,728
Financial assets not measured at fair value	15.1				-				
Bank balances									
Investments		-	1,420	-	1,420	-	-	-	-
Dividend and profit receivable		-	3,884	-	3,884	-	-	-	-
Deposits and prepayments		-	2,107	-	2,107	-	-	-	-
		-	7,411	-	7,411	-	-	-	-

September 30, 2024								
Note	Carrying amount				Fair Value			
	Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
Financial liabilities not measured at fair value	15.1							
Payable to Management Company	-	-	729	729	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	31	31	-	-	-	-
Payable against purchase of investments	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	6,130	6,130	-	-	-	-
	-	-	6,890	6,890	-	-	-	-
June 30, 2024								
	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	15.1							
Investments								
- Listed equity securities	122,820	-	-	122,820	122,820	-	-	122,820
	122,820	-	-	122,820	122,820	-	-	122,820
Financial assets not measured at fair value	15.1			-				
Bank balances	-	5,139	-	5,139	-	-	-	-
Investments								
-Unlisted Equity Securities	-	-	-	-	-	-	-	-
Dividend and profit receivable	-	773	-	773	-	-	-	-
	-	5,912	-	5,912	-	-	-	-
Financial liabilities not measured at fair value	15.1							
Payable to Management Company	-	-	291	291	-	-	-	-
Payable to Trustee	-	-	25	25	-	-	-	-
Accrued expenses and other liabilities	-	-	4,666	4,666	-	-	-	-
	-	-	4,982	4,982	-	-	-	-

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

16 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 24, 2024.

17 CORRESPONDING FIGURES

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

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Fixed Term Fund

FUND INFORMATION

Name of Fund	HBL Islamic Fixed Term Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants.
Name of Trustee	Central Depository Company of Pakistan Limited
Bankers	United Bank Limited

HBL Islamic Fixed Term Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2024

	Note	(Un-Audited) September 30, 2024 (Rupees in '000)	(Audited) June 30, 2024 (Rupees in '000)
Assets			
Bank balances	5	4,929	18,556
Investments	6	1,743,511	1,663,081
Accrued mark-up		285	288
Total assets		1,748,725	1,681,925
Liabilities			
Payable to the Management Company	7	843	1,099
Payable to the Trustee	8	90	182
Payable to Securities and Exchange Commission of Pakistan	9	107	102
Shariah fee payable		146	64
Accrued expenses and other liabilities	10	1,261	11,489
Total liabilities		2,447	12,937
Net assets		1,746,278	1,668,988
Unit holders' fund (as per statement attached)		1,746,278	1,668,989
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		16,614,842	16,614,842
		----- (Rupees) -----	
Net assets value per unit		105.1035	100.4517

The annexed notes 1 to 19 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 Fixed Term Fund

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

For the Three months period ended on September 30, 2024

		For the Period Ended September 30, 2024 (Rupees in '000)
	Note	
Income		
Mark-up / return on investments		80,430
Mark-up on Bank Deposit		304
		80,734
Expenses		
Remuneration of the Management Company		2,226
Remuneration of the Trustee		272
Fee to Securities and Exchange Commission of Pakistan		323
Auditors' remuneration		263
Bank charges		19
Formation Cost		53
Other expense		291
		3,445
Net loss from operating activities		77,289
Net loss for the period before taxation		77,289
Taxation	12	-
Net loss for the period after taxation		77,289
Allocation of net (loss) / income for the period:		
Income already paid on redemption of units		-
Accounting (loss) / income available for distribution:		
- Relating to capital gains		-
- Excluding capital gains		-
		77,289
Earnings per unit	13	

The annexed notes 1 to 19 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 Fixed Term Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the Three months period ended on September 30, 2024

	For the Period Ended September 30, 2024
	(Rupees in '000)
Net loss for the period after taxation	77,289
Other comprehensive income for the period	-
Total comprehensive loss for the period	77,289

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director
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HBL Islamic Fixed Term Fund

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

For the Three months period ended on September 30, 2024

	For the Period Ended September 30, 2024			
	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
	(Rupees in '000)			
Net assets at beginning of the period	1,661,483	7,506	-	1,668,989
Issue of Nil units				
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-
- Element of income	-	-	-	-
Total proceeds on issue of units	-	-	-	-
Total comprehensive income for the period	-	77,289	-	77,289
Distributed during the period	-	-	-	-
	-	77,289	-	77,289
Net assets at end of the period	1,661,483	84,795	-	1,746,278
Undistributed income brought forward				
- Realised		7,505		
- Unrealised		-		
		7,505		
Accounting income available for distribution				
Relating to capital gains		-		
Excluding capital gains		77,289		
		77,289		
Undistributed income carried forward		84,795		
Undistributed income carried forward				
Realised income		84,795		
Unrealised income		-		
		84,795		
				Rupees
				----- (Rupees) ---
Net assets value per unit at Beginning of the period				100.4517
Net assets value per unit at end of the period				105.1035

The annexed notes 1 to 19 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 Fixed Term Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Three months period ended on September 30, 2024

