

HBL

ASSET MANAGEMENT LTD.
ایسبٹ مینجمنٹ لمیٹڈ

AMC Rating : AM2++ by JCR-VIS



QUARTERLY REPORT 2022

For the period ended September 30, 2022

MOVING TOWARDS
EXCELLENCE

TABLE OF CONTENTS

<i>Corporate Information</i>	04
<i>Report of the Directors of the Management Company</i>	05
HBL Income Fund	
<i>Fund Information</i>	11
<i>Condensed Interim Statement of Assets and Liabilities</i>	12
<i>Condensed Interim Income Statement</i>	13
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	14
<i>Condensed Interim Cash Flow Statement</i>	15
<i>Notes to the Condensed Interim Financial Information</i>	16
HBL Government Securities Fund	
<i>Fund Information</i>	30
<i>Condensed Interim Statement of Assets and Liabilities</i>	31
<i>Condensed Interim Income Statement</i>	32
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	33
<i>Condensed Interim Cash Flow Statement</i>	34
<i>Notes to the Condensed Interim Financial Information</i>	35
HBL Money Market Fund	
<i>Fund Information</i>	44
<i>Condensed Interim Statement of Assets and Liabilities</i>	45
<i>Condensed Interim Income Statement</i>	46
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	47
<i>Condensed Interim Cash Flow Statement</i>	48
<i>Notes to the Condensed Interim Financial Information</i>	49
HBL Cash Fund	
<i>Fund Information</i>	59
<i>Condensed Interim Statement of Assets and Liabilities</i>	60
<i>Condensed Interim Income Statement</i>	61
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	62
<i>Condensed Interim Cash Flow Statement</i>	63
<i>Notes to the Condensed Interim Financial Information</i>	64

TABLE OF CONTENTS

HBL Stock Fund

<i>Fund Information</i>	76
<i>Condensed Interim Statement of Assets and Liabilities</i>	77
<i>Condensed Interim Income Statement</i>	78
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	79
<i>Condensed Interim Cash Flow Statement</i>	80
<i>Notes to the Condensed Interim Financial Information</i>	81

HBL Equity Fund

<i>Fund Information</i>	93
<i>Condensed Interim Statement of Assets and Liabilities</i>	94
<i>Condensed Interim Income Statement</i>	95
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	96
<i>Condensed Interim Cash Flow Statement</i>	97
<i>Notes to the Condensed Interim Financial Information</i>	98

HBL Energy Fund

<i>Fund Information</i>	108
<i>Condensed Interim Statement of Assets and Liabilities</i>	109
<i>Condensed Interim Income Statement</i>	110
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	111
<i>Condensed Interim Cash Flow Statement</i>	112
<i>Notes to the Condensed Interim Financial Information</i>	113

HBL Multi Asset Fund

<i>Fund Information</i>	123
<i>Condensed Interim Statement of Assets and Liabilities</i>	124
<i>Condensed Interim Income Statement</i>	125
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	126
<i>Condensed Interim Cash Flow Statement</i>	127
<i>Notes to the Condensed Interim Financial Information</i>	128

HBL Financial Planning Fund

<i>Fund Information</i>	140
<i>Condensed Interim Statement of Assets and Liabilities</i>	141
<i>Condensed Interim Income Statement</i>	142
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	143
<i>Condensed Interim Cash Flow Statement</i>	146
<i>Notes to the Condensed Interim Financial Information</i>	147

TABLE OF CONTENTS

HBL Growth Fund

<i>Fund Information</i>	157
<i>Condensed Interim Statement of Assets and Liabilities</i>	158
<i>Condensed Interim Income Statement</i>	159
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	160
<i>Condensed Interim Cash Flow Statement</i>	161
<i>Notes to the Condensed Interim Financial Information</i>	162

HBL Investment Fund

<i>Fund Information</i>	174
<i>Condensed Interim Statement of Assets and Liabilities</i>	175
<i>Condensed Interim Statement of Comprehensive Income</i>	176
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	177
<i>Condensed Interim Cash Flow Statement</i>	178
<i>Notes to the Condensed Interim Financial Information</i>	179

HBL Financial Sector Income Fund

<i>Fund Information</i>	193
<i>Condensed Interim Statement of Assets and Liabilities</i>	194
<i>Condensed Interim Income Statement</i>	195
<i>Condensed Interim Statement of Comprehensive Income</i>	196
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	197
<i>Condensed Interim Cash Flow Statement</i>	198
<i>Notes to the Condensed Interim Financial Information</i>	199

HBL Total Treasury Exchange Traded Fund

<i>Fund Information</i>	214
<i>Condensed Interim Statement of Assets and Liabilities</i>	215
<i>Condensed Interim Income Statement</i>	216
<i>Condensed Interim Statement of Comprehensive Income</i>	217
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	218
<i>Condensed Interim Cash Flow Statement</i>	219
<i>Notes to the Condensed Interim Financial Information</i>	220

CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of October 19, 2022)

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

Audit Committee

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

Human Resource Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee	(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. Abid Sattar	(Independent Director)
	Ms. Ava Ardeshir Cowasjee	(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

www.hblasst.com

Head Office & Registered Office

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

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE PERIOD ENDED SEPTEMBER 30, 2022

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund, HBL Financial Planning Fund, HBL Growth Fund, HBL Investment Fund, HBL Financial Sector Income Fund – Plan-1 and HBL Total Treasury Exchange Traded Fund (the Funds) for the period ended September 30, 2022.

ECONOMIC REVIEW

The government's GDP growth target for FY23 was 5.0% (against 5.97% achieved in FY22), however, on account of the recent floods, SBP/ADB/World Bank have revised down their growth projections to 2.4%/3.5%/2.0%, respectively. As per various estimates, economic losses as a result of the floods are expected to reach ~USD 40bn. A positive development has been the resumption of IMF program, which has provided much needed breathing space to the ailing economy, and opened other avenues of funding for the government. Moreover, in order to achieve sustainable economic growth, the authorities have taken some contractionary monetary and fiscal policy measures.

The Current Account Deficit (CAD) for Sep-22 clocked in at USD 316mn, taking 1QFY23 CAD to USD 2.2bn, compared to a Deficit of USD 3.5bn during the same period last year. This was primarily driven by a decline in imports as a result of stringent measures taken by the Government to reduce the outflow of foreign exchange. However, the decline in remittances set off some of the positive impact, which fell by 6.3% during 1QFY23 to USD 7.7bn, compared to USD 8.2bn 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 Regulatory Duty (RD) and Additional Customs Duty (ACD) in the range of 100-150% on almost 600-700 luxury items. However, the recent floods have raised concerns regarding CAD overshooting the government's initial target on account of the expected increase in import of agricultural products and decline in textile exports.

CPI for Sep-22 clocked in at 23.2% YoY, taking 1QFY22 average inflation to 25.11%, compared to 8.58% during the SPLY. The increase in CPI was largely driven by higher food and fuel prices, whereby food prices have been on a rising trajectory owing to the widespread flooding that has devastated crops and farmlands, while fuel prices have risen on account of the Petroleum Development Levy (PDL) imposed by the government.

Fiscal deficit for July was recorded at 0.3% of GDP, compared to 0.4% of GDP during the same period last year (SPLY). Primary balance posted a surplus of PKR 142bn, compared to a deficit of PKR 5bn during the SPLY. FBR has provisionally collected PKR 1,635bn during 1QFY23, compared to PKR 1,403bn during the SPLY, surpassing its target by PKR 27bn.

STOCK MARKET REVIEW

During 1QFY23, the KSE-100 index declined by 412pts or 1% to close at 41,541pts. The market started off on a positive note, increasing by 2.0% during Jul-22 and Aug-22 on the back of resumption of the IMF program, which opened other avenues of external funding for the government. Investor sentiment was also boosted by news flow that Saudi Arabia was seeking to renew its USD 3bn deposits with Pakistan, along with provision of USD 100mn per month for import of petroleum products. Furthermore, news flow suggested that Qatar had announced plans to invest USD 3bn in various commercial and investment sectors of the country. However, during Sep-22, the positive sentiment was overshadowed by the devastation caused by the floods, as it led to concerns regarding expected increase in the twin deficits due to the required spending on rehabilitation efforts, expected increase in import of agricultural products and decline in textile exports.

During 1QFY23, major negative contribution came from Fertilizer (380 pts), Commercial Banks (260pts), and Oil & Gas Exploration (249pts) sectors. On the other hand, major positive contribution came from Technology & Communication (761pts), and Cement (275pts) sectors.

During the period, average traded volume declined by 2% QoQ to 109mn shares, while average traded value increased by ~3% QoQ to PKR 5.4bn. On the flows side, Foreigners were net sellers during 1QFY23 and sold shares worth USD 297.5mn.

We expect the market to remain range-bound in the near-term amid lack of positive triggers, as investors remain concerned about the political uncertainty, coupled with expected economic slowdown due to the recent floods. However, our longer-term equity outlook remains positive due to attractive valuations. Positive triggers in the medium-term can be in the form of realization of flows and grants from multilateral sources, which would provide strength to the Rupee. In the medium- to long-term, reversal in international commodity prices, either on the back of disruption in demand or increase in supply, is likely to reignite investor interest in equities.

MONEY MARKET REVIEW

During 1QFY23, SBP, in an attempt to curb inflation as a result of the Russia-Ukraine war, increased the Policy Rate by 125bps to 15%. The hike was inevitable, given persistently high global energy prices, the abrupt ending of fuel subsidies and the need to control demand.

The cut-off yields in the last T-bills auction were 15.9999%, 15.9998%, and 15.9900% for 3M, 6M and 12M tenors, respectively. The cut-off yields in the last PIBs auction were 13.92%, 13.39%, and 12.95% in 3Y, 5Y and 10Y tenors, respectively, while no bids were received in 15Y, 20Y and 30Y tenors.

A GOP Ijara Sukuk auction was held on 22-Sep-22, with a target of PKR 100bn (PKR 25bn for Fixed Rental and PKR 75bn for Variable Rental Rate) for a period of 5 years. The Ministry of Finance accepted bids worth PKR 0.77bn (at 12.9029%) in FRR Sukuk, and PKR 18.48bn (at 13.61%) in VRR Sukuk.

The latest hike in the Policy Rate to 15% is expected to help moderate demand to a more sustainable pace, while keeping inflation expectations anchored, and containing risks to external stability. We believe high international commodity prices, along with reform measures under the IMF program, and recent crop and infrastructure damage caused by the floods, will translate adversely in CPI, based on which further hike in interest rate cannot be ruled out. However, possibility of further rate hike is very low under the current political environment.

FUTURE OUTLOOK

Moving ahead, we expect economic growth to slow down to 1.5-2.0% in FY23 on the back of fiscal consolidation by the government, along with disruption in agricultural activities due to the ongoing floods. Focus would remain on how the government keeps economic growth at a sustainable level, while keeping the external and fiscal accounts in check.

