

HBL

ASSET MANAGEMENT LTD.

ایس ایٹ مینجمنٹ لمیٹڈ

AMC Rating : AM2++ by VIS

NINE MONTHS REPORT 2022

For the period ended MARCH 31, 2022

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Board of Directors (Composition as of April 26, 2022)

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Directors	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shabbir Hussain Hashmi	(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. Shabbir Hussain Hashmi	(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. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)

Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Tariq Masaud	(Non-Executive Director)
	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Mr. Abid Sattar	(Independent Director)

Technology Committee

Chairman	Mr. Abrar Ahmed Mir	(Non-Executive Director)
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2++ (Positive Outlook)

Legal Advisor

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

Website

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Head Office &

Registered Office

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REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE PERIOD ENDED MARCH 31, 2022

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Islamic Money Market Fund, HBL Islamic Income Fund, HBL Islamic Stock Fund, HBL Islamic Equity Fund, HBL Islamic Asset Allocation Fund, HBL Islamic Financial Planning Fund and HBL Islamic Dedicated Equity Fund (the Funds) for the period ended March 31, 2022.

Economic Review

The Government adopted a pro-growth budget for FY22, whereby it projected GDP growth rate of 4.8% on the back of higher PSDP expenditure and incentives given to agriculture and industrial sectors. Although, the revival of domestic economic activities has remained on track so far, there are risks to economic growth in the form of rapid increase in Current Account Deficit (CAD) and inflationary pressures on account of elevated international commodity prices. In order to achieve more sustainable economic growth, the authorities had to take some contractionary monetary and fiscal policy measures; however, recent geo-political developments pose further risks to widening of twin deficits, which may lead to GDP growth to moderate to 4.25% for FY22.

The Current Account Deficit (CAD) for Feb-22 clocked in at USD 545mn, taking 8MFY22 CAD to USD 12.1bn, compared to a Surplus of USD 994mn during the same period last year. This was primarily driven by a higher trade deficit as the growth in imports (up 47.8%) outstripped the growth in exports (up 26.2%) due to increase in international commodity prices, higher machinery imports under TERF, and increase in import of food items and COVID-19 vaccines. The higher trade deficit was partially offset by increase in remittances, which amounted to USD 20.14bn for 8MFY22 (up 7.7% YoY), compared to USD 18.71bn during the same period last year. In order to curtail the rapid increase in CAD, the Government has taken several measures, such as imposition of 100% cash margin requirement on import of certain items, and increasing regulatory duties on import of luxury items, among others.

CPI for Mar-22 clocked in at 12.72% YoY, taking 9MFY22 average inflation to 10.77%, compared to 8.34% during the same period last year. The increase in CPI was largely driven by higher food and fuel prices, which have been on a rising trajectory owing to demand-side pressures as global economies begin to reopen, while supply-side constraints still persist.

Fiscal deficit during 7MFY22 was recorded at 2.9% of GDP (PKR 1,862bn), compared to 2.4% of GDP (PKR 1,309bn) during the same period last year. Similarly, Primary balance posted a deficit of PKR 174bn (0.3% of GDP), compared to a surplus of PKR 416bn (0.8% of GDP) during the same period last year. During 8MFY22, FBR has provisionally collected PKR 3,799bn, compared to PKR 2,916bn during the same period last year, whereby net collection has exceeded its target by PKR 268bn.

Rebased LSMI output was up 8.2% YoY during Jan-22, taking 7MFY22 LSMI growth to 7.6% YoY. This was primarily driven by Furniture (+553.3%), Automobiles (+63.5%), Tobacco (+21.9%), Wearing Apparel (+18.3%), and Iron & Steel Products (+17.5%).

Stock Market Review

During 9MFY22, the KMI-30 index declined by 3,707 pts or 4.84% to close at 72,915 pts. The primary reasons for the market being under pressure were 1) rapid increase in CAD due to rising domestic demand and significant increase in international commodity prices, 2) weakening PKR against the USD (13.95% depreciation in 9MFY22), 3) commencement of monetary tightening with SBP's Monetary Policy Committee increasing the Policy Rate by 2.75% to 9.75%, 4) geo-political issues in the region with heightened uncertainty due to the situation in Afghanistan and a possible reset in US-Pakistan relations, 5) uncertainty surrounding the IMF program, and 6) continued foreign selling after Pakistan's reclassification from MSCI Emerging to Frontier Market Index.

Market sentiment also remained subdued due to escalating tensions between Russia and Ukraine, which resulted in soaring international commodity prices, raising inflationary concerns and prompting selling pressure in global equity markets.

During the period, average traded volume declined by 66% YoY to 47.6mn shares, while average traded value declined by 52% YoY to PKR 3.7bn. On the flows side, foreigners were the net sellers during 9MFY22 and sold shares worth USD 271.1mn.

We expect the equity market to regain its positive momentum once there is more clarity on the Government's economic policies, along with easing of geopolitical tensions. Reversal in international commodity prices, either on the back of disruption in demand or increase in supply, may reignite investor interest in relatively riskier asset classes, such as Equities.

Money Market Review

In order to support economic recovery post COVID, the Monetary Policy Committee (MPC) kept the Policy Rate unchanged until 19-Sep-21. However, it gradually increased the Policy Rate by 2.75% to 9.75% as it shifted its focus from catalyzing economic recovery toward sustaining it. The MPC noted that the pace of domestic economic recovery had exceeded expectations and, coupled with higher international commodity prices, resulted in CAD increasing rapidly. This created the need to normalize monetary policy faster than initially planned to preserve growth stability.

Accordingly, during 1HFY22, secondary market yields on T-bills increased by an average of ~3.25%, while those on PIBs increased by an average of ~1.98%. The onset of war between Russia and Ukraine further fueled inflationary concerns, thereby causing secondary market yields on T-bills/PIBs to increase further by an average of 0.96%/0.40% during 3QFY22, reflecting investors' expectations of another hike in the Policy Rate.

The cut-off yields in the last T-bills auction were 11.9999%, 12.5000, and 12.7001% for 3M, 6M and 12M tenors, respectively. The cut-off yields in the last PIBs auction were 11.85%, 11.7497%, and 11.7418%, for 3Y, 5Y and 10Y tenors, respectively, while bids for 15Y and 20Y tenors were rejected.

GOP Ijarah Sukuk auction was held on 17-Mar-22, with a target of PKR 100bn (PKR 25bn Fixed Rental and PKR 75bn Variable Rental Rate) for a period of 5 years. Total participation of PKR 69.9bn and PKR 201.8bn was witnessed for the FRR and VRR Sukuk, respectively. The Ministry of Finance accepted bids worth PKR 25.02bn (at 11.3403%) in FRR Sukuk, and PKR 208.59bn (at 8.70%) in VRR Sukuk.

The central bank has provided forward guidance, whereby it has stated that current real interest rates on a forward-looking basis are appropriate to guide inflation to SBP's medium-term target range of 5-7%. Accordingly, any future data outturns may require only a modest change in the Policy Rate, if any. However, we believe that given the current geopolitical scenario and inflationary concerns on the back of elevated international commodity prices, further monetary tightening cannot be ruled out in order to cushion the impact on CAD and local currency.

Future Outlook

Moving ahead, we believe that GDP growth is likely to remain encouraging on account of pick-up in economic activities. However, CAD for FY22 is expected to remain elevated in the range of 4.5-5.0% of GDP, owing to increase in trade deficit due to strong rebound in domestic demand, higher international commodity prices, and resumption of international travel.

On the fiscal side, FBR's Tax Revenue for FY22 is projected to grow by 28% to PKR 6.1tn, while Non-Tax Revenue is projected to grow by 18% to PKR 1.8tn. We expect fiscal deficit to be in the range of 6.0-6.5% of GDP, which we believe should be manageable. Focus would remain on how the Government strikes a balance between achieving the desired economic growth rate, while keeping the external and fiscal accounts in check.

On the fixed income front, we expect average inflation for FY22 to be in the range of 10.75%-11.25%. Accordingly, further monetary tightening during FY22 cannot be ruled out. However, inflation is expected to taper down from FY23 onwards due to high-base effect and expectation of easing in international commodity prices. Upside risks to our estimate remain in the form of elevated international commodity prices for an extended period. On the Islamic front, we expect Government to issue GoP Ijara Sukuk and other GOP Guaranteed Sukuk in FY22 to bridge the fiscal gap.

Our long-term view on Pakistan equities is positive due to cheap valuations. The equity market is trading at an eye catching P/E multiple of 4.6x compared to regional average of 16.9x, and offers an attractive dividend yield of 9.1%, compared to regional average of 2.6%. It is pertinent to note that the spread between KSE-100 index earnings yield and 10Y PKRV is 9.8%, compared to 5-year historical average spread of 3.9%, which implies upside of ~38%. Hence, we believe that Pakistan equities offer a good opportunity for long-term investors.

FUND'S PERFORMANCE

HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 563.61 million and Rs. 558.43 million respectively during the period ended March 31, 2022. The Net Asset Value (NAV) of the Fund was Rs. 101.1744 per unit as on March 31, 2022 (after incorporating dividends of Rs. 6.4222 per unit); thereby giving an annualized return of 8.74%. During the same period the benchmark return (3 Month bank deposit rates) was 3.42%. The size of Fund was Rs. 8.47 billion as on March 31, 2022 as compared to Rs. 6.64 billion at the start of the year.

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

HBL Islamic Income Fund

The total income and net income of the Fund was Rs. 97.85 million and Rs. 97.80 million respectively during the period ended March 31, 2022. The Net Asset Value (NAV) of the Fund increased from Rs. 101.7500 per unit as on June 30, 2021 to Rs. 109.5233 per unit as on March 31, 2022, thereby giving an annualized return of 10.18%. During the same period the benchmark return (6 Month bank deposit rates) was 3.19%. The size of Fund was Rs. 1.70 billion as on March 31, 2022 as compared to Rs. 1.02 billion at the start of the year.

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

HBL Islamic Stock Fund

The total and net loss of the Fund was Rs. 113.79 million and Rs. 128.88 million respectively during the period ended March 31, 2022. The Net Asset Value (NAV) of the Fund decrease from Rs. 123.9845 per unit as on June 30, 2021 to Rs. 101.7071 per unit as on March 31, 2022 giving a negative return of 17.97% during the period against the benchmark return (KMI 30 Index) of negative 4.84%. The size of Fund was Rs. 592 million as on March 31, 2022 as compared to Rs. 760 million at the start of the year.

HBL Islamic Equity Fund

The total and net loss of the Fund was Rs. 94.85 million and Rs. 103.61 million respectively during the period ended March 31, 2022. The Net Asset Value (NAV) of the Fund decreased from Rs. 105.0735 per unit as on June 30, 2021 to Rs. 81.0051 per unit as on March 31, 2022 giving a negative return of 22.91% during the period against the benchmark return (KMI 30 Index) of negative 4.84%. The size of Fund was Rs. 225 million as on March 31, 2022 as compared to Rs. 625 million at the start of the year.

HBL Islamic Asset Allocation Fund

The total income and net loss of the Fund was Rs. 2.58 million and Rs. 0.75 million respectively during the period ended March 31, 2022. The Net Asset Value (NAV) of the Fund decreased from Rs. 112.9636 per unit as on June 30, 2021 to Rs. 112.7152 per unit as on March 31, 2022, thereby giving a negative return of 0.22% 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 0.68%. The size of Fund was Rs. 367 million as on March 31, 2022 as compared to Rs. 388 million at the start of the year.

HBL Islamic Asset Allocation Fund – Pan-1

The total and net income of the Fund was Rs. 147.31 million and Rs. 143.80 million respectively during the period ended March 31, 2022. The Net Asset Value (NAV) of the Fund was Rs. 106.0227 per unit as on March 31, 2022, giving a return of 5.59% during the period against the benchmark return of 1.66%. The size of Fund was Rs. 2.98 billion as on March 31, 2022.

HBL Islamic Financial Planning Fund

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

The Fund as a whole incurred a total and net loss of Rs. 7.55 million and Rs. 7.82 million respectively during the period under review. The fund size of the fund stood at Rs. 25 million as compared to Rs. 104 million at the start of the year. Performance review for plan is given below:

Active Allocation Plan

During the period under review, the Active allocation plan incurred a total and net loss of Rs. 7.87 million and Rs. 7.89 million respectively. The net assets of the Active allocation plan stood at Rs. 25 million representing Net Asset Value (NAV) of Rs. 95.7597 per unit as at March 31, 2022 as compared to net assets of Rs. 54 million representing Net Asset Value (NAV) of Rs. 115.8209 per unit at the start of the year. The plan earned a negative return of 17.32% for the period under review against its benchmark return of negative 2.56%.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 0.32 million and Rs. 0.07 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.83 million representing Net Asset Value (NAV) of Rs. 104.9015 per unit as at March 31, 2022 as compared to net assets of Rs. 51 million representing Net Asset Value (NAV) of Rs. 114.9507 per unit at the start of the year. The plan earned a negative return of 8.74% for the period under review against its benchmark return of 1.13%.

HBL Islamic Dedicated Equity Fund

During the period under review, the Islamic Dedicated Equity Fund remained inactive for the tenure and its fund size stands nil as all units were redeemed by Fund of Fund Plans managed by the Company as disclosed in note 1.7 to the financial statements of the Fund.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited (VIS) has maintained the management quality rating of 'AM2++' (AM Two Plus Plus) to the Management Company and the outlook on the assigned rating has been revised from 'Stable' to 'Positive'.

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and patronage. It would like to place on record its appreciation for the help and guidance provided by Securities & Exchange Commission of Pakistan, Central Depository Company of Pakistan & Digital Custodian Company Limited as Trustee, 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 ایسیٹ مینجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز، 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 ایسیٹ ایکویٹیشن فنڈ، ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ اور ایچ بی ایل اسلامک ڈیڈ ویگٹڈ ایکویٹی فنڈ (فنڈز) کے مالیاتی گوشواروں کے ساتھ 31 مارچ 2022 کو ختم ہونے والی مدت کے لئے اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

اقتصادی جائزہ

حکومت نے مالی سال 2022 کے لیے ایک پروگنوسٹک بجٹ اپنایا، جس کے تحت اس نے پی ایس ڈی پی کے زیادہ اخراجات اور زراعت اور صنعتی شعبوں کو دی جانے والی مراعات کی وجہ سے جی ڈی پی کی شرح نمو 4.8 فیصد رہنے کا تخمینہ لگایا۔ اگرچہ ملکی اقتصادی سرگرمیوں کی بحالی اب تک ٹریک پر ہے، کرنٹ اکاؤنٹ خسارے (CAD) میں تیزی سے اضافے اور بین الاقوامی اشیاء کی قیمتوں میں اضافے کی وجہ سے افراط زر کے دباؤ کی صورت میں اقتصادی ترقی کے لیے خطرات موجود ہیں۔ مزید پائیدار اقتصادی ترقی حاصل کرنے کے لیے، حکام کو کچھ اختصار پر مبنیائی اور مالیاتی پالیسی اقدامات اٹھانے پڑے۔ تاہم، حالیہ جغرافیائی سیاسی پیش رفتوں نے جڑواں خسارے کو وسیع کرنے کے لیے مزید خطرات پیدا کیے ہیں، جو مالی سال 22 کے لیے جی ڈی پی کی نمو کو معتدل سے 4.25 فیصد تک لے جاسکتے ہیں۔

فروری 2022 کے لیے کرنٹ اکاؤنٹ خسارہ (CAD) 545 ملین امریکی ڈالر تک پہنچ گیا، جو کہ مالی سال 22 کے 8 ماہ کے لیے کرنٹ اکاؤنٹ خسارے سے 12.1 بلین امریکی ڈالر ہو گیا جو پچھلی مدت کے دوران 994 ملین امریکی ڈالر کے سرپلس کے مقابلے میں تھا۔ یہ بنیادی طور پر زیادہ تجارتی خسارے کی وجہ سے ہوا کیونکہ درآمدات میں (47.8 فیصد) اضافہ بین الاقوامی اشیاء کی قیمتوں میں اضافے، ٹی ای آر ایف کے تحت مشینز کی زیادہ درآمدات اور اشیائے خورد و نوش اور کووڈ-19 ویکسین کی درآمد میں اضافے کی وجہ سے برآمدات میں (26.2 فیصد) اضافے سے آگے نکل گیا۔ زیادہ تجارتی خسارہ ترسیلات زر میں اضافے سے جزوی طور پر پورا ہوا جو مالیاتی سال 22 کے 8 ماہ کے لئے 20.14 بلین امریکی ڈالر (7.7 فیصد سالانہ تک) تھا جبکہ گزشتہ سال اسی مدت کے دوران یہ 18.71 بلین امریکی ڈالر تھا۔ سی ای ڈی میں تیزی سے اضافے کو کم کرنے کے لئے حکومت نے کئی اقدامات کیے ہیں مثلاً جیسا کہ بعض اشیاء کی درآمد پر 100 فیصد کیش مارجن کی ضرورت کا نفاذ، اور لگژری آئٹمز کی درآمد پر ریگولیٹری ڈیوٹی اور دیگر میں اضافہ شامل ہے۔

CPI مارچ-22 کے لیے YoY % 12.72 سالانہ پر پہنچ گیا، جس سے 2022 کے 9 ماہ میں وسط افراط زر 10.77 فیصد تک پہنچ گیا جبکہ گزشتہ سال اسی مدت کے دوران یہ 8.34 فیصد تھا۔ CPI میں اضافہ بڑی حد تک خوراک اور ایندھن کی قیمتوں میں اضافے کی وجہ سے ہوا جو عالمی معیشتوں کے دوبارہ کھلنے کے آغاز کے ساتھ ہی طلب کی طرف دباؤ کی وجہ سے بڑھتی ہوئی راہ پر گامزن ہے جبکہ سپلائی سائیز کی رکاوٹیں اب بھی برقرار ہیں۔

2022 کے 7 ماہ کے دوران مالی خسارہ جی ڈی پی (پی کے آر 1862 بلین) کا 2.9 فیصد ریکارڈ کیا گیا جبکہ گزشتہ سال اسی عرصے کے دوران جی ڈی پی کا 2.4 فیصد (پی کے آر 1309 بلین) ریکارڈ کیا گیا تھا۔ اسی طرح پر انٹرنیٹیل میں پی کے آر 174 بلین (جی ڈی پی کا 0.3 فیصد) کا خسارہ رہا جبکہ گزشتہ سال اسی مدت میں پی کے آر 416 بلین (جی ڈی پی کا 0.8 فیصد) کا سرپلس تھا۔ 2022 کے 8 ماہ کے دوران ایف بی آئی نے عارضی طور پر پی کے آر 3799 بلین جمع کیا جبکہ گزشتہ سال اسی عرصے کے دوران پی کے آر 2916 بلین جمع کیا گیا تھا جس کے ذریعے خالص وصولی پی کے آر 268 بلین کے ہدف سے تجاوز کر گئی ہے۔

جنوری-22 کے دوران ری میڈکس LSMI پیداوار میں YoY % 8.2 اضافہ ہوا، جس سے 2022 کے 7 ماہ کے دوران ایل ایس ایم آئی کی نمو YoY % 7.6 ہو گئی۔ یہ بنیادی طور پر فرنیچر (+553.3%)، آٹوموبائلز (+63.5 فیصد)، تمباکو (+21.9 فیصد)، ملبوسات (+18.3 فیصد) اور آئرن اینڈ اسٹیل مصنوعات (+17.5 فیصد) کے ذریعے چلایا جاتا تھا۔

اسٹاک مارکیٹ کا جائزہ

2022 کے 9 ماہ کے دوران کے ایس ای 100 انڈیکس 3707 پوائنٹس یا 4.84 فیصد کی کمی سے 72 ہزار 915 پوائنٹس پر بند ہوا۔ مارکیٹ کے دباؤ میں رہنے کی بنیادی وجوہات: 1) بڑھتی ہوئی گھریلو طلب اور بین الاقوامی اجناس کی قیمتوں میں نمایاں اضافے کی وجہ سے CAD میں تیزی سے اضافہ، 2) 2022 کے 9 ماہ کے دوران پاکستانی روپے کو امریکی ڈالر کے مقابلے میں 13.95 فیصد گراؤ سے کمزور کرنا، 3) اسٹیٹ بینک کی مالیاتی پالیسی کمیٹی کے ساتھ پالیسی کی شرح میں 2.75 فیصد سے 9.75 فیصد تک اضافہ کر کے مالیاتی سختی کا آغاز، 4) افغانستان کی صورتحال کی وجہ سے بڑھتی

ہوئی غیر یقینی صورتحال اور ممکنہ ری سیٹ کے ساتھ خطے میں جغرافیائی سیاسی مسائل امریکہ اور پاکستان کے تعلقات، 5) آئی ایم ایف پروگرام کے گرد غیر یقینی صورتحال اور 6) ایم ایس سی آئی ایمرجنگ سے فرنیچر مارکیٹ انڈیکس میں پاکستان کی دوبارہ درجہ بندی کے بعد غیر ملکی فروخت جاری رہی۔

روس اور یوکرین کے درمیان بڑھتی ہوئی کشیدگی کی وجہ سے مارکیٹ کی سرگرمی بھی کم رہی جس کے نتیجے میں بین الاقوامی اشیاء کی قیمتوں میں اضافہ ہوا جس سے افراط زر کے خدشات بڑھ گئے اور عالمی ایکویٹی مارکیٹوں میں فروخت کا دباؤ بڑھ گیا۔

2022 کے 9 ماہ کے دوران سیمنٹ (1,290 پوائنٹس)، ٹیکنالوجی اور کمیونیکیشن (734 پوائنٹس)، اور ریفائنری (509 پوائنٹس) کے شعبوں سے بڑا منفی حصہ آیا۔ دوسری طرف، کمرشل بینک (949 پوائنٹس) اور فریٹلائزر (657 پوائنٹس) کے شعبوں سے بڑا مثبت تعاون نظر آیا۔

اس مدت کے دوران، اوسط تجارت کا حجم YoY % 57 کی کمی کے ساتھ 116 ملین حصص تک پہنچ گیا۔ جبکہ اوسط تجارت کی ویلیو 50YOY % سالانہ کمی سے 6.6 بلین روپے ہو گئی۔ بہاؤ کی طرف، 2022 کے 9 ماہ کے دوران غیر ملکی خالص فروخت کنندگان تھے اور انہوں نے 271.1 ملین امریکی ڈالر کے حصص فروخت کیے تھے۔

ہم توقع کرتے ہیں کہ جغرافیائی سیاسی تناؤ کو کم کرنے کے ساتھ ساتھ حکومت کی اقتصادی پالیسیوں کے بارے میں مزید واضح ہونے کے بعد ایکویٹی مارکیٹ اپنی مثبت رفتار حاصل کر لے گی۔ بین الاقوامی اجناس کی قیمتوں میں ردوبدل، یا تو مانگ میں رکاوٹ یا سپلائی میں اضافے کی وجہ سے، نسبتاً زیادہ خطرناک اثاثہ جات کی کلاسوں جیسے ایکویٹیز میں سرمایہ کاروں کی دلچسپی کو پھر سے بڑھا سکتا ہے۔

منی مارکیٹ کا جائزہ:

کووڈ کے بعد معاشی بحالی کو سپورٹ کرنے کے لیے، مانیٹری پالیسی کمیٹی (MPC) نے پالیسی ریٹ کو 19- ستمبر-21 تک برقرار رکھا۔ تاہم اس نے بتدریج پالیسی کی شرح میں 2.75 فیصد اضافہ کر کے 9.75 فیصد کر دیا کیونکہ اس نے اپنی توجہ معاشی بحالی کو برقرار رکھنے کی طرف مرکوز کر دی۔ ایم پی سی نے نوٹ کیا کہ گھریلو معاشی بحالی کی رفتار توقعات سے تجاوز کر گئی ہے اور بین الاقوامی اشیاء کی قیمتوں میں اضافے کے نتیجے میں سی اے ڈی میں تیزی سے اضافہ ہوا ہے۔ اس سے ترقی کے استحکام کو برقرار رکھنے کے لئے ابتدائی منصوبہ بندی سے زیادہ تیزی سے مالیاتی پالیسی کو معمول پر لانے کی ضرورت پیدا ہوئی۔