	For the Period Ended September 30, 2024
	(Rupees in '000)
Cash flows from operating activities	
Net income for the period before taxation	77,289
Adjustments	
Mark-up / return on investments	(80,430)
Mark-up on Bank Deposit	(304)
	<u>(3,445)</u>
Decrease / (Increase) in assets	
Investments - net	-
Receivable against margin trading system	-
Advances, deposits, prepayments and other receivables	-
	-
(Decrease) in liabilities	
Payable to the Management Company	(256)
Payable to the Trustee	(92)
Shariah fee payable	82
Payable to the Securities and Exchange Commission of Pakistan	5
Accrued expenses and other liabilities	(10,228)
	<u>(10,489)</u>
Net cash used in operating activities	<u>(13,934)</u>
Profit received	307
	307
Net cash generated from / (used in) operating activities	<u>(13,627)</u>
Cash flows from financing activities	
Amount received on issue of units	-
Payment against redemption of units	-
Dividend paid	-
Net cash generated from financing activities	<u>-</u>
Net increase in cash and cash equivalents	<u>(13,627)</u>
Cash and cash equivalents at beginning of the period	18,556
Cash and cash equivalents at end of the period	<u><u>4,929</u></u>

The annexed notes 1 to 19 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 Fixed Term Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Three months period ended on September 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Fixed Term Fund Plan 1 (the Fund) was established under a Trust Deed, dated July 19, 2023, 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 04, 2023.
- 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 from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 1.3** The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4** The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.5** VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousands of Rupees, unless otherwise indicated.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- (i) Classification and valuation of financial instruments (notes 4.2)
- (ii) Provision (notes 4.8)

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting year beginning on or June 01, 2020
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

- 3.2.1** The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting years beginning on or
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises savings accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Financial assets and liabilities

4.2.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVTOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

"All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI). "

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

Business model assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- Measured at amortized cost ("AC"), or
- Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

4.2.3 Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. The Fund is required to measure loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenor of the securities.

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Basis of valuation of instruments at amortised cost

Subsequent to initial recognition, financial assets classified as amortised cost are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.6 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net asset of the Fund by the number of units in issue at the year end.

4.4 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as financial assets at fair value through profit or loss and carried on the statement of assets and liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the income statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the income statement.

4.5 Securities under margin trading system

"Securities purchased under margin financing are included as 'receivable against Margin Trading System (MTS)' at the fair value of consideration given. All MTS transactions are accounted for on the settlement date. Income on MTS is calculated on outstanding balance at agreed rates and recorded in the income statement. Transaction costs are expensed in the income statement."

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.4 Revenue recognition

- Gain / (loss) arising on sale of investments are included in the 'income statement' on the date at which the sale transaction takes place.
- Unrealised gain / (loss) arising on remeasurement of investments classified as 'financial assets at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.
- Dividend income is recognized when the right to receive the dividend is established.

-
-
- Mar-up / return on bank deposits, investment in debt and government securities are recognised at effective profit rates based on a time proportion basis using the effective interest method.
 - Profit on debt securities classified as non performing assets are recognised on receipt basis.

4.5 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee, annual fee to the SECP and selling and marketing expense) are recognised in the 'income statement' on an accrual basis.

4.6 Taxation

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders (excluding distribution made by issuance of bonus shares).

The Fund is also exempt from the Provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.10 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.11 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is premeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.12 Distribution to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.13 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the element of income / (loss) included in prices of units sold less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

			(Un-Audited) September 30, 2024	(Audited) June 30, 2024
	Note		(Rupees in '000)	
5. BANK BALANCES				
Balances with banks in:				
Savings accounts	5.1		<u>4,929</u>	<u>18,556</u>

5.1 This represents bank accounts held with different banks. 'The balance in savings accounts carry expected profit which ranges from 17.5% to 18% per annum.

			(Un-Audited) September 30, 2024	(Audited) June 30, 2024
	Note		(Rupees in '000)	
6 INVESTMENTS				
Financial assets				
At amortized cost	6.1		<u>1,743,511</u>	<u>1,663,081</u>
			<u>1,743,511</u>	<u>1,663,081</u>
6.1 Financial assets at amortized cost				
GOP Ijarah Sukuk	6.1.1		<u>1,743,511</u>	<u>1,663,081</u>
			<u>1,743,511</u>	<u>1,663,081</u>

6.1.1 Financial assets at amortized cost - GOP Ijara Sukuk Certificates

Issue Details	Issue Date	Tenure	Face value					Carrying value as at September 30, 2024	Market value as at September 30, 2024	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total investments
			As at July 1, 2024	Purchases made during the year	Income Accrued	Sales/Matured during the period	As at September 30, 2024					
-----Rupees in '000-----												
GOPIS 29-03-2024	29-Mar-24	12 Months	1,900,000	-	-	-	1,900,000	1,743,511	1,743,511	-	99.84%	100%
Total as at September 30, 2024			1,900,000	-	-	-	1,900,000	1,743,511	1,743,511	-	99.84%	100%
Total - as at June 30, 2024			-	1,900,000	-	-	1,900,000	1,663,081	1,663,081	-	99.65%	100%