On the fiscal side, the government initially targeted a Fiscal deficit of PKR 3.80tn (~4.6% of GDP) in FY23 on the back of ~20% increase in FBR's tax collection to PKR 7.4tn, along with increase in collection of PDL to PKR 550bn. However, however, we believe that Fiscal Deficit may clock in the range of 6.0-6.5% due to the required spending on rehabilitation efforts after the recent floods.

On the fixed income front, we believe that gradual imposition of PDL on fuel, along with hike in electricity and gas tariffs, will translate adversely in CPI. Resultantly, we expect average inflation for FY23 to be in the range of 20-22%. However, inflation is expected to taper down from FY24 onwards due to high-base effect and expectation of easing in international commodity prices. Upside risks to our estimates remain in the form of elevated international commodity prices for an extended period due to geopolitical concerns.

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 4.2x compared to regional average of 13.9x, and offers an attractive dividend yield of 9.8%, compared to regional average of 3.1%. It is pertinent to note that the spread between KSE-100 index earnings yield and 10Y PKRV is ~13%, compared to 5-year historical average spread of 4.9%, which implies upside of ~56%. Hence, we believe that Pakistan equities offer a good opportunity for long-term investors.

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 159.15 million and Rs. 134.40 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 115.1581 per unit as on September 30, 2022 as compared to Rs. 111.4310 per unit as on June 30, 2022, thereby giving an annualized return of 13.27%. During the period the benchmark (6 Month KIBOR) return was 15.88%. The size of Fund was Rs. 2.91 billion as on September 30, 2022 as compared to Rs. 4.25 billion at the start of the year.

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

HBL Government Securities Fund

The total income and net income of the Fund was Rs. 20.67 million and Rs. 16.98 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 115.8849 per unit as on September 30, 2022 as compared to Rs. 112.4774 per unit as on June 30, 2022, thereby giving an annualized return of 12.02%. During the same period the benchmark (6 Month PKRV Rates) return was 15.67%. The size of Fund was Rs. 0.51 billion as on September 30, 2022 as compared to Rs. 0.63 billion at the start of the year.

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

HBL Money Market Fund

The total income and net income of the Fund was Rs. 654.55 million and Rs. 567.33 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 106.5010 per unit as on September 30, 2022 as compared to Rs. 102.8274 per unit as on June 30, 2022, thereby giving an annualized return of 14.17%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 14.61%. The size of Fund was Rs. 14.98 billion as on September 30, 2022 as compared to Rs. 15.60 billion at the start of the year.

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

HBL Cash Fund

The total income and net income of the Fund was Rs. 1.30 billion and Rs. 1.21 billion respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs 102.4492 per unit as on September 30, 2022 as compared to Rs 101.3611 per unit as on June 30, 2022, after incorporating dividends of Rs. 2.6588 per unit, thereby giving an annualized return of 14.84%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 14.61%. The size of Fund was Rs 35.22 billion as on September 30, 2022 as compared to Rs. 36.07 billion at the start of the year.

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

HBL Stock Fund

The total and net loss of the Fund was Rs. 2.58 million and Rs. 5.61 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs 70.1881 per unit as on September 30, 2022 as compared to Rs 71.9274 per unit as on June 30, 2022, thereby giving a negative return of 2.42%. During the same period the benchmark KSE 30 index yielded a negative return of 1.25%. The size of Fund was Rs 0.24 billion as on September 30, 2022 as compared to Rs. 0.24 billion at the start of the year.

HBL Equity Fund

The total and net loss of the Fund was Rs. 1.26 million and Rs. 11.02 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 75.5864 per unit as on September 30, 2022 as compared to Rs. 78.8634 per unit as on June 30, 2022, thereby giving a negative return of 1.66%. During the period the benchmark KSE 100 index yielded a negative return of 0.99%. The size of Fund was Rs. 0.55 billion as on June 30, 2022 as compared to Rs. 0.82 billion at the start of the year.

HBL Energy Fund

The total and net loss of the Fund was Rs. 7.96 million and Rs. 12.66 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 9.4491 per unit as on September 30, 2022 as compared to Rs. 9.8637 per unit as on June 30, 2022, thereby giving a negative return of 4.20%. During the same period the benchmark KSE 30 index yielded a negative return of 1.25%. The size of Fund was Rs. 0.30 billion as on September 30, 2022 as compared to Rs. 0.43 billion at the start of the year.

HBL Multi Asset Fund

The total income and net loss of the Fund was Rs. 0.63 million and Rs. 0.54 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs 92.2094 per unit as on September 30, 2022 as compared to Rs 92.9902 per unit as on June 30, 2022, thereby giving a negative return of 0.84%. During the same period the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a return of 0.29%. The size of Fund was Rs 0.07 billion as on September 30, 2022 as compared to Rs. 0.10 billion at the start of the year.

HBL Financial Planning Fund

The Fund comprises of two sub funds (plans) namely Active Allocation Plan and Conservative Allocation Plan.

The Fund as a whole earned a total and net income of Rs. 2.07 million and Rs. 1.76 million respectively during the period under review. The fund size of the fund stood at Rs. 0.06 billion as on September 30, 2022.

Performance review for plans is given below:

Active Allocation Plan

During the period under review, the Active allocation plan earned a total and net income of Rs. 0.53 million and Rs 0.38 million respectively. The net assets of the Active allocation plan stood at Rs. 0.02 billion representing Net Asset Value (NAV) of Rs. 75.7504 per unit as at September 30, 2022 as compared to Rs. 74.1068 per unit as at June 30, 2022. The plan earned a return of 2.22% for the period under review against the benchmark return of 2.98%. The plan is invested to the extent of 76% in fixed income funds & 19% in equity funds.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned a total and net income of Rs. 1.54 million and Rs. 1.38 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.03 billion representing Net Asset Value (NAV) of Rs. 113.9325 per unit as at September 30, 2022 as compared to Rs. 113.7004 per unit as at June 30, 2022. The plan earned a return of 2.00% for the period under review against the benchmark return of 2.82%. The plan is invested to the extent of 18% in equity funds & 73% in fixed income funds.

HBL Growth Fund

Effective from July 2, 2018 the Fund has been converted into an open-ended Equity Fund as per the duly approved Conversion Plan. This matter is fully disclosed in note 1.3 of the financial statements of the Fund.

The Fund as a whole earned a total and net income of Rs. 70.97 million and Rs. 25.03 million respectively during the period under review. The fund size of the fund stood at Rs. 6.25 billion as on September 30, 2022.

Performance review of each class is presented below:

HBL Growth Fund – Class ‘A’

HBL Growth Fund – Class ‘A’ earned a total income and net income of Rs. 70.46 million and Rs. 36.49 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 18.6006 per unit as on September 30, 2022 as compared to Rs. 19.4009 as at June 30, 2022, thereby giving a negative return of 4.13%. During the year the benchmark KSE 100 index yielded a negative return of 0.99%. The size of Class ‘A’ was Rs. 5.27 billion as on September 30, 2022 as compared to Rs. 5.50 billion at the start of the year.

HBL Growth Fund – Class ‘B’

HBL Growth Fund – Class ‘B’ earned and incurred a total income and net loss of Rs. 0.51 million and Rs. 11.45 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 12.7498 per unit as on September 30, 2022 as compared to Rs. 12.8951 as at June 30, 2022, thereby giving a negative return of 1.13%. During the period the benchmark KSE 100 index yielded a negative return of 0.99%. The size of Class ‘B’ was Rs. 0.98 billion as on September 30, 2022 as compared to Rs. 1.05 billion at the start of the year.

HBL Investment Fund

Effective from July 2, 2018 the Fund has been converted into an open-ended Equity Fund as per the duly approved Conversion Plan. This matter is fully disclosed in note 1.4 of the financial statements of the Fund.

The Fund as a whole earned a total and net income of Rs. 22.00 million and Rs. 1.36 million respectively during the year under review. The fund size of the fund stood at Rs. 2.40 billion as on September 30, 2022.

Performance review of each class is presented below:

HBL Investment Fund – Class ‘A’

HBL Investment Fund – Class ‘A’ earned a total income and net income of Rs. 17.84 million and Rs. 5.33 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 6.7071 per unit as on September 30, 2022 as compared to Rs. 7.0325 as at June 30, 2022, thereby giving a negative return of 4.63%. During the period the benchmark KSE 100 index yielded a negative return of 0.99%. The size of Class ‘A’ was Rs. 1.91 billion as on September 30, 2022 as compared to Rs. 2.00 billion at the start of the year.

HBL Investment Fund – Class ‘B’

HBL Investment Fund – Class ‘B’ earned and incurred a total income and net loss of Rs. 4.16 million and Rs. 3.96 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 6.4081 per unit as on September 30, 2022 as compared to Rs. 6.4666 as at June 30, 2022, thereby giving a negative return of 0.90%. During the period the benchmark KSE 100 index yielded a negative return of 0.99%. The size of Class ‘B’ was Rs. 0.50 billion as on September 30, 2022 as compared to Rs. 0.71 billion at the start of the year.

HBL Financial Sector Income Fund – Plan-1

The total income and net income of the Fund was Rs. 1.31 billion and Rs. 1.21 billion respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 101.2376 per unit as on September 30, 2022 (after incorporating dividends of Rs. 2.5868 per unit), thereby giving an annualized return of 15.17%. The NAV per unit as on June 30, 2022 was 100.0454 per unit. During the same period, the benchmark (6 Month KIBOR) return was 15.88%. The size of Fund was Rs. 24.07 billion as on September 30, 2022.

HBL Total Treasury Exchange Traded Fund

The Fund commences its operations on September 12, 2022.

The total income and net income of the Fund was Rs. 4.15 million and Rs. 3.88 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) per unit of the Fund was Rs. 10.0776 per unit as on September 30, 2022, thereby giving an annualized return of 14.91%. During the same period, the benchmark return was 15.84%. The size of Fund was Rs. 504 million as on September 30, 2022.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited (VIS) has maintained the management quality rating of HBL Asset Management Limited at ‘AM2++’ (AM Two Plus Plus) and the outlook on the assigned rating has been maintained at ‘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 the Securities & Exchange Commission of Pakistan, the Central Depository Company of Pakistan & the Digital Custodian Company Limited as Trustees, the Pakistan Stock Exchange Limited and the State Bank of Pakistan.