اس کے مطابق مالیاتی سال 2022 کی پہلی ششماہی کے دوران ٹی بلز پر ثانوی مارکیٹ کی پیداوار میں اوسطاً 3.25% اضافہ ہوا، جبکہ PIBs پر اوسطاً 1.98% اضافہ ہوا۔ روس اور یوکرین کے درمیان جنگ کے آغاز نے افراط زر کے خدشات کو مزید ہوا دی، جس کے نتیجے میں T-Bills/ PIBs پر ثانوی مارکیٹ کی پیداوار میں مالی سال 22 کے 3 کوارٹرز کے دوران اوسطاً 0.96%، 0.40% اضافہ ہوا، جو پالیسی ریٹ میں ایک اور اضافے کی سرمایہ کاروں کی توقعات کی عکاسی کرتا ہے۔

آخری ٹی بلز کی نیلامی میں کٹ آف پیداوار بالترتیب 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لیے 11.9999%، 12.5000% اور 12.7001% تھی۔ PIBs کی گذشتہ نیلامی میں کٹ آف پیداوار بالترتیب 3 سال، 5 سال اور 10 سال کی مدت کے لیے 11.85%، 11.7497% اور 11.7418% تھی، جبکہ 15 سال اور 20 سال کی مدت کے لیے بولیاں مسترد کر دی گئیں۔

حکومت پاکستان کے اجارہ سکوک کی نیلامی 17 مارچ-22 کو ہوئی، جس کا ہدف 100 بلین روپے، 25 بلین روپے فکسڈ ریٹیل اور 75 بلین روپے متغیر ریٹیل (5 سال کی مدت کے لیے تھا۔ FRR اور VRR سکوک کے لیے بالترتیب 69.9 بلین روپے اور 201.8 بلین روپے کی کل شرکت دیکھی گئی۔ وزارت خزانہ نے FRR سکوک میں 25.02 بلین روپے (11.3403%) اور VRR سکوک میں 208.59 بلین روپے (8.70%) کی بولیاں قبول کیں۔

مرکزی بینک نے آگے کی رہنمائی فراہم کی ہے جس کے ذریعے اس نے کہا ہے کہ موجودہ حقیقی شرح سود آگے بڑھنے کی بنیاد پر اسٹیٹ بینک کے درمیانی مدتی ہدف کی حد 5 سے 7 فیصد تک افراط زر کی رہنمائی کے لئے مناسب ہے۔ اس کے مطابق، مستقبل میں کسی بھی ڈیٹا کو آؤٹ ٹرن کرنے کے لئے پالیسی ریٹ میں صرف معمولی تبدیلی کی ضرورت پڑ سکتی ہے، اگر کوئی ہو۔ تاہم، ہم سمجھتے ہیں کہ موجودہ جیو پولیٹیکل منظر نامے اور بین الاقوامی اشیاء کی اونچی قیمتوں کی وجہ سے افراط زر کے خدشات کے پیش نظر، سی اے ڈی اور مقامی کرنسی پر اثرات کو کم کرنے کے لئے مزید مالیاتی سختی سے انکار نہیں کیا جاسکتا۔

مستقبل کا نقطہ نظر:

آگے بڑھتے ہوئے ہم سمجھتے ہیں کہ معاشی سرگرمیوں میں تیزی کی وجہ سے جی ڈی پی کی شرح نمو حوصلہ افزا رہنے کا امکان ہے۔ تاہم مالی سال 22 کے لئے سی اے ڈی کے جی ڈی پی کے 4.5-5.0 فیصد کے درمیان بلند رہنے کی توقع ہے جس کی وجہ گھریلو طلب میں زبردست تیزی، بین الاقوامی اشیاء کی قیمتوں میں اضافے اور بین الاقوامی سفر کی بحالی کی وجہ سے تجارتی خسارے میں اضافہ ہے۔

مالیاتی جانب مالی سال 2022 کے لئے ایف بی آر کی ٹیکس ریویو 28 فیصد اضافے کے ساتھ 6.1 کھرب روپے تک بڑھنے کا اندازہ ہے جبکہ نان ٹیکس ریویو 18 فیصد اضافے کے ساتھ 1.8 کھرب روپے تک پہنچنے کا امکان ہے۔ ہم توقع کرتے ہیں کہ مالی خسارہ جی ڈی پی کے 6.0-6.5 فیصد کے درمیان ہو گا جس کے بارے میں ہمارا خیال ہے کہ یہ قابل انتظام ہونا چاہئے۔ اس بات پر توجہ مرکوز رہے گی کہ حکومت کس طرح مطلوبہ معاشی شرح نمو کے حصول کے درمیان توازن قائم کرتی ہے جبکہ بیرونی اور مالیاتی کھاتوں کو قابو میں رکھتی ہے۔

مقررہ آمدنی کے محاذ پر ہم توقع کرتے ہیں کہ مالی سال 22 کے لئے اوسط افراط زر 10.75 فیصد-11.25 فیصد کے درمیان رہے گا۔ اس کے مطابق مالی سال 22 کے دوران مزید مالیاتی سختی سے انکار نہیں کیا جاسکتا۔ تاہم مالی سال 23 کے بعد سے افراط زر میں کمی متوقع ہے جس کی وجہ بلند تر بنیادی اثرات اور بین الاقوامی اشیاء کی قیمتوں میں نرمی کی توقع ہے۔ ہمارے تخمینہ کے لئے الٹا خطرات ایک توسیعی مدت کے لئے بین الاقوامی اشیاء کی اونچی قیمتوں کی شکل میں رہتے ہیں۔ اسلامی محاذ پر امید ہے کہ حکومت مالیاتی فرق کو ختم کرنے کے لئے مالی سال 22 میں جی او پی اجارہ سکوک اور دیگر جی او پی گارنٹیڈ سکوک جاری کرے گی۔

سستی ویلیو ایشن کی وجہ سے پاکستان ایکویٹیز کے بارے میں ہمارا طویل مدتی نقطہ نظر مثبت ہے۔ ایکویٹی مارکیٹ 16.9 ایکس کی علاقائی اوسط کے مقابلے میں 14.6 ایکس کے آئی کیپی پی / ای ملٹی پل پر ٹریڈ کر رہی ہے اور علاقائی اوسط 2.6 فیصد کے مقابلے میں 9.1 فیصد کی پرکشش منافع پیداوار فراہم کرتی ہے۔ یہ بات مناسب ہے کہ کے ایس ای-100 انڈیکس کی آمدنی کی پیداوار اور 10 وائی PKR دی کے درمیان پھیلاؤ 9.8 فیصد ہے جبکہ سالہ تاریخی اوسط 3.9 فیصد ہے جس کا مطلب ہے 38 فیصد کا الٹا ہے۔ لہذا ہمیں یقین ہے کہ پاکستان ایکویٹیز طویل مدتی سرمایہ کاروں کے لئے ایک اچھا موقع فراہم کرتے ہیں۔

فنڈ کی کارکردگی

ایچ بی ایل اسلامک منی مارکیٹ فنڈ

31 مارچ 2022ء کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور خالص آمدنی بالترتیب 563.61 ملین روپے اور 558.43 ملین روپے رہی۔ فنڈ کی خالص اثاثہ قدر (این اے وی) 31 مارچ 2022ء تک 101.1744 روپے فی یونٹ تھی (6.4222 روپے فی یونٹ کے منافع کو شامل کرنے کے بعد)؛ اس طرح 8.74 فیصد سالانہ منافع دیا جاتا ہے۔ اسی عرصے کے دوران بینچ مارک ریٹرن (3 ماہ بینک ڈپازٹ ریٹس) 3.42 فیصد رہا۔ فنڈ کا حجم 31 مارچ 2022ء تک 8.47 تھاجو سال کے آغاز میں 6.64

بلیں تھ۔

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

ایچ بی ایل اسلامک انکم فنڈ

31 مارچ 2022ء کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور خالص آمدنی بالترتیب 97.85 ملین روپے اور 97.80 ملین روپے رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (این اے وی) 30 جون 2021ء تک 101.7500 روپے فی یونٹ سے بڑھ کر 31 مارچ 2022ء تک 109.5233 روپے فی یونٹ ہو گئی جس سے سالانہ منافع 10.18 فیصد رہا۔ اسی عرصے کے دوران شیئرمارک ریٹرن (6 ماہ بینک ڈپازٹ ریٹس) 3.19 فیصد رہا۔ فنڈ کا حجم 31 مارچ 2022ء تک 1.70 بلین روپے تھا جبکہ سال کے آغاز میں یہ رقم 1.02 بلین روپے تھی۔

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

ایچ بی ایل اسلامک اسٹاک فنڈ

31 مارچ 2022ء کو ختم ہونے والے عرصے کے دوران فنڈ کا مجموعی اور خالص نقصان بالترتیب 113.79 ملین روپے اور 128.88 ملین روپے رہا۔ فنڈ کی نیٹ ایسیٹ ویلیو (این اے وی) 30 جون 2021ء تک 123.9845 روپے فی یونٹ سے کم ہو کر 31 مارچ 2022ء تک 101.7071 روپے فی یونٹ ہو گئی جس سے اس عرصے کے دوران منفی 4.84 فیصد کے شیئرمارک ریٹرن (کے ایم آئی 30 انڈیکس) کے مقابلے میں 17.97 فیصد کا منفی منافع ملا۔ فنڈ کا حجم 31 مارچ 2022ء تک 592 ملین روپے تھا جبکہ سال کے آغاز میں یہ 760 ملین روپے تھا۔

ایچ بی ایل اسلامک ایکویٹی فنڈ

31 مارچ 2022ء کو ختم ہونے والے عرصے کے دوران فنڈ کا مجموعی اور خالص نقصان بالترتیب 94.85 ملین روپے اور 103.61 ملین روپے رہا۔ فنڈ کی نیٹ ایسیٹ ویلیو (این اے وی) 30 جون 2021ء تک 105.0735 روپے فی یونٹ سے کم ہو کر 31 مارچ 2022ء تک 81.0051 روپے فی یونٹ رہی جس سے اس عرصے کے دوران منفی 4.84 فیصد کے شیئرمارک ریٹرن (کے ایم آئی 30 انڈیکس) کے مقابلے میں 22.91 فیصد کا منفی منافع ملا۔ فنڈ کا حجم 31 مارچ 2022ء تک 225 ملین روپے تھا جبکہ سال کے آغاز میں یہ رقم 625 ملین روپے تھی۔

ایچ بی ایل اسلامک اثاثہ مختص فنڈ

31 مارچ 2022ء کو ختم ہونے والی مدت کے دوران فنڈ کی مجموعی آمدنی اور خالص نقصان بالترتیب 2.58 ملین روپے اور 0.75 ملین روپے رہا۔ فنڈ کی خالص اثاثہ قدر (این اے وی) 2000 کروڑ روپے سے کم ہو گئی۔ 30 جون 2021ء تک فی یونٹ 112.9636 روپے سے 31 مارچ 2022ء تک 112.7152 روپے فی یونٹ رہا جس سے شیئرمارک ریٹرن (کے ایم آئی 30 انڈیکس کا وزنی اوسط پرمیئر ریٹرن اور اے ریٹڈ یا بینکوں سے اوپر کی 6 ماہ کی ڈپازٹ ریٹ) کے مقابلے میں 0.22 فیصد کا منفی منافع حاصل ہوا۔ فنڈ کا حجم 31 مارچ 2022ء تک 367 ملین روپے تھا جبکہ سال کے آغاز میں یہ رقم 388 ملین روپے تھی۔

ایچ بی ایل اسلامک ایسیٹ ایلوکیشن فنڈ - پلان 1

31 مارچ 2022ء کو ختم ہونے والے عرصے کے دوران فنڈ کی مجموعی آمدنی بالترتیب 147.31 ملین روپے اور 143.80 ملین روپے رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (این اے وی) 31 مارچ 2022ء تک 106.0227 روپے فی یونٹ رہی جس سے 1.66 فیصد کے شیئرمارک ریٹرن کے مقابلے میں اس مدت کے دوران 5.59 فیصد کا ریٹرن ملا۔ 31 مارچ 2022ء تک فنڈ کا حجم 2.98 بلین روپے تھا۔

ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ

ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ دو ذیلی فنڈز (منصوبے) یعنی ایکٹو ایلوکیشن پلان اور کنزرویٹو ایلوکیشن پلان پر مشتمل ہے۔

اس فنڈ کو مجموعی طور پر زیر نظر مدت کے دوران بالترتیب 7.55 ملین روپے اور 7.82 ملین روپے کا مجموعی اور خالص نقصان ہوا۔ فنڈ کا فنڈ سائز 25 ملین روپے رہا جبکہ سال کے آغاز میں یہ رقم 104 ملین روپے تھی۔ منصوبہ کے لئے کارکردگی کا جائزہ ذیل میں دیا گیا ہے:

فعال مختص منصوبہ:

زیر جائزہ مدت کے دوران ایکٹو ایلو کیشن پلان کو بالترتیب 7.87 ملین روپے اور 7.89 ملین روپے کا مجموعی اور خالص نقصان ہوا۔ ایکٹو ایلو کیشن پلان کے خالص اثاثے 31 مارچ 2022ء تک 95.7597 روپے فی یونٹ خالص اثاثہ ویلیو (این اے وی) کی نمائندگی کرتے ہوئے 25 ملین روپے رہے جبکہ سال کے آغاز میں خالص اثاثہ مالیت (این اے وی) کی نمائندگی کرنے والے 54 ملین روپے کے خالص اثاثے 115.8209 روپے فی یونٹ تھے۔ اس منصوبے نے منفی 2.56 فیصد کے بیچ مارک ریٹرن کے مقابلے میں زیر جائزہ مدت کے لئے 17.32 فیصد کا منفی منافع حاصل کیا۔

کنزرویٹو ایلو کیشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلو کیشن پلان نے مجموعی اور خالص آمدنی بالترتیب 0.32 ملین روپے اور 0.07 ملین روپے حاصل کی۔ کنزرویٹو ایلو کیشن پلان کے خالص اثاثے 0.83 ملین روپے رہے جو سال کے آغاز میں 114.9507 روپے فی یونٹ کی نمائندگی کرنے والے 51 ملین روپے کے خالص اثاثوں کے مقابلے میں 31 مارچ 2022ء تک 104.9015 روپے فی یونٹ کی خالص اثاثہ جات کی نمائندگی کرتے ہیں۔ اس منصوبے نے 1.13 فیصد کے بیچ مارک ریٹرن کے مقابلے میں زیر جائزہ مدت کے لئے 8.74 فیصد کا منفی منافع حاصل کیا۔

ایچ بی ایل اسلامک ڈیڈ کیڈ ایلو کیشن فنڈ

زیر جائزہ مدت کے دوران اسلامک ڈیڈ کیڈ ایلو کیشن فنڈ اسی مدت کے لئے غیر فعال رہا اور اس کے فنڈ کا سائز صفر رہا کیونکہ تمام پونٹس کو فنڈ آف فنڈ پلانز کے ذریعے چھڑایا (ری ڈیم) کر لیا گیا تھا جس کا انتظام کمپنی نے کیا تھا جیسا کہ فنڈ کے مالیاتی گوشواروں میں نوٹ 1.7 میں ظاہر کیا گیا تھا۔

مینجمنٹ کمپنی ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے مینجمنٹ کمپنی کے لیے 'AM2++' (AM Two Plus Plus) کے انتظامی معیار کی درجہ بندی کو برقرار رکھا ہے اور تفویض کردہ درجہ بندی پر آڈٹ لک کو 'مستحکم' سے 'مثبت' میں تبدیل کر دیا گیا ہے۔

اعتراف

بورڈ اس موقع پر اپنے قابل قدر یونٹ ہولڈرز کے اعتماد اور سرپرستی پر ان کا شکریہ ادا کرتا ہے۔ وہ سیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اینڈ ڈسکیٹل کسٹوڈین کمپنی لمیٹڈ کی جانب سے ٹرسٹی، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹاک ایکسچینج بینک آف پاکستان کی جانب سے فراہم کردہ مدد اور رہنمائی کے لئے اپنی تعریف ریکارڈ پر رکھنا چاہتا ہے۔

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

منجانب بورڈ

ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

HBL

Islamic Money Market Fund

FUND INFORMATION

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

HBL Islamic Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at March 31, 2022

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	6,591,003	5,153,150
Accrued profit		78,489	82,971
Investments	5	1,818,101	1,432,575
Deposits and prepayments		1,015	880
Total assets		8,488,608	6,669,576
Liabilities			
Payable to the Management Company	6	3,703	1,769
Payable to the Trustee		459	400
Payable to Securities and Exchange Commission of Pakistan		1,320	1,452
Accrued expenses and other liabilities	7	15,179	25,650
Total liabilities		20,660	29,271
Net assets		8,467,948	6,640,305
Unit holders' fund (as per statement attached)		8,467,948	6,640,305
Contingencies and Commitments			
	9		
----- (Number of units) -----			
Number of units in issue		83,696,521	65,619,532
----- (Rupees) -----			
Net assets value per unit		101.1744	101.1940

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months and quarter ended March 31, 2022

		Nine Month ended March 31,		Quarter Ended March 31,	
		2022	2021	2022	2021
Note		(Rupees in '000)			
Income					
Mark-up on deposit with banks		380,382	244,352	147,421	78,763
Mark-up on Investments		183,149	132,330	60,451	44,755
Realised gain on sale of investments		83	135	-	-
		563,614	376,817	207,872	123,518
Expenses					
Remuneration of the Management Company		16,723	18,598	5,447	5,979
Remuneration of the Trustee		4,299	4,029	1,305	1,295
Annual fee to the Securities and Exchange Commission of Pakistan		1,320	1,097	420	352
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	2,743	-	882
Selling and Marketing Expense		-	2,743	-	882
Auditors' remuneration		319	286	101	87
Settlement and bank charges		812	569	103	196
Fee and subscription		677	653	149	232
Printing and stationary		30	3	30	3
Total expenses		24,180	30,721	7,555	9,908
Net income from operating activities		539,434	346,096	200,317	113,610
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	(19,002)	6,922	4,006	2,272
Net income for the period before taxation		558,436	339,174	196,311	111,338
Taxation	8	-	-	-	-
Net income for the period after taxation		558,436	339,174	196,311	111,338
Allocation of net income for the period:					
Income already paid on redemption of units		-	22,273	-	(185,834)
Accounting income available for distribution:					
- Relating to capital gains		83	135	-	-
- Excluding capital gains		558,353	316,766	196,311	297,171
		558,436	316,901	196,311	297,171
		558,436	339,174	196,311	111,337

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine months and quarter ended March 31, 2022

	Nine month ended March 31,		Quarter ended, March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	558,436	339,174	196,311	111,338
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	558,436	339,174	196,311	111,338

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director
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HBL Islamic Money Market Fund
Condensed Interim Statement Of Movement In Unit Holders' FUND (Un-Audited)
For the Nine month ended March 31, 2022

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the Nine month ended March 31, 2022

	Nine month ended March 31,	
	2022	2021
Note	(Rupees in '000')	
Cash flows from operating activities		
Net income for the period before taxation	558,436	339,174
Adjustments for non-cash items:		
Mark-up on deposit with banks	(380,382)	(244,352)
Mark-up on commercial paper	(83)	1,015
Mark-up on term deposit receipts	(183,149)	(132,330)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
	(5,178)	(37,643)
Increase in assets		
Deposits and prepayments	(135)	(92)
Investments	(202,294)	(2,970,578)
	(202,429)	(2,970,669)
Increase / (Decrease) Increase in liabilities		
Payable to the Management Company	1,934	(32)
Payable to the Trustee	59	323
Payable to the Securities and Exchange Commission of Pakistan	(132)	481
Accrued expenses and other liabilities	(10,471)	20,595
	(8,610)	21,367
	(216,217)	(2,986,945)
Mark-up received on deposit with banks	384,863	201,861
Mark-up received on investment	-	-
	384,863	201,861
Net cash generated from / (used in) operating activities	168,646	(2,785,084)
Cash flows from financing activities		
Amount received on issue of units	15,530,046	14,582,615
Payments against redemption of units	(13,701,118)	(15,948,378)
Cash dividend paid	(559,721)	(316,943)
Net cash generated / (used in) from financing activities	1,269,207	(1,682,706)
Net increase in cash and cash equivalents	1,437,853	(4,467,790)
Cash and cash equivalents at beginning of the period	5,153,150	7,397,036
Cash and cash equivalents at end of the period	6,591,003	2,929,246

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

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

For the Nine month ended March 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** 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 (SECP) as a unit trust scheme on December 10, 2010.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at 'par from May 9, 2011 to May 10, 2011.
- 1.4** 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.
- 1.5** JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2++' (Positive Outlook) to the Management Company and the fund stability rating of AA+(f) to the Fund.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

- 2.1.2** The disclosures made in 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, 2021.
- 2.1.3** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

2.2 Basis of measurement

This condensed interim financial statement 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, RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2021.

3.2 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2021.

3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

3.4 The Fund's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2021.

4.	BANK BALANCES	Note	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
			----- (Rupees in '000) -----	
	Balances with banks in:			
	Savings accounts	4.1	6,591,003	5,153,150
	Term deposit receipts		-	-
			<u>6,591,003</u>	<u>5,153,150</u>
4.1	This represents bank accounts held with different banks. Mark up rates on these accounts range between 5.75% - 11.15% (June 2021: 3.52% - 7.5%) per anum.			
5	INVESTMENTS	Note	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
			(Rupees in '000)	
	Investments by category			
	Financial asset at amortised cost			
	Commercial paper	7.1	1,226,101	832,575
	Bai Muajjal	7.2	-	-
	Financial asset at fair value through profit and loss			
	Sukuk Certificate	7.3	592,000	600,000
			<u>1,818,101</u>	<u>1,432,575</u>

5.1 Commercial papers - at amortised cost

	Maturity Date	As at July 1, 2020	Placements made during the period	Income accrued	Matured / Sold during the period	As at March 31, 2021	Market value as a percentage of	
							Total investments of fund	Net Assets of fund
							(%)	
		(Rupees in '000)						
K - Electric Limited	19-Oct-21	195,181	-	4,073	199,254	-	-	-
K - Electric Limited	6-Oct-21	122,311	-	2,689	125,000	-	-	-
K - Electric Limited	10-Aug-21	466,167	-	3,833	470,000	-	-	-
K - Electric Limited	6-Oct-21	48,916	-	1,084	50,000	-	-	-
K - Electric Limited	27-Jan-22	-	470,682	15,318	486,000	-	21%	6%
K - Electric Limited	6-Apr-22	-	330,735	13,785	-	344,520	15%	4%
K - Electric Limited	4-May-22	-	535,034	20,329	-	555,363	24%	6%
K - Electric Limited	16-May-22	-	315,049	11,169	-	326,218	14%	4%
		832,575	1,651,500	72,280	1,330,254	1,226,101	74%	19%

5.2 Bai Muajjal - at amortised cost

	Maturity Date	As at July 1, 2021	Placements made during the period	Income accrued	Matured / Sold during the period	As at March 31, 2022	Market value as a percentage of	
							Total investments of fund	Net Assets of fund
							(%)	
		(Rupees in '000)						
Askari Bank Limited	23-Sep-21	-	500,000	2,854	502,854	-	-	-
Askari Bank Limited	23-Sep-21	-	525,000	2,996	527,996	-	-	-
Pak Oman Investment Company	20-Sep-21	-	123,078	1,728	124,806	-	-	-
Pak Kuwait Investment Company	22-Sep-21	-	595,999	8,597	604,596	-	-	-
Pak Oman Investment Company	20-Sep-21	-	666,944	9,364	676,308	-	-	-
Pak Kuwait Investment Company	22-Sep-21	-	395,499	5,402	400,901	-	-	-
Pak Brunei Investment Company	22-Sep-21	-	388,078	3,173	391,251	-	-	-
Pak Brunei Investment Company	22-Sep-21	-	199,014	1,627	200,641	-	-	-
Pak Brunei Investment Company	22-Sep-21	-	109,458	895	110,353	-	-	-
Pak Brunei Investment Company	22-Sep-21	-	114,775	622	115,397	-	-	-
Pak Brunei Investment Company	22-Sep-21	-	109,785	595	110,380	-	-	-
Pak Kuwait Investment Company	30-Nov-21	-	391,021	3,700	394,721	-	-	-
Pak Kuwait Investment Company	30-Nov-21	-	623,301	5,899	629,200	-	-	-
Pak Kuwait Investment Company	30-Nov-21	-	597,911	5,149	603,060	-	-	-
		-	5,339,863	52,601	5,392,464	-	0%	0%

5.3 Sukuk Certificate - Fair value through profit and loss

	Maturity Date	As at July 1, 2021	Placements made during the period	Matured / Sold during the period	As at March 31, 2022	Market value as a percentage of	
						Total investments of	Net Assets of fund
Hub Power Company Ltd.	5-Nov-21	600,000	-	600,000	-	-	-
Hub Power Company Ltd.	2-May-22	-	592,000	-	592,000	32.56%	7%
		600,000	592,000	600,000	592,000	33%	7%

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
Note		----- (Rupees in '000) -----	
6. PAYABLE TO THE MANAGEMENT COMPANY			
Management Fee		1,476	1,089
Sindh Sales Tax		192	142
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	-
Sale load payable		2,035	97
Selling and marketing expense payable		-	441
		<u>3,703</u>	<u>1,769</u>

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		304	318
Federal Excise Duty	7.1	2,185	2,185
Provision for Sindh Workers' Welfare Fund	7.2	-	19,002
Withholding tax payable		11,966	2,569
Capital gain tax payable		57	10
Dividend payable		307	307
Other payable		360	1,259
		<u>15,179</u>	<u>25,650</u>

7.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2017, is pending for decision.