		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
	Note	(Rupees in '000)	
7	PAYABLE TO THE MANAGEMENT COMPANY		
	Management fee	640	925
	Sindh Sales Tax on Management Company's remuneration	96	120
	Formation Cost Payable	107	54
		843	1,099
7.1	As per the offering document of the Fund the maximum limit of management fee is 0.45% per annum of average annual net assets.		
7.2	The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 15% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		
8	PAYABLE TO THE TRUSTEE		
	Remuneration of the Trustee	78	161
	Sindh Sales Tax on remuneration of the Trustee	12	21
		90	182
8.1	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund.		
	CDC vide letter no CDC/CEO/L-112/06/2019 declared that the tariff structure for the fixed return schemes shall consists of actual custodial expense plus 0.055% per annum of Net Assets. Therefore trustee fee have been charged as 0.055% per annum of net assets calculated on daily basis.		
	The remuneration is paid to the trustee monthly in arrears.		
8.2	The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 15% on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.		
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Fee payable to SECP	107	102
		107	102
9.1	As per SRO 685(I)/2019 dated June 28, 2019, annual fee at the rate of 0.075% of the net assets of the fund has been charged during the year by Securities and Exchange Commission of Pakistan.		
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Withholding tax payable	143	10,946
	Auditors' remuneration	697	435
	Printing charges	348	87
	Others	74	21
		1,261	11,489

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2024.

12 TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of 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.

13 EARNINGS PER UNIT

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

14. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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 and balances with them at period end are as follows:

**For the Period
Ended September
30, 2024
(Rupees in '000)**

14.1 Transactions during the period

HBL Asset Management Limited - Management Company

Remuneration of the Management Company	2,226
----------------------------------------	-------

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	272
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Connected party due to holding 10% or more

	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
(Rupees in '000)		
14.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management fee payable	640	925
Sales tax payable	96	120
Formation Cost Payable	107	54
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	78	161
Sindh Sales Tax	12	21
Connected party due to holding 10% or more		
PAKISTAN MORTGAGE REFINANCE COMPANY LTD CREDIT GUARANTEE TRUST SCHEME FOR LOW INCOME HOUSING MPMG		
Investment held in the Fund: 16,614,842 units	1,746,278	1,668,988

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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, 2024 (Un-Audited)					
		Carrying amount			Fair value		
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
Note		(Rupees in '000)					
Financial assets measured at amorized cost	15.1						
GOP Ijara Sukuk		1,743,511	-	1,743,511	1,743,511	-	-
		1,743,511	-	1,743,511	1,743,511	-	-
Financial assets measured at amorized cost	15.2						
Bank balances		-	4,929	4,929			
Accrued mark-up		-	285	285			
Deposits and other receivables		-	-	-			
		-	5,214	5,214			
Financial liabilities not measured at fair value	15.3						
Payable to the Management Company		-	843	843			
Payable to the Trustee		-	90	90			
Shariah fee payable		-	146	146			
Accrued expenses and other liabilities		-	1,119	1,119			
		-	2,198	2,198			
		June 30, 2024 (Audited)					
		Carrying amount			Fair value		
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
Note		(Rupees in '000)					
Financial assets measured at amorized cost	15.1						
GOP Ijara Sukuk		1,663,081	-	1,663,081	1,663,081	-	-
		1,663,081	-	1,663,081	1,663,081	-	-
Financial assets measured at amorized cost	15.2						
Bank balances		-	18,556	18,556			
Accrued mark-up		-	288	288			
Deposits and other receivables		-	-	-			
		-	18,844	18,844			
Financial liabilities not measured at fair value	15.3						
Payable to the Management Company		-	979	979			
Payable to the Trustee		-	161	161			
Shariah fee payable		-	64	64			
Accrued expenses and other liabilities		-	543	543			
		-	1,747	1,747			

15.1.1 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 frequently. Therefore, their carrying amounts are reasonable approximation of fair value.

15.1.2 The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the three month ended September 30, 2024 is 0.81% (YTD) which includes 0.15% representing government levy and SECP fee.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 24, 2024.

18 GENERAL

18.1 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 Savings Fund

FUND INFORMATION

Name of Fund	HBL Islamic Savings Fund
Name of Auditor	Yousuf Adil, Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Faysal Bank Limited Habib Bank Limited United Bank Limited

HBL Islamic Savings Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2024

		(Un-Audited) September 30, 2024 (Rupees in '000)	(Un-Audited) June 30, 2024
	Note		
Assets			
Bank balances	5	1,795,674	2,048,109
Investments	6	3,413,506	3,164,853
Accrued mark-up		217,738	70,185
Advances, deposits, prepayments and other receivables	7	100	-
Total assets		5,427,018	5,283,147
Liabilities			
Payable to the Management Company	8	8,108	9,776
Payable to the Trustee	9	275	280
Payable to Securities and Exchange Commission of Pakistan	10	1,004	338
Accrued expenses and other liabilities	11	34,886	24,134
Total liabilities		44,274	34,528
Net assets		5,382,744	5,248,619
Unit holders' fund (as per statement attached)		5,382,744	5,248,619
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		51,472,018	52,399,844
		----- (Rupees) -----	
Net assets value per unit		104.5761	100.1648