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

HBL

Income Fund

FUND INFORMATION

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

HBL Income Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2022

	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
Assets			
Bank balances	4	726,989	1,758,049
Investments	5	1,696,948	2,484,530
Receivable against margin trading system		387,810	370,025
Accrued mark-up		88,585	56,070
Advances, deposits and other receivables		47,014	47,078
Receivable against sale of investments		9,900	-
Total assets		2,957,246	4,715,752
Liabilities			
Payable to Management Company	6	9,280	9,211
Payable to Central Depository Company of Pakistan Limited - Trustee	7	382	600
Payable to Securities and Exchange Commission of Pakistan		206	817
Payable against purchase of investment		-	386,791
Accrued expenses and other liabilities	9	36,667	72,248
Total liabilities		46,535	469,667
Net assets		2,910,711	4,246,085
Unit holders' fund (as per statement attached)		2,910,711	4,246,085
Contingencies and commitments	10		
(Number of units)			
Number of units in issue		25,275,787	38,105,050
(Rupees)			
Net assets value per unit		115.1581	111.4310

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund

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

For the quarter ended September 30, 2022

	Note	Quarter ended September 30,	
		2022	2021
		----- (Rupees in '000) -----	
Income			
Mark-up on deposits with banks		61,310	20,706
Mark-up / return on investments		97,881	32,677
Capital gain on sale of investments - net		2,573	8,224
Dividend Income		-	7,563
Unrealised (loss) / gain on revaluation of investments carried at fair value through profit or loss - held-for-trading		(2,610)	4,010
Other Income		-	-
		159,154	73,180
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds		-	865
Total Income		159,154	74,045
Expenses			
Remuneration of HBL Asset Management Limited - Management Company		16,558	10,194
Remuneration of Central Depository Company of Pakistan Limited - Trustee		874	604
Annual fee to Securities and Exchange Commission of Pakistan		206	143
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	2,579	777
Selling and marketing expenses		2,579	2,617
Settlement and bank charges		1,408	1,473
Auditors' remuneration		117	106
Other expenses		432	1,866
Total Expenses		24,753	17,780
Net income from operating activities		134,401	56,265
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.2	-	31,380
Net income for the period before taxation		134,401	87,645
Taxation	11	-	-
Net income for the period after taxation		134,401	87,645
Allocation of net income for the period:			
Income already paid on redemption of units		26,036	7,058
Accounting income available for distribution:			
-Relating to capital gains		-	11,417
-Excluding capital gains		108,365	69,170
		108,365	80,587
Net income for the period after taxation		134,401	87,645
Other comprehensive income for the period		-	-
Total comprehensive income for the period		134,401	87,645
Earnings per unit	12		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
For the quarter ended September 30, 2022

	Quarter ended September 30,					
	2022			2021		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	4,090,685	155,400	4,246,085	2,104,559	168,626	2,273,185
Issuance of 3,226,337 units (2021: 19,316,113 units)						
- Capital value (at net asset value per unit at the beginning of the period)	359,502	-	359,502	2,135,622	-	2,135,622
- Element of income	4,736	-	4,736	46,308	-	46,308
Total proceeds on issuance of units	364,238	-	364,238	2,181,930	-	2,181,930
Redemption of 16,055,599 units (2021: 4,352,359 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,789,092)	-	(1,789,092)	(481,204)	-	(481,204)
- Amount relating to element of income	(18,885)	(26,036)	(44,921)	-	(7,058)	(7,058)
- Relating to net income for the period after taxation		-	-	(2,674)	-	(2,674)
Total payment on redemption of units	(1,807,977)	(26,036)	(1,834,013)	(483,878)	(7,058)	(490,936)
Total comprehensive income for the period	-	134,401	134,401	-	87,645	87,645
Total comprehensive income for the period less distribution	-	134,401	134,401	-	87,645	87,645
Net assets at the end of the period	2,646,946	263,765	2,910,711	3,802,611	249,213	4,051,824
Undistributed income brought forward						
- Realised		156,975			138,257	
- Unrealised		(1,575)			30,369	
		155,400			168,626	
Accounting income available for distribution		108,365			80,587	
Undistributed income carried forward		263,765			249,213	
Undistributed income carried forward						
- Realised		266,375			245,203	
- Unrealised		(2,610)			4,010	
		263,765			249,213	
				(Rupees)		
Net assets value per unit at beginning of the period			111.4310			110.5617
Net assets value per unit at end of the period			115.1581			114.0585

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the quarter ended September 30, 2022

	Quarter ended September 30,	
	2022	2021
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	134,401	87,645
Adjustments		
Capital gain on sale of investments - net	(2,573)	(8,224)
Unrealised loss / (gain) on revaluation of investments carried at fair value through profit or loss	2,610	(4,010)
	134,438	75,411
Decrease in assets		
Investments - net	787,545	612,718
Receivable against margin trading system	(17,785)	(164,912)
Accrued mark-up	(32,515)	(3,229)
Advances, deposits, and other receivables	64	5,361
Receivable against sale of investments	(9,900)	-
	727,409	449,938
(Decrease) / Increase in liabilities		
Payable to HBL Asset Management Limited - Management Company	69	751
Payable to Central Depository Company of Pakistan Limited - Trustee	(218)	84
Payable to Securities and Exchange Commission of Pakistan	(611)	(298)
Accrued expenses and other liabilities	(35,581)	(46,167)
Payable against purchase of investment	(386,791)	75,093
	(423,132)	29,463
Net cash generated from operating activities	438,715	554,812
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	364,238	2,181,930
Payment against redemption of units	(1,834,013)	(490,936)
Net cash (used in) / generated from financing activities	(1,469,775)	1,690,994
Net (decrease) / increase in cash and cash equivalents	(1,031,060)	2,245,806
Cash and cash equivalents at beginning of the period	1,758,049	388,557
Cash and cash equivalents at end of the period	726,989	2,634,363

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund

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

For the quarter ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.
- 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, 2022.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

4 BANK BALANCES

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in '000)	
Balances with bank in:			
- Saving accounts	5.1	726,989	1,758,049
		<u>726,989</u>	<u>1,758,049</u>

- 4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 11.5% - 17% per annum.

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
		(Rupees in '000)	
5 INVESTMENTS	Note		
Financial assets at Fair value through profit or loss			
- Term finance certificates and sukuk bonds - listed	5.1.1	512,751	266,166
- Term finance certificates and sukuk bonds - unlisted	5.1.2	662,744	830,958
- Investment in ready / future - spread transaction	5.4.1	-	238,833
Investment in government securities			
- Treasury bills		13,892	354,057
- Pakistan investment bonds		-	-
Future stock contracts		-	4,879
		<u>1,189,387</u>	<u>1,694,893</u>
Financial assets at amortised cost			
- Commercial paper		507,561	789,637
		<u>1,696,948</u>	<u>2,484,530</u>

5.1 Fair value through profit or loss

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

5.1.1 Term Finance Certificates and Sukuk bonds - Listed

Name of the Investee Company	Number of certificates				Market value / Carrying value* as at September 30, 2022 - Rupees in '000 -	Market value as a percentage of	
	As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at September 30, 2022		Total Investments	Net Assets
Power Generation							
K-Electric Limited	-	250	-	250	250,000	0.15	0.09
	-	250	-	250	250,000	0.15	0.09
Financial Services							
Saudi Pak Leasing Company Limited - note 5.1.3	2,000	-	-	2,000	-	-	-
	2,000	-	-	2,000	-	-	-
Fixed Line Telecommunication							
Worldcall Telecom Limited - note 5.1.4	23,750	-	-	23,750	-	-	-
	23,750	-	-	23,750	-	-	-
Technology & Communication							
TPL Trakker Limited	47	-	-	47	36,558	2.15%	1.26%
	47	-	-	47	36,558	2.15%	1.26%
TPL Corporation Limited	1,000	-	-	1,000	100,000	5.89%	3.44%
	1,000	-	-	1,000	100,000	5.89%	3.44%
Commercial Banks							
JS Bank Limited	1,264	-	-	1,264	126,193	7.44%	4.34%
Bank Alhabib Limited	-	50,000	50,000	-	-	-	-
	1,264	50,000	50,000	1,264	126,193	7.44%	4.34%
Total	46,241	50,000	50,000	45,241	512,751	7.44%	4.34%
Cost of investments at September 30, 2022					513,542		

Name of the Investee Company	Number of certificates				Market value / Carrying value* as at September 30, 2022 - Rupees in '000 -	Market value as a percentage of	
	As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at September 30, 2022		Total Investments	Net Assets
5.1.2 Term Finance Certificates and Sukuk bonds - Unlisted							
Investment Companies							
Jahangir Siddiqui & Company Limited	15,100	-	-	15,100	19,348	1.14%	0.66%
Jahangir Siddiqui & Company Limited	10,000	-	-	10,000	17,219	1.01%	0.59%
	25,100	-	-	25,100	36,567	2.15%	1.26%
Chemicals							
Agritech Limited - 4th issue	430	-	-	430	-	-	-
Agritech Limited	2,000	-	-	2,000	-	-	-
	2,430	-	-	2,430	-	-	-
Commercial Banks							
Bank of Punjab*	1,685	-	-	1,685	168,144	9.91%	5.78%
Bank Al-falah Limited	7,600	-	-	7,600	34,761	2.05%	1.19%
	9,285	-	-	9,285	202,905	11.96%	6.97%
Commercial Banks							
Pak Electron Limited	150	-	-	150	148,272	8.74%	5.09%
	150	-	-	150	148,272	8.74%	5.09%
Power Generation and Distribution							
Lucky Electric Power Limited	485	-	-	485	225,000	0.13	0.08
Hub Power Company Limited	500	-	-	500	50,000	2.95%	1.72%
	985	-	-	985	275,000	16.21%	9.45%
Others							
New Allied Electronics Industries (Pvt) Limited	15,100	-	-	15,100	-	-	-
New Allied Electronics Industries (Pvt) Limited - Sukuk	10,000	-	-	10,000	-	-	-
	25,100	-	-	25,100	-	-	-
Total	62,900	-	-	62,900	662,744	30.32%	17.68%
Cost of investments at September 30, 2022					664,563		

* Face value of Rs 100,000

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

- 5.1.3 Saudi Pak Leasing Company Limited defaulted towards payment falling due in September 2010. Accordingly, the exposure was classified as non-performing and provision was recognised in accordance with the SECP's provisioning guidelines.

Subsequently, on the request of the Issuer, TFC holders approved the restructuring of the facility by extending repayment period from 5 years to 9 years and by reducing mark-up rate to 6% for 24 months from restructuring date and 8% for next 24 months and thereafter fixing the mark-up rate at 1 month KIBOR. Further, half of the accrued mark-up is to be paid in cash and the balance is being deferred.

Debt security can be classified as performing once all arrears (principal & mark-up) have been received in cash and debt security is regular on all payments for the next two instalments. The above exposure had been classified as performing by the MUFAP as arrears due on the date of restructuring were rescheduled and the investee company has settled the next two instalments.

The Issuer defaulted again in the payment of principal and mark-up due on September 13, 2011. In accordance with the requirements of Circular No. 33 of 2012 dated October 24, 2012 issued by the Securities Exchange Commission of Pakistan (SECP), the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non performing exposure. A provision of Rs. 5.550 million equivalent to 100% of the amount outstanding has been made.