In view of the above, the Management Company, being prudent, is carrying provision for FED aggregating to Rs. 2.185 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2022 would have been higher by Rs. 0.0261 per unit (June 30, 2021: 0.0333 per unit).

7.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan (MUFAP), 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.

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 19.002 million for the period from July 1, 2014 till August 12, 2021.

8. TAXATION

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

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

10. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, 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 during the period and balances with them at period end are as follows:

		(Un-Audited) Nine month ended March 31,	
		2022	2021
		----- (Rupees in '000) -----	
10.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Management fee including sales tax thereon	16,723	18,598
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	2,743
	Issue of 55,333 units (2021: 1,188,710 units)	5,598	120,267
	Redemption of 1,245,682 units (2021: Nil units)	126,031	-
	Habib Bank Limited - Sponsor		
	Profit on bank deposits earned	160,333	3,445
	Redemption of Nil units (2021: 2,239,999 units)	-	227,622
	Executives and key management personnel		
	Issue of 115,847 units (2021: 121,609 units)	11,721	12,333
	Redemption of 65,473 units (2021: 154,495 units)	6,624	15,658
	ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND		
	Issue of 329,972 units (2021: 217,687 units)	33,385	22,052
	MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND ACTIVE ALLOCATION PLAN		
	Issue of 25,169 units (2021: Nil units)	2,546	-

		(Un-Audited) Nine month ended March 31,	
		2022	2021
		----- (Rupees in '000) -----	
MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND CONSERVATIVE ALLOCATION PLAN			
Issue of 880 units (2021: Nil units)		89	-
Redemption of 187 units (2021: Nil units)		19	-
CDC Trustee HBL Cash Fund - Funds under common management			
Purchase of KEL - Commercial paper		367,557	199,489
CDC Trustee HBL Money Market Fund - Funds under common management			
Sale of KEL - Commercial paper		69,557	-
Purchase of KEL - Commercial paper		63,839	341,346
CDC Trustee HBL Islamic Income Fund - Funds under common management			
Sale of KEL - Commercial paper		39,289	-
Purchase of HUB Power Company Limited - Sukuk		160,000	-
Connected person due to holding 10% or more			
ARTISTIC MILLINERS PVT LTD			
Issue of Nil units (2021: 20,023,390 units)		-	2,025,854
Redemption of Nil units (2021: 29,855,825 units)		-	3,020,645
Connected person due to holding 10% or more			
PAKISTAN DEFENCE OFFICERS HOUSING AUTHORITY			
Issue of 10,615,042 units (2021: 10,189,041 units)		1,073,971	1,034,508
Central Depository Company of Pakistan Limited - Trustee			
Trustee Remuneration		4,299	4,029
		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
10.2	Amounts outstanding as at period end		
HBL Asset Management Limited - Management Company			
Management fee		1,476	1,089
Sindh Sales Tax		192	142
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services		-	-
Investment held in the Fund: 14,875 units (June 30, 2021: 1,205,225 units)		1,505	121,961
Sale load payable		2,035	97
Selling and marketing cost		-	441
Habib Bank Limited - Sponsor			
Investment held in the Fund: Nil units (June 30, 2021: Nil units)		-	-
Bank balances		18,651	5,146,720
Sale load payable		-	875
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable including sales tax thereon		459	400

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
Directors , Executives and key management personnel		
Investment held in the Fund: 84,638 units (June 30, 2021: 34,615 units)	8,563	3,503
Archroma Pakistan Limited - Employees Gratuity Fund		
Investment held in the Fund: 551,366 units (June 30, 2021: Nil units)	55,784	-
MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND ACTIVE ALLOCATION PLAN		
Investment held in the Fund: 25,176 units (June 30, 2021: Nil units)	2,547	-
MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND CONSERVATIVE ALLOCATION PLAN		
Investment held in the Fund: 693 units (June 30, 2021: Nil units)	70	-
Connected person due to holding 10% or more		
Artistic Milliners Pvt Limited		
Investment held in the Fund: Nil units (June 30, 2021 : 19,870,241 units)	-	2,010,749
Pakistan Defence Officers Housing Authority		
Investment held in the Fund: 10,615,042 units (June 30, 2021 : Nil units)	1,073,971	-

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 and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

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

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

				March 31, 2022			
Carrying amount				Fair Value			
At amortised cost	Other financial assets / liabilities	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	-	6,591,003	6,591,003				
Accrued mark-up	-	78,489	78,489				
Investments	-	1,818,101	1,818,101				
	-	8,487,593	8,487,593				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	3,511	3,511				
Payable to the Trustee	-	406	406				
Accrued expenses and other liabilities	-	4,463	4,463				
Payable to Securities and Exchange Commission of Pakistan	-	1,168	1,168				
	-	9,548	9,548				

				June 30, 2021			
Carrying amount				Fair Value			
Loans and receivables	Other financial assets / liabilities	Total		Level 1	Level 2	Level 3	Total
(Rupees in '000)							
On-balance sheet financial instruments							
Financial assets not measured at fair value							
Bank balances	-	5,153,150	5,153,150				
Accrued mark-up	-	82,971	82,971				
	-	5,236,121	5,236,121				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	1,627	1,627	-	-	-	-
Payable to the Trustee	-	354	354	-	-	-	-
Accrued expenses and other liabilities	-	12,994	12,994	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan	-	1,285	1,285	-	-	-	-
	-	16,260	16,260	-	-	-	-

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 half year ended March 31, 2022 is 0.27% (March 31, 2021: 0.52%) which includes 0.04% (March 31, 2021: 0.15%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

13. NON COMPLIANT INVESTMENTS DISCLOSURE

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding any non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment criteria. As at March 31, 2022, all the investment held in the

Name of Non-Complaint Investment	Type of investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	LIMIT	% of Net Assets	% of Gross Assets
(Rupees in '000)							
Exposure ICP/Sukuk	ICP/Sukuk	1,818.10	-	1,818.10	20.00%	21.47%	21.42%

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

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement were authorized for issue by the Board of Directors of the Management Company on April 26, 2022.

15. GENERAL

15.1 Update on CoVID-19 Impact :

In continuation of note 1.8 to annual audited financial statements for the year ended June 30, 2021, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

15.2 Figures have been rounded off to the nearest thousand Rupees.

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Asset Allocation Fund

FUND INFORMATION

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

HBL Islamic Asset Allocation Fund

Condensed Interim Statement of Assets and Liabilities

As at March 31, 2022

		(Un-Audited) March 31, 2022			(Audited) June 30, 2021		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
Note		----- (Rupees in '000) -----					
Assets							
Bank balances	6	87,770	1,367,875	1,455,645	164,167	423,352	587,519
Investments	7	275,489	1,567,957	1,843,446	231,213	2,012,096	2,243,309
Dividend receivable and accrued mark-up		3,390	40,516	43,906	3,301	43,139	46,440
Preliminary expenses and floatation costs	8	-	140	140	-	172	172
Advances, deposits and other receivables	9	2,814	2,182	4,996	4,756	100	4,856
Receivable against sale of investments		606	-	606	-	-	-
Total assets		370,069	2,978,670	3,348,739	403,437	2,478,859	2,882,296
Liabilities							
Payable to the Management Company	10	1,347	660	2,007	1,433	582	2,015
Payable to the Trustee		70	208	278	72	169	241
Payable to the Securities and Exchange Commission of Pakistan		57	397	454	73	389	462
Payable against Purchase of Investment		-	-	-	3,946	-	3,946
Accrued expenses and other liabilities	11	1,734	581	2,315	9,942	3,477	13,419
Total liabilities		3,208	1,846	5,054	15,466	4,617	20,083
Net assets		366,861	2,976,824	3,343,685	387,971	2,474,242	2,862,213
Unit holders' fund (as per statement attached)		366,861	2,976,824		387,971	2,474,242	
Contingencies and Commitments							
	12						
(Number of units)							
Number of units in issue		3,254,759	28,077,237		3,434,480	24,640,941	
(Rupees)							
Net assets value per unit		112.7152	106.0227		112.9636	100.4119	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

Condensed Interim Income Statement (Un-Audited)

For The Nine Months And Quarter Ended March 31, 2022

Note	Nine Months ended			For The Period From July 13, 2020 to March 31, 2021			Quarter Ended			March 31, 2021		
	March 31, 2022			March 31, 2021			March 31, 2022			March 31, 2021		
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
(Rupees in '000)												
Income												
Return on investments	12,828	146,761	159,589	5,730	88,973	94,703	4,558	134,888	139,446	2,222	36,060	38,282
Profit on deposits with banks	4,991	23,151	28,142	7,444	14,698	22,142	1,706	(70,501)	(68,795)	2,440	4,953	7,393
Dividend income	3,288	-	3,288	3,026	-	3,026	1,485	-	1,485	740	-	740
Capital loss on sale of investments - net	(9,076)	(22,874)	(31,950)	9,892	375	10,267	(1,802)	(1,662)	(3,464)	3,717	(375)	3,342
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial asset at fair value through profit or loss - net	(9,459)	243	(9,216)	15,254	(1,254)	14,000	(2,374)	(6,523)	(8,897)	248	1,917	2,165
Other Income	7	33	40	-	-	-	-	-	-	-	-	-
	2,579	147,314	149,893	41,346	102,792	144,138	3,573	56,202	59,775	9,367	42,555	51,922
Expenses												
Remuneration of the Management Company	4,829	3,368	8,197	4,532	2,302	6,834	1,542	1,167	2,709	1,608	912	2,520
Remuneration of the Trustee	644	1,684	2,328	604	1,222	1,826	206	584	790	214	456	670
Annual fee to Securities and Exchange Commission of Pakistan	57	397	454	53	273	326	18	137	155	18	109	127
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,137	-	2,137	2,005	383	2,388	683	-	683	711	-	711
Selling and marketing expenses	1,852	-	1,852	1,738	-	1,738	592	-	592	617	-	617
Auditors' remuneration	45	328	373	67	245	312	12	108	120	14	83	97
Amortization of preliminary expenses and floatation costs	-	32	32	105	32	137	-	10	10	-	11	11
Settlement and bank charges	282	266	548	350	180	530	88	83	171	125	99	224
Printing charges	49	42	91	2	21	23	16	14	30	2	21	23
Fee and subscription	40	126	166	14	17	31	22	41	63	-	(16)	(16)
Income from shariah non-compliant transaction	175	-	175	153	-	153	74	-	74	153	-	153
Securities transaction cost	322	154	476	282	929	1,211	66	64	130	107	198	305
Shariah advisory fee	27	137	164	37	116	153	9	45	54	7	44	51
	10,459	6,534	16,993	9,942	5,720	15,662	3,328	2,253	5,581	3,576	1,917	5,493
Net (Loss) / Income from operating activities	(7,880)	140,780	132,900	31,404	97,072	128,476	245	53,949	54,194	5,791	40,638	46,429
Provision for Sindh Workers' Welfare Fund	7,130	3,019	10,149	(628)	(1,941)	(2,569)	-	-	-	(116)	(812)	(928)
Net (Loss) / Income for the period before taxation	(750)	143,799	143,049	30,776	95,131	125,907	245	53,949	54,194	5,675	39,826	45,501
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Net (Loss) / Income for the period after taxation	(750)	143,799	143,049	30,776	95,131	125,907	245	53,949	54,194	5,675	39,826	45,501
Allocation of income for the period												
Net (Loss) / Income for the period after taxation	(750)	143,799	143,049	30,776	95,131	125,907	245	53,949	54,194	5,675	39,826	45,501
Income already paid on redemption of units	-	(7,350)	(7,350)	(1,677)	-	(1,677)	-	(92)	(92)	(902)	-	(902)
Accounting income available for distribution:	(750)	136,449	135,699	29,099	95,131	124,230	245	53,857	54,102	4,773	39,826	44,599
Accounting income available for distribution:												
- Relating to capital (losses) / gains	-	-	-	23,656	-	23,656	245	-	245	3,209	-	3,209
- Relating to capital (losses) / gains	-	-	-	5,443	95,131	100,574	-	53,857	53,857	1,564	39,826	41,390
- Excluding capital (losses) / gains	-	136,449	136,449	29,099	95,131	124,230	245	53,857	54,102	4,773	39,826	44,599

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

Condensed Interim Statement of Comprehensive Income (Unaudited)

For The Nine Months And Quarter Ended March 31, 2022

	Nine Months ended March 31, 2022		Total	For The Period From July 13, 2020 to March 31, 2021		Total	Quarter Ended March 31, 2022		Total	Quarter Ended March 31, 2021		Total
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	
	(Rupees in '000)											
Net loss for the period after taxation	(750)	143,799	143,049	30,776	95,131	125,907	245	53,949	54,194	5,675	39,826	45,501
Other comprehensive (loss) / income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive (Loss) / income for the period	(750)	143,799	143,049	30,776	95,131	125,907	245	53,949	54,194	5,675	39,826	45,501

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Condensed Interim Statement of Movement in Unitholders' Fund (Unaudited)
For The Nine Months Ended March 31, 2021

	Islamic Asset Allocation Fund					
	Nine Months ended					
	March 31, 2022			March 31, 2021		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	259,067	128,904	387,971	208,300	102,099	310,399
Issue of 284,418 units (2021: 6,641,869 units)						
- Capital value (at net asset value per unit at the beginning of the period)	32,129	-	32,129	99,998	-	99,998
- Element of income / (Loss)	169	-	169	5,908	-	5,908
Total proceeds on issuance of units	32,298	-	32,298	105,906	-	105,906
Redemption of 464,139 units (2021: 14,286,825 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(52,431)	-	(52,431)	(61,303)	-	(61,303)
- Income already paid on redemption of units	-	-	-	-	-	-
- Element of (loss) / income	(227)	-	(227)	(2,391)	(1,677)	(4,068)
Total payments on redemption of units	(52,658)	-	(52,658)	(63,694)	(1,677)	(65,371)
Total comprehensive loss for the period	-	(750)	(750)	-	30,776	30,776
Distribution during the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	(750)	(750)	-	30,776	30,776
Net assets at end of the period	238,707	128,154	366,861	250,512	131,198	381,710
Undistributed income brought forward						
- Realised		111,082			100,789	
- Unrealised		17,822			1,310	
		128,904			102,099	
Accounting (loss) / income available for distribution:						
- Relating to capital (losses) / gains		-			23,656	
- Excluding capital (losses) / gains		-			5,443	
		-			29,099	
Total comprehensive loss for the period		(750)			-	
Undistributed income carried forward		128,154			131,198	
Undistributed income carried forward						
- Realised		137,613			117,621	
- Unrealised		(9,459)			15,254	
		128,154			131,198	
Net assets value per unit at beginning of the period	112.9636			103.6330		
Net assets value per unit at end of the period	112.7152			113.3156		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For The Nine Months Ended March 31, 2021

Islamic Asset Allocation Fund Plan 1							
Nine Months ended				For the Period July 13, 2020 to March 31 2021			
March 31, 2022				March 31, 2021			
Capital value	Undistributed income	Total		Capital value	Undistributed income	Unrealized (losses)/income on investment	Total
(Rupees in '000)							

Net assets at beginning of the period	2,470,677	3,565	2,474,242	-	-	-	-
Issuance of 7,056,933 (2021: 21,864,887 units)							
- Capital value (at net asset value per unit at the beginning of the period)	708,600	-	708,600	2,186,489	-	-	2,186,489
- Element of Income	24,572	-	24,572	14,937	-	-	14,937
	733,172		733,172	2,201,426	-	-	2,201,426
Redemption of 3,620,637 units (2021: Nil Units)							
- Capital value (at net asset value per unit at the beginning of the period)	(363,555)	-	(363,555)	-	-	-	-
- Element of loss	(3,484)	(7,350)	(10,834)	-	-	-	-
	(367,039)	(7,350)	(374,389)	-	-	-	-
Total comprehensive/ income for the period	-	143,799	143,799	-	95,131	-	95,131
Net assets at the end of the period	2,836,810	140,014	2,976,824	2,201,426	95,131	-	2,296,557
Undistributed income brought forward							
- Realised		(350)			-		
- Unrealised		3,915			-		
		3,565			-		
Accounting (loss) / income available for distribution:							
- Relating to capital (losses) / gains		-			-		
- Excluding capital (losses) / gains		136,449			95,131		
		136,449			95,131		
Total comprehensive loss for the period		-			-		
Undistributed income carried forward		140,014			95,131		
Undistributed income carried forward							
- Realised		139,771			96,385		
- Unrealised		243			(1,254)		
		140,014			95,131		
(Rupees)							
Net assets value per unit at beginning of the period	100.4119			100.0000			
Net assets value per unit at end of the period	106.0227			105.0340			

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

Condensed Interim Statement of Cash Flow (Un- Audited)

For The Nine Months Ended March 31, 2022

	Nine Months ended 'March 31,2022			Nine Months ended 'March 31,2021	For The Period From July 13, 2020 to March 31, 2021	
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
	----- (Rupees in '000) -----					
Cash flows from operating activities						
Net loss for the period before taxation	(750)	143,799	143,049	30,776	95,131	125,907
Adjustments for non-cash items:						
Capital loss on sale of investments - net	9,076	22,874	31,950	(9,892)	(375)	(10,267)
Return / markup on bank profits	(4,991)	(23,151)	(28,142)	(7,444)	(14,698)	(22,142)
Return / markup on investments	(12,828)	(146,761)	(159,589)	(5,730)	(88,973)	(94,703)
Dividend income	(3,288)	-	(3,288)	(3,026)	-	(3,026)
Impairment loss on equity securities classified as available for sale	-	-	-	-	-	-
Amortization of preliminary expenses and floatation costs	-	32	32	105	32	137
Net unrealised appreciation / (diminution) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	9,459	(243)	9,216	(15,254)	1,254	(14,000)
	(3,322)	(3,450)	(6,772)	(10,465)	(7,629)	(18,094)
(Increase) / decrease in assets						
Investments	(62,811)	421,508	358,697	(7,478)	(1,908,456)	(1,915,934)
Advances, deposits and other receivables	1,336	(2,182)	(846)	3,748	(315)	3,433
	(61,475)	419,326	357,851	(3,730)	(1,908,771)	(1,912,501)
Increase / (decrease) in liabilities						
Payable to the Management Company	(86)	78	(8)	(18)	699	681
Payable to the Trustee	(2)	39	37	3	164	167
Payable to the Securities and Exchange Commission of Pakistan	(16)	8	(8)	(90)	273	183
Payable against Redemption Units	(3,946)	-	(3,946)	-	-	-
Accrued expenses and other liabilities	(8,208)	(2,896)	(11,104)	(2,258)	2,508	250
	(12,258)	(2,771)	(15,029)	(2,363)	3,644	1,281
Net cash used in operations	(77,055)	413,105	336,050	(16,558)	(1,912,756)	(1,929,314)
Profit received on bank deposits	5,775	18,413	24,188	6,282	12,863	19,145
Dividend income received	3,295	-	3,295	2,702	-	2,702
Markup received on investments	11,948	154,222	166,170	6,193	61,774	67,967
Net cash used in from operating activities	(56,037)	585,740	529,703	(1,381)	(1,838,119)	(1,839,500)
Cash flows from financing activities						
Amount received on issue of units	32,298	733,172	765,470	105,906	2,201,426	2,307,332
Payment against redemption of units	(52,658)	(374,389)	(427,047)	(65,371)	-	(65,371)
Net cash (used in) / generated from financing activities	(20,360)	358,783	338,423	40,535	2,201,426	2,241,961
Net decrease in cash and cash equivalents	(76,397)	944,523	868,126	39,154	363,307	402,461
Cash and cash equivalents at beginning of the period	164,167	423,352	587,519	139,710	-	139,710
Cash and cash equivalents at end of the period	87,770	1,367,875	1,455,645	178,864	363,307	542,171

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For The Nine Months Ended March 31, 2022

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.

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.

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 Limited.

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

VIS Credit Rating Company has assigned a management quality rating of AM2++' (Positive outlook) to the Management Company while the Fund is currently not rated.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. USE OF ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2021.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2021.