The annexed notes 1 to 19 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 Savings Fund
Condensed Interim Income Statement and Other Comprehensive Income (Un-Audited)
For the Three months period ended on September 30, 2024

	For the Period September 30, 2024
Note	---- (Rupees in '000) ----
Income	
Capital loss/(gain) on sale of investments - net	(301)
Mark-up / return on investments	157,184
Mark-up on Bank Deposit	87,740
Unrealized Gain on Re-measurment of Investments at fair value through profit or loss - net	15,760
	260,383
Expenses	
Remuneration of the Management Company	21,410
Remuneration of the Trustee	785
Fees to Securities and Exchange Commission of Pakistan	1,005
Selling and marketing expenses	866
Allocation of expenses related to registrar services, accounting, operation and valuation services	-
Printing And Stationary	152
Auditors' remuneration	527
Bank charges	51
Amortization of Formation Cost	50
Shariah advisory fee	72
Other expense	2,443
	27,361
Net loss from operating activities	233,022
Net loss for the period before taxation	233,022
Taxation	13 -
Net loss for the period after taxation	233,022
Allocation of net (loss) / income for the period:	
Income already paid on redemption of units	16,826
Accounting (loss) / income available for distribution:	
- Relating to capital gains	15,459
- Excluding capital gains	200,737
	216,196
	216,196
Earnings per unit	14

The annexed notes 1 to 19 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 Savings Fund

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

For the Three months period ended on September 30, 2024

	For the Period September 30, 2024
	(Rupees in '000)
Net loss for the period after taxation	233,022
Other comprehensive income for the period	-
Total comprehensive loss for the period	233,022

The annexed notes 1 to 19 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 Savings Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Three months period ended on September 30, 2024

	For the Period September 30, 2024
	(Rupees in '000)
Cash flows from operating activities	
Net income for the period before taxation	233,022
Adjustments	
Unrealised diminution / (appreciation) on remeasurement of investments at fair value through profit or loss - net	
Capital loss/(gain) on sale of investments - net	301
Mark-up / return on investments	(157,184)
Mark-up on Bank Deposit	(87,740)
Unrealised diminution on re-measurement of investments classified as financial asset at fair value thorough profit or loss - net	(15,760)
	<u>(27,361)</u>
Decrease / (Increase) in assets	
Investments - net	(233,194)
Advances, deposits, prepayments and other receivables	(100)
	(233,294)
Increase in liabilities	
Payable to the Management Company	(1,668)
Payable to the Trustee	(5)
Payable to the Securities and Exchange Commission of Pakistan	666
Accrued expenses and other liabilities	10,752
	9,746
Net cash used in operating activities	<u>(250,909)</u>
Profit received	97,371
	97,371
Net cash generated from / (used in) operating activities	<u>(153,538)</u>
Cash flows from financing activities	
Amount received on issue of units	2,987,594
Payment against redemption of units	(3,086,490)
Dividend paid	-
Net cash generated from financing activities	<u>(98,897)</u>
Net increase in cash and cash equivalents	(252,435)
Cash and cash equivalents at beginning of the period	2,048,109
Cash and cash equivalents at end of the period	<u>1,795,674</u>

The annexed notes 1 to 19 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 Savings Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Three months period ended on September 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Savings Fund Plan 1 (the Fund) was established under a Trust Deed, dated March 14, 2024, 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 15, 2023.
- 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 from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 1.3** The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4** The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.5** JCR-VIS Credit Rating Company has assigned a management quality rating of AM1 (Stable Outlook) to the Management Company.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousands of Rupees, unless otherwise indicated.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- (i) Classification and valuation of financial instruments (notes 4.2)
- (ii) Provision (notes 4.8)

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting year beginning on or June 01, 2020
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

3.2.1 The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting years beginning on or
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises savings accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Financial assets and liabilities

4.2.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVTOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

"All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI)."

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

Business model assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- Measured at amortized cost ("AC"), or
- Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

4.2.3 Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. The Fund is required to measure loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.4 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as financial assets at fair value through profit or loss and carried on the statement of assets and liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the income statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the income statement.

4.5 Securities under margin trading system

"Securities purchased under margin financing are included as 'receivable against Margin Trading System (MTS)' at the fair value of consideration given. All MTS transactions are accounted for on the settlement date. Income on MTS is calculated on outstanding balance at agreed rates and recorded in the income statement. Transaction costs are expensed in the income statement."

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.4 Revenue recognition

- Gain / (loss) arising on sale of investments are included in the 'income statement' on the date at which the sale transaction takes place.

-
-
- Unrealised gain / (loss) arising on remeasurement of investments classified as 'financial assets at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.
 - Dividend income is recognized when the right to receive the dividend is established.
 - Mar-up / return on bank deposits, investment in debt and government securities are recognised at effective profit rates based on a time proportion basis using the effective interest method.
 - Profit on debt securities classified as non performing assets are recognised on receipt basis.

4.5 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee, annual fee to the SECP and selling and marketing expense) are recognised in the 'income statement' on an accrual basis.

4.6 Taxation

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders (excluding distribution made by issuance of bonus shares).