- 5.1.4 Worldcall Telecom Limited TFC's were classified by MUFAP as non-performing on November 8, 2012 after default of instalment due on October 7, 2012 (earlier default on April 7, 2012) for the second time. A restructuring agreement was signed on December 26, 2012. The restructuring included the extension of repayment period by 2 years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.77 million equivalent to 100% of the amount outstanding has been made.

During the current period the issuer paid 0.87 million on account of principal repayment.

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

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

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

	(Unaudited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
Agritech Limited	1,998	1,998

5.2 Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at September 30, 2022 are as follows:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates - Listed				
TPL Trakker Limited	777,778	3 Month KIBOR + 3%	30-Mar-21	30-Mar-26
TPL Corporation Limited	100,000	3 Month KIBOR + 2.25%	23-Jun-22	23-Jun-27
Term Finance Certificates and Sukuk bonds - Unlisted				
Bank of Punjab	99,780	6 Month KIBOR + 1%	23-Feb-16	23-Feb-26
JS Bank Limited	99,820	6 Month KIBOR + 1.40%	29-Dec-17	29-Dec-24
Jahangir Siddiqui & Company Limited	1,666	6 Month KIBOR + 1.40%	6-Mar-18	6-Mar-23
Jahangir Siddiqui & Company Limited	1,250	6 Month KIBOR + 1.40%	18-Jul-17	18-Jul-22
Hub Power Company Limited	100,000	3 Month KIBOR + 1.90%	22-Aug-19	22-Aug-23

5.3 Investment in Government Securities - Held-for-trading

Issue Date	Tenure	Face value As at July 1, 2022	Purchases during the year	Sales / Matured during the year	As at September 30, 2022	Carrying Value as at September 30, 2022	Market Value as at September 30, 2022	Unrealised Gain/ (Loss)	Market Value as a percentage of	
----- (Rupees in '000) -----										
Treasury bill										
April 21, 2022	3 months	150,000	-	150,000	-	-	-	-	-	-
July 28, 2022	3 months	-	500,000	486,000	1,400,000	13,890	13,892	2	2.74%	29.85%
June 30, 2022	3 months	150,000	-	150,000	-	-	-	-	-	-
January 27, 2022	6 months	60,000	-	60,000	-	-	-	-	0.00%	0.00%
Total - as at September 30, 2022		360,000	500,000	846,000	1,400,000	13,890	13,892	2	2.74%	29.85%
Total - as at June 30, 2022		360,000	5,144,600	4,784,600	-	-	-	-	-	-
Pakistan Investment Bonds										
December 30, 2021	2 years	-	1,200,000	1,200,000	-	-	-	-	-	-
April 29, 2022	5 years	-	600,000	600,000	-	-	-	-	-	-
Total - as at September 30, 2022		-	1,800,000	1,800,000	-	-	-	-	-	-
Total - as at June 30, 2022		-	-	425,000	-	-	-	-	-	-
Pakistan Investment Bonds (Floater)										
August 26, 2022	2 years	-	354,000	354,000	-	-	-	-	-	-
October 22, 2022	3 years	-	1,200,000	1,200,000	-	-	-	-	-	-
Total - as at September 30, 2022		-	1,554,000	1,554,000	-	-	-	-	-	-
Total - as at June 30, 2022		-	-	-	-	-	-	-	-	-

6 PAYABLE TO MANAGEMENT COMPANY

	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
		Rupees in '000'	
Management fee	6.1	4,863	3,668
Sindh Sales Tax	6.2	632	477
Sales load payable		395	1,646
Allocation of expenses related to registrar services, accounting, operation and valuation services		811	917
Selling and marketing expenses payable		2,579	2,503
		<u>9,280</u>	<u>9,211</u>

6.1 The Management Company has charged a fee at the rate range between 1% and 1.5% of the average daily net asset of the scheme. Currently the Management fee is being charged at the rate of 1.5% of the average daily net assets of the fund. The fee is payable monthly in arrears.

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

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN

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

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

9 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	September 30, 2022	June 30, 2022
		(Rupees in '000)	
Auditors' remuneration		346	229
Brokerage payable		1,119	1,115
Federal Excise Duty payable	9.1	27,578	27,578
Capital gain tax payable		1,604	9,120
Withholding tax payable		71	28,663
Provision for Sindh Workers' Welfare Fund	9.2	-	-
Dividend payable		4,491	-
MTS charges payable		388	-
Other payables		1,070	1,052
		<u>36,667</u>	<u>67,757</u>

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 27.57 million (June 30, 2022: Rs.27.578 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Rs. 1.091 (June 30, 2022: Re. 0.724) per unit.

5.2 ALLOCATION OF EXPENSES RELATED TO REGISTRAR SERVICES, ACCOUNTING, OPERATION AND VALUATION SERVICES

During the year, the Securities and Exchange Commission of Pakistan notified amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2007 dated November 25, 2015, where the asset management companies are allowed to charge fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less. In this regard, the Management Company has started charging these expenses effective from November 25, 2015.

9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 31.86 million for the period from July 1, 2014 till August 12, 2021.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There were no contingencies or commitments outstanding as at September 30, 2022 and June 30, 2022.

11 TAXATION

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

12 EARNINGS PER UNIT (EPU)

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

13 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 2.43% (0.12% representing Government Levies, and SECP Fee).

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

		Quarter ended September 30,	
		2022	2021
		(Rupees in '000)	
14.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Management fee	16,558	10,194
	Allocation of expenses related to registrar services, accounting, operation and valuation services	2,579	777
	Selling and marketing expenses	2,579	2,617
	Habib Bank Limited - Sponsor		
	Profit on bank deposits earned	664,501	1,288
	Profit received on bank deposits	1,653	974
	Redemption of 8,027,975 units (2021: Nil units)	923,307	-
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	874	604
	Executives and their relatives		
	Issuance of Nil units (2021: 49,971 units)	-	5,620
	Redemption of 373 units (2021: 52,607 units)	42	5,932
	MCB FSL Trustee - HBL Financial Planning Fund Active Allocation Plan - Associate		
	Issuance of 552,209 units (2021: Nil units)	61,633	-
	Redemption of 452,512 units (2021: 7,365 units)	50,908	820
	MCB FSL Trustee - HBL Financial Planning Fund Conservative Allocation Plan - Associate		
	Redemption of 281,608 units (2021: 7,365 units)	32,318	-

14.2	Balances outstanding as at period end	September 30, 2022	June 30, 2022
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	4,863	3,668
	Sindh Sales Tax	632	477
	Sales Load payable	395	1,646
	Allocation of expenses related to registrar services, accounting, operation and valuation services	811	917
	Selling and marketing expenses payable	2,579	2,503
	Habib Bank Limited - Sponsor		
	Investment held by HBL in the Fund: Nil units (June 30, 2022: 7,623,706 units)	-	849,517
	Bank balances with HBL	8,367	1,668,422
	Habib Bank Limited - Treasury Division		
	Investment held in the Fund: Nil units (June 30, 2022: 404,270 units)	-	45,048
	The First Microfinance Bank - Associate		
	Bank balances	417,945	41,973
	MCB FSL Trustee - HBL Financial Planning Fund Active Allocation Plan - Associate		
	Investment held in the Fund: 130,785 units (June 30, 2022: 31,088 units)	15,061	3,464
	MCB FSL Trustee - HBL Financial Planning Fund Conservative Allocation Plan - Associate		
	Investment held in the Fund: 222,511 units (June 30, 2022: 504,118 units)	25,624	56,174
	Directors and Executives of the Management Company and their relatives		
	Executives and their relatives		
	Investment held in the Fund: 98,750 units (2022: 99,124 units)	11,372	11,045
	Pakistan Society For The Welfare Of Mentally Retarded Children - More than 10% holding		
	Investment held in the Fund: 3,007,899 units (2022: 3,007,899 units)	346,384	335,173
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	338	275
	Sindh Sales tax	44	36
	Security deposit	100	100
	CDC charges payable	107	289

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Note	September 30, 2022				Fair Value			
		Finacial assets at Fair value through profit or loss	Finacial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Term Finance Certificates and Sukuk bonds - Listed		512,751	-	-	512,751	-	512,751	-	512,751
- Term Finance Certificates and Sukuk bonds - Unlisted		662,744	-	-	662,744	-	662,744	-	662,744
		<u>1,175,495</u>	<u>-</u>	<u>-</u>	<u>1,175,495</u>	<u>-</u>	<u>1,175,495</u>	<u>-</u>	<u>1,175,495</u>
Financial assets not measured at fair value									
Bank balances	15.1	-	726,989	-	726,989				
Investments									
- Placements	15.1	-	507,561	-	507,561				
Accrued mark-up		-	88,585	-	88,585				
Advances, deposits and other receivables		-	21,571	-	21,571				
		<u>-</u>	<u>1,344,706</u>	<u>-</u>	<u>1,344,706</u>				
Financial liabilities not measured at fair value									
Payable to Management Company	15.1	-	-	9,280	9,280				
Payable to Trustee		-	-	382	382				
Accrued expenses and other liabilities		-	-	7,414	7,414				
		<u>-</u>	<u>-</u>	<u>17,076</u>	<u>17,076</u>				

	June 30, 2022							
	Fair value through profit or loss	At amortized cost	Other financial liabilities	Total	Fair Value			
					Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Term Finance Certificates and Sukuk bonds	1,097,124	-	-	1,097,124	-	1,097,124	-	1,097,124
	1,097,124	-	-	1,097,124	-	1,097,124	-	1,097,124
Financial assets not measured at fair value								
Bank balances	-	726,989	-	726,989				
Accrued mark-up	-	88,585	-	88,585				
Deposits and other receivables	-	47,014	-	47,014				
	-	862,588	-	862,588				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	9,211	9,211				
Payable to Trustee	-	-	600	600				
Payable against purchase of investment	-	-	386,791	386,791				
Accrued expenses and other liabilities	-	-	72,248	72,248				
	-	-	468,850	468,850				

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

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

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to make 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 September 30, 2017, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
(Rupees in '000)						
New Allied Electronics Industries (Private) Limited	TFC	19,025	19,025	-	-	-
New Allied Electronics Industries (Private) Limited	Sukuk	44,149	44,149	-	-	-
AgriTech Limited	TFC	9,991	9,991	-	-	-
Worldcall Telecom Limited	TFC	39,326	39,326	-	-	-

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Government Securities Fund

FUND INFORMATION

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

HBL Government Securities Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
AS AT SEPTEMBER 30, 2022