6. BANK BALANCES		(Un-Audited) March 31, 2022			(Audited) June 30, 2021		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
Note		(Rupees in '000)					
Savings accounts	6.1	87,770	1,367,875	1,455,645	164,167	423,352	587,519
		87,770	1,367,875	1,455,645	164,167	423,352	587,519
6.1		This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 3.75% - 11.25% per annum (June 30, 2021: 3.75% - 13.5%) per annum.					
7. INVESTMENTS							
Financial assets at fair value through profit or loss							
- Listed equity securities	7.1	108,887	-	108,887	112,288	-	112,288
- Sukuk's	7.2	78,373	1,567,957	1,646,330	49,843	1,514,696	1,564,539
- GoP ijarah sukuks	7.3	-	-	-	9,226	497,400	506,626
		187,260	1,567,957	1,755,217	171,357	2,012,096	2,183,453
Financial assets at amortized cost							
- Sukuk's	7.5	37,703	-	37,703	35,069	-	35,069
- Commercial paper	7.4	50,526	-	50,526	24,787	-	24,787
		275,489	1,567,957	1,843,446	231,213	2,012,096	2,243,309

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

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

Name of the Investee Company	-----Number of shares-----					Market value as at March 31, 2022 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2022		Total Investments	Net Assets	
TEXTILE COMPOSITE									
Interloop Limited	47,750	-	1,432	-	49,182	3,635	1.32%	0.99%	0.57%
Kohinoor Textile Mills Ltd	7,500	-	-	-	7,500	467	0.17%	0.13%	0.01%
Nishat Mills Ltd	22,200	-	-	-	22,200	1,902	0.69%	0.52%	0.01%
	77,450	-	1,432	-	78,882	6,004			
CEMENT									
Attock Cement Pakistan Ltd	26,000	16,800	-	-	42,800	5,415	1.97%	1.48%	0.04%
Cherat Cement Company Ltd	8,500	-	-	8,500	-	-	-	-	-
D G Khan Cement Co.Ltd.	32,500	-	-	32,500	-	-	-	-	-
Fauji Cement Company Limited	-	47,000	-	47,000	-	-	-	-	-
Kohat Cement Limited	4,970	16,000	-	3,500	17,470	3,003	1.09%	0.82%	0.01%
Lucky Cement Limited	13,150	9,540	-	7,835	14,855	9,453	3.43%	2.58%	0.00%
Maple Leaf Cement Factory Limited	67,000	252,000	-	229,500	89,500	3,226	1.17%	0.88%	0.02%
Pioneer Cement Limited	22,000	3,000	-	25,000	-	-	-	-	-
	174,120	344,340	-	353,835	164,625	21,097			
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	63,687	-	-	13,500	50,187	3,592	1.30%	0.98%	0.00%
	63,687	-	-	13,500	50,187	3,592			
ENGINEERING									
Agha Steel Ind.Ltd	45,000	1,000	2,250	35,500	12,750	257	0.09%	0.07%	0.00%
Aisha Steel Mills Ltd	50,000	-	-	50,000	-	-	-	-	-
Armeli Steels Limited	-	50,000	-	21,000	29,000	948	0.34%	0.26%	0.01%
International Industries Ltd	11,700	-	-	11,700	-	-	-	-	-
International Steels Limited	6,500	-	-	6,500	-	-	-	-	-
Mughal Iron & Steel Inds Ltd	24,360	30,000	5,829	11,500	48,689	4,441	1.61%	1.21%	0.02%
	137,560	81,000	8,079	136,200	90,439	5,646			
AUTOMOBILE ASSEMBLER									
Ghandhara Industries Limited	-	5,000	-	-	5,000	829	0.30%	0.23%	0.02%
Honda Atlas Cars (Pakistan) Ltd	3,000	-	-	3,000	-	-	-	-	-
Pak Suzuki Motor Company Limited	5,500	-	-	5,500	-	-	-	-	-
	8,500	5,000	-	8,500	5,000	829			
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	35,500	59,960	-	95,460	-	-	-	-	-
Waves Singer Pakistan Limited	40,000	-	-	40,000	-	-	-	-	-
	75,500	59,960	-	135,460	-	-			
MISCELLANEOUS									
Pakistan Aluminium Beverage Cans Limited	-	38,814	-	38,814	-	-	-	-	-
	-	38,814	-	38,814	-	-			
Pharmaceuticals									
Abbott Laboratories (Pak) Limited	-	5,000	-	5,000	-	-	-	-	-
Ferozsons Laboratories Ltd	-	10,500	-	3,000	7,500	2,453	0.89%	0.67%	0.02%
Highnoon Laboratories Limited	-	6,000	-	400	5,600	3,525	1.28%	0.96%	0.00%
The Searle Company Limited	821	3,000	246	-	4,067	504	0.18%	0.14%	0.00%
	821	24,500	246	8,400	17,167	6,482			
Vanaspati & Allied Industries									
Al Shaheer Corporation Ltd	-	28,000	-	28,000	-	-	-	-	-
Unity Foods Limited	79,500	135,514	-	49,514	165,500	4,341	1.58%	1.18%	0.03%
	79,500	163,514	-	77,514	165,500	4,341			
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	196,329	13,000	12,582	98,500	123,411	3,490	1.27%	0.95%	0.01%
	196,329	13,000	12,582	98,500	123,411	3,490			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	4,095	1,000	-	1,000	4,095	7,246	2.63%	1.98%	0.00%
Oil & Gas Development Co Limited	93,000	83,500	-	85,500	91,000	7,565	2.75%	2.06%	0.00%
Pakistan Oilfields Limited	4,500	6,000	-	2,650	7,850	2,926	1.06%	0.80%	0.00%
Pakistan Petroleum Limited	98,592	42,000	-	88,600	51,992	3,785	1.37%	1.03%	0.00%
	200,187	132,500	-	177,750	154,937	21,522			

Name of the Investee Company	-----Number of shares-----					Market value as at March 31, 2022 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2022		Total Investments	Net Assets	
OIL & GAS MARKETING COMPANIES									
Hascol Petroleum Ltd	-	-	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	29,559	12,100	-	800	40,859	6,810	2.47%	1.86%	0.01%
Shell Pakistan Ltd	-	-	-	-	-	-	-	-	-
Sui Northern Gas Pipeline Limited	-	-	-	-	-	-	-	-	-
	<u>29,559</u>	<u>12,100</u>	<u>-</u>	<u>800</u>	<u>40,859</u>	<u>6,810</u>			
REFINERY									
Attock Refinery Ltd	4,500	3,000	-	800	6,700	862	0.31%	0.23%	0.01%
National Refinery Ltd	2,500	500	-	1,150	1,850	384	0.14%	0.10%	0.00%
Pakistan Refinery Limited	-	-	-	-	-	-	-	-	-
	<u>7,000</u>	<u>3,500</u>	<u>-</u>	<u>1,950</u>	<u>8,550</u>	<u>1,246</u>			
COMMERCIAL BANKS									
BankIslami Pakistan Limited	100,000	181,000	-	-	281,000	3,560	1.29%	0.97%	0.05%
Meezan Bank Limited	41,422	45,000	5,688	9,000	83,110	10,884	3.95%	2.97%	0.01%
	<u>141,422</u>	<u>226,000</u>	<u>5,688</u>	<u>9,000</u>	<u>364,110</u>	<u>14,444</u>			
FERTILIZER									
Engro Corporation Limited	11,000	43,700	-	18,000	36,700	9,821	3.56%	2.68%	0.01%
Engro Fertilizers Limited	-	-	-	-	-	-	-	-	-
Fauji Fertilizers Company Limited	-	-	-	-	-	-	-	-	-
	<u>11,000</u>	<u>43,700</u>	<u>-</u>	<u>18,000</u>	<u>36,700</u>	<u>9,821</u>			
Chemicals									
Descon Oxychem Ltd	-	108,000	-	108,000	-	-	-	-	-
Dynea Pakistan Limited	-	4,500	-	4,500	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	34,000	-	34,000	-	-	-	-	-
	<u>-</u>	<u>146,500</u>	<u>-</u>	<u>146,500</u>	<u>-</u>	<u>-</u>			
AUTOMOBILES PARTS & ACCESSORIES									
PANTHER TYRES LIMITED	16,031	-	-	16,031	-	-	-	-	-
Thal Limited	-	-	-	-	-	-	-	-	-
	<u>16,031</u>	<u>-</u>	<u>-</u>	<u>16,031</u>	<u>-</u>	<u>-</u>			
TECHNOLOGY & COMMUNICATION									
Octopus Digital Limited	-	23,026	-	23,026	-	-	-	-	-
Air Link Communication Ltd	-	64,625	2,896	67,521	-	-	-	-	-
Avanceon Limited	33,000	13,000	-	28,000	18,000	1,593	0.58%	0.43%	0.01%
Systems Limited	-	2,600	2,600	-	5,200	1,970	0.72%	0.54%	0.00%
TRG Pakistan Ltd	-	10,500	-	10,500	-	-	-	-	-
	<u>33,000</u>	<u>113,751</u>	<u>5,496</u>	<u>129,047</u>	<u>23,200</u>	<u>3,563</u>			
TRANSPORT									
Pakistan International Bulk Terminal Limited	-	109,000	-	109,000	-	-	-	-	-
Pakistan National Shipping Corporation Limited	5,000	-	-	5,000	-	-	-	-	-
	<u>5,000</u>	<u>109,000</u>	<u>-</u>	<u>114,000</u>	<u>-</u>	<u>-</u>			
Total as at March 31, 2022	<u>1,256,666</u>	<u>1,517,179</u>	<u>33,523</u>	<u>1,483,801</u>	<u>1,323,567</u>	<u>108,887</u>			
Carrying value as at March 31, 2022						119,041			

7.1.1 The above investments include shares with market value aggregating to Rs. 31.2618 million (June 2021: Rs. 32.32 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.

7.1.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 244,840 at March 31, 2022 (June 30, 2021: Rs. 312,000) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor of the asset management company and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

7.2 Listed Sukuk's certificates- At fair value through profit or loss

Islamic Asset Allocation Fund

Name of the Investee Company	As at July 01, 2021	Purchases during the period	Sales during the period	As at March 31, 2022	Market value as at March 31, 2022 (Rs in '000)	Market value as percentage of	
						Total Investments	Net Assets
----- (Number of certificates) -----							
International Brands Limited	100	-	-	100	446	0.16%	0.12%
Agha Steel Industries Limited	33	-	-	33	31,195	11.32%	8.50%
OBS AGP (Pvt) Limited	-	350	-	350	35,119	12.75%	9.57%
TPL Trakker Limited	-	13	-	13	11,613	4.22%	3.17%
	133	363	-	483	78,373	24.23%	18.20%
Cost of investment					77,677		

Islamic Asset Allocation Fund Plan 1

Name of the Investee Company	As at July 01, 2021	Purchases during the period	Sales during the period	As at March 31, 2022	Market value as at March 31, 2022 (Rs in '000)	Market value as percentage of	
						Total Investments	Net Assets
	------(Number of certificates)-----						
Meezan Bank	307	-	107	200	200,000	12.76%	6.72%
Dubai Islamic	4,175	-	-	4,175	200,863	12.81%	6.75%
Hub Power Company Limited	1,750	1,000	-	2,750	281,875	17.98%	9.47%
K-Electric limited	20,000	12,000	-	32,000	163,392	10.42%	5.49%
Pakistan Energy	143,500	-	18,000	125,500	630,517	40.21%	21.18%
OBS AGP (Pvt) Ltd	-	910	-	910	91,310	5.82%	3.07%
	169,732	13,910	18,107	165,535	1,567,957	100.00%	52.67%
Cost of investment					1,567,714		

Significant terms and conditions of Sukuk bonds outstanding as at March 31, 2022 are as follows

Name of Security	Remaining Principal (per Sukuk)	Mark-up rate (per annum)	Date of Issue	Maturity Date
Islamic Asset Allocation Fund				
OBS AGP (Pvt) Limited	100,000	3 Months KIBOR + 1.55%	15-Jul-21	15-Jul-26
TPL Trakker Limited	888,889	3 months KIBOR + 3%	30-Mar-21	30-Mar-26
International Brands Limited	4,451	12 months KIBOR + 0.50%	15-Nov-17	15-Nov-21
Agha Steel Industries Limited	937,500	3 months KIBOR +0.8%	9-Oct-18	9-Oct-24
Islamic Asset Allocation Fund Plan 1				
Dubai Islamic Bank limited	1,000,000	6 Months KIBOR + 0.5%	14-Jul-17	14-Jul-27
Hub Power Company Limited	100,000	1 year KIBOR + 1.9%	19-Mar-20	19-Mar-24
K-Electric Ltd- Sukuk (KELSC5)	5,000	3 Month KIBOR + 1.7%	3-Aug-20	3-Aug-27
Pakistanb Energy Sukuk-2 Bound (PESC2)	5,000	6 Month KIBOR - 0.1%	21-May-20	21-May-30
Meezan Bank limited - Perpetual	1,000,000	3 Months KIBOR + 1.75%	1-Aug-18	-
Dubai Islamic Bank limited - Perpetual	5,000	3 Months KIBOR + 1.75%	21-Dec-18	-
OBS AGP (Pvt) Limited	100,000	3 Months KIBOR + 1.55%	15-Jul-21	15-Jul-26

7.3 Financial assets at fair value through profit or loss - GoP Ijara Sukuk Certificates

Islamic Asset Allocation Fund

Name of Company	As at July 01, 2021	Purchased made during the period	Matured during the period	As at March 31, 2022	Maturity Date	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----							
GoP Ijara 30-Apr-2020	9,500	87,000	96,500	-	30-Apr-25	0.00%	0.00%
Total - As at March 31, 2022	9,500	87,000	96,500	-		0.00%	0.00%

Islamic Asset Allocation Fund Plan 1

Name of Company	As at July 01, 2021	Purchased made during the period	Matured during the period	As at March 31, 2022	Maturity Date	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----							
GoP Ijara 29-Jul-2020	500,000	700,000	1,200,000	-	29-Jul-25	0.00%	0.00%
GoP Ijara 29-Oct-2020	-	25,000	25,000	-	29-Jul-26	0.00%	0.00%
Total - As at March 31, 2022	500,000	725,000	1,225,000	-		0.00%	0.00%

7.4 Commercial Paper

Name of Company	Maturity Date	As at July 01, 2021	Purchased made during the period	Matured during the period	Income Accrued	As at March 31, 2022	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----								
Mughal Iron and Steel	21-Jul-22	-	10,965	-	11,671	11,671	4.24%	3.18%
K-Electric Limited	10-Aug-21	24,787	-	25,000	213	-	-	-
K-Electric Limited	23-Jan-23	-	18,259	19,000	741	-	-	-
K-Electric Limited	6-Apr-22	-	23,966	-	24,971	24,971	9.06%	6.81%
K-Electric Limited	4-May-22	-	13,376	-	13,884	13,884	5.04%	3.78%
Total - As at March 31, 2022		24,787	66,566	44,000	51,480	50,526	18.34%	13.77%

7.5 Sukuk bonds - At amortised cost

Name of Company	Maturity Date	As at July 01, 2021	Purchased made during the period	Matured during the period	Income Accrued	As at March 31, 2022	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----								
Hub Power Holding	12-Nov-22	35,069	-	-	2,634	37,703	13.69%	10.28%
Total - As at March 31, 2022		35,069	-	-	2,634	37,703	13.69%	10.28%

	Note	(Un-Audited) March 31, 2022			(Audited) June 30, 2021		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
8. PRELIMINARY EXPENSES AND FLOATATION COSTS		(Rupees in '000)					
Opening balance		-	172	172	105	215	320
Less: amortized during the period	8.1	-	(32)	(32)	(105)	(43)	(148)
Closing balance		-	140	140	-	172	172

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortized over a period of five years commencing from the end of the initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC regulations.

	Note	(Un-Audited) March 31, 2022			(Audited) June 30, 2021		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
9. ADVANCES, DEPOSITS AND OTHER RECEIVABLES		(Rupees in '000)					
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,082	4,582	2,500	-	2,500
Security deposit with Central Depository Company of Pakistan Limited		100	100	200	100	100	200
Advance against TFCs and equity		-	-	-	1,956	-	1,956
Prepaid Expenses		28	-	28	14	-	14
Advances		186	-	186	186	-	186
		2,814	2,182	4,996	4,756	100	4,856
10. PAYABLE TO THE MANAGEMENT COMPANY							
Management fee		464	367	831	480	298	778
Sindh Sales Tax		60	48	108	62	39	101
Sales load payable		-	-	-	27	-	27
Selling and marketing expenses payable		591	-	591	624	-	624
Allocation of expenses related to registrar services, accounting, operation and valuation services		232	-	232	240	-	240
Formation Cost Payable		-	245	245	-	245	245
		1,347	660	2,007	1,433	582	2,015

11. ACCRUED EXPENSES AND OTHER LIABILITIES							
Auditors' remuneration payable		40	293	333	40	257	297
Charity payable	11.1	175	-	175	234	-	234
Federal Excise Duty	11.2	1,063	-	1,063	1,063	-	1,063
Withholding tax payable		-	-	-	1,067	98	1,165
Payable to brokers		57	69	126	47	30	77
Provision for Sindh Workers' Welfare Fund	11.3	-	-	-	7,130	3,019	10,149
Dividend payable (including unclaimed dividend)		25	-	25	54	-	54
Listing Fee Payable		-	17	17	-	-	-
Payable to NCCPL		35	38	73	30	25	55
Payable to Shariah advisor		12	33	45	2	15	17
Other payable		327	131	458	275	33	308
		1,734	581	2,315	9,942	3,477	13,419

-
-
- 11.1** 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.
- 11.2** The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal which was filed by tax authorities against the order by the Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2018 aggregating to Rs. 1.063 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2022 would have been higher by Rs. 0.3156 per unit (June 30, 2021: 0.3548 per unit).

11.3 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan (MUFAP), 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.

However, during the period, the SRB through its letter dated August 12, 2021 (received on August 13, 2021) to (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh Workers' Welfare Fund 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 Sindh Workers' Welfare Fund Act 2014.

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 7.130 million in HBL IAAF and Rs 3.019 million in HBL IAAF Plan 1 for the period from July 1, 2014 till August 12, 2021.

12. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

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, 2021 to its unit holders.

14. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

14.1 Transactions during the period	(Un-Audited) Nine Months ended March 31, 2022		(Un-Audited) Nine Months ended March 31, 2021	
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1
(Rupees in '000)				
HBL Asset Management Limited - Management Company				
Management fee	4,273	2,981	4,011	2,037
Sindh Sales Tax	556	387	521	265
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,137	-	2,005	383
Selling and marketing expense	1,852	-	1,738	-
Habib Bank Limited - Sponsor				
Redemption of 52,743 Units (March 2021: Nil)	5,947	-	-	-
Bank charges	18	-	18	-
Mark-up earned during the period	1,011	-	2,731	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	644	1,684	604	1,222
CDC Charges	14	13	82	65
Pak Qatar Investment Account				
Investment of nil units (2021 : 10,470,577 Units)	-	-	-	1,050,000
Redemption of 965,221 Units (March 2021: Nil)	-	100,000	-	-
(2021: Purchase of Dubai Islamic Bank Pakistan Sukuk)	-	-	-	200,120
(2021: Purchase of Meezan Bank Pakistan Sukuk)	-	-	-	216,036
(2021: Purchase of Hub Power Co. Ltd Sukuk)	-	-	-	189,739
Purchase of GOP Ijara (2021: Purchase of GOP Ijara)	-	100,000	-	254,918
PAK-QATAR INDIVIDUAL FAMILY PARTICIPANT INVESTMENT FUND				
Investment of 2,396,119 (2021: 9,418,487 Units)	-	250,000	-	950,000
System Limited				
Issue of Nil Units (2021: 460,820 units)	-	-	50,000	-
Director, Executives and Key Management Personal				
Issue of 1,319 units (2021 18,463 units)	150	-	1,988	-
Redemption of 1,319 units (2021 25,223 units)	148	-	(2,730)	-

	(Un-Audited) March 31, 2022		(Audited) June 30, 2021	
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1
(Rupees in '000)				
14.2 Amounts outstanding as at period end				
HBL Asset Management Limited - Management Company				
Management Fee	464	367	480	298
Sindh Sales Tax	60	48	62	39
Allocation of expenses related to registrar services, accounting, operation and valuation services	232	-	240	-
Charging of selling and marketing expenses	591	-	624	-
Sale Load Payable	-	-	27	-
Formation Cost Payable	-	245	-	245
Habib Bank Limited - Sponsor				
Investment held in the Fund : 1,351,282 units (June 30, 2021: 1,404,025 units)	152,310	-	158,604	-
Bank balances	949	-	160,237	-
Mark-up receivable on deposits with banks	777	-	1,769	-
HBL Asset Management Limited - Employees Gratuity Fund - Associate				
Investment held in the Fund : 4,909 units (June 30, 2021: 4,909 units)	553	-	554	-
HBL Asset Management Limited - Employees Provident Fund - Associate				
Investment held in the Fund : 14,169 units (June 30, 2021 : 14,169 units)	1,597	-	1,601	-
PAK-QATAR INDIVIDUAL FAMILY PARTICIPANT INVESTMENT FUND				
Investment held in the Fund : 12,471,851 Units (June 30, 2021 : 10,075,732 units)	-	1,322,299	-	1,011,723
Pak Qatar Investment Account				
Investment held in the Fund : 11,236,629 Units (June 30, 2021 : 12,201,850 units)	-	1,191,337		1,225,211
System Limited Due to More than 10%				
Investment held in the Fund : 470,298 units (Jun 2021: 470,298 Units)	53,010	-	53,127	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration payable	62	184	64	149
Sindh Sales Tax	8	24	8	20
Security deposit	100	100	100	100

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

		Islamic Asset Allocation Fund						
		March 31, 2022'						
		Fair Value						
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities		108,887	-	108,887	108,887	-	-	108,887
- Listed Sukuk bonds		78,373	-	78,373	-	78,373	-	78,373
- GOP Ijara Sukuk		-	-	-	-	-	-	-
		<u>187,260</u>	<u>-</u>	<u>187,260</u>				
Financial assets not measured at fair value								
	15.1							
Bank balances		-	87,770	87,770				
Commercial paper		-	50,526	50,526				
Sukuk Bonds		-	37,703	37,703				
Dividend receivable and accrued markup		-	3,390	3,390				
Advances, deposits and other receivables		-	2,786	2,786				
		<u>-</u>	<u>182,175</u>	<u>182,175</u>				
Financial liabilities not measured at fair value								
	15.1							
Payable to the Management Company		-	1,287	1,287				
Payable to the SECP		-	57	57				
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	62	62				
Payable against purchase of investments		-	-	-				
Accrued expenses and other liabilities		-	671	671				
		<u>-</u>	<u>2,077</u>	<u>2,077</u>				
Islamic Asset Allocation Fund Plan 1								
March 31, 2022'								
Fair Value								
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities		-	-	-	-	-	-	-
- Listed Sukuk bonds		1,567,957	-	1,567,957	-	1,567,957	-	1,567,957
- GOP Ijara Sukuk		-	-	-	-	-	-	-
		<u>1,567,957</u>	<u>-</u>	<u>1,567,957</u>				
Financial assets not measured at fair value								
	15.1							
Bank balances		-	1,367,875	1,367,875				
Dividend receivable and accrued markup		-	40,516	40,516				
Advances, deposits and other receivables		-	2,182	2,182				
		<u>-</u>	<u>1,410,573</u>	<u>1,410,573</u>				
Financial liabilities not measured at fair value								
	15.1							
Payable to the Management Company		-	612	612				
Payable to the SECP		-	397	397				
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	184	184				
Accrued expenses and other liabilities		-	564	564				
		<u>-</u>	<u>1,757</u>	<u>1,757</u>				

		Islamic Asset Allocation Fund						
		June 30, 2021'						
		Fair Value						
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities		112,288	-	112,288	112,288	-	-	112,288
- Sukuks - Listed		9,226	-	9,226	-	9,226	-	9,226
- GOP Ijara		49,843	-	49,843	-	49,843	-	49,843
		171,357	-	171,357				
Financial assets not measured at fair value								
Commercial Paper		-	24,787	24,787				
Bank balances		-	164,167	164,167				
Dividend receivable and accrued mark-up		-	3,301	3,301				
Advances, deposits and other receivables		-	2,600	2,600				
Term finance cer..ificates and sukuk bonds		-	35,069	35,069				
		-	229,924	229,924				
Financial liabilities not measured at fair value								
	15.1							
Payable to the Management Company		-	480	480				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	72	72				
Accrued expenses and other liabilities		-	682	682				
		-	1,234	1,234				

		Islamic Asset Allocation Fund Plan 1						
		June 30, 2021'						
		Fair Value						
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Sukuks - Listed		1,514,696	-	1,514,696	-	1,514,696	-	1,514,696
- GOP Ijara		497,400	-	497,400	-	497,400	-	497,400
		2,012,096	-	2,012,096				
Financial assets not measured at fair value								
Bank balances		-	423,352	423,352				
Dividend receivable and accrued mark-up		-	43,139	43,139				
Advances, deposits and other receivables		-	100	100				
		-	466,591	466,591				
Financial liabilities not measured at fair value								
	15.1							
Payable to the Management Company		-	543	543				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	169	169				
Accrued expenses and other liabilities		-	360	360				
		-	1,072	1,072				

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. 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 March 31, 2022 is 2.71% and 0.25% in IAAF and IAAF Plan 1 respectively which includes 0.18% and 0.04% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the Management Company on April 26, 2022.