The Fund is also exempt from the Provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.10 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.11 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is premeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.12 Distribution to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.13 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the element of income / (loss) included in prices of units sold less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

	Note	(Un-Audited) September 30, 2024	(Audited) June 30, 2024
		(Rupees in '000)	
5. BANK BALANCES			
Balances with banks in:			
Savings accounts	5.1	1,070,453	2,048,109

5.1 This represents bank accounts held with different banks. 'The balance in savings accounts carry expected profit which ranges from 8% to 17.75% per annum.

	Note	(Un-Audited) September 30, 2024	(Audited) June 30, 2024
		(Rupees in '000)	
6 INVESTMENTS			
Financial assets			
Government of Pakistan (GOP)	6.1	1,137,825	652,133
Corporate sukuk bonds	6.2	247,000	245,000
Bai Muajjal	6.3	653,072	642,825
Musharika Certificates	6.4	1,375,609	1,624,895
		<u>3,413,506</u>	<u>3,164,853</u>

6.1 Government of Pakistan Ijarah Sukuks - (Fixed)

Name of security	Issue date	Face Value				As at Sep 30, 2024			Market value as a percentage of Net Asset	Market value as a percentage of Total investments
		As at July 01, 2024	Purchases made during the period	Sales / matured during the period	As at September 30, 2024	Carrying value	Market value	Unrealised gain / (loss)		
----- (Rupees in '000) ----- % -----										

Listed Ijara Sukuk

GOP Ijarah - 1 Year - (Fixed)*	April 26, 2024	750,000	-	-	750,000	679,274	690,675	11,401	12.73	20.23
GOP Ijarah - 1 Year - (Fixed)*	July 26, 2024	-	500,000	-	500,000	440,120	447,150	7,030	8.24	13.10
Total - as at Sep 30, 2024						<u>1,119,394</u>	<u>1,137,825</u>	<u>18,431</u>		

6.2 Corporate sukuk bonds

Name of the investee company	Issue date	Face Value				As at Sep 30, 2024			Market value as a percentage of Net Asset	Market value as a percentage of Total investments
		As at July 01, 2024	Purchases made during the period	Sales / matured during the period	As at September 30, 2024	Carrying value	Market value	Unrealised gain		
		----- (Rupees in '000) -----				----- (Rupees in '000) -----			----- % -----	
K-Electric	August 05, 2024	-	247,000	-	247,000	247,000	247,000	-	4.55	7.24
Total - as at Sep 30, 2024						247,000	247,000	-		

6.3 Bai-Muajjal

Investee company	Issue date	Maturity Date	Profit rate	Face value			At September 30, 2024				Market value as a percentage of net assets	Market value as a percentage of total investments
				As at July 01, 2024	Placemenr made during the period	Sales / matured during the period	As at Sep 30, 2024	Carrying value	Market value	Unrealised gain / (loss)		
-----%				----- (Rupees '000') -----							-----%	
Pak Bruie Investment Company Limited	May 10,2024	July 12,2024	21.15%	600,000	-	600,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	August 9, 2024	September 13, 2024	18.50%	-	693,000	693,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	August 12, 2024	September 13, 2024	18.50%	-	730,002	730,002	-	-	-	-	-	-
Pak Bruie Investment Company Limited	September 20, 2024	November 8, 2024	16.60%	-	590,000	-	590,000	653,072	653,072	-	12.03	19.13
Total as at Sep 30, 2024							590,000	653,072	653,072			

6.4 Musharika Certificates

Name of the Investee company	Profit Rate	Issue date	Maturity Date	Face value			As at September 30, 2024			Unrealised gain / (loss)	Market value as a percentage of Net Asset	Market value as a percentage of Total Investments
				As at July 01, 2024	Purchased during the period	Matured during the period	As at September 30, 2024	Carrying value	Market value			
				(Rupees in '000)						(%)		
United Bank Limited	19.70	June 14, 2024	July 15, 2024	472,491	-	472,491	-	-	-	-	-	-
Meezan Bank Limited	19.80	June 24, 2024	July 05, 2024	850,000	-	850,000	-	-	-	-	-	-
Meezan Bank Limited	19.70	June 26, 2024	August 01, 2024	302,404	-	302,404	-	-	-	-	-	-
Faysal Bank Limited	20%	July 02, 2024	July 12, 2024	-	500,000	500,000	-	-	-	-	-	-
Meezan Bank Limited	19%	July 05, 2024	July 11, 2024	-	750,000	750,000	-	-	-	-	-	-
Meezan Bank Limited	18%	July 12, 2024	July 18, 2024	-	750,000	750,000	-	-	-	-	-	-
United Bank Limited	20%	July 15, 2024	July 26, 2024	-	480,396	480,396	-	-	-	-	-	-
United Bank Limited	20%	July 26, 2024	August 02, 2024	-	483,220	483,220	-	-	-	-	-	-
United Bank Limited	19%	August 01, 2024	September 13, 2024	-	308,280	308,280	-	-	-	-	-	-
Faysal Bank Limited	18%	August 01, 2024	August 05, 2024	-	850,000	850,000	-	-	-	-	-	-
Faysal Bank Limited	19%	August 02, 2024	August 29, 2024	-	485,027	485,027	-	-	-	-	-	-
Faysal Bank Limited	15%	August 05, 2024	August 07, 2024	-	800,000	800,000	-	-	-	-	-	-
United Bank Limited	17%	September 02, 2024	September 13, 2024	-	700,000	700,000	-	-	-	-	-	-
Faysal Bank Limited	18%	September 05, 2024	September 06, 2024	-	500,000	500,000	-	-	-	-	-	-
Faysal Bank Limited	19%	September 06, 2024	September 13, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	18%	September 09, 2024	September 10, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	18%	September 10, 2024	September 11, 2024	-	300,146	300,146	-	-	-	-	-	-
Faysal Bank Limited	18%	September 11, 2024	September 12, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	18%	September 12, 2024	September 13, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	16%	September 16, 2024	September 27, 2024	-	800,000	800,000	-	-	-	-	-	-
Faysal Bank Limited	17%	September 18, 2024	November 06, 2024	-	782,609	-	782,609	782,609	782,609	-	14.42	22.93
Faysal Bank Limited	17%	September 18, 2024	March 18, 2025	-	550,000	-	550,000	550,000	550,000	-	10.13	16.11
Faysal Bank Limited	17%	September 23, 2024	March 24, 2025	-	43,000	-	43,000	43,000	43,000	-	0.79	1.26
							1,375,609	1,375,609	1,375,609	-		