		Un-audited September 30, 2022	Audited June 30, 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	85,917	451,031
Investments	5	424,894	572,021
Profit receivable		12,473	23,848
Deposits, prepayments and other receivables		1,721	1,769
Total assets		525,005	1,048,669
LIABILITIES			
Payable to Management Company	6	1,477	1,714
Payable to the Trustee	7	29	35
Payable to Securities and Exchange Commission of Pakistan	8	29	181
Accrued expenses and other liabilities	9	16,767	416,156
Total liabilities		18,302	418,086
NET ASSETS		506,703	630,583
Unit Holders' Funds (As per statement attached)		506,703	630,583
CONTINGENCIES AND COMMITMENTS			
	10	----- (Number of Units) -----	
Number of units in issue		4,372,465	5,606,306
		----- (Rupees) -----	
Net asset value per unit		115.8849	112.4774

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Income Statement And Comprehensive Income (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

Note	Three Months ended September 30,	
	2022	2021
	----- (Rupees in 000's) -----	
INCOME		
Capital gain on sale of investments - net	316	1,436
Income from Government Securities	14,077	16,081
Income from term finance certificates and sukuk bonds	2,067	1,093
Profit on bank deposits	4,404	4,211
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss'-net	(195)	562
Total income	20,669	23,383
EXPENSES		
Remuneration of the Management Company	1,987	3,408
Sindh sales tax on remuneration of the Management Company	258	443
Remuneration of the Trustee	90	200
Annual fee to the Securities and Exchange Commission of Pakistan	29	55
Fund operations, accounting and related costs	393	679
Selling & Marketing expense	650	1,165
Auditors' remuneration	110	145
Fees and subscription	85	101
Securities transaction cost	82	177
Bank charges	-	51
Printing charges	1	-
Total expenses	3,685	6,424
Net income from operating activities	16,984	16,959
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.1 -	19,958
Net income for the quarter before taxation	16,984	36,917
Taxation	11 -	-
Net income for the quarter after taxation	16,984	36,917
Allocation of net income for the quarter:		
Income already paid on redemption of units	1,666	5,232
Accounting income available for distribution:		
-Relating to capital gains	121	1,138
-Excluding capital gains	15,197	30,547
	15,318	31,685
Net income for the quarter after taxation	16,984	36,917
Other comprehensive income	-	-
Total comprehensive income for the quarter	16,984	36,917
Earnings per unit	12	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund

Condensed Interim Statement Of Movement In Unit Holders' Fund

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

Note	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	Rupees in '000'					
Net assets at beginning of the quarter	436,529	194,054	630,583	876,537	194,478	1,071,015
Issuance of 247,334 units (2021: 3,918,687 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	27,820	-	27,820	441,000	-	441,000
- Element of income	266	-	266	10,499	-	10,499
Total proceeds on issuance of units	28,086	-	28,086	451,499	-	451,499
Redemption of 1,481,175 units (2021: 3,874,596 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	(166,599)	-	(166,599)	(436,038)	-	(436,038)
- Amount paid out of element of income	-	-	-	(4,313)	-	(4,313)
- Income already paid on redemption of units	(685)	(1,666)	(2,351)	-	(5,232)	(5,232)
Total payments on redemption of units	(167,284)	(1,666)	(168,950)	(440,351)	(5,232)	(445,583)
Total comprehensive income for the quarter	-	16,984	16,984	-	36,917	36,917
Net assets at end of the quarter	297,331	209,372	506,703	887,685	226,163	1,113,848
Undistributed income brought forward						
- Realised		196,238			192,733	
- Unrealised		(2,184)			1,745	
		194,054			194,478	
Accounting income available for distribution						
- Relating to capital gains	121			1,138		
- Excluding capital gains	15,197			30,547		
	15,318			31,685		
Distribution during the quarter	-			-		
Undistributed income carried forward	209,372			226,163		
Undistributed income carried forward						
- Realised		209,567			225,601	
- Unrealised		(195)			562	
		209,372			226,163	
				(Rupees)		
Net assets value per unit at beginning of the quarter			112.4774			112.5377
Net assets value per unit at end of the quarter			115.8849			116.4987

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Cash Flow Statement (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	Three Months ended	
	September 30,	
	2022	2021
Note	----- (Rupees in 000's) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	16,984	36,917
Adjustments for:		
Capital gain sale of investments - net	(316)	(1,436)
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss'-net	195	(562)
	(121)	(1,998)
	16,863	34,919
Decrease in assets		
Investments - net	147,248	794,386
Profit receivable	11,375	10,996
Deposits, prepayments and other receivables	48	51
	158,671	805,433
Decrease in liabilities		
Payable to Management Company	(237)	475
Payable to the Trustee	(6)	3
Payable to Securities and Exchange Commission of Pakistan	(152)	(335)
Accrued expenses and other liabilities	(399,389)	(28,445)
	(399,784)	(28,302)
Net cash (used in) / generated from operating activities	(224,250)	812,050
Cash flows from Financing Activities		
Receipts from issue of units	28,086	451,499
Payment agaianst redemption of units	(168,950)	(445,583)
Net cash (used in) / generated from financing activities	(140,864)	5,916
Net (decrease) / increase in cash and cash equivalents	(365,114)	817,966
Cash and cash equivalents at the beginning of the period	451,031	259,770
Cash and cash equivalents at the end of the period	85,917	1,077,736
CASH AND CASH EQUIVALENTS		
Bank balances	85,917	1,077,736
	85,917	1,077,736

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

2.1.3 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2022.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

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

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

		September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
4	BANK BALANCES	Note	----- (Rupees in '000) -----
	In savings accounts	4.1	85,917 259,770

4.1 Profit rates on these savings accounts range between 12.5% to 17% per annum (June 30, 2021: 5.60% to 17.56% per annum).

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Investments in Government securities:

Market Treasury Bills	5.1	-	-
Pakistan Investment Bonds	5.2	<u>375,000</u>	<u>785,290</u>
		375,000	785,290
Term Finance Certificate & Sukuk Bonds	5.3	<u>49,894</u>	<u>50,409</u>
		<u>424,894</u>	<u>835,699</u>

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

Issue date	Tenor	Face value				Balance as at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at September 30, 2022	Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
Market Treasury Bills										
June 16, 2022	3 Month	-	16,000	16,000	-	-	-	-	0.00%	0.00%
Total - As at September 30, 2022		-	16,000	16,000	-	-	-	-	0.00%	0.00%
Total - As at June 30, 2022		-	6,305,150	6,305,150	-	-	-	-	0.00%	0.00%

5.2 Pakistan Investment Bonds

- Pakistan Investment Bonds (Floating)

Issue date	Tenor	Face value				Balance as at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at September 30, 2022	Carrying value	Market value	Appreciation / (diminution)		
August 22, 2019	10 Years	375,000	-	-	375,000	375,000	375,000	-	74.01%	88.26%
August 26, 2021	2 Years	50,000	-	50,000	-	-	-	-	0.00%	0.00%
Total - As at September 30, 2022		-	-	-	375,000	375,000	375,000	-	74.01%	88.26%
Total - As at June 30, 2022		375,000	5,925,000	5,875,000	425,000	424,841	424,655	(186)	67.34%	74.24%

5.2.1 The effective yield on Pakistan Investment bonds range from 8.8475% to 10.89% (June 30, 2022: 10.89% to 11.36%) per annum.

- Pakistan Investment Bonds (Non-Floating)

August 20, 2020	3 Years	106,000	-	106,000	-	-	-	-	0.00%	0.00%
August 20, 2020	5 Years	-	25,000	25,000	-	-	-	-	0.00%	0.00%
Total - As at September 30, 2022		106,000	25,000	131,000	-	-	-	-	0.00%	0.00%
Total - As at June 30, 2022		425,000	1,727,000	2,046,000	106,000	98,975	97,277	(1,698)	15.43%	17.00%

5.3 Term Finance Certificate and Sukuk Bonds:

Term Finance Certificate and Sukuk bonus.										
Issue details	Tenor	----- Units -----				Balance as at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at September 30, 2022	Carrying value	Market value	Appreciation / (diminution)		
Term finance certificate - unlisted										
The Bank of Punjab	10 Years	500	-	-	500	50,089	49,894	(195)	9.85%	11.74%
Bank Alhabib Limited - Listed	6 Months	-	10,000	10,000	-	-	-	-	0.00%	0.00%
Total - As at September 30, 2022		500	10,000	10,000	500	50,089	49,894	(195)	9.85%	11.74%
Total - As at June 30, 2022		500	-	-	500	50,389	50,089	(300)	7.94%	8.76%

5.3.1 These term finance certificate carries mark-up at the rate 16.44% per annum (June 30, 2022: 8.69% to 16.44%).

5.3.2 Significant terms and conditions of Term Finance Certificates and Sukuk Bonds as at September 30, 2022 are as follows

Name of the investee company	Remaining principal (per certificate)	Mark-up rate (per annum)	Issue date	Maturity Date
------------------------------	---------------------------------------	--------------------------	------------	---------------

Term finance certificate - unlisted				
The Bank of Punjab	99,780	6 months KIBOR + 1.00%	23-Dec-16	23-Dec-26

6 PAYABLE TO THE MANAGEMENT COMPANY

Note

		September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
----- (Rupees in '000) -----			
Management fee	6.1	608	1,132
Sindh Sales Tax on Management Company's remuneration	6.2	79	147
Sales load payable		22	420
Fund operations, accounting and related costs		118	201
Selling & Marketing expense payable		650	1,340
		<u>1,477</u>	<u>3,240</u>

- 6.1 As per the amendment introduced through SRO 639(I)/2019, dated June 20, 2019, in regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. The fee is being charged at the rate of 1.25% on the average annual net assets. The fee is payable monthly in arrears.
- 6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2022: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

7 PAYABLE TO TRUSTEE

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

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

	Note	September 30, 2022 (Unaudited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	9.1	-	19,958
Provision for Federal Excise Duty and additional sales tax on management fee	9.2	15,531	15,531
Withholding tax		407	9,677
Auditors' remuneration		311	446
Printing charges		-	75
Payable against purchase of Investment		-	390,738
Zakat Payable		452	452
Others		66	153
		<u>16,767</u>	<u>437,030</u>

9.1 Provision for Sindh workers' welfare fund

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 20.15 million for the period from July 1, 2014 till August 12, 2021.

9.2 Provision for federal excise duty and additional sales tax

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

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2022 would have been higher by Rs. 3.5520 per unit (June 30, 2022: Rs. 2.77 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2022 (June 2022: Nil).

11 TAXATION

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

12 EARNINGS PER UNIT

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

13 TOTAL EXPENSE RATIO

The Scheme has maintained Total expense ratio (TER) 2.56%. (0.25% representing Government Levies, WWF and SECP Fee).