18. GENERAL

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

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

18.3 Update on CoVID-19 Impact

In continuation of note 1.7 to annual audited financial statements for the year ended June 30, 2021, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

For HBL Asset Management Limited
(Management Company)

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 (CDC)
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 Mar 31, 2022

		(Un-Audited) March 31 2022	(Audited) June 30, 2021
Note		(Rupees in '000)	
Assets			
	4	8,282	40,776
Bank balances			
	5	587,093	749,065
Investments			
Dividend and profit receivable		872	212
Receivable against sale of investment		11,571	1,183
Advances, deposits, prepayments and other receivables		3,612	7,470
Total assets		611,430	798,706
Liabilities			
	6	3,046	2,714
Payable to the Management Company			
Payable to the Trustee		113	148
Payable to Securities and Exchange Commission of Pakistan		99	136
Payable against Purchase of Equity Securities		7,225	16,262
Dividend Payable		-	-
Accrued expenses and other liabilities	7	8,667	18,975
Total liabilities		19,150	38,235
Net assets		592,280	760,471
Unit holders' fund (as per statement attached)		592,280	760,471
Contingencies and Commitments	13		
		(Number of units)	
Number of units in issue		5,823,368	6,133,599
		(Rupees)	
Net assets value per unit		101.7071	123.9845

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months and quarter ended March 31, 2022

		For the Period Ended March 31,		Quarter ended March 31,	
		2022	2021	2022	2021
Note		----- (Rupees in '000) -----			
Income					
Dividend income		21,252	18,650	9,796	4,765
Profit on bank deposits		1,981	1,867	415	724
Capital (loss) / gain on sale of investments - net		(49,815)	99,317	(14,043)	46,196
		(26,582)	119,835	(3,832)	51,685
Net unrealised (diminution) / appreciation on re-measurement of investments classified at fair value through profit or loss - held-for-trading		(87,203)	33,684	(22,973)	(38,780)
Total (Loss) / Income		(113,785)	153,518	(26,805)	12,905
Expenses					
Remuneration of the Management Company	6.1 & 6.2	11,197	10,769	3,524	4,224
Remuneration of the Trustee		1,120	1,077	352	422
Annual fee to Securities and Exchange Commission of Pakistan		99	95	31	37
Selling and marketing expenses	6.3	5,202	5,003	1,637	1,962
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.4	2,725	2,621	858	1,028
Securities transaction costs		2,115	4,397	522	1,894
Auditors' remuneration		307	277	100	91
Settlement and bank charges		448	515	154	188
Shariah advisory fee		136	136	34	51
Fees and subscription		140	21	54	7
Printing Charges		45	-	-	-
Haram Income Expense		1,063	933	490	238
Total Expenses		24,597	25,843	7,755	10,143
Net (loss) / Income from operating activities		(138,382)	127,675	(34,560)	2,762
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.2	9,507	(2,554)	-	(55.2)
Net (loss) / income for the period before taxation		(128,875)	125,122	(34,560)	2,707
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		(128,875)	125,122	(34,560)	2,707
EARNINGS PER UNIT	14				
Allocation of the Net Income For The Period					
Net income for the period after taxation		(128,875)	125,122	(34,560)	2,707
Income already paid on redemption of units		-	(61,732)	-	(36,825)
		(128,875)	63,390	(34,560)	(34,118)
Accounting income available for distribution:					
- Relating to capital gains		-	63,390	-	(34,118)
- Excluding capital gains		-	-	-	-
		-	63,390	-	(34,118)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		(128,875)	125,122	(34,560)	2,707

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund

Condensed Interim Statement of Movement in Unit Holders' Fund

For the nine months and quarter ended March 31, 2022

Nine months ended								
March 31,								
Note	2022				2021			
	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
	----- (Rupees in '000) -----							
Net assets at beginning of the period	997,150	(236,680)	-	760,470	867,824	(312,808)	-	555,016
Issue of units 3,276,471 (2021: 15,570,077 units)								
- Capital value (at net asset value per unit at the beginning of the period)	406,236	-	-	406,236	1,458,267	-	-	1,458,267
- Element of loss	(46,526)	-	-	(46,526)	321,715	-	-	321,715
Total proceeds on issuance of units	359,710	-	-	359,710	1,779,983	-	-	1,779,983
Redemption of 3,586,702 units (2021: 13,751,769 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(444,695)	-	-	(444,695)	(1,287,967)	-	-	(1,287,967)
- Amount paid out of element of income relating to net income for the year after taxation	45,670	-	-	45,670	(245,687)	-	-	(245,687)
Total payments on redemption of units	(399,025)	-	-	(399,025)	(1,533,654)	-	-	(1,533,654)
Total comprehensive income for the period	-	(128,875)	-	(128,875)	-	125,122	-	125,122
Interim distribution of Rs. 0.32 per unit declared on June 28, 2020 as cash dividend								
Refund of capital	-			-				
Distribution for the period		-		-				
Net assets at end of the period	957,835	(365,555)	-	592,280	1,114,153	(187,686)	-	926,467
Undistributed income brought forward								
- Realised		(276,912)				(317,819)		
- Unrealised		40,232				5,011		
		(236,680)				(312,808)		
Accounting income available for distribution								
- Relating to capital gains		-				-		
- Excluding capital gains		-				-		
		-				-		
Net (loss) / income for the period after taxation		(65,301)				(65,301)		
Accounting (loss) / Income available for distribution		(128,875)				125,122		
Distribution during the period		-				-		
(Accumulated loss) / undistributed income carried forward		(365,555)				(187,686)		
(Accumulated loss) / undistributed income carried forward								
- Realised		(278,352)				(221,370)		
- Unrealised		(87,203)				33,684		
		(365,555)				(187,686)		
					Rupees			Rupees
Net assets value per unit at beginning of the period				123.9845				93.6583
Net assets value per unit at end of the period				101.7071				119.6325

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the nine months and quarter ended March 31, 2022

	Nine Months ended September 30,	
	2022	2021
Note	(Rupees in '000)	
Cash flows from operating activities		
Net (loss) / income for the period before taxation	(128,875)	125,122
Adjustments		
Capital loss / (gain) during the period	49,815	(99,317)
Dividend Income	(21,252)	(18,650)
Profit on bank deposits	(1,981)	(1,867)
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss - held-for-trading	87,203	(33,684)
Impairment loss on investments classified as available for sale	-	-
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
	(15,090)	(28,396)
decrease / (Increase) in assets		
Investments - net	5,527	(244,907)
Dividend receivable and accrued mark-up	22,574	17,153
Recievable against sale of equity instruments	-	-
Advances, deposits, prepayments and other receivables	3,858	(7)
	31,959	(227,761)
(decrease) / Increase in liabilities		
Payable to the Management Company	332	1,648
Payable to the Trustee	(35)	79
Payable to Securities and Exchange Commission of Pakistan	(37)	(20)
Payable against redemption of units	-	-
Dividend Payable	-	(815)
Accrued expenses and other liabilities	(10,308)	2,510
	(10,048)	3,401
Net cash generated / (used in) from operating activities	6,821	(252,757)
Cash flows from financing activities		
Amount received on issue of units	359,710	1,779,983
Payment against redemption of units	(399,025)	(1,533,654)
Net cash (used in) / generated from financing activities	(39,315)	246,328
Net increase in cash and cash equivalents	(32,494)	(6,428)
Cash and cash equivalents at beginning of the period	40,776	34,983
Cash and cash equivalents at end of the period	8,282	28,555

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the nine months and quarter ended March 31, 2022

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 AM2++ (AM Two Plus Plus -Positive Outlook) to the Management Company.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ('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, 2021.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING 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, 2021.
- 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, 2021.
- 3.4** There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in 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

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
savings accounts	4.1	8,282	40,776
current account		-	-
		<u>8,282</u>	<u>34,972</u>

- 4.1** The balance in savings accounts carry expected profit which ranges from 5.00% to 9.00% (June 30, 2021: 4.50% to 6.75%) per annum.

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
- Listed equity securities	5.1	587,093	749,065
		<u>587,093</u>	<u>749,065</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, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2021	Market value as at March 31, 2022 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						%		
TEXTILE COMPOSITE									
Interloop Limited	244,250	44,500	7,327	175,500	120,577	8,911	1.52	1.50	1.39
Kohinoor Textile Mills Ltd	210,000	15,000	-	73,000	152,000	9,462	1.61	1.60	0.14
Nishat Mills Ltd	45,100	36,000	-	10,000	71,100	6,092	1.04	1.03	0.02
	499,350	95,500	7,327	258,500	343,677	24,464	4	4	
CEMENT									
Attock Cement Pakistan Ltd	164,300	108,100	-	30,000	242,400	30,668	5.22	5.18	0.21
Cherat Cement Company Ltd.	52,000	-	-	52,000	-	-	-	-	-
D G Khan Cement Co.Ltd.	95,100	-	-	95,100	-	-	-	-	-
Fauji Cement Company Limited	-	560,000	-	560,000	-	-	-	-	-
Kohat Cement Ltd	72,490	-	-	24,900	47,590	8,181	1.39	1.38	0.04
Lucky Cement Ltd	81,050	40,500	-	32,338	89,212	56,770	9.67	9.59	0.03
Maple Leaf Cement Factory Ltd	400,000	712,000	-	807,000	305,000	10,995	1.87	1.86	0.06
Pioneer Cement Limited	74,000	5,000	-	79,000	-	-	-	-	-
Thatta Cement Co. Ltd	425,000	-	-	425,000	-	-	-	-	-
	1,363,940	1,425,600	-	2,105,338	684,202	106,614	18	18	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	377,841	82,000	-	158,000	301,841	21,606	3.68	3.65	0.02
	377,841	82,000	-	158,000	301,841	21,606	3.68	3.66	
ENGINEERING									
Agha Steel Ind.Ltd	456,000	125,000	16,700	353,500	244,200	4,918	0.84	0.83	0.00
Aisha Steel Mills Ltd	306,500	-	-	306,500	-	-	-	-	-
Amreli Steels Limited	-	205,000	-	205,000	-	-	-	-	-
International Industries Ltd	72,200	-	-	72,200	-	-	-	-	-
International Steels Limited	83,000	-	-	83,000	-	-	-	-	-
Mughal Iron & Steel Inds Ltd	165,560	221,500	30,609	128,900	288,769	26,336	4.49	4.45	0.11
	1,083,260	551,500	47,309	1,149,100	532,969	31,254	5	5	
AUTOMOBILE ASSEMBLER									
Ghandhara Ind. Ltd.	-	36,800	-	36,800	-	-	-	-	-
Pak Suzuki Motor Company Limited	22,600	-	-	22,600	-	-	-	-	-
	22,600	36,800	-	59,400	-	-	-	-	
CABLE & ELECTRICAL GOODS									
PAK ELEKTRON LIMITED [Right Shares]	-	116,280	-	116,280	-	-	-	-	-
Pak Elektron Ltd	242,500	130,000	-	372,500	-	-	-	-	-
Waves Singer Pakistan Limited	282,000	61,500	-	343,500	-	-	-	-	-
	524,500	307,780	-	832,280	-	-	-	-	
TRANSPORT									
Pakistan International Bulk Terminal Ltd	-	194,000	-	194,000	-	-	-	-	-
	-	194,000	-	194,000	-	-	-	-	
PHARMACEUTICALS									
Abbott Laboratories (Pak) Ltd	-	11,700	-	800	10,900	7,608	1.30	1.28	0.01
AGP Limited	-	15,000	-	2,190	12,810	1,154	0.20	0.19	0.00
Ferozsons Laboratories Ltd	-	46,000	-	20,400	25,600	8,373	1.43	1.41	0.08
Highnoon Laboratories Limited	-	10,000	-	4,750	5,250	3,305	0.56	0.56	0.00
The Searle Company Ltd	1,827	48,000	548	-	50,375	6,246	1.06	1.05	0.03
	1,827	130,700	548	28,140	104,935	26,686	5	5	

Name of the Investee Company	As at July 01, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2021	Market value as at March 31, 2022 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					%			
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	670,850	624,000	62,635	454,000	903,485	25,551	4.35	4.31	0.08
	670,850	624,000	62,635	454,000	903,485	25,551	4.35	4.31	
GLASS & CERAMICS									
Shabbir Tiles & Ceramics Ltd	-	117,000	-	117,000	-	-	-	-	-
	-	117,000	-	117,000	-	-	-	-	
MISCELLANEOUS									
Pakistan Aluminium Beverage Cans Limited	-	117,101	-	117,101	-	-	-	-	-
	-	117,101	-	117,101	-	-	-	-	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	15,579	12,600	-	7,300	20,879	36,946	6.29	6.24	0.02
Oil & Gas Development Co Ltd	694,400	502,000	-	562,472	633,928	52,698	8.98	8.90	0.01
Pakistan Oilfields Ltd	20,000	32,000	-	30,557	21,443	7,991	1.36	1.35	0.01
Pakistan Petroleum Ltd	627,386	850,000	-	692,086	785,300	57,170	9.74	9.65	0.04
	1,357,365	1,396,600	-	1,292,415	1,461,550	154,805	26	26	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Ltd	-	19,000	-	-	19,000	5,732	0.98	0.97	0.02
Pakistan State Oil Company Ltd	165,296	55,000	-	21,500	198,796	33,133	5.64	5.59	0.06
Sui Northern Gas Pipeline Ltd	-	166,500	-	-	166,500	5,291	0.90	0.89	0.03
	165,296	240,500	-	21,500	384,296	44,156	8	7	
REFINERY									
Attock Refinery Ltd	37,000	6,000	-	26,551	16,449	2,117	0.36	0.36	0.02
Cnergyco PK Limited	-	500,000	-	500,000	-	-	-	-	-
National Refinery Ltd	54,500	24,000	-	25,400	53,100	11,009	1.88	1.86	0.07
	91,500	530,000	-	551,951	69,549	13,125	2	2	
COMMERCIAL BANKS									
BankIslami Pakistan Limited	1,059,500	954,000	-	806,000	1,207,500	15,299	2.61	2.58	0.23
Meezan Bank Ltd	292,131	237,000	33,769	164,500	398,400	52,174	8.89	8.81	0.04
	1,351,631	1,191,000	33,769	970,500	1,605,900	67,473	12	11	
FERTILIZER									
Engro Corporation Ltd	132,500	157,912	-	194,500	95,912	25,666	4.37	4.33	0.02
Engro Fertilizers Limited	-	80,000	-	80,000	-	-	-	-	-
	132,500	237,912	-	274,500	95,912	25,666	4	4	
CHEMICAL									
Descon Oxychem Ltd	-	579,000	-	579,000	-	-	-	-	-
Engro Polymer & Chemicals Ltd	-	117,000	-	117,000	-	-	-	-	-
Nimir Resins Limited (S)	350,000	300,000	-	650,000	-	-	-	-	-
Nimir Resins Ltd	-	638,500	-	187,000	451,500	7,721	1.32	1.30	0.00
	350,000	1,634,500	-	1,533,000	451,500	7,721	1	1	
AUTOMOBILE PARTS & ACCESSORIES									
PANTHER TYRES LIMITED	316,160	-	-	316,160	-	-	-	-	-
	316,160	-	-	316,160	-	-	-	-	

Name of the Investee Company	As at July 01, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2021	Market value as at March 31, 2022 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						%		
TECHNOLOGY & COMMUNICATION									
Octopus Digital Limited	-	6,500	-	6,500	-	-	-	-	-
Air Link Communication Ltd	-	195,075	7,655	202,730	-	-	-	-	-
Avanceon Limited	209,400	58,500	-	235,500	32,400	2,868	0.49	0.48	0.02
Systems Limited	20,810	8,600	15,260	14,150	30,520	11,563	1.97	1.95	0.03
TPL Trakker Limited	-	138,000	-	59,000	79,000	1,165	0.20	0.20	0.00
TRG Pakistan Ltd	-	90,300	-	90,300	-	-	-	-	-
WorldCall Telecom Ltd	600,000	-	-	600,000	-	-	-	-	-
	830,210	496,975	22,915	1,208,180	141,920	15,596	3	3	
FOOD & PERSONAL CARE PRODUCTS									
Al Shaheer Corporation Ltd	-	150,000	-	150,000	-	-	-	-	-
Unity Foods Limited	518,000	603,000	-	268,000	853,000	22,374	3.81	3.78	0.16
Unity Foods Limited-LOR3	-	204,416	-	204,416	-	-	-	-	-
	518,000	957,416	-	622,416	853,000	22,374	4	4	
Grand total	9,656,830	10,366,884	174,503	12,263,481	7,934,736	587,093	100	99	

Cost of investments at March 31, 2022

674,295

- 5.1.1** Investments include shares having market value aggregating to Rs. 103.23 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.
- 5.1.2** These includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.44 million at March 31, 2022 (June 30, 2021: Rs. 0.634 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
Note	----- (Rupees in '000) -----	
6. PAYABLE TO THE MANAGEMENT COMPANY		
Management fee	1,001	1,310
Sindh Sales Tax on Management Company's remuneration	130	170
Sales load payable	3	8
Selling and marketing payable	1,637	866
Allocation of expenses related to registrar services, accounting, operation and valuation services	275	360
	<u>3,046</u>	<u>2,714</u>

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note	(Rupees in '000)	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Federal Excise Duty	7.1	6,785	6,785
Provision for Sindh Workers' Welfare Fund	7.2	-	9,507
Charity payable	7.3	1,063	1,485
Withholding tax payable		2	-
Auditors' remuneration		304	258
Payable to brokers		379	345
Other payables		134	595
		8,667	18,975

- 7.1** 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, 2021, 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 March 31, 2022 would have been higher by Rs. 1.1651 per unit (June 30, 2021: 1.106 per unit).

- 7.2** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). However, the Fund had recorded provision in respect of SWWF with effect from July 1, 2014.

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

- 7.3** 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.

8. TAXATION

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

9. 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 nine months ended	
	March 31,	
	2022	2021
	----- (Rupees in '000) -----	
9.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management fee including sales tax thereon	11,197	10,769
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,725	2,621
Selling and marketing expenses	5,202	5,003
Habib Bank Limited - Sponsor		
Bank charges paid	19	62
Bank profit	11	462
Executives and their relatives		
Issue of 49,935 units (2021: 80,062 units)	5,602	8,699
Redemption 24,457 units (2021: 68,013 units)	2,570	7,536
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	1,120	1,077
Central Depository services charges	20	159
HBL Islamic Financial Planning Fund Conservative Allocation Plan - Associate		
Issue of 1,640 units (2021: Nil units)	164	1,077

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
9.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management fee	1,001	1,310
Sindh Sales Tax on Management Company's remuneration	130	170
Sales load payable	3	8
Selling and marketing payable	1,637	866
Allocation of expenses related to registrar services, accounting, operation and valuation services	275	360
Habib Bank Limited - Sponsor		
Investment held in the Fund 2,539,414 units (June 30, 2021: 2,539,414 units)	258,276	314,848
Bank balances	1,036	10,627
Profit receivable	12	23
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	113	148
Security deposit	100	100
Executives and their relatives		
Investment held in the Fund: 43,937 units (June 30, 2021: Nil units)	4,469	-

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2022								
		Carrying amount				Fair Value				
		Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments										
- Listed equity securities	5	587,093		-	-	587,093	587,093	-	-	587,093
Financial assets not measured at fair value										
10.1										
Bank balances		-		8,282	-	8,282	-	-	-	-
Dividend and profit receivable		-		872	-	872	-	-	-	-
Receivable against sale of investment				11,571		11,571				
Other receivables		-		3,612	-	3,612	-	-	-	-
		-		24,337	-	24,337	-	-	-	-
Financial liabilities not measured at fair value										
10.1										
Payable to the Management Company		-	-	-	3,046	3,046	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-		-	99	99	-	-	-	-
Payable to the Trustee		-	-	-	113	113	-	-	-	-
Accrued expenses and other liabilities		-		-	1,880	1,880	-	-	-	-
		-		-	5,138	5,138	-	-	-	-
June 30, 2021										
		Carrying amount				Fair Value				
		Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value										
10.1										
Investments										
- Listed equity securities		749,065		-	-	749,065	1,389,046	-	-	1,389,046
		749,065	-	-	-	749,065	1,389,046	-	-	1,389,046
Financial assets not measured at fair value										
10.1										
Bank balances		-	-	40,776	-	40,776				
Dividend and profit receivable		-	-	212	-	212				
Receivable against sale of investment				1,183		1,183				
Other receivables		-	-	7,470	-	7,470				
		-	-	49,641	-	49,641				
Financial liabilities not measured at fair value										
Payable to the Management Company		-	-	-	2,714	2,714				
Payable to Securities and Exchange Commission of Pakistan		-	-	-	136	136				
Payable to the Trustee		-	-	-	148	148				
Accrued expenses and other liabilities		-	-	-	18,975	18,975				
		-	-	-	21,973	21,973				

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

10.2 Transfers during the period

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

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2022 is 3.57% (March 31, 2021: 4.33%), which includes 0.27% (March 31, 2021: 0.22%) representing government levy, Workers' Welfare Fund and SECP fee.

12. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on 26 April, 2022 .

13. CONTIGENCIES AND COMMITMENTS

There is no contingencies and commitment at March 31, 2022 and June 30, 2021

14. EARNINGS PER UNIT

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

15. GENERAL

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

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

15.3 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 March 31, 2020 have not been reviewed.

15.4 In March 2020, the World Health Organisation ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended March 31, 2022 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations.

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 Name	Yousuf Adil Chartered Accountants
of Trustee	Central Depository Company of Pakistan Limited (CDC)
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 Bank Limited Summit Bank Limited MCB Islamic Bank Limited National Bank of Pakistan Bank of Khyber
Fund Rating	'A+(f)' (JCR-VIS)

HBL Islamic Income Fund
Condensed Interim Statement of Assets And Liabilities (Unaudited)
As at March 31, 2022

		March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	820,975	564,308
Investments	5	875,706	471,528
Profit receivable		14,952	22,389
Deposits and prepayments		176	347
Total assets		1,711,809	1,058,572
Liabilities			
Payable to the Management Company	6	1,269	2,172
Payable to the Trustee		114	79
Payable to Securities and Exchange Commission of Pakistan		202	261
Dividend payable		233	233
Payable against redemption of units		6,988	10,399
Accrued expenses and other liabilities	7	2,384	25,249
Total liabilities		11,190	38,393
Net assets		1,700,619	1,020,179
Unit holders' fund (as per statement attached)		1,700,619	1,020,179
----- (Number of units) -----			
Number of units in issue		15,527,460	10,026,337
----- (Rupees) -----			
Net assets value per unit		109.5233	101.7500

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months and Quarter ended March 31, 2022

		Nine months ended		Quarter ended	
		March 31,		March 31,	
		2022	2021	2022	2021
Note		(Rupees in '000)			
Income					
Capital (loss) / gain on sale of investments - net		(933)	(773)	26	(510)
Income from sukuks		30,552	28,350	13,469	7,478
Income from TDR		22,053	4,458	9,831	3,256
Profit on bank deposits		38,293	39,348	14,374	11,351
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		7,885	(948)	1,737	2,867
		97,850	70,435	39,437	24,442
Expenses					
Remuneration of the Management Company		13,182	15,688	3,805	4,743
Remuneration to the Trustee		857	850	310	257
Annual fee to the Securities and Exchange Commission of Pakistan		202	201	73	61
Allocation of expenses related to registrar services, accounting, operation and valuation services		654	1,002	(1)	303
Amortisation of preliminary expenses and floatation costs		-	-	-	-
Security transaction, settlement and bank charges		174	189	(37)	(91)
Auditors' remuneration		177	177	58	58
Fees and subscription		353	434	220	301
Printing charges		-	-	-	-
Selling and marketing expense		1,133	2,005	-	606
		16,732	20,545	4,428	6,238
Net income from operating activities		81,118	49,890	35,009	18,204
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	7.2	16,683	(998)	-	(364)
Net income for the period before taxation		97,801	48,892	35,009	17,840
Taxation	8	-	-	-	-
Net income for the period after taxation		97,801	48,892	35,009	17,840
Allocation of net income for the period	3.6				
Net income for the period after taxation		97,801	48,892	66,750	17,840
Income already paid on units redeemed		(25,902)	(12,405)	(17,760)	(4,263)
		71,899	36,487	48,990	13,578
Accounting income available for distribution					
- Relating to capital gains		4,446	-	4,446	-
- Excluding capital gains		67,453	36,487	44,544	13,578
		71,899	36,487	48,990	13,578
Earning per unit	10				

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund

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

For the Nine months and Quarter ended March 31, 2022

	Nine months ended March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	97,801	48,892	35,009	17,840
Other comprehensive income for the period				
Items that may be reclassified to income statement	-	-	-	-
Total comprehensive income for the period	97,801	48,892	35,009	17,840

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
For the Nine months ended March 31, 2022

		For the nine months ended March 31,					
		2022			2021		
		Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Note		(Rupees in '000)					
Net assets at beginning of the period		966,294	53,885	1,020,179	1,363,270	54,350	1,417,620
Issuance of 17,089,853 units (2021: 18,144,902 units)							
Capital value (at net asset value per unit at the beginning of the period)		1,738,893	-	1,738,893	1,842,250	-	1,842,250
Element of income		70,299	-	70,299	28,641	-	28,641
Total proceeds on issuance of Units		1,809,192	-	1,809,192	1,870,891	-	1,870,891
Redemption of 11,588,730 units (2021: 20,091,932 units)							
Capital value (at net asset value per unit at the beginning of the period)		(1,179,153)	-	(1,179,153)	(2,039,932)	-	(2,039,932)
Element of loss		(47,400)	-	(47,400)	(30,713)	-	(30,713)
Total payments on redemption of units		(1,226,553)	-	(1,226,553)	(2,070,645)	-	(2,070,645)
Total comprehensive loss for the period		-	97,801	97,801	-	48,892	48,892
Refund of Capital							
Distribution for the period			-	-		-	-
Net assets at end of the period		1,548,933	151,686	1,700,619	1,163,516	103,242	1,266,758
Undistributed income brought forward							
- Realised			52,705			60,263	
- Unrealised			1,180			(5,913)	
			53,885			54,350	
Accounting income available for distribution			97,801			48,892	
Net income for the period - for prior period	3.6						
- Relating to capital			-			-	
- Excluding capital			4,446			-	
			4,446			-	
Net (loss) / income for the period after taxation			-			-	
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement	3.6		-			-	
Undistributed income carried forward			151,686			103,242	
Undistributed income carried forward							
- Realised			143,801			104,190	
- Unrealised			7,885			(948)	
			151,686			103,242	
			Rupees			Rupees	
Net assets value per unit at beginning of the period			101.7500			101.5299	
Net assets value per unit at end of the period			109.5233			105.4265	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine months ended March 31, 2022

	Nine months ended March 31,	
	2022	2021
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net income for the period before taxation	97,801	48,892
Adjustments for:		
Capital gain on sale of investments - net	933	-
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(7,885)	773
Mark up / return on:		
- Bank profits	(38,293)	(39,348)
- Investments	(52,605)	(32,808)
Provision for Sindh Workers' Welfare Fund	(16,683)	998
	(16,732)	(20,545)
(Decrease) / Increase in assets		
Investments - net	(397,226)	74,149
Deposits and prepayments	171	7,670
	(397,055)	81,819
(Decrease) / Increase in liabilities		
Payable to the Management Company	(903)	(220)
Payable to the Trustee	35	(13)
Payable to Securities and Exchange Commission of Pakistan	(59)	(128)
Dividend payable	-	(220)
Payable against redemption of units	(3,411)	34,200
Accrued expenses and other liabilities	(6,182)	(13,146)
	(10,520)	20,473
Income received from sukuk	35,206	34,920
Income received from TDR	22,053	7,523
Profit received on bank deposits	41,076	42,468
	98,335	84,911
Net cash (used in) / generated from operating activities	(325,972)	166,658
Cash flow from financing activities		
Amount received on issue of units	1,809,192	1,870,891
Dividend paid	-	-
Payment against redemption of units	(1,226,553)	(2,070,645)
Net cash generated from / (used in) from financing activities	582,639	(199,754)
Net increase /(decrease) in cash and cash equivalents	256,667	(33,096)
Cash and cash equivalents at beginning of the year	564,308	827,655
Cash and cash equivalents at end of the year	820,975	794,559

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund

Notes To The Condensed Interim Financial Statements (Unaudited)

For the Nine months and Quarter ended March 31, 2022

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 as a notified entity and the trust deed was executed on February 20, 2014.