(Un-Audited) (Un-Audited)
September 30, June 30,
2024 2024
(Rupees in '000) (Rupees in '000)

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with Central Depository Company of Pakistan Limited	100	100
	100	100

8. PAYABLE TO THE MANAGEMENT COMPANY

Management fee	6,513	6,760
Sindh Sales Tax on Management Company's remuneration	977	879
Sales load payable		774
Formation Cost Payable	119	59
Selling and marketing payable	499	1,304
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-
	<u>8,108</u>	<u>9,776</u>

8.1 As per the offering document of the Fund the maximum limit of management fee is 1.5% per annum of average annual net assets. During the year, management remuneration is charged by the Asset Management Company at the rate of 1.5% of average annual net assets of the Fund.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 15% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9 PAYABLE TO THE TRUSTEE

Remuneration of the Trustee	239	248
Sindh Sales Tax on remuneration of the Trustee	36	32
	<u>275</u>	<u>280</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund.

CDC vide letter no CDC/CEO/L-112/06/2019 declared that the tariff structure for the Shariah money market schemes shall consists of actual custodial expense plus 0.055% per annum of Net Assets. Therefore trustee fee have been charged as 0.055% per annum of net assets calculated on daily basis.

The remuneration is paid to the trustee monthly in arrears.

9.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 15% on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.

10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Secp fee payable	1,004	338
	<u>1,004</u>	<u>338</u>

10.1 As per SRO 685(I)/2019 dated June 28, 2019, monthly fee at the rate of 0.075% of the net assets of the fund has been charged during the year by Securities and Exchange Commission of Pakistan.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Withholding tax payable	23,424	23,084
Auditors' remuneration	1,139	416
Brokerage payable		-
Shariah advisory fee payable	112	62
Printing payable	322	170
Other payables	9,889	362
	<u>34,886</u>	<u>24,094</u>

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2024.

13. 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, 2024 to its unit holders.

14. EARNINGS PER UNIT

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

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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 and balances with them at period end are as follows:

		For the Period March 14, 2024 to September 30, 2024 (Rupees in '000)
15.1	Transactions during the period	
	HBL Asset Management Limited - Management Company	
	Remuneration of the Management Company	21,410
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-
	Selling and marketing cost	866
	Formation Cost Payable	50
	Central Depository Company of Pakistan Limited - Trustee	
	Remuneration	785
	Executives and their relatives	
	Issuance of 138,333 units	14,418

	September 30, 2024 (Un-audited) (Rupees in '000)	June 30, 2024 (Audited) (Rupees in '000)
15.2 Amounts outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	6,513	6,760
Sindh Sales Tax payable on Management Company's remuneration	977	879
Sales load payable		774
Allocated expenses	-	-
Selling and marketing expense payable	499	1,304
Formation cost payable	119	59
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	243	248
Sindh Sales Tax	32	32
Habib Bank Limited - Sponsor		
Bank balances		1,620,830
Profit Receivable		7,929
Executives and their relatives		
Investment held in the Fund: 153,435 units (June 30, 2024: 153,956 units)	16,039	15,419

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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, 2024 (Un-Audited)						
	Carrying amount			Fair value		
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
Note	(Rupees in '000)					
Financial assets measured at fair value						
Corporate Sukuk Bonds	-	-	-	-	-	-
Market treasury bills	-	-	-	-	-	-
Commercial paper	247,000	-	247,000	-	-	247,000
	247,000	-	247,000	-	-	247,000

Financial assets not measured at fair value	15			
Bank balances	-	1,795,674	1,795,674	
Receivable against margin trading system	-	-	-	
Accrued mark-up	-	217,738		
Deposits and other receivables	-	100	100	
	-	2,013,512	1,795,774	
Financial liabilities not measured at fair value	15			
Payable to the Management Company	-	8,108	8,108	
Payable to the Trustee	-	275	275	
Accrued expenses and other liabilities	-	1,461	1,461	
	-	9,844	9,844	

16.1.1 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.