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

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

Transactions during the period	Three months ended	
	September	
	2022	2021
	(Unaudited)	
	(Rupees in '000's)	
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	1,987	3,408
Sindh Sales Tax on remuneration of Management Company	258	443
Reimbursement of fund operations, accounting and related costs	393	679
Sales load Paid	432	627
Habib Bank Limited Sponsor		
Bank charges paid	-	51
Profit on bank deposits	1,269	2,844
HBL Microfinance Bank -Associate		
Bank Charges Paid	-	6
Profit on bank deposits earned	1,190	7
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	90	200
CDS charges	9	5
Executives of the Management Company		
Issue of Nil units (2021: 265 units)	-	30
Redemption of 9 units (2021: 270 units)	1	30
	September 30	June 30,
	2022	2022
	(Unaudited)	(Audited)
	----- (Rupees in '000) -----	
Balance outstanding as at quarter / year end		
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	608	680
Sindh Sales Tax on remuneration of Management Company	79	88
Sales Load Payable	22	12
Allocation of expenses related to registrar services accounting, operation and valuation services	118	148
Selling & Marketing expense payable	650	786
Habib Bank Limited Sponsor		
Bank balances	4,198	446,371
Profit Receivable	1,640	1,462
HBL Microfinance Bank -Associate		
Bank Balances	77,091	624
Profit Receivable	1,264	768
TAAVUN (PRIVATE) LIMITED.		
Investment held in fund: 440,875 units (2022: 440,875 units)	51,091	49,589
Central Depository Company of Pakistan Limited - Trustee		
Remuneration Payable	27	34
CDC Charges Payable	2	1
Security Deposit	100	100
Director and Executives of the Management Company		
Investment held Nil (June 30, 2022: 9) units	-	1

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Note	September 30, 2022						
		Carrying amount			Fair Value			
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
Market Treasury Bills	5.1	-	-	-	-	-	-	-
Pakistan Investment Bonds	5.2	375,000	-	-	375,000	-	375,000	-
Corporate Sukuk Certificates	5.3	49,894	-	-	49,894	-	49,894	-
		424,894	-	-	424,894	-	424,894	-
Financial assets not measured at fair value								
Bank balances	4	-	85,917	-	85,917	-	-	-
Profit receivable		-	12,473	-	12,473	-	-	-
		-	98,390	-	98,390	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company		-	-	1,477	1,477	-	-	-
Payable to the Trustee		-	-	29	29	-	-	-
Accrued expenses and other liabilities		-	-	829	829	-	-	-
		-	-	2,335	2,335	-	-	-

Note		June 30, 2022							
		Carrying amount				Fair Value			
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments		----- (Rupees in '000) -----							
Financial assets measured at fair value									
Investments									
Market Treasury Bills	5.1	-	-	-	-	-	-	-	-
Pakistan Investment Bonds	5.2	785,290	-	-	785,290	-	785,290	-	785,290
Corporate Sukuk Certificates	5.3	50,409	-	-	50,409	-	50,409	-	50,409
		835,699	-	-	835,699	-	835,699	-	835,699
Financial assets not measured at fair value									
Bank balances	4	-	259,770	-	259,770	-	-	-	-
Deposits		-	1,162	-	1,162	-	-	-	-
Profit receivable		-	23,848	-	23,848	-	-	-	-
		-	284,780	-	284,780	-	-	-	-
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	3,093	3,093	-	-	-	-
Payable to the Trustee		-	-	64	64	-	-	-	-
Accrued expenses and other liabilities		-	-	666	666	-	-	-	-
		-	-	3,823	3,823	-	-	-	-

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

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on October 19, 2022 by the Board of Directors of the Management Company.

17 CORRESPONDING FIGURES

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

18 GENERAL

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Money Market Fund

FUND INFORMATION

Name of Fund	HBL Money Market Fund
Name of Auditor	A.F. Fergusons & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited Allied Bank Limited Meezan Bank Limited Askari Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited Sindh Bank Limited United Bank Limited Soneri bank limited JS Bank Dubai Islamic Bank MCB
Fund Rating	AA+(f) (JCR-VIS)

HBL Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2022

	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
Assets			
Bank balances	4	10,969,834	13,661,227
Investments	5	2,925,005	1,985,515
Accrued mark-up		194,050	198,722
Receivable against sale of investment		998,773	-
Advance , Deposit and prepayments		366	105
Total assets		15,088,028	15,845,569
Liabilities			
Payable to Management Company	6	46,701	41,799
Payable to Trustee	7	796	721
Payable to Securities and Exchange Commission of Pakistan	8	815	2,839
Dividend payable		9,261	9,261
Accrued expenses and other liabilities	9	53,490	192,276
Total liabilities		111,063	246,896
Net assets		14,976,965	15,598,673
Unit holders' fund (as per statement attached)		14,976,965	15,598,673
Cottingencies and commitments	10.		
(Number of units)			
Number of units in issue		140,627,410	151,697,590
(Rupees)			
Net assets value per unit		106.5010	102.8274

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

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

For the three months ended September 30, 2022

	Three months ended September 30, 2022 2021 (Rupees in '000)	
Note		
Income		
Mark-up / return on investments	422,394	175,081
Mark-up on deposits with banks & TDRs	232,599	60,047
Gain / (Loss) on sale of investments - net	(446)	(2,956)
Unrealized (loss)/ gain on revaluation of investment carried at fair value through profit or loss - held for trading	-	293
Total income	654,547	232,465
Expenses		
Remuneration of Management Company	34,557	15,376
Remuneration of Trustee	2,534	2,278
Annual fee of Securities and Exchange Commission of Pakistan	816	620
Allocation of expenses related to registrar services, accounting, operation and valuation services	24,465	2,227
Selling and Marketing expenses	24,465	2,227
Auditors' remuneration	162	218
Fees & Subscription	84	73
Settlement and bank charges	88	386
Securities transaction cost	51	11
Legal Charges	-	33
Total Expenses	87,222	23,449
	567,325	209,016
Reversal for Sindh Workers' Welfare Fund	9.2 -	62,703
Net income for the period before taxation	567,325	271,719
Taxation	12. -	-
Net income for the period after taxation	567,325	271,719
Allocation of net income for the period:		
Income already paid on redemption of units	55,889	25,401
Accounting income available for distribution: relating to capital gains	-	-
-Excluding capital gains	511,436	246,318
	511,436	246,318
Net income / (loss) for the period after taxation	567,325	271,719
-Other comprehensive income	-	-
Total comprehensive income for the period	567,325	271,719
Earning Per Unit	13	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Statement of Movement in Unit Holders' Fund (Un-Audited)
As at September 30, 2022

	Three months ended September 30,					
	2022			2021		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	15,548,452	50,225	15,598,677	12,788,659	48,311	12,836,970
Issuance of units 66,864,380 (2021: 28,409,868 units)						
- Capital Value (at net asset value per unit at the beginning of the period)	7,012,580	-	7,012,580	2,915,421	-	2,915,421
- Element of income	-	-	-	30,076	-	30,076
Total proceeds on issuance of units	7,012,580		7,012,580	2,945,497		2,945,497
Redemption of units 77,934,560 (2021: 35,420,807 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(8,201,617)	-	(8,201,617)	(3,634,883)	-	(3,634,883)
- Amount paid out of element of income						
Relating to net income for the period after taxation	55,889	(55,889)	-	(5,695)	(25,401)	(31,096)
Total payment on redemption of units	(8,145,728)	(55,889)	(8,201,617)	(3,640,578)	(25,401)	(3,665,979)
Total comprehensive income for the period	-	567,325	567,325	-	271,719	271,719
Refund of Capital	-	-	-	-	-	-
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	567,325	567,325	-	271,719	271,719
Net assets at the end of the period	14,415,304	561,661	14,976,965	12,093,578	294,629	12,388,207
Undistributed income brought forward						
- Realised		50,225			48,311	
- Unrealised		-			-	
		50,225			48,311	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		511,436			246,318	
		511,436			246,318	
Distribution during the period		-			-	
Undistributed income carried forward		561,661			294,629	
Undistributed income carried forward						
- Realised		561,661			294,629	
- Unrealised		-			-	
		561,661			294,629	
Net assets value per unit at beginning of the period			102.8274			102.6193
Net assets value per unit at end of the period			106.5010			104.9118

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
As at September 30, 2022

	Three months ended September 30,	
	2022	2021
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	567,325	271,719
	567,325	271,719
(Increase) / decrease in assets		
Investments - net	(1,938,259)	(8,275,739)
Accrued mark-up	4,672	10,563
Advances, deposits and other receivables	(261)	(259)
	(1,933,848)	(8,265,435)
Increase / (decrease) in assets		
Payable to HBL Asset Management Limited - Management Company	4,902	4,689
Payable to Central Depository Company of Pakistan Limited - Trustee	75	24
Payable to Securities and Exchange Commission of Pakistan	(2,024)	(1,979)
Payable againsts purchase of investment	-	7,940,102
Accrued expenses and other liabilities	(138,786)	(144,715)
	(135,833)	7,798,121
Net cash generated (used in) / from operating activities	(1,502,356)	(195,595)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	7,012,580	2,945,497
Payment against redemption of units	(8,145,728)	(3,665,979)
Cash dividend paid	-	-
Net cash generated (used in) / from financing activities	(1,133,148)	(720,482)
Net (decrease) / increase in cash and cash equivalents	(2,635,504)	(916,077)
Cash and cash equivalents at beginning of the period	13,661,227	12,963,462
Cash and cash equivalents at end of the period	11,025,723	12,047,385

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

Notes to the Condensed Interim Financial Information (Unaudited)

As at September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

During the year ended June 30, 2021, the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 8, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription 'at par from July 12, 2010 to July 14, 2010.

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

The Management Company has been assigned a quality rating of 'AM2++' (positive outlook) by VIS Credit Rating Company Limited.

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

2. STATEMENT OF COMPLIANCE

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

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

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

2.2 BASIS OF MEASUREMENT

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.
- 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, 2022.
- 3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

4	BANK BALANCES	Note	(Un-Audited) September 30, 2022	(Audited) June 30, 2022
			(Rupees in '000)	
	Balances with bank in:			
	- PLS saving deposit accounts under mark-up arrangements	4.1	10,969,834	13,661,227
			<u>10,969,834</u>	<u>13,661,227</u>

- 4.1 These include a balance of Rs. 20.3 million (June 30, 2022: 6,022 million) with Habib Bank Limited (a related party) and this account carries mark-up at the rates of 8% (June 30, 2022: 17.56%). Other profit and loss saving accounts of the Fund carry mark-up at the rates ranging from 5% to 16.50% (June 30, 2022: 5% to 16.70%) per annum.