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

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

The Fund 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 (CIS) 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 a management quality rating of 'AM2++' (Positive Outlook) to the Management Company and reaffirmed the stability rating of A+(f) to the Fund as at March 31, 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

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

2.1.4 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended March 31, 2022 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2021.

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

3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2021.

		March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
In savings accounts	4.1	820,140	555,623
In current account		835	8,685
		<u>820,975</u>	<u>564,308</u>

4.1 Mark-up rates on these accounts range between 6.54% - 11.25% per annum (June 30, 2021: 5.90% - 6.90% per annum).

		March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss' - held-for-trading			
- Privately placed sukuk certificates	5.1	519,990	330,254
At Amortized cost	5.2	355,716	141,274
		<u>875,706</u>	<u>471,528</u>

5.1 Privately placed sukuk certificates

Name of the Investee Company	Number of units				Market value as at March 31, 2022 (Rupees in '000)	Market value as a percentage of			
	As at July 1, 2021	Purchases during the period	Sales during the period	As at March 31, 2022		Total Investments	Net Assets		
Corporate Sukuks									
International Brands Limited	1,100	-	1,100	-	-	-	-		
AGP Limited	992	-	992	-	-	-	-		
Dubai Islamic Bank Limited	54	-	-	54	55,809	6.37	3.28		
Ghani Gasses Limited	1,530	-	200	1,330	40,787	4.66	2.40		
Agha Steel	95	-	-	95	89,804	10.26	5.28		
Hub Power 19-03-20	350	160	160	350	35,875	4.10	2.11		
OBS AGP Private Limited	-	750	-	750	75,255	8.59	4.43		
Pak Electron Limited	-	120	-	120	119,767	13.68	7.04		
TPL Trakker Limited	19	12	-	31	102,693	11.73	6.04		
	5,190	1,042	2,452	-	3,780	519,990	59.38	-	31
					512,105				

- 5.1.1 These Sukuk carry semi annual mark-up at the rate ranging from 9.51% - 14.98% per annum. (June 30, 2021: semi annual mark-up at the rate of 7.2% & 14.05% per annum) respectively.

5.2 Financial assets at amortised cost - Commercial papers

Name of investee company	As at July 1, 2021	Placement made during the period	Income accrued	Sales / matured during the period	As at March 31, 2022	Percentage of total of investments	Percentage of net assets
K-Electric Limited	84,287	220,607	8,737	244,289	69,342	8%	4%
Hub Power Holdings Limited	56,987	-	4,280	-	61,267	7%	4%
Lucky Electric Power Company Limited	-	181,349	6,801	-	188,150	21%	11%
Mughal Iron & Steel Industries Limited	-	34,722	2,235	-	36,957	4%	2%
	141,274	436,678	22,053	244,289	355,716	41%	21%
							20%

- 5.2.1 These commercial papers carry profit rates ranging from 8.50% to 9.72%. The maturity date for commercial papers of K-Electric Limited, Hub Power Holdings Limited, Lucky Electric Power Company Limited and Mughal Iron & Steel Industries Limited is May 15, 2022, November 11, 2022, May 9, 2022 and July 21, 2022 respectively. Management believes that fair value of the commercial paper is equal to its amortised cost.

Note	March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
	----- (Rupees in '000) -----	

6 PAYABLE TO THE MANAGEMENT COMPANY

Management fee	1,048	1,287
Sindh sales tax	136	167
Sales load payable	85	24
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	93
Selling and marketing payable	-	601
	1,269	2,172

		March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
7	ACCRUED EXPENSES AND OTHER LIABILITIES		
Withholding tax payable		502	6,369
Federal excise duty	7.1	1,344	1,344
Provision for Sindh Workers' Welfare Fund	7.2	-	16,683
Auditors' remuneration		110	238
Payable to brokers		20	-
Printing charges		99	160
Other payables		309	455
		<u>2,384</u>	<u>25,249</u>

7.1 Provision for Federal Excise Duty

The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.344 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2022 would have been higher by Rs. 0.86 per unit (June 30, 2021: Rs. 0.13 per unit).

7.2 Provision for Sindh Workers' Welfare Fund

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

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

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

The Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 16.683 million charged till August 12, 2021.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

9. TAXATION

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

10. EARNINGS PER UNIT

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

11.1	Transactions during the period	Nine months ended	
		March 31,	
		2022	2021
		----- (Rupees in '000) -----	
	HBL Asset Management Limited - Management Company		
	Remuneration of Management Company	11,665	13,883
	Sindh Sales Tax on remuneration of Management Company	1,517	1,805
	Allocation of expenses related to registrar services, accounting, operation and valuation services	654	1,002
	Habib Bank Limited - Sponsor		
	Bank charges paid	126	138
	Profit on bank deposits earned	8,056	8,638
	Executives of the Management Company		
	Issuance of units 2022: 30,160 (2021: 66,749 units)	3,227	6,032
	Redemption of units 2022: 17,930 (2021: 50,954 units)	1,907	5,302
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	857	850
	Central Depository Service charges	25	8

		Nine months ended	
		March 31,	
		2022	2021
		----- (Rupees in '000) -----	
MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan - Associate			
Issuance of units 2022: 2,449 (2021: Nil units)		262	-
Redemption of units 2022: 83,890 (2021: 404,211 units)		8,980	42,056
MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan - Associate			
Issuance of units 2022: 25,384 (2021: 72,979 units)		2,711	7,478
Redemption of units 2022: 422,019 (2021: 118,365 units)		45,047	12,123
New Jubilee Life Insurance Limited - Associate			
Issuance of units 2022: 954,533 (2021: Nil) units		100,000	-
HBL Islamic Money Market Fund- Fund under common management			
Sale of K electric Islamic commercial paper		40,000	-
Sale of Hub Power Holding Company Sukuk		160,000	-
		March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
		----- (Rupees in '000) -----	
11.2	Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company			
Remuneration of the Management Company		1,048	1,287
Sindh Sales Tax on remuneration of the Management Company		136	167
Sales load payable		85	24
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	93
Selling and Marketing expense payable		-	601
Habib Bank Limited - Sponsor			
Bank balances		25,468	554,564
Accrued profit on bank balances		8,056	9,327
HBL Asset Management Ltd Employess Gratuity Fund			
Units held: 5,406 (June 30, 2021: 5,406) units		592	550
HBL Asset Management Ltd Employess Provident Fund			
Units held: 29,060 (June 30, 2021: 29,060) units		3,183	2,957
Executives of the Management Company			
Units held: 12,663 units (June 30, 2021: 2,889 units)		1,387	608
MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan			
Units held: 23,177 (June 30, 2021: 222,819) units		2,538	22,672

	March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
	----- (Rupees in '000) -----	
MCBFSL Trustee HBL Islamic Financial Planning Fund		
Conservative Allocation Plan		
Units held: 5,318 (June 30, 2021: 401,953) units	582	40,899
New Jubilee Life Insurance Limited		
Units held: 954,533 (June 30, 2021: Nil) units	104,544	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	114	79
Security deposit	100	100

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

12. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

March 30, 2022									
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	
Note									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments	875,706			875,706		875,706		875,706	
- Corporate sukuk certificates									
- GOP Ijarah Sukuks									
	875,706			875,706		875,706		875,706	
	-								
Financial assets not measured at fair value									
Bank balances	820,975	820,975	-	1,641,950					
Investments	-	-	-	-					
Profit receivable	-	14,952	-	14,952					
	820,975	835,927	-	1,656,902					
Financial liabilities not measured at fair value									
Payable to the Management Company	-	-	1,269	1,269					
Payable to the Trustee	-	-	114	114					
Accrued expenses and other liabilities	-	-	240	240					
Payable against redemption of units			6,988	6,988					
Unit holders' fund			1,700,619	1,700,619					
	-	-	1,709,230	1,709,230					
June 30, 2021									
Carrying amount					Fair Value				
	Fair value through profit or loss - held-for-trading	Amortised cost		Total	Level 1	Level 2	Level 3	Total	
Note	(Rupees in '000)								
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Corporate sukuk certificates	330,254	-	-	330,254		330,254		330,254	
- Commerccail paper	-	-	-	-					
	330,254	-	-	330,254	-	330,254		330,254	
Financial assets not measured at fair value									
Bank balances		564,308		564,308					
Commercial Paper	-	141,274		141,274					
Profit receivable	-	22,389		22,389					
Deposit		100		100					
	-	728,071		728,071					
Financial liabilities not measured at fair value									
Payable to the Management Company	-	-	2,005	2,005	-	-	-	-	
Payable to the Trustee	-	-	70	70	-	-	-	-	
Payable against redemption of units	-	-	10,399	10,399	-	-	-	-	
Accrued expenses and other liabilities	-	-	233	233	-	-	-	-	
Dividend payable			701	701					
	-	-	13,408	13,408	-	-	-	-	

12.1 For level 2 investments at fair value through profit or loss - investment in Privately Placed Sukuks, are valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012 at reporting date.

For level 3 investments at fair value through profit or loss - investment in respect of Sukuk, the Fund has received Agha Steel Industries sukuk which are in the process of listing. Accordingly, these are stated at cost.

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

12.3 Transfers during the period

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the nine months ended March 31, 2022 is 1.24% (2021: 1.71%) which includes 0.13% (2021: 0.37%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2022.

15. GENERAL

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

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

15.3 IMPACT OF COVID-19

In continuation of note 30.2 to annual audited financial statements for the year ended June 30, 2021, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Equity Fund

FUND INFORMATION

Name of Fund	HBL Islamic Equity Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisors	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 March 31, 2022

		March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	17,496	44,370
Investments	5	217,210	612,282
Dividends and profit receivable		1,690	4,976
Deposits, prepayments and other receivables		3,147	9,448
Receivable against sale of investments		2,840	16,883
Total assets		242,383	687,959
Liabilities			
Payable to the Management Company	6	1,130	2,362
Payable to the Trustee		42	118
Payable to Securities and Exchange Commission of Pakistan		57	79
Payable against redemption of units		12,456	49,461
Receivable/ payable against sale of investments		-	-
Accrued expenses and other liabilities	7	3,891	11,355
Total liabilities		17,576	63,375
Net assets		224,807	624,584
Unit holders' fund (as per statement attached)		224,807	624,584
Number of units in issue			
		2,775,220	5,944,266
Net assets value per unit			
		81.0051	105.0735

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months and Quarter ended March 31, 2022

		Nine months ended March 31,		Quarter ended March 31,	
		2022	2021	2022	2021
	Note	(Rupees in '000)			
Income					
Capital (loss) / gain on sale of investments - net		(63,344)	51,463	(16,747)	20,198
Dividend income		8,479	9,060	2,750	2,714
Profit on bank deposits		1,099	1,049	176	485
		(53,766)	61,572	(13,821)	23,397
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		(41,086)	22,081	(4,162)	(12,169)
		(94,851)	83,653	(17,983)	11,228
Expenses					
Remuneration of the Management Company		6,446	6,016	1,382	2,543
Remuneration of the Trustee		645	602	76	254
Annual fee to Securities and Exchange Commission of Pakistan		57	53	12	22
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,460	429	319	182
Selling and marketing expense		2,907	1,997	625	845
Securities transaction costs		1,880	2,543	320	1,354
Auditors' remuneration		178	174	58	58
Settlement and bank charges		428	283	202	31
Fees and subscription		299	177	99	58
		14,300	12,274	3,093	5,347
Net (loss) / income from operating activities		(109,151)	71,378	(21,076)	5,881
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.2	5,543	(1,428)	-	(1,428)
Net (loss) / income for the period before taxation		(103,607)	69,950	(21,076)	4,453
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		(103,607)	69,950	(21,076)	4,453
Allocation of net income for the period					
Net income for the period after taxation	3.6	(103,607)	69,950	(167,795)	5,762
Income already paid on units redeemed		-	(24,922)	10,647	(14,275)
		(103,607)	45,028	(157,148)	(8,513)
Accounting income available for distribution					
- Relating to capital gains		(103,607)	45,028	(103,607)	45,028
- Excluding capital gains		-	-	(53,541)	(53,541)
		(103,607)	45,028	(157,148)	(8,513)
Earnings per unit					
	10				
The annexed notes 1 to 15 form an integral part of this condensed interim financial information.					

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Nine months and Quarter ended March 31, 2022

	Nine months ended March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(103,607)	69,950	(21,076)	4,453
Other comprehensive income for the period				
Item that may be reclassified subsequently to Income Statement	-	-	-	-
Total comprehensive income for the period	(103,607)	69,950	(21,076)	4,453

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director
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HBL Islamic Equity Fund

Condensed Interim Statement of Movement in Unitholders' Fund

For the Nine months ended March 31, 2022

		Nine months ended March 31,					
		2022			2021		
Note		(Rupees in '000)					
		Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Total
Net assets at beginning of the period		800,479	(175,895)	624,584	421,843	(193,257)	228,586
Issuance of 4,079,609 units (2021: 10,074,085 units)							
	Capital value (at net asset value per unit at the beginning of the period)	428,659	-	428,659	781,446	-	781,446
	Element of income / (loss)	(56,819)	-	(56,819)	207,875	-	207,875
Total proceeds on issuance of units		371,840	-	371,840	989,321	-	989,321
Redemption of 7,248,655 units (2021: 7,591,869 units)							
	Capital value (at net asset value per unit at the beginning of the period)	(761,642)	-	(761,642)	(588,901)	-	(588,901)
	Element of income	93,632	-	93,632	(150,582)	-	(150,582)
Total payments on redemption of units		(668,010)	-	(668,010)	(739,483)	-	(739,483)
Total comprehensive loss for the period		-	(103,607)	(103,607)	-	69,950	69,950
Net assets at end of the period		504,309	(279,502)	224,807	671,681	(123,307)	548,374
Undistributed (loss) / income brought forward							
	- Realised		(187,421)			(189,059)	
	- Unrealised		11,526			(4,198)	
			(175,895)			(193,257)	
Accounting income available for distribution			(103,607)			69,950	
Net Income for the period - for prior period							
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement		3.6	-			-	
Undistributed (loss) / income carried forward			(279,502)			(123,307)	
Undistributed (loss) / income carried forward							
	- Realised		(238,416)			(145,388)	
	- Unrealised		(41,086)			22,081	
			(279,502)			(123,307)	
			(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period			105.0735			77.5699	
Net assets value per unit at end of the period			81.0051			101.0074	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine months ended March 31, 2022

	Note	Nine Months ended	
		2022 ----- (Rupees in '000) -----	2021 -----
Cash flows from operating activities			
Net (loss) / gain for the period before taxation		(103,607)	69,950
Adjustments			
Dividend income		(8,479)	(9,060)
Profit from bank deposits		(1,099)	(1,049)
Capital gain on sale of investments - net		63,344	(51,463)
Amortisation of preliminary and flotation costs		-	-
Unrealised Diminution / (appreciation) on remeasurement of investments at fair value through profit or loss - held-for-trading - net		41,086	(22,081)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	-
(Reversal) / provision for Sindh Workers' Welfare Fund		(5,543)	1,428
		(14,298)	(12,275)
Decrease / (Increase) in assets			
Investments - net		290,642	(237,743)
Deposits, prepayments and other receivables		6,301	(3,149)
Receivable against sale of investments		14,043	(21,490)
		310,986	(262,382)
(Decrease) / increase in liabilities			
Payable to the Management Company		(1,232)	1,085
Payable to the Trustee		(76)	59
Payable to Securities and Exchange Commission of Pakistan		(22)	(19)
Payable against redemption of units		(37,005)	40,207
Accrued expenses and other liabilities		(1,921)	1,199
		(40,256)	42,531
		256,432	(232,126)
Dividend received		11,798	7,398
Profit received on bank deposit		1,066	542
Net cash generated from / (used in) operating activities		269,296	(224,186)
Cash flows from financing activities			
Amount received on issue of units		371,840	989,321
Payment against redemption of units		(668,010)	(739,483)
Dividend paid		-	-
Net cash (used in) / generated from from financing activities		(296,170)	249,838
Net (Decrease) / Increase in cash and cash equivalents		(26,874)	25,652
Cash and cash equivalents at beginning of the period		44,370	10,190
Cash and cash equivalents at end of the period	4	17,496	35,842

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine months and Quarter ended March 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Equity Fund ('the Fund') was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and 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 as a notified entity and the Trust Deed was executed on February 20, 2014.

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 (CIS) 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.

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

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

The 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.

VIS Credit Rating Company has assigned a long term management quality rating of 'AM2++' (Positive outlook) to the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

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

2.1.4 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended March 31, 2022 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2021.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements of the Fund for the year ended June 30, 2021.

		March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Current accounts		1	10
Savings accounts	4.1	17,495	44,360
		17,496	44,370

4.1 Mark-up rates on these accounts range between 6.50% to 10.00% p.a (June 30, 2021: 5.65% - 8.00% p.a).

5. INVESTMENTS

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

- Listed equity securities	5.1	217,210	612,282
		217,210	612,282

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			Par value as a percentage of issued capital of the investee company
	As at July 1, 2021	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2022	As at March 31, 2022 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets	
Automobiles Parts & Accessories									
Ghandhara Ind. Limited	7,500	20,800	-	20,000	8,300	1,376	0.01	0.01	0.07
Honda Atlas Cars (Pakistan) Limited	18,000		-	18,000	-	-	-	-	-
Pak Suzuki Motor Company Limited	18,200		-	18,200	-	-	-	-	0.10
	43,700	20,800	-	56,200	8,300	1,376	0.01	0.01	
Cable Electrical Goods									
PAK ELEKTRON LIMITED [Right Shares]		43,200	-	43,200	-	-	-	-	-
Pak Elektron Limited	285,000	69,000	-	354,000	-	-	-	-	-
Waves Singer Pakistan Limited	231,000	122,000	-	353,000	-	-	-	-	-
	516,000	234,200	-	750,200	-	-	-	-	
Cement									
Attock Cement Pakistan Limited	291,200	87,300	-	161,300	217,200	27,480	0.13	0.12	-
Cherat Cement Company Limited	42,900	-	-	42,900	-	-	-	-	-
D G Khan Cement Co.Limited	132,451	12,500	-	132,451	12,500	951	0.00	0.00	-
Fauji Cement Company Limited	-	87,000	-	87,000	-	-	-	-	-
Kohat Cement Limited	45,110	10,000	-	55,110	-	-	-	-	0.07
Lucky Cement Limited	28,089	40,300	-	50,705	17,684	11,253	0.05	0.05	0.01
Maple Leaf Cement Factory Limited	396,318	692,000	-	1,088,318	-	-	-	-	0.04
Pioneer Cement Limited	59,500	13,168	-	62,000	10,668	859	0.00	0.00	-
Thatta Cement Co. Limited	356,500	-	-	356,500	-	-	-	-	0.04
	1,352,068	942,268	-	2,036,284	258,052	40,543	0	0	
Chemicals									
Engro Corporation Limited	102,300	90,074	-	131,300	61,074	16,343	0.08	0.07	-
Descon Oxychem Limited	-	229,000		229,000		-			
Engro Polymer & Chemicals Limited	-	184,000	-	184,000	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	56,500		56,500		-	-	-	
Nimir Resins Limited	467,000	96,000	-	563,000	-	-	-	-	-
Nimir Resins Limited	-	898,500		405,000	493,500	8,439	0.04	0.04	-
	569,300	1,554,074	-	1,568,800	554,574	24,782	0.11	0.11	
Automobile & Parts & Accessories									
PANTHER TYRES LIMITED	193,005	-	-	193,005	-	-	-	-	-
	193,005	-	-	193,005	-	-	-	-	
Commercial Bank									
Bankislami pakistan Limited	1,353,500	276,000	-	964,000	665,500	8,432	0.04	0.04	0.01
Meezan Bank Limited	233,126	58,504	27,243	220,500	98,373	12,883	0.06	0.06	0.01
	1,586,626	334,504	27,243	1,184,500	763,873	21,315	0.10	0.06	
Engineering									
Agha Steel Ind.Limited	538,000	444,500	12,825	702,000	293,325	5,908	0.03	0.03	0.07
Aisha Steel Mills Limited	123,000	-	-	123,000	-		-	-	0.07
Amreli Steels Limited	-	170,000		170,000					
International Industries Limited	58,900	-	-	58,900	-		-	-	0.07
International Steels Limited	157,500	50,000	-	207,500	-		-	-	0.04
Mughal Iron & Steel Inds Limited	118,620	110,500	27,393	127,800	128,713	11,739	0.05	0.05	0.04
	996,020	775,000	40,218	1,389,200	422,038	17,647	0.08	0.08	
Oil and Gas Exploration Companies									
Mari Petroleum Company Limited	145	6,660	-	2,760	4,045	7,158	0.03	0.03	0.00
Oil & Gas Development Company Limited	514,200	402,152	-	723,900	192,452	15,999	0.07	0.07	0.00
Pakistan Oilfields Limited	17,300	16,274	-	22,300	11,274	4,202	0.02	0.02	0.00
Pakistan Petroleum Limited	567,800	404,000	-	755,310	216,490	15,760	0.07	0.07	0.01
	1,099,445	829,086	-	1,504,270	424,261	43,118	0.20	0.19	
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	137,828	43,900	-	112,500	69,228	11,538	0.05	0.05	0.04
Sui Northern Gas Pipeline Limited	-	69,500	-	25,000	44,500	1,414	0.01	0.01	-
	137,828	113,400	-	137,500	113,728	12,952	0.06	0.06	
Refinery									
Attock Refinery Limited	54,300	16,200	-	54,300	16,200	2,085	0.01	0.01	-
National Refinery Limited	63,000	25,100	-	46,450	41,650	8,635	0.04	0.04	-
	117,300	41,300	-	100,750	57,850	10,720	0.05	0.05	