16.1.2 The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

17. 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, 2024 is 1.72%, which includes 0.32% representing government levy, Workers' Welfare Fund and SECP fee.

18. 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 24, 2024 .

19. GENERAL

19.1 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
Name of Shariah Advisor	Al - Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited Bank Al Baraka Limited

HBL Livestock Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2024

		September 30 2024	June 30 2024
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	538,818	-
Biological assets	5	807,634	-
Formation cost		-	-
Other receivable		33,524	-
Advances, deposits and prepayments		205,856	-
TOTAL ASSETS		<u>1,585,832</u>	<u>-</u>
LIABILITIES			
Payable to the Management Company	6	10,051	-
Payable to the Trustee		313	-
Payable to Securities and Exchange Commission of Pakistan		218	-
Other liabilities	7	11,332	-
TOTAL LIABILITIES		<u>21,914</u>	<u>-</u>
NET ASSETS		<u>1,563,918</u>	<u>-</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>1,563,919</u>	<u>-</u>
CONTINGENCIES AND COMMITMENTS	10		
		Number of units	
Number of units in issue		<u>1,499,878</u>	<u>-</u>
		(Rupees)	
Net assets value per unit		<u>1,042.6975</u>	<u>-</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Livestock Fund
Condensed Interim Income Statement (Un-Audited)
For the Three months period ended on September 30, 2024

		September 30	
		2024	2023
	Note	(Rupees in '000)	
Income			
Capital gains / (losses) on sale of investments - net		9,640	(4,513)
Profit on bank deposits		31,710	1,426
		41,350	(3,087)
Unrealized gains / (losses) on valuation of livestock investments classified as financial assets at 'fair value through profit or loss'	5.1	181,823	(408)
		223,173	(3,495)
Expenses			
Remuneration of the Management Company	6.1	8,740	355
Sindh Sales Tax on remuneration of the Management Company	6.2	1,311	46
Remuneration of the Trustee		277	88
Sindh Sales Tax on remuneration of the Trustee		42	11
Annual fee to Securities and Exchange Commission of Pakistan	8.1	218	2
Formation Cost		-	222
Auditors' remuneration		73	71
Insurance Fee		2,397	(188)
Shariah advisory services		43	14
Bank charges		-	-
Cost of feed		120,674	(3,556)
Testing and inspection cost		2,369	212
Livestock manager fee		8,842	(76)
Travelling Expense		-	468
Livestock overheads		14,147	(153)
		159,132	(2,484)
Net gains / (losses) for the period before taxation		64,041	(1,011)
Taxation	11	-	-
Net gains / (losses) for the period after taxation		64,041	(1,011)
Allocation of net income for the year			
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
Relating to capital gains		-	-
Excluding capital gains		64,041	(1,011)
		64,041	(1,011)
		64,041	(1,011)
Earnings per unit	12		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Livestock Fund
Condensed Interim Other Comprehensive Income (Un-Audited)
For the Three months period ended on September 30, 2024

	September 30	
	2024	2023
	----- (Rupees in '000) -----	
Net loss for the period after taxation	64,041	(1,011)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>64,041</u>	<u>(1,011)</u>

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

For HBL Asset Management Limited
(Management Company)

<u>Chief Financial Officer</u>	<u>Chief Executive Officer</u>	<u>Director</u>
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HBL Livestock Fund

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

For the Three months period ended on September 30, 2024

	September 2024			September 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	-----Rupees in '000-----					
Net assets at beginning of the period	-	-	-	90,000	3,618	93,618
Issuance of 1,499,878 units						
Capital value (at net asset value per unit at the beginning of the period)	1,499,878	-	1,499,878	-	-	-
Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	1,499,878	-	1,499,878	-	-	-
Total comprehensive loss for the period	-	64,041	64,041	-	(1,011)	(1,011)
Net assets at end of the period	1,499,878	64,041	1,563,919	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	64,041			(1,011)		
	64,041			(1,011)		
Distributions during the period:	-			-		
Undistributed income carried forward	64,041			2,607		
Undistributed income carried forward						
Realised Income	(117,782)			3,015		
Unrealised loss	181,823			(408)		
	64,041			2,607		
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		-			1,040.1980	
Net assets value per unit at end of the period		1,042.6975			1,028.9690	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Livestock Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Three months period ended on September 30, 2024

		September	
	Note	2024	2023
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net gains / (losses) for the period before taxation		64,041	(1,011)
Adjustments for:			
Capital gains / (losses) on sale of investments - net		(9,640)	4,513
Profit on bank deposits		(31,710)	(1,426)
Unrealized gains / (losses) on valuation of livestock investments classified as financial assets at 'fair value through profit or loss'		(181,823)	408
		(159,132)	2,484
Decrease in assets			
Investments - net		(616,171)	38,131
Formation cost		-	236
Advances, deposits and prepayments		(205,856)	(9,733)
Other receivables		(33,215)	11,170
		(855,242)	39,804
(Decrease) in liabilities			
Payable to the Management Company		10,051	401
Payable to the Trustee		313	100
Payable to Securities and Exchange Commission of Pakistan		218	2
Other liabilities		11,022	(708)
		21,604	(205)
Profit received on bank deposits		31,710	1,117
Net cash flows from operating activities		(961,060)	43,201
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		1,499,878	-
Net cash generated from financing activities		1,499,878	-
Net increase in cash and cash equivalents during the year		538,818	43,201
Cash and cash equivalents at beginning of the period		-	12,832
Cash and cash equivalents at end of the period	4	538,818	56,033

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Livestock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Three months period ended on September 30, 2024

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 Livestock 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, 2024.