5.	INVESTMENTS	Note	(Un-Audited) September 30, 2022	(Audited) June 30, 2022
			(Rupees in '000)	
	Financial asset at fair value through profit or loss			
	- Government Securities	5.1	-	-
	- TFC / Sukuk Certificates	5.2	1,835,000	935,000
	- Letter of Placements	5.3	-	-
	- Commercial Papers	5.4	1,090,005	1,050,515
			<u>2,925,005</u>	<u>1,985,515</u>

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

Issue Date	Tenor	Face value				Market Value as at September 30, 2022	Market value as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at September 30, 2022		Total Investments	Net Assets
		----- (Rupees in '000) -----					------%-----	
Treasury bills								
August 11, 2022	3 month	-	10,000	10,000	-	-	-	-
July 14, 2022	3 month	-	180,000	180,000	-	-	-	-
August 25, 2022	3 month	-	19,250	19,250	-	-	-	-
July 28, 2022	3 month	-	1,035,096	1,035,096	-	-	-	-
June 30, 2022	3 month	-	77,640	77,640	-	-	-	-
April 7, 2022	6 month	-	10,000	10,000	-	-	-	-
March 10, 2022	6 month	-	33,000	33,000	-	-	-	-
April 21, 2022	6 month	-	16,200	16,200	-	-	-	-
January 27, 2022	6 month	-	55,000	55,000	-	-	-	-
Total as at September 30, 2022		-	1,436,186	1,436,186	-	-	-	

5.2 Investment in TFC / Sukuk Certificates - At fair value through profit or loss

Name of Company	Maturity Date	Face value				Market Value as at September 30, 2022	Market value as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at September 30, 2022		Total Investments	Net Assets
		-----Units-----				-----Rs in 000-----	------%-----	
Hub Power Company Limited	27-Oct-22	850	-	-	850	85,000	2.91	0.57
K Electric Limited	12-Oct-22	2,500	-	-	2,500	250,000	8.55	1.67
Lucky Electric Power Limited	14-Oct-22	6,000	-	-	6,000	600,000	20.51	4.01
China Power Hub Company Ltd	28-Jan-23	-	6,500	-	6,500	650,000	22.22	4.34
K Electric Limited	28-Feb-23	-	2,500	-	2,500	250,000	8.55	1.67
Total as at September 30, 2022		9,350	9,000	-	18,350	1,835,000	62.74	12.26
Total as at June 30, 2022					9,350	935,000		

5.3 Letter of Placement - At fair value through profit or loss

Name of Company	As at July 01, 2022	Placements made during the period	Matured during the period	As at September 30, 2022	Carrying / Market Value as at Sept 30, 2022	Percentage of total value of investments	Percentage of Net Assets
(Rupees in '000)						-----%	
Pak Kuwait Investment Co. Ltd.	-	2,200,000	2,200,000	-	-	-	-
Askari Bank Ltd.	-	6,200,000	6,200,000	-	-	-	-
Pak Oman Investment Company (Pvt) Ltd	-	17,801,785	17,801,785	-	-	-	-
Saudi Pak Ind & Agri Investment Co. (Pvt) Ltd	-	2,950,000	2,950,000	-	-	-	-
Total as at September 30, 2022		-	29,151,785	29,151,785	-	-	-

5.4 Investment in Commercial Papers - At fair value through profit or loss

Name of Company	As at July 01, 2022	Placements made during the period	Matured during the period	As at September 30, 2022	Carrying / Market Value as at Sept 30, 2022	Percentage of total value of investments	Percentage of Net Assets
(Rupees in '000)						-----%	
China Power Hub Limited	500,000	-	-	500,000	498,152	17.03	3.33
Lucky Electric Company Limited	600,000	-	-	600,000	591,853	20.23	3.95
Total as at September 30, 2022				-	1,100,000	1,090,005	37.26
Total as at June 30, 2022				1,100,000	1,050,515		

			September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
	Note			
6.		PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	6.1	Management fee payable	9,602	8,421
	6.2	Sindh Sales Tax	1,248	1,095
		Sales load payable to management company	3,689	5,712
		Allocation of expenses related to registrar services, accounting, operation and valuation services	7,702	7,863
		Selling and marketing payable to management company	24,460	18,708
			<u>46,701</u>	<u>41,799</u>
6.1		As per the offering document of the Fund the maximum limit of the Management fee is 1.5% per annum of average annual net assets. During the period, management remuneration is charged by the Asset Management Company at the rate ranging from 0.75% (June 2022: 0.2% to 0.75%) of average annual net assets. The fee is payable monthly in arrears.		
6.2		The Sindh Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		
	Note		September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
7		PAYABLE TO TRUSTEE		
	7.1	Trustee's remuneration	704	638
		Sindh Sales Tax	92	83
			<u>796</u>	<u>721</u>
7.1		The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2020 the trustee fee is being charged at the rate of 0.065% of the daily average net assets of the Fund. The fee is payable monthly in arrears.		
	Note		September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
8		PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	8.1	Annual SECP fee payable	815	2,839
8.1		Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2020 the rate of 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.		

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
	Auditors remuneration		670	508
	Withholding tax payable		1,879	130,484
	Federal Excise Duty	9.1	41,211	41,211
	Capital gain tax payable		6,552	17,066
	Advance againsts units to be issued		2,500	2,500
	Provision for Sindh Workers' Welfare Fund	9.2	-	-
	Other payable		678	506
			53,490	192,276

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 41.21 million (June 30, 2022:Rs. 41.211 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Re. 0.29 (June 30, 2022: Re. 0.27) per unit.

9.2 PROVISION WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 64.77 million for the period from July 1, 2014 till August 12, 2021.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022.

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund (annualized) as at September 30, 2022 is 2.14% (2021: 0.19%) which includes 0.12% (2021: 0.02%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc.

12. TAXATION

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

13. EARNINGS PER UNIT (EPU)

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

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

		(Un-Audited)	
		Three months ended	
		September 30,	
		2022	2021
		(Rupees in '000)	
14.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Management fee	34,557	15,376
	Allocation of expenses related to registrar services, accounting, operation and valuation services	24,465	2,227
	Selling and Marketing expenses	24,465	2,227
	Investment of Nil units (2021: 47,983 units)	-	5,000
	Habib Bank Limited - Sponsor		
	Redemption of 4,603,276 units (2021: Nil units)	489,508	
	Bank charges paid	84	252
	Mark-up earned during the period	50,706	29,281
	Habib Bank Limited - Treasury Division		
	Redemption of 681,844 units (2021: Nil units)	72,507	-

	(Un-Audited) Three months ended September 30, 2022 2021 (Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	2,534	2,278
Directors, Executives and Key Management personnel		
Investment of Nil Units (2021: 24,002 units)	-	2,472
Redemption of 29,818 units (2021: 25,132 units)	3,087	2,587
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Investment of Nil units (2021: 12,137 units)	-	1,255
Redemption of 45,134 units (2021: 3,891 units)	4,782	400
CDC Trustee HBL Islamic Money Market Fund		
Purchase of Commercial Paper KEL-ICP	-	69,557
Sale of Commercial Paper KEL-ICP	-	63,839
CDC Trustee HBL Cash Fund		
Purchase of T Bills	1,500,000	-
14.2 Amounts outstanding as at period end	(Un-Audited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
HBL Asset Management Limited - Management Company		
Management Fee	9,602	8,421
Sindh Sales Tax	1,248	1,095
Sale load payable	3,689	5,712
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,702	7,863
Selling and Marketing expenses	24,460	18,708
Habib Bank Limited - Sponsor		
Investment held in the Fund: Nil units (June 30, 2022: 4,603,276 units)	-	473,343
Bank balances	20,302	6,022,432
Habib Bank Limited - Treasury Division		
Investment held in the Fund: Nil units (June 30, 2022: 681,844 units)	-	70,122
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	796	721
Directors, Executives and Key Management personnel		
Investment held in the Fund : 16,826 units (June 30, 2022: 46,644 units)	1,792	4,796
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Investment held in the Fund : 15,361 units (June 30, 2021: 60,495 units)	1,636	6,221
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate		
Investment held in the Fund : 11,931 units (June 30, 2022: 11,931 units)	1,271	1,227

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	September 30, 2022						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	(Rupees in '000)						
Financial assets measured at fair value							
Investments							
- Sukuk Certificates	1,835,000	-	1,835,000	-	1,835,000	-	1,835,000
- Commercial Paper	1,090,005	-	1,090,005	-	1,090,005	-	1,090,005
	2,925,005	-	2,925,005	-	2,925,005	-	2,925,005
Financial assets not measured at fair value							
Bank balances	-	10,969,834	10,969,834	-	-	-	-
Accrued mark-up	-	194,050	194,050	-	-	-	-
Advances, deposits and other receivables	-	100	100	-	-	-	-
	-	11,163,984	11,163,984	-	-	-	-
Financial liabilities not measured at fair value							
Payable to Management Company	-	45,453	45,453	-	-	-	-
Payable to Trustee	-	704	704	-	-	-	-
Dividend Payable	-	9,261	9,261	-	-	-	-
Accrued expenses and other liabilities	-	3,848	3,848	-	-	-	-
	-	59,266	59,266	-	-	-	-

	June 30, 2022						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	(Rupees in '000)						
Financial assets measured at fair value							
Investments							
- Sukuk Certificates	935,000	-	935,000	-	935,000	-	935,000
- Commercial Paper	1,050,515	-	1,050,515	-	1,050,515	-	1,050,515
	<u>1,985,515</u>	<u>-</u>	<u>1,985,515</u>	<u>-</u>	<u>1,985,515</u>	<u>-</u>	<u>1,985,515</u>
Financial assets not measured at fair value							
Bank balances	-	13,661,227	13,661,227	-	-	-	-
Accrued mark-up	-	198,722	198,722	-	-	-	-
Deposits	-	100	100	-	-	-	-
	<u>-</u>	<u>13,860,049</u>	<u>13,860,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Payable to Management Company	-	40,704	40,704	-	-	-	-
Payable to Trustee	-	638	638	-	-	-	-
Dividend Payable	-	9,261	9,261	-	-	-	-
Accrued expenses and other liabilities	-	3,514	3,514	-	-	-	-
	<u>-</u>	<u>54,117</u>	<u>54,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Cash Fund

FUND INFORMATION

Name of Fund	HBL Cash Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited MCB Bank Limited United Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited JS Bank Limited Sindh Bank Limited Dubai Islamic Bank of Pakistan National Bank of Pakistan
Fund Rating	'AA+(f)' (JCR-VIS)

HBL Cash Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As At September 30, 2022

		September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
	Note		
Assets			
Bank balances	5	29,038,866	33,290,444
Investments	6	2,564,953	2,850,342
Accrued markup on bank balances and investments		475,778	514,489
Deposits and prepayments		3,347,049	1,132
Total assets		35,426,646	36,656,407
Liabilities			
Payable to Management Company	7	35,173	16,724
Payable to the Trustee	8	1,691	1,537
Payable to the Securities and Exchange Commission of Pakistan	9	1,655	6,139
Payable against purchase of investment		-	484,070
Accrued expenses and other liabilities	10	165,086	81,629
Dividend payable		-	-
Total liabilities		203,605	590,099
Net assets		35,223,041	36,066,308
Unit holders' fund (as per statement attached)		35,223,041	36,066,308
Contingencies and commitments	11		
		(Number of units)	
Number of units in issue		343,809,878	355,820,022
		(Rupees)	
Net assets value per unit		102.4492	101.3611