Name of the Investee Company	Number of shares					Market value			Par value as a percentage of issued capital of the investee company
	As at July 1, 2021	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2022	As at March 31, 2022 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets	
Power Generation & Distribution									
Hub Power Company Limited	195,687	74,800	-	216,187	54,300	3,887	0.02	0.02	0.04
	195,687	74,800	-	216,187	54,300	3,887	0.02	0.02	
Pharmaceuticals									
Abbott Laboratories (Pak) Limited	-	6,000	-	6,000	-	-	-	-	-
AGP Limited	-	13,800	-	13,800	-	-	-	-	-
Ferozsons Laboratories Limited	-	37,300	-	24,000	13,300	4,350	0.02	0.02	-
Hignoon Laboratories Limited	-	10,000	-	3,150	6,850	4,312	0.02	-	-
The Searle Company Limited	1,222	14,500	366	-	16,088	1,995	0.01	0.01	0.01
	1,222	81,600	366	46,950	36,238	10,657	0.05	0.03	
Food & Allied Industries									
The Organic Meat Company Limited	382,675	721,000	45,617	713,500	435,792	12,324	0.06	0.05	-
	382,675	721,000	45,617	713,500	435,792	12,324	0.06	-	
Transport									
Pakistan International Bulk Terminal Limited	-	104,000	-	104,000	-	-	-	-	-
	-	104,000	-	104,000	-	-	-	-	
Textile Composite									
Interloop Limited	94,250	24,000	3,352	99,000	22,602	1,670	0.01	0.01	0.14
Kohinoor Textile Mills Limited	83,000	-	-	44,000	39,000	2,428	0.01	0.01	-
Nishat Mills Limited	35,000	4,000	-	19,500	19,500	1,671	0.01	0.01	0.01
	212,250	28,000	3,352	162,500	81,102	5,769	0.03	0.03	
Technology & Communication									
Air Link Communication Limited	-	83,100	4,207	87,307	-	-	-	-	-
Avanceon Limited	200,400	55,499	-	240,000	15,899	1,407	0.01	0.01	-
Systems Limited	24,295	11,000	3,795	31,500	7,590	2,876	0.01	0.01	-
TPL Trakker Limited	-	87,500	-	16,000	71,500	1,055	0.00	0.00	-
TRG Pakistan Limited	-	63,000	-	63,000	-	-	-	-	-
WorldCall Telecom Limited	500,000	-	-	500,000	-	-	-	-	-
	724,695	300,099	8,002	937,807	94,989	5,337	0.02	0.02	
Food & personal care products									
Al Shaheer Corporation Limited	-	50,000	-	50,000	-	-	-	-	-
Unity Foods Limited	437,605	365,500	-	544,500	258,605	6,783	0.03	0.03	-
Unity Foods Limited	-	117,117	-	117,117	-	-	-	-	-
	437,605	532,617	-	711,617	258,605	6,783	0.03	-	
Glass & Ceramics									
Shabbir Tiles & Ceramics Limited	-	7,500	-	7,500	-	-	-	-	-
	-	7,500	-	7,500	-	-	-	-	
MISCELLANEOUS									
Pakistan Aluminium Beverage Cans Limited	-	75,268	-	75,268	-	-	-	-	-
	-	75,268	-	75,268	-	-	-	-	
March 31, 2022 Total:	8,565,426	6,769,516	124,798	11,896,038	3,563,702	217,210			
Carrying value as at March 31, 2022						258,296			

5.1.1 These investments include shares with market value aggregating to Rs. 58.3 million (June 30, 2021: Rs. 92.766 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. Details are as follows:

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax

Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.89 million at March 31, 2022 (June 30, 2021: Rs. 0.472 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		March 31, 2022	June 30, 2021
	Note	(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
6. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration to the Management Company		372	1,040
Sindh Sales Tax on Management Company's remuneration		48	135
Sales load payable to Management Company		-	128
Allocation of expenses related to registrar services, accounting, operation and valuation services		85	975
Selling and marketing payable		625	84
		<u>1,130</u>	<u>2,362</u>
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty on Management fee	7.1	3,268	3,268
Provision for Sindh Workers' Welfare Fund	7.2	-	5,543
Donation payable	7.3	240	779
Auditors' remuneration		16	238
Donation payable			
Printing charges		37	109
Others		89	31
		<u>3,891</u>	<u>11,355</u>

7.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 3.268 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2022 would have been higher by Rs. 1.18 per unit (June 30, 2021: Rs. 0.55 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, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 5.543 million for the period from July 1, 2014 till August 12, 2021.

- 7.3** 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.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

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 ended June 30, 2022 to its unit holders.

10. EARNINGS PER UNIT

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

		Nine months ended	
		March 31,	
		2022	2021
		----- (Rupees in '000) -----	
11.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	5,704	5,324
	Sindh Sales Tax on remuneration of the Management Company	742	692
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,460	429
	Selling and marketing expense	2,907	1,997
	Investment of Nil units (2021: 603,840 units)	-	55,000
	Redemption of Nil units (2021: 291,687 units)	-	25,000
	Executives of the Management Company		
	Issue of 125,493 units (2021: 54,915 units)	11,359	5,213
	Redemption 41,991 units (2021: 58,618) units	4,009	5,689
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	645	602
	Central Depository Service charges	79	50
	MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan -Associate		
	Issuance of units 39,672 units (2021: 18,855 units)	3,493	1,671
	Redemption of 135,096 units (2021: 34,465 units)	11,763	3,018
	MCBFSL Trustee HBL Islamic Financial Planning Fund * Active Allocation Plan Associate		
	Issuance of units 30,775 units (2021: 119,447 units)	2,718	11,875
	Redemption of 200,319 units (2021: 229,519 units)	17,744	22,382
11.2	Balances outstanding as at period / year end	March 31, 2022	June 30, 2021
	HBL Asset Management Company Limited	(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
	Units held: Nil (June 30, 2021: Nil) units	-	-
	Management fee payable	372	1,040
	Sales load payable	-	128
	Sindh Sales Tax	48	135
	Allocation of expenses related to registrar services, Selling and marketing expense	85	84
		625	975
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee Fee payable	42	118
	Executives of the Management Company		
	Units held: 95,487 (June 30, 2021: 14,495) units	7,735	1,628

	March 31, 2022 (Un-Audited)	June 30, 2021 (Audited)
	----- (Rupees in '000) -----	
MCBFSL - Trustee HBL Islamic Financial Planning Fund Active Allocation Plan		
Units held: 238,596 (June 30, 2021: 408,643) units	19,327	34,009
MCBFSL - Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan		
Units held: Nil (June 30, 2021: 95,423) units	-	9,995
IGI Life Insurance		
Units held: Nil (June 30, 2021: 2,395,495) units	-	255,044
Munira Amir Wasi- Related party due to holding more than 10 percent		
Units held: 531,947 (June 30, 2021: Nil) units	43,090	-
Muhammad Farhan Fancy - Related party due to holding more than 10 percent		
Units held: 281,371 (June 30, 2021: Nil) units	22,793	-

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2022								
		Carrying amount			Fair Value					
		March 31, 2022	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Note		(Rupees in '000)								
On-balance sheet financial instruments										
Financial assets measured at fair value		12.1	217,210							
Investments										
- Listed equity securities			217,210	-	-	217,210	217,210	-	-	217,210
			217,210	-	-	217,210	217,210	-	-	217,210
Financial assets not measured at fair value		12.1								
Bank balances			-	17,496	-	17,496				
Dividends and profit receivable			-	1,690	-	1,690				
Receivable against sale of investments			-	2,840	-	2,840				
			-	22,026	-	22,026				
Financial liabilities not measured at fair value		12.1								
Payable to the Management Company			-	-	1,130	1,130				
Payable to the Trustee			-	-	42	42				
Payable against redemption in units			-	-	12,456	12,456				
Accrued expenses and other liabilities			-	-	426	426				
Unit holders' fund			-	-	224,807	224,807				
			-	-	238,861	238,861				

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

12.2 Transfers during the period

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the fund for the nine months ended March 31, 2022 is 3.76% (June 2021: 5.09%) which includes 0.28% (June 2019: 0.43%) representing government levy and SECP fee.

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2022.

15. GENERAL

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

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

15.3 IMPACT OF COVID-19

In continuation of note 30.2 to annual audited financial statements for the year ended June 30, 2021, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Financial Planning Fund

FUND INFORMATION

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

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at Mar 31, 2022

		Mar 31, 2022 (Un-Audited)			June 30, 2021 (Audited)			
Note		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total
(Rupees in '000)								
ASSETS								
	4	411	210	621	789	584		1,373
Bank balances								
Bank balances of matured plan							3,919	5,967
Investments	5	24,412	817	25,229	53,530	50,925		104,455
Accrued mark-up		2	1	3	5	7		12
Preliminary expenses and flotation costs		17	20	37	16	9		25
Advances, deposits and other receivables		121	49	170	92	18		110
TOTAL ASSETS		24,963	1,097	26,060	54,432	51,543	3,919	111,942
LIABILITIES								
	6	4	-	4	22	365	1,860	2,247
Payable to the Management Company								
Payable to the Trustee		2	-	2	4	3		7
Payable to Securities and Exchange								-
Commission of Pakistan		6	5	11	16	1	18	35
Accrued expenses and other liabilities	7	314	261	575	870	257	1,406	2,533
Dividend Payable		26	-	26	-	-		-
Payable against redemption of units							635	2,683
TOTAL LIABILITIES		352	266	618	912	626	3,919	7,505
NET ASSETS		24,611	831	25,442	53,520	50,917	-	104,437
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)								
		24,611	831	25,442	53,520	50,917		104,437
CONTINGENCIES AND COMMITMENTS								
		(Units)						
NUMBER OF UNITS IN ISSUE		256,999	7,911	-	462,085	442,930		-
		(Rupees)						
NET ASSETS VALUE PER UNIT		95.7597	104.9015		115.8209	114.9507		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months ended March 31, 2022

For the nine months ended March 31, 2022				For the nine months ended March 31, 2021			
Note	Active Allocation Plan	Conservative Allocation	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total
(Rupees in '000)							
Income							
Mark-up on deposits with bank	27	57	84	43	28	4,297	4,368
Capital gain / (loss) on sale of investment - net	(2,657)	248	(2,409)	9,374	210	2,853	12,437
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(5,263)	16	(5,247)	5,025	9	-	5,034
Dividend Income	19	1	20	-	-	-	-
Back end load	-	-	-	-	-	14	14
	(7,874)	322	(7,552)	14,442	247	7,163	21,853
Expenses							
Remuneration of the Management Company	6.1 2	7	9	2	7	863	873
Sindh Sales Tax on remuneration of the Management Company	6.2 -	1	1	-	1	112	113
Remuneration of the Trustee	31	26	57	72	2	92	166
Annual fee to the Securities and Exchange Commission of Pakistan	6	5	11	14	-	18	33
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3 61	51	112	141	4	180	326
Amortisation of preliminary expenses and flotation costs	13	2	15	13	-	160	173
Auditors' remuneration	263	50	313	181	14	57	252
Printing charges	9	9	18	-	5	5	10
Bank charges	13	18	31	6	10	1	17
Fees and subscription	9	4	13	6	-	21	28
Shariah advisory fee	93	67	160	121	4	47	171
Legal Fee	59	62	121	-	-	-	-
	559	302	861	558	47	1,557	2,162
Net (loss) / income from operating activities	(8,433)	20	(8,413)	13,884	200	5,606	19,691
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.1 541	49	590	(278)	(4)	(112)	(394)
Net (loss) / income for the period before taxation	(7,892)	69	(7,823)	13,607	196	5,494	19,297
Taxation	8 -	-	-	-	-	-	-
Net (loss) / income for the period after taxation	(7,892)	69	(7,823)	13,607	196	5,494	19,297
Distribution for the period						2,641	2,641
Income already paid on redemption of units	-	(69)	(69)	8,659	176	2,853	11,688
Accounting income available for distribution	-	-	-	4,948	20	-	4,968
- Relating to capital gains	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	4,948	20	-	4,968
Net (loss) / income for the period after taxation	(7,892)	69	(7,823)	13,607	196	-	13,803
Earnings per unit							
14							-
Other comprehensive income for the period							-
Item that may be reclassified subsequently to income statement	-	-	-	-	-	-	-
Item that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	(7,892)	69	(7,823)	13,607	196	-	13,803

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Income Statement (Un-Audited)
For The Quarter Ended March 31, 2022 (CONTINUED)

Note	Quarter ended March 31, 2022 (note 1.1)			Quarter ended March 31, 2021 (note 1.1)			
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total
(Rupees in '000)							
Income							
Mark-up on deposits with bank	4	2	6	36	11	-	87
Capital gain / (loss) on sale of investment - net	(39)	(13)	(52)	8,309	44	-	(10,956)
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(1,531)	14	(1,517)	(6,905)	(27)	-	142,734
Dividend Income	19	1	20	-	-	-	-
Back end load	-	-	-	-	-	-	848
	(1,547)	4	(1,543)	1,441	28	-	132,713
Expenses							
Remuneration of the Management Company	6.1	-	-	2	-	-	15
Sindh Sales Tax on remuneration of the Management Company	6.2	-	-	-	-	-	2
Remuneration of the Trustee	6	-	6	22	-	-	855
Annual fee to the Securities and Exchange Commission of Pakistan	1	-	1	4	-	-	991
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	13	1	43	1	-	1,084
Amortisation of preliminary expenses and flotation costs	4	2	6	4	-	-	607
Auditors' remuneration	73	35	108	67	5	-	136
Printing charges	9	9	18	-	-	-	-
Bank charges	5	9	14	2	4	-	10
Fees and subscription	5	4	8	-	-	-	14
Shariah advisory fee	-	27	27	-	-	-	-
Legal fee	24	21	45	50	1	-	91
	140	108	246	196	11	-	3,805
Net (loss) / income from operating activities	(1,687)	(104)	(1,789)	1,244	15	-	128,908
Provision for Sindh Workers' Welfare Fund	7.1	541	49	590	(25)	(1)	(162)
Net (loss) / income for the period before taxation	(1,147)	(55)	(1,199)	1,219	14	-	128,746
Taxation	8	-	-	-	-	-	-
Net (loss) / income for the period after taxation	(1,147)	(55)	(1,199)	1,219	14	-	128,746
Income already paid on redemption of units	-	104	104	8,085	35	-	178
Accounting income available for distribution	-	-	-	(6,866)	(21)	-	136
- Relating to capital gains	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	(6,864)	(20)	-	-
Net (loss) / income for the period after taxation	(1,147)	(55)	(1,199)	1,219	14	-	128,746
Other comprehensive income for the period	-	-	-	-	-	-	-
Item that may be reclassified subsequently to income statement	-	-	-	-	-	-	-
Item that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	(1,147)	(55)	(1,199)	1,219	14	-	128,746

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the nine months ended March 31, 2022

For the Nine months ended

December

	2022			2021		
	Active Allocation Plan			Active Allocation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	55,000	(1,480)	53,520	100,158	(6,591)	93,567
Issuance of 7,458 units (2021: 8,870 units)						
- Capital value (at net asset value per unit at the beginning of the period)	863	-	863	845	-	845
- Element of loss	(338)	-	(338)	108	-	108
Total proceeds on issuance of units	525	-	525	953	-	953
Redemption of 212,544 units (2021: 691,963 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(24,617)	-	(24,617)	(65,945)	-	(65,945)
- Element of income	3,075	-	3,075	(8,727)	-	(8,727)
Total payments on redemption of units	(21,542)	-	(21,542)	(74,673)	-	(74,672)
				-		-
Total comprehensive income / loss for the period	-	(7,892)	(7,892)	-	13,607	13,607
	-	(7,892)	(7,892)	-	13,607	13,607
Net assets at end of the period	33,983	(9,372)	24,611	26,438	7,016	33,455
Undistributed income brought forward						
- Realised		(6,745)			(7,473)	
- Unrealised		5,265			882	
		(1,480)			(6,591)	
Accounting Income / Loss available for distribution						
Relating to capital gain						
Excluding capital gain						
Total comprehensive (loss) / Income for the period		(7,892)			13,607	
Distribution during the period		-			-	
Accumulated loss carried forward		(9,372)			7,016	
Accumulated loss carried forward						
- Realised		(4,109)			1,991	
- Unrealised		(5,263)			5,025	
		(9,372)			7,016	
Net assets value per unit at beginning of the period		(Rupees)	115.8209		(Rupees)	95.3020
Net assets value per unit at end of the period		(Rupees)	95.7597		(Rupees)	111.9986

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

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

For the nine months ended March 31, 2022

	For the Nine months ended					
	December			December		
	2022			2021		
	Conservative Allocation Plan			Conservative Allocation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	49,849	1,068	50,917	5,669	1,023	6,692
Issuance of 44,765 units (2021: 209,796 units)						
- Capital value (at net asset value per unit at the beginning of the period)	5,146	-	5,146	24,663	-	24,663
- Element of loss	81	-	81	197	-	(1,059)
Total proceeds on issuance of units	5,227	-	5,227	24,860	-	23,005
Redemption of 479,784 units (2021: 259,901 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(55,152)	-	(55,152)	(30,490)	-	(28,100)
- Element of income	(229)	-	(229)	(362)	-	1,156
Total payments on redemption of units	(55,381)	-	(55,381)	(30,852)	-	(26,944)
Total comprehensive income for the period	-	69	69	-	196	44
Interim distribution of Rs. 2.1 per unit declared on June 28, 2020 as cash dividend (2019: Rs. 2.05 per unit declared on June 28, 2019 as cash dividend)						
Refund of capital	-	-	-	-	-	-
Distribution for the period	-	69	69	-	196	44
Net assets at end of the period	(305)	1,137	831	(323)	1,219	2,901
Undistributed income brought forward						
- Realised		1,128			873	
- Unrealised		(60)			150	
		1,068			1,023	
Accounting Income / Loss available for distribution						
Relating to capital gain						
Excluding capital gain						
Total comprehensive Income for the period		69			196	
Distribution during the period		-			-	
Accumulated gain carried forward		1,137			1,219	
Accumulated gain carried forward						
- Realised		1,121			1,210	
- Unrealised		16			9	
		1,137			1,219	
Net assets value per unit at beginning of the period		(Rupees) 114.9507			(Rupees) 109.3637	
Net assets value per unit at end of the period		104.9015			113.2339	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

Condensed Interim Cash Flow Statement (Un-Audited)

For the nine months ended March 31, 2022

	Nine months ended March 31, 2022			Nine months ended March 31, 2021			
Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total
	(Rupees in '000)			(Rupees in '000)			
Cash flows from operating activities							
Net loss for the period before taxation	(7,892)	69	(7,823)	13,607	196	-	13,803
Adjustments for non-cash items							
Mark-up on deposits with bank	(27)	(57)	(84)	(43)	(28)	(4,297)	(4,368)
Capital (gain) / loss on sale of investment - net	2,657	(248)	2,409	(9,374)	(210)	(2,853)	(12,437)
Unrealised diminution on re-measurement of investments							
investments at 'fair value through profit or loss - held-for-trading' - net	5,263	(16)	5,247	(5,025)	(9)	-	(5,034)
Amortisation of preliminary expenses and flotation costs				-	-	-	-
	1	(252)	(251)	(836)	(51)	(7,150)	(8,036)
Decrease / (Increase) in assets							
Investments	21,197	50,371	71,568	75,236	5,972	35,785	116,993
Preliminary expenses and flotation costs	(1)	(11)	(12)	13	-	160	173
Other receivables	(29)	(31)	(60)	-	-	41	41
	21,167	50,329	71,496	75,249	5,972	35,986	117,207
(Decrease) / Increase in liabilities							
Payable to the Management Company	(18)	(365)	(383)	(1)	225	38	262
Payable to the Trustee	(2)	(3)	(5)	(3)	-	(28)	(31)
Payable to Securities and Exchange Commission of Pakistan	(10)	4	(6)	(8)	(2)	(66)	(76)
Accrued expenses and other liabilities	(556)	4	(552)	341	(5)	2,010	2,346
Dividend Payable	26	-	26	(66)	-	(574)	(640)
Payable Against Investment in Mutual Fund			-	-	185	-	185
	(560)	(360)	(920)	263	403	1,380	2,046
	20,608	49,717	70,325	74,677	6,324	30,216	111,217
Profit received on bank deposits	31	63	94	15	28	4,421	4,464
Net cash generated / (used in) from operating activities	20,639	49,780	70,419	74,691	6,352	34,637	115,681
Cash flows from financing activities							
Amount received / receivable on issue of units	525	5,227	5,752	953	24,860	2,310	28,124
Amount paid / payable on redemption of units	(21,542)	(55,381)	(76,923)	(74,673)	(30,852)	(354,932)	(460,457)
Dividend paid	-	-	-	-	-	(2,641)	(2,641)
Net cash (used in) / generated from financing activities	(21,017)	(50,154)	(71,171)	(73,720)	(5,992)	(355,263)	(434,974)
Net (decrease) / increase in cash and cash equivalents	(378)	(374)	(752)	971	360	(320,626)	(319,293)
Cash and cash equivalents at the beginning of the period	789	584	1,373	454	230	326,728	327,412
Cash and cash equivalents at the end of the period	411	210	621	1,426	590	6,102	8,118

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine months ended March 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Fund is an open ended shariah compliant fund of fund scheme and is listed on Pakistan Stock Exchange Limited. The Fund has two different plans namely Conservative Allocation Plan and Active Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Strategic Allocation Plan were offered from June 15, 2016 to June 16, 2016 and units of Capital Preservation Plan were offered from July 01, 2018 to October 01, 2018. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may have a set time frame. Each Allocation Plan announce separate NAVs which rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

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

- The "Conservative Allocation Plan" is an Allocation Plan under the Fund and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of shariah compliant investments in equity, income and money market funds. This Allocation Plan is suitable for investors who have moderate risk tolerance and have a short to medium term investment horizon.
- The "Active Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active asset allocation between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on the Fund Manager's outlook on the asset classes.
- The "Strategic Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active allocation of funds between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. Fund Manager take a medium term strategic view of the portfolio assets to deliver competitive returns to investors. The duration of this plan is 24 months (Two Years).
- The "Islamic Capital Preservation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities and Shariah Compliant Money Market based Collective Investment Schemes, Shariah compliant saving accounts and term deposits while aiming providing capital preservation on the initial amount excluding front end load upon maturity of the allocation plan. The duration of this plan is 24 months (Two Years).

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

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as trustee of the Fund.

1.1 Impact of Covid-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Many governments are still taking stringent steps to help contain the spread of the virus, including vaccination campaigns, requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. During the period, the provincial government imposed complete lockdown only in Sindh amid increasing COVID-19 cases in early July. Further, subsequent to period end, African variant of Covid 19 (named "Omicron") has affected the country adversely. Consequently, this would lead to uncertainties in terms of increase in number of cases due to which Sindh government and National Command Operation Center (NCOC) has imposed micro lockdown in highly affected areas which could affect the overall operations and the business in future requiring close monitoring by the management as it is an alarming situation for overall economy of Pakistan. The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders. The Management Company of the Fund expects that going forward these

uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that would be no significant impact that will adversely affect the operations and financial position of the Fund in future periods.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed. true and fair view of the state of the Fund's affairs as at March 31, 2022.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3.1 SIGNIFICANT ACCOUNTING POLICIES

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

3.2 USE OF ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2021.

3.3 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2021.

4. BANK BALANCES

	Note	March 31, 2022 (Un-Audited)			June 30, 2021 (Audited)		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
		(Rupees in '000)			(Rupees in '000)		
Savings accounts	4.1	411	210	621	789	584	1,373

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 4% to 6% (June 2020 : 6% to 13.25%) per annum.