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, 2024.

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, 2024.

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

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
In savings accounts	4.1	538,818	-
		<u>538,818</u>	<u>-</u>

4.1. These bank accounts carries profit at the rate ranging between 15% to 18%

5. BIOLOGICAL ASSETS

Biological assets - Live stock
Listed equity securities

5.1	<u>807,634</u>	<u>-</u>
-----	----------------	----------

5.1 Biological assets					
		September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024
		-----Quantity-----		-----Rs-----	
Carrying amount at the beginning of the period		0	439	-	50,000
Additions during the period		8,350	874	658,331	70,216
Sales / disposal during the period		(377)	(1,313)	(32,521)	(120,216)
Unrealized gain arising from change in the fair value		-	-	181,823	-
Fair value less cost to sale at the end of the year		<u>7,973</u>	<u>0</u>	<u>807,634</u>	<u>-</u>
Market value as a percentage of net assets		-	-	52%	0%
Market value as percentage of total Biological assets		-	-	100%	0%
5.1.1	The fair value measurement of the livestock has been categorised as level-2 fair value based on observable market sales data, using market comparison technique under which market price is based on the market price of live stock of similar age, weight and market values.				
				September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
				----- (Rupees in '000) -----	
6	PAYABLE TO THE MANAGEMENT COMPANY	Note			
	Remuneration payable to Management Company	6.1		8,740	-
	Sindh Sales Tax payable on Management	6.2		1,311	-
				<u>10,051</u>	<u>-</u>
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 15% (June 2024: 13%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.				
				September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
7	PAYABLE TO THE TRUSTEE			----- (Rupees in '000) -----	
	Trustee fee payable	7.1		277	-
	Sindh Sales Tax payable on Trustee Fee	7.2		36	-
				<u>313</u>	<u>-</u>
7.1	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified at the rate 0.095%, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.				
7.2	The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.				
				September 30, 2024	June 30, 2024
		Note		(Unaudited)	(Audited)
8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			----- (Rupees in '000) -----	
	SECP fee payable	8.1		218	-

- 8.1** Under the regulation 62 of the NBFC Regulations, an Asset Management Company managing a collective investment scheme, shall pay SECP an annual fee of 0.075% of the average annual net assets. During the year, Management Company has charged the fee accordingly. The fee is payable monthly in arrears.

9 OTHER LIABILITIES	September 30,	June 30,
	2024	2024
	(Unaudited)	(Audited)
	----- (Rupees in '000) -----	
Audit fee payable	73	-
Shariah advisory fee payable	43	-
Other charges of trustee	-	-
Other payable	8,750	-
Payable to SGS - testing and inspection	2,466	-
Formation cost payable to AMC	-	-
	11,332	-

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2024 (June 2024: Nil).

11 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or 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.

12 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.

13 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:

		September 30, 2024	September 30, 2023
		Rupees in '000 (Unaudited)	Rupees in '000 (Unaudited)
13.1	Transactions during the year		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	8,740	8,740
	Sindh Sales Tax on remuneration of the	1,311	1,311
	DCCL - Trustee		
	Remuneration of the Trustee	277	277
	Sindh Sales Tax on remuneration of the Trustee	42	42
	Habib Bank Limited - Sponsor		
	Profit on Bank Deposits	21,520	-
	Ivan N Johns - Directors & Executive		
	Issue of 4,000 units	4,000	-
	Ivan N Johns - Directors & Executive		
	Issue of 2,000 units	2,000	-
13.2	Balance outstanding as at the year end	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
	HBL Asset Management Limited - Management Company		
	Remuneration payable to the Management Company	8,740	-
	Sindh Sales Tax payable on Management Company's remuneration	1,311	-
	Formation cost payable	-	-
	DCCL		
	Trustee fee payable	272	-
	Sindh Sales Tax on remuneration of the Trustee	41	-
	Other Charges Payable	-	-
	Habib Bank Limited - Sponsor		
	Bank balances	573,685	-
	Profit receivable	4,161	-
	Directors & Executive		
	Units held: 7,500 units	7,820	-

14 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, 2024						
		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 Biological assets								
Biological assets	5.1							
Livestock		807,634	-	807,634	-	807,634	-	807,634
		807,634	-	807,634	-	807,634	-	807,634

Particulars		June 30, 2024						
		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 Biological assets								
Biological assets	5.1							
Livestock		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

15 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the period ended September 30, 2024 is 4.02% which includes 0.54% representing government levy and SECP fee.

16 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 24, 2024 by the Board of Directors of the Management Company.

17 GENERAL

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

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

Chief Financial Officer

Chief Executive Officer








Director










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HBL

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