5. INVESTMENTS

	Note	March 31, 2022 (Un-Audited)			June 30, 2021 (Audited)		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
		(Rupees in '000)			(Rupees in '000)		

Investments by category

At fair value through profit or loss - held-for-trading

Units of mutual funds	5.1	24,412	817	25,229	53,530	50,925	104,455
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5.1 Units of mutual funds

Name of Investee Funds	As at July 1, 2021	Purchases during the period	Redemptions during the period	As at March 31, 2022	Total carrying value as at March 31, 2022	Total market value as at March 31, 2022	Appreciation/ (diminution) as at March 31, 2022	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
----- Number of units -----									
----- % -----									
Active Allocation Plan									
HLB Islamic Equity Fund	408,139	30,775	200,319	238,596	24,764	19,327	(5,437)	78.53	79.17
HLB Islamic Income Fund	104,617	2,449	83,890	23,176	2,364	2,538	174	10.31	10.40
HLB Islamic Money Market Fund	-	25,169	-	25,169	2,546	2,546	-	10.35	10.43
	512,756	58,393	284,209	286,941	29,675	24,412	(5,263)	99.19	100.00
Conservative Allocation Plan									
HLB Islamic Equity Fund	95,424	39,641	135,064	(0)	0	-	(0)	-	-
HLB Islamic Income Fund	401,954	25,384	422,020	5,318	570	582	13	70.09	71.31
HLB Islamic Money Market Fund	-	880	187	693	70	70	-	8.43	8.58
HLB Islamic Stock Fund	-	1,615	-	1,615	161	164	3	19.77	20.11
	497,378	67,519	557,271	7,626	801	817	16	98.29	100.00
Total as at March 31, 2022	1,010,134	125,913	841,480	294,566	30,476	25,229	(5,247)		

6. Payable to the Management Company

		March 31, 2022 (Un-Audited)			June 30, 2021 (Audited)		
		Active	Conservative	Total	Active	Conservative	Capital
		Allocation	Allocation		Allocation	Allocation	Preservation
		Plan	Plan		Plan	Plan	on Plan
Note		(Rupees in '000)					
Formation cost		-	-	-	-	-	1,860
Management fee	6.1	-	-	-	1	1	2
Sindh Sales Tax on Management Company's remuneration	6.2	-	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	4	-	5	8	6	14
Sales load payable		-	-	-	13	358	371
		4	-	5	22	365	1,860
							2,247

- 6.1** As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the plans. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.
- 6.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.
- 6.3** As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1 percent of the average annual net assets, being lower amount, to the Fund during the period.

7. ACCRUED EXPENSES AND OTHER LIABILITIES

		March 31, 2022 (Un-Audited)			June 30, 2021 (Audited)		
		Active	Conservative	Total	Active	Conservative	Capital
		Allocation	Allocation		Allocation	Allocation	Preservation
		Plan	Plan		Plan	Plan	on Plan
Note		(Rupees in '000)					
Withholding tax		4	-	4	4	1	2
Provision for Sindh Workers' Welfare Fund	7.1	-	-	-	541	49	1,170
Shariah advisory fee		40	22	62	62	2	8
Printing		18	8	26	-	4	13
Auditors' remuneration		212	46	258	188	16	-
Other payables		40	185	225	75	185	213
		314	261	-	870	257	1,406
				575			2,533

7.1 Sindh Workers' Welfare Fund

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan (MUFAP), 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.

However, during the period, the SRB through its letter dated August 12, 2021 (received on August 13, 2021) to (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh Workers' Welfare Fund 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 Sindh Workers' Welfare Fund Act 2014.

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 0.54 million in HBL IFPF Active Allocation Plan and Rs 0.049 million in HBL IFPF Conservative Allocation Plan for the period from July 1, 2014 till August 12, 2021.

8. TAXATION

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

9. TRANSACTIONS WITH CONNECTED PERSONS

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

9.1 Transactions during the period

	For the nine month ended - March 2022			For the nine months ended - March 2021			
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total
	(Rupees in '000)			(Rupees in '000)			
HBL Asset Management Limited - Management Company							
Remuneration of the Management Company	2	7	9	2	7	863	873
Sindh Sales Tax on remuneration of the Management Company	-	1	1	-	1	112	113
Allocation of expenses related to registrar services, accounting, operation and valuation services	61	51	112	141	4	180	326
Redemption of 18,616 units (2021: Nil units)	18,616		18,616				
Issue of 42,808 units (2021: Nil units)		5,000	5,000				
Redemption of 477,878 units (2021: Nil units)		55,165	55,165				
Habib Bank Limited - Sponsor							
Mark-up on deposits with bank	23	54	77	37	27	4,773	4,837
Bank Charges	13	18	31	6	10	1	17
MCB Financial Services Limited - Trustee							
Remuneration of the Trustee	31	26	57	72	2	92	166

	For the nine month ended - March 2022			For the nine months ended - March 2021			
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total
	(Rupees in '000)			(Rupees in '000)			
Collective investment scheme managed by Management Company							
HBL Islamic Income Fund							
Purchase of 2,449 units (2021: Nil units)	262	-	262	-	-	-	-
Purchase of 25,384 units (2021: 72,979 units)	-	2,711	2,711	-	7,478	-	7,478
Redemption of 83,890 units (2021: 404,211 units)	8,980	-	8,980	42,056	-	-	42,056
Redemption of 422,020 units (2021: 118,365 units)	-	45,047	45,047	-	12,123	-	12,123
HBL Islamic Equity Fund							
Purchase of 30,775 units (2021: 119,747 units)	2,718	-	2,718	11,875	-	-	11,875
Purchase of 39,641 units (2021: 18,855 units)	-	3,493	3,493	-	1,671	-	1,671
Redemption of 200,319 units (2021: 229,519 units)	17,744	-	17,744	22,382	-	-	22,382
Redemption of 135,064 units (2021: 34,465 units)	-	11,761	11,761	-	3,018	-	3,018
HBL Islamic Stock Fund							
Purchase of 1,615 units (2021: Nil units)	-	161	161	-	-	-	-
HBL Islamic Money Market Fund							
Purchase of 25,169 units (2019: nil units)	2,546	-	2,546	-	-	-	-
Purchase of 880 units (2020: 16,904 units)	-	89	89	-	-	-	-
Redemption of 187 units (2019: 135,383 units)	-	19	19	-	-	-	-
9.2 Balances outstanding as at period / year end							
HBL Asset Management Limited - Management Company							
Management fee	-	-	-	1	1	-	2
Sindh Sales Tax on Management Company's remuneration	-	-	-	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	4	-	4	8	6	-	14
Sales load payable	-	-	-	13	358	-	371
Formation cost	-	-	-	-	-	1,860	1,860
Units held 435,071 units (June 30, 2020: 618,445 units)	-	50,055	50,055	21,079	50,390	-	71,469
Habib Bank Limited - Sponsor							
Mark-up receivable on deposits with bank	7	31	38	5	7	1,607	1,619
Balance in savings account	170	339	509	776	560	1,687	3,023
MCB Financial Services Limited - Trustee							
Remuneration payable to the Trustee	2	-	2	4	3	-	7
HBL ASSET MANAGEMENT LTD EMPLOYEES PROVIDENT FUND ASSOCIATE							
Units held 12,039 units (June 30, 2021: Nil units)	1,153	-	1,153	-	-	-	-
KHALID ALI - Connected Person due to 10% holding							
Units held 37,092 units (June 30, 2021: Nil units)	3,552	-	3,552	-	-	-	-

	March 31, 2022			June 30, 2021			
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total
(Rupees in '000)							
MALIK HABIB UR REHMAN AWAN - Connected Person due to 10% holding							
Units held 71,712 units (June 30, 2021: 71,172 units)	6,867	-	6,867	8,243			8,243
MUNEEZA KASSIM - Connected Person due to 10% holding							
Units held 31,066 units (June 30, 2021: Nil units)	2,975	-	2,975				
TRUSTEES PREMIER SYSTEMS (PVT) LTD. EMP PROVIDENT FUND - Connected Person due to 10% holding							
Units held 30,317 units (June 30, 2021: Nil units)	2,903	-	2,903				
AMJAD MAQSOOD - Connected Person due to 10% holding							
Units held 1,655 units (June 30, 2021: Nil units)		174	174				
Mr MUHAMMAD ASHRAF - Connected Person due to 10% holding							
Units held 5,243 units (June 30, 2021: Nil units)		550	550				
HBL Islamic Income Fund (Formerly PICIC Islamic Income) Fund - CIS managed by Management Company							
Units held 23,176 units (June 30, 2021: 104,617 units)	2,546	-	2,546	10,645	-	-	10,645
Units held 5,318 units (June 30, 2021: 401,954 units)	-	582	582	-	40,899	-	40,899
HBL Islamic Equity Fund - CIS managed by Management Company							
Units held 238,596 units (June 30, 2021: 408,139 units)	19,327	-	19,327	42,885	-	-	42,885
Units held Nil units (June 30, 2021: 95,424 units)	-	-	-	-	10,026	-	10,026
HBL Islamic Money Market Fund - CIS managed by Management Company							
Units held 25,169 units (June 30, 2021: Nil units)	2,546	-	2,546	-	-	-	-
Units held 693 units (June 30, 2021: Nil units)	-	70	70	-	-	-	-
HBL Islamic Stock Fund - CIS managed by Management Company							
Units held 1,615 units (June 30, 2021: Nil units)	-	164	164	-	-	-	-

Units as at March 31, 2022 are calculated on the basis of latest announced NAV i.e March 31, 2022.

10. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The fair value of financial assets and liabilities traded in active markets i.e. units of mutual funds are based on the quoted NAVs at the close of the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

March 31, 2022 (Un-Audited)

Active Allocation Plan

Carrying amount				Fair Value			
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

Note----- (Rupees in '000) -----

On-balance sheet financial instruments

Financial assets measured at fair value

Investments	24,412	-	-	24,412	24,412	-	-	24,412
	24,412	-	-	24,412	24,412	-	-	24,412

Financial assets not measured at fair value 10.1

Bank balances	-	411	-	411
Accrued mark-up	-	2	-	2
Advance and other receivables	-	121	-	121
Preliminary expenses and flotation costs	-	17	-	17
	-	551	-	551

Financial liabilities not measured at fair val 10.1

Payable to the Management Company	-	-	4	4
Payable to the Trustee	-	-	2	2
Accrued expenses and other liabilities	-	-	310	310
	-	-	316	316

June 30, 2021 (Audited)									
Active Allocation Plan									
Carrying amount					Fair Value				
		Fair value through profit and loss - held-	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note					(Rupees in '000)				
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments	5	53,530	-	-	53,530	53,530	-	-	53,530
		53,530	-	-	53,530	53,530	-	-	53,530
Financial assets not measured at fair value 10.1									
Bank balances		-	789	-	789				
Accrued mark-up		-	5	-	5				
Advance and other receivables		-	92	-	92				
Preliminary expenses and flotation costs			16		16				
		-	902	-	902				
Financial liabilities not measured at fair valu 10.1									
Payable to the Management Company		-	-	22	22				
Payable to the Trustee		-	-	4	4				
Accrued expenses and other liabilities		-	-	325	325				
		-	-	351	351				

March 31, 2022 (Un-Audited)									
Conservative Allocation Plan									
Carrying amount					Fair Value				
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note					(Rupees in '000)				
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments		817	-	-	817	817	-	-	817
		817	-	-	817	817	-	-	817
Financial assets not measured at fair value 10.1									
Bank balances		-	210	-	210				
Accrued mark-up		-	1	-	1				
Preliminary expenses and flotation costs		-	20	-	20				
Advance and other receivables		-	49	-	49				
		-	280	-	280				
Financial liabilities not measured at fair val 10.1									
Payable to the Management Company		-	-	-	-				
Payable to the Trustee		-	-	-	-				
Accrued expenses and other liabilities		-	-	261	261				
		-	-	262	262				

June 30, 2021 (Audited)
Conservative Allocation Plan

Carrying amount				Fair Value			
Fair value through profit and loss - held-	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note -----				(Rupees in '000) -----			

On-balance sheet financial instruments

Financial assets measured at fair value

Investments	5	50,925	-	-	50,925	50,925	-	-	50,925
		50,925	-	-	50,925	50,925	-	-	50,925

Financial assets not measured at fair value 10.1

Bank balances	-	584	-	584
Accrued mark-up	-	7	-	7
Advance and other receivable	-	18	-	18
Preliminary expenses and flotation costs	-	9	-	9
	-	618	-	618

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	365	365
Payable to the Trustee	-	-	3	3
Accrued expenses and other liabilities	-	-	207	207
	-	-	575	575

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

10.2 Transfers during the period

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

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the nine months ended March 31, 2022 is 1.38% and 0.89% (YTD) (March 31, 2021: 0.89% and 1.71%) which includes 0.02% and 0.03% (March 31, 2021: 0.32% and 0.19%) representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan and Capital Preservation Plan respectively.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 26, 2022 by the Board of Directors of the Management Company.

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2022 and June 30, 2021

14. 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.

15. Non - Compliant Investment Disclosure

The current fund size is PKR 25Mn while the minimum fund size limit is PKR 100mn as per Regulation 54 (3a) of NBFC Regulations.

16. GENERAL

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

HBL Islamic Dedicated Equity Fund

FUND INFORMATION

Name of Fund	HBL Islamic Dedicated Equity Fund
Name of Auditor	Yousuf Adil Chartered Accountants MCB
Name of Trustee	Digital Custodian Company Limited
Name of Shariah Advisor	Shariah Advisors (Pvt.) Limited
Bankers	Dubai Islamic Bank Limited Bank Islamic Pakistan Limited Allied Bank Limited

HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT March 31, 2022

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	763	1,454
Dividend and profit receivable		-	20
Preliminary expenses and floatation costs		563	610
Advances,deposits and prepayments	5	5,506	5,422
Total Assets		6,832	7,506
LIABILITIES			
Payable to the Management Company	6	6,195	6,195
Payable to the Trustee		-	78
Payable to Securities and Exchange Commission of Pakistan		-	3
Accured expenses and other liabilities	7	637	1,230
Total liabilities		6,832	7,506
NET ASSETS		-	-
UNIT HOLDERS' FUND (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)			
		-	-
Contingencies and commitments	8		
		----- (Number of units) -----	
Number of units in issue		-	-
		----- (Rupees) -----	
Net assets value per unit		-	-

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Income Statement (Un-audited)
For The Nine Months And Quarter Ended March 31, 2022

		Nine months period ended		Quarter ended	
		March 31,		March 31,	
		2022	2021	2022	2021
Note		----- (Rupees in '000) -----			
Income					
Dividend income		-	83	-	64
Profit on bank deposits		66	142	-	71
Capital gain on sale of investments - net		-	5,263	-	2,142
		66	5,488	-	2,277
Net unrealised gain on re-measurement of investments classified at fair value through profit or loss		-	-	-	(329)
		66	5,488	-	1,948
Expenses					
Remuneration of the Management Company		-	298	-	180
Remuneration of the Trustee		17	124	-	50
Annual fee to Securities and Exchange Commission of Pakistan		-	3	-	2
Selling and marketing expenses	6.4	-	(116)	-	60
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	21	-	13
Securities transaction cost		-	-	-	-
Auditors' remuneration		287	133	-	57
Settlement and Bank Charges		308	156	-	75
Shariah advisory fee		8	144	-	43
Other expenses		148	315	-	133
		768	1,079	-	613
		(702)	4,409	-	1,335
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.2	702	(88)	-	(27)
Net income for the period before taxation		-	4,321	-	1,308
Taxation	9	-	-	-	-
Net income for the period after taxation		-	4,321	-	1,308
Allocation of net income for the period					
Income already paid on redemption of units		-	4,321	-	-
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	4,321	-	1,308

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Nine Months And Quarter Ended March 31, 2022

	Nine months ended March 31,		Quarter ended, March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	-	4,321	-	1,308
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	4,321	-	1,308

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

For HBL Asset Management Limited
(Management Company)

_____ Chief Financial Officer	_____ Chief Executive Officer	_____ Director
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HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Movement In Unitholders' Fund (Un-Audited)
For The Nine Months Ended March 31, 2022

	March 31, 2022			March 31, 2021		
	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Total
	(Rupees in '000)					
Net assets at beginning of the period	-	-	-	119,577	(92,140)	27,437
Issue of Nil units (2021: 411,530 units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	36,327	-	36,327
- Element of income / (loss)	-	-	-	4,234	-	4,234
Total proceeds on issuance of units	-	-	-	40,561	-	40,561
Redemption of Nil units (2021: 313,410 units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	(67,997)	-	(67,997)
- Element of income	-	-	-	-	-	-
- Income paid on redemption	-	-	-	-	(4,321)	(4,321)
Total payments on redemption of units	-	-	-	(67,997)	(4,321)	(72,318)
Total comprehensive income for the period	-	-	-	-	4,321	4,321
Net assets at end of the period	-	-	-	92,141	(92,141)	-
Accumulated loss - net brought forward						
- Realised loss		-			(92,924)	
- Unrealised gain		-			784	
		-			(92,140)	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	-			(92,140)		
Undistributed loss - net carried forward						
- Realised loss		-			(92,311)	
- Unrealised gain		-			-	
		-			(92,140)	
	Rupees			Rupees		
Net assets value per unit at beginning of the period	-			87.5443		
Net assets value per unit at end of the period	-			-		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For The Nine Months Ended March 31, 2022

	Nine months ended March 31,	
	2022	2021
Note	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net income for the period before taxation	-	4,321
Adjustments		
Capital gain during the period	-	(5,262)
Dividend Income	-	(82)
Profit on bank deposits	(66)	(141)
Preliminary expenses and floatation costs	47	-
Unrealised gain on re-measurement of investments classified at fair value through profit or loss	-	-
	(19)	(1,164)
(Increase) / decrease in assets		
Investments - net	-	27,510
Advances, deposits and prepayments	(84)	904
Receivable against sale of investments	-	(131)
Receivable against sale of investment	-	1,607
Preliminary expenses and floatation costs	-	104
	(84)	29,994
Increase / (decrease) in liabilities		
Payable to the Management Company	-	6,021
Payable to the Trustee	(78)	53
Payable to Securities and Exchange Commission of Pakistan	(3)	(26)
Accrued expenses and other liabilities	(593)	(2,210)
	(674)	3,838
	(777)	32,668
Dividend and profit received	86	-
Net cash used in operating activities	(691)	32,668
Cash flows from financing activities		
Amount received on issue of units	-	40,560
Payment against redemption of units	-	(72,318)
Net cash generated from financing activities	-	(31,758)
Net (decrease) / increase in cash and cash equivalents	(691)	911
Cash and cash equivalents at beginning of the period	1,454	543
Cash and cash equivalents at end of the period	763	1,454

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For The Nine Months Ended March 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Dedicated Equity Fund (the Fund) was established under a Trust Deed, dated June 22, 2017, executed between HBL Asset Management Limited as the Management Company and MCB Financial Services limited (MCBFSL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on July 04, 2018.
- 1.2** The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license 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 and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4** The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.5** VIS Credit Rating Company has assigned a management quality rating of AM2++ (Positive Outlook) to the Management Company.
- 1.6** Title to the assets of the Fund are held in the name of MCB Financial Services Limited as trustee of the Fund.
- 1.7** The Fund's only investors are other collective schemes, managed by the Management Company which are formed under "Fund of Fund" structure. Since the Fund's objective is to provide investment avenues to the allocation plans under fund of funds schemes managed by the Management Company, it may become zero as allowed under the terms of its Offering Document. Also as the Fund is not directly managing general public money therefore, it will have no effect if its AUM size reduced to nil at times.
- Although, as of the period end the fund size is 'nil', however , the Management Company maintains that it has no intention to revoke or discontinue it within 12months from the date of these financial information.
- 1.8** Pursuant to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds, etc, being Specialized Trusts are required to be registered with the Assistant Directorate of Industries and Commerce (Trust Wing), Government of Sindh under Section 12 of the Sindh Trusts Act, 2020. In this regard, the Pension Fund Manager submitted restated Trust Deed of the Fund which was duly registered on August 17, 2021

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

Wherever provisions of and directive issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirement of IAS 34 Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules , the NBFC Regulations and requirement of the Trust Deed have been followed.

- 2.2** This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.
- 3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**
- 3.1** The accounting policies adopted in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2021.
- 3.2** The preparation of this condensed interim financial information in conformity with the accounting and reporting standards as applicable in Pakistan 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, 2021.
- 3.4** There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that became effective during the period under review and are mandatory for the Fund's accounting period. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5** The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2021.

	Note	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
4 BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	763	1,454
		<u>763</u>	<u>1,454</u>

- 4.1** The balance in savings accounts carry expected profit which ranges from 5% to 9% (June 2021:5.0% to 7.4% per annum.)

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
5 ADVANCES, DEPOSITS AND PREPAYMENTS		
Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited	100	100
Prepaid registration fee	84	-
Advance Tax	2,822	2,822
	<u>5,506</u>	<u>5,422</u>

	Note	(Un-Audited) March 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2021 -----
6	PAYABLE TO THE MANAGEMENT COMPANY		
Management fee	6.1	169	169
Sindh Sales Tax on Management Company's remuneration	6.2	22	22
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	16	16
Selling and marketing expenses	6.4	-	-
Other Payable to management company	6.5	5,988	5,988
		<u>6,195</u>	<u>6,195</u>
6.1	As per the offering document of the Fund the maximum limit of management fee is 3% per annum of Average Annual Net Assets.		
6.2	The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 % on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.		
6.3	In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). Currently, the expense is charged at the rate of 0.161% of average annual net assets of the fund (June 30, 2020: 0.1610%).		
6.4	SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed cap of 0.4 percent (of average net assets, calculated on daily basis), on charging of selling and marketing expenses which are charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds). The selling and marketing expenses charged by the Asset Management Company at the rate of 0.75% (2020: 0.4% to 0.75%) of average annual net assets of the Fund. There arose a debit balance of Rs. 0.012 million at end of the year as a result of reversal of Rs. 0.215 million, during the year, of excess selling and marketing expense charged to the Fund by Management Company in prior year. The net reversal in income statement represents expense for the period net of aforesaid reversal recorded during the year.		
6.5	This represents interest-free loan of Rs. 6 million from Management Company to the Fund repayable on demand net off debit balance of Rs. 0.012 million as explained in note 6.4 above.		
		(Un-Audited) March 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2021 -----
7	ACCRUED EXPENSES AND OTHER LIABILITIES		
Charity payable	7.1	-	55
Auditors' remuneration		614	412
Payable to brokers		-	18
Payable to NCCPL		23	-
Provision for Sindh Workers' Welfare Fund	7.2	-	702
Payable to shariah advisor		-	43
		<u>637</u>	<u>1,230</u>
7.1	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.		

7.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Government of Sindh introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The MUFAP, 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.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to 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 on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

The Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 0.702 million charged till June 30, 2021.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

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. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

10. 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, MCBFSL, 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.

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

		(Un-Audited) March 31, 2022	(Un-Audited) March 31, 2021
		----- (Rupees in '000) -----	
10.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	-	298
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	21
	Selling and marketing expenses	-	(116)
	MCB Financial Services Limited - Trustee		
	Remuneration	17	124
	MCBFSL Trustee HBL IFPF Islamic Capital Preservation Plan		
	Redemption of Nil units (2021: 313,411 units)	-	30,290
	MCBFSL Trustee HBL IFPF Active Allocation Plan		
	Issue of Nil units (2021: 251,913 units)	-	24,600
	Redemption of Nil units (2021: 251,913 units)	-	25,487
	MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan		
	Issue of Nil units (2021: 159,617 units)	-	15,600
	Redemption of Nil units (2021: 159,617 units)	-	16,203
		(Un-Audited) March 31, 2022	(Un-Audited) March 31, 2021
		----- (Rupees in '000) -----	
10.2	Amounts outstanding as at period / year end		
	HBL Asset Management Limited - Management Company		
	Management remuneration payable including sales tax thereon	191	191
	Allocation of expenses related to registrar services, accounting, operation and valuation services	16	16
	Other payable	5,988	5,988
	MCB Financial Services Limited - Trustee		
	Remuneration payable including sales tax thereon	-	78

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the six months period ended March 31, 2022 is Nil (2021: 4.93%) which includes Nil (2021: 0.5%) representing Government levy, Sindh Worker's Welfare Fund and SECP fee.

12. GENERAL

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

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

Update on CoVID-19 Impact :

12.3 In continuation of note 1.8 to annual audited financial statements for the year ended June 30, 2021, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2022 .

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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HBL

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