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

Condensed Interim Income Statement And Other Comprehensive Income (Un-audited) For The Three Months Ended September 30, 2022

		Three Months ended September 30, 2022 2021	
		Note -----(Rupees in '000)-----	
Income			
Capital (loss)/gain on sale of investments - net		(8,552)	3,885
Income from government securities		579,580	214,034
Income from money market placements		116,466	16,794
Income from corporate sukkuk bond		34,573	-
Profit on bank deposits		582,683	328,726
		1,304,750	563,439
Unrealized (diminution)on re-measurement of invetsment classified as ' financial assets at fair value through profit or loss - held-for-trading - net		(500)	26
		1,304,250	563,465
Expenses			
Remuneration of the Management Company	7.1	43,672	19,468
Sindh Sales Tax on remuneration of Management Company	7.2	5,677	2,531
Remuneration of the Trustee	8	5,143	5,229
Annual fee to the Securities and Exchange Commission of Pakistan	9	1,655	1,424
Selling & marketing expense		19,747	1,065
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	19,747	989
Auditors remuneration		107	110
Fee & Subscription charges		59	132
Settlement and bank charges		226	389
Total operating expense		96,033	31,336
Net income for the period from operating activities		1,208,217	532,129
Reversal / (Provision) for Sindh Workers' Welfare Fund	8.1	-	98,533
Net income for the period before taxation		1,208,217	630,662
Taxation	12	-	-
Net income for the period after taxation		1,208,217	630,662
Allocation Of Net Income For The Period			
Income already paid on redemption		115,334	22,889
Accounting income available for distribution			
-Relating to capital gain		-	-
-Excluding capital gain		1,092,883	607,773
		1,092,883	607,773
Net income for the period after taxation		1,208,217	630,662
Other comprehensive income for the period		-	-
Total comprehensive income for the period		1,208,217	630,662

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

Statement Of Movement In Unitholders' Fund (Un-audited)

For The Three Months Ended September 30, 2022

	2022			2021		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the year	35,913,953	152,355	36,066,308	26,431,839	107,572	26,539,411
Issuance of 289,148,426 units (2021: 221,070,566 units)						
- Capital value (at net asset value per unit at the beginning of the year)	29,389,839	-	29,389,839	22,442,411	-	22,442,411
- Element of income	91,497	-	91,497	(2,183,510)	-	(2,183,510)
Total proceeds on issuance of units	29,481,336	-	29,481,336	20,258,901	-	20,258,901
Redemption of 301,158,569 units (2021: 119,192,537 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(30,525,763)	-	(30,525,763)	(12,064,992)	-	(12,064,992)
- Income already paid on redemption	-	(115,334)	(115,334)	-	(22,889)	(22,889)
- Element of income	(63,039)	-	(63,039)	2,203,093	-	2,203,093
Total payment on redemption of units	(30,588,802)	(115,334)	(30,704,136)	(9,861,899)	(22,889)	(9,884,788)
Total comprehensive income for the year	-	1,208,217	1,208,217	-	630,662	630,662
Rs. 0.7771 per unit declared on August 06, 2021 as cash dividend						
Refund of capital	-	-	-	(6,782)	-	(6,782)
Distribution during the year	-	-	-	-	(181,837)	(181,837)
Rs. 0.9822 per unit declared on September 03, 2021 as cash dividend						
Refund of capital	-	-	-	(58,267)	-	(58,267)
Distribution during the year	-	-	-	-	(245,316)	(245,316)
Rs. 1.6445 per unit declared on August 05, 2022 as cash dividend						
Refund of capital	(59,495)	-	(59,495)	-	-	-
Distribution during the year	-	(449,925)	(449,925)	-	-	-
Rs. 1.0143 per unit declared on September 02, 2022 as cash dividend						
Refund of capital	(21,942)	-	(21,942)	-	-	-
Distribution during the year	-	(297,321)	(297,321)	-	-	-
Total comprehensive income for the year less distribution	(81,437)	460,971	379,534	(65,049)	203,509	138,460
Net assets at the end of the year	34,725,050	497,992	35,223,041	36,763,792	288,192	37,051,984
Undistributed income brought forward						
- Realised		151,855			107,572	
- Unrealised		500			-	
		152,355			107,572	
Element of income and capital gains included in prices of units issued less those in units redeemed		-			-	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		1,092,883			607,773	
		1,092,883			607,773	
Distribution during the year						
Rs. 0.7771 per unit declared on August 06, 2021 as cash dividend		-			(181,837)	
Rs. 0.9822 per unit declared on September 03, 2021 as cash dividend		-			(245,316)	
Rs. 1.6445 per unit declared on August 05, 2022 as cash dividend		(449,925)			-	
Rs. 1.0143 per unit declared on September 02, 2022 as cash dividend		(297,321)			-	
Undistributed income carried forward		497,992			288,192	
Undistributed income carried forward						
- Realised		498,492			288,166	
- Unrealised		(500)			26	
		497,992			288,192	
				(Rupees)		
Net assets value per unit at beginning of the year		101.3611			101.2227	
Net assets value per unit at end of the year		102.4492			101.7726	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Statement of Cash Flow (Un-Audited)
For The Three Months Ended September 30, 2022

	Three Month ended September 30, 20222021 (Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	1,208,217	630,662
Adjustments		
Capital loss/(gain) on sale of investments-net	8,552	(3,885)
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		
Operating cash inflow before working capital changes	500	(26)
	1,217,269	626,751
(Increase) / Decrease in assets		
Investments - net	276,337	(3,773,045)
Profit Receivable	38,711	(114,408)
Prepayments and advances	(3,345,917)	52
	(3,030,869)	(3,887,401)
(Decrease) in liabilities		
Payable to the Management Company	18,449	3,686
Payable to Trustee	154	499
Payable to Securities and Exchange Commission of Pakistan	(4,484)	(3,643)
Payable against purchase of investment	(484,070)	2,983,589
Accrued expenses and other liabilities	83,457	(78,019)
Dividend payable	-	-
	(386,494)	2,906,112
Net cash generated from / (used in) operating activities	(2,200,094)	(354,538)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	29,481,336	20,258,901
Payments on redemption of units	(30,704,136)	(9,884,788)
Dividend paid	(828,683)	(492,202)
Net payments from issuance and redemptions of units	(2,051,483)	9,881,911
Net cash generted from financing activities	(2,051,483)	9,881,911
Net increase in cash and cash equivalents	(4,251,577)	9,527,373
Cash and cash equivalents at the beginning of the period	33,290,444	26,522,253
Cash and cash equivalents at the end of the period	29,038,866	36,049,626

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

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

For Three Months Ended September 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2++ (Positive Outlook)' to the Management Company and a stability rating of AA+(f) to the Fund.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.
- 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, 2022.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022

		September 30, 2022 Un-Audited (Rupees in '000)	June 30, 2022 (Audited)
5	BANK BALANCES	Note	
	In savings accounts	5.1	29,038,866
	In current accounts		33,290,438
			-
			6
			29,038,866
			33,290,444

- 5.1 These accounts carry mark-up at rates ranging between 8% and 16.55% (June 30, 2022: 5% and 17.62%) per annum

			September 30, 2022 Un-Audited (Rupees in '000)	June 30, 2022 (Audited)
	Note			
6 INVESTMENTS				
Financial assets				
At fair value through profit or loss	6.1	-		1,799,570
At amortized cost	6.2	1,090,366		1,050,772
		1,090,366		2,850,342

6.1 Financial assets at fair value through profit or loss

Market treasury bills	6.1.1	-		484,570
Corporate Sukkuk Bond	6.1.2	1,474,587		1,315,000
		1,474,587		1,799,570

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

Issue date	Tenor	As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at September 30, 2022	Balance as at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments	
						Carrying value	Market value	Appreciation / (diminution)			
------(Rupees in '000)-----											
April 7, 2022	6 Months	-	800,000	800,000	-	-	-	-	0%	0%	
April 28, 2022	3 Months	-	30,450,000	30,450,000	-	-	-	-	0%	0%	
June 2, 2022	3 Months	-	200,000	200,000	-	-	-	-	0%	0%	
June 16, 2022	3 Months	-	4,460,000	4,460,000	-	-	-	-	0%	0%	
June 30, 2022	3 Months	-	3,500,000	3,500,000	-	-	-	-	0%	0%	
July 4, 2022	3 Months	-	167,979,200	167,979,200	-	-	-	-	0%	0%	
July 28, 2022	3 Months	-	48,073,000	48,073,000	-	-	-	-	0%	0%	
August 25, 2022	3 Months	-	4,850,000	4,850,000	-	-	-	-	0%	0%	
Total - As at September 30, 2022			-	260,312,200	260,312,200	-	-	-	0%	0%	
Total - June 30, 2022			-	441,223,000	440,723,000	500,000	484,070	484,570	500	1%	17%

6.1.2 Financial assets at fair value through profit or loss - Corporate Sukuk Bonds

Name of investee company	Tenor	As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at September 30, 2022	Balance as at September 30, 2022			Market value as a percentage of net	Market value as a percentage of total
						Carrying value	Market value	Appreciation / (diminution)		
------(Rupees in '000)-----										
Hub Power Company Limited	6 Months	-	450,000	-	450,000	450,000	450,000	-	1%	18%
K-Electric Limited	6 Months	-	265,000	-	265,000	265,000	265,000	-	1%	10%
Lucky Electric Power Company Limited	6 Months	-	259,587	-	259,587	259,587	259,587	-	1%	10%
Lucky Electric Power Company Limited	6 Months	-	500,000	-	500,000	500,000	500,000	-	1%	19%
Total - As at September 30, 2022		-	1,474,587	-	1,474,587	1,474,587	1,474,587	-	4%	57%
Total - June 30, 2022		-	1,315,000	-	1,315,000	1,315,000	1,315,000	-	4%	46%

6.1.2.1 These Corporate Sukuk Bonds carry mark-up at the rate ranging between 14% to 17.51% (2022: 11.61% to 15.1% per annum).

	Note	Un-audited September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
6.2 Financial assets at amortised cost - Commercial paper			
Commercial Paper	6.2.1	1,090,366	1,050,772
		1,090,366	1,050,772

6.2.1 Financial assets at amortised cost - Commercial paper

Name of Investee Company	Maturity date	As at July 1, 2022	Placement made during the year	Income Accrued	Matured / Sold during the year	Market value as at Sep 30, 2022	Market value as a percentage of net assets	Market value as a percentage of total investments
-----Rupees in '000-----								
China Power Hub Generation Company (Private) Limited	10/9/2022	481,733	-	16,781	-	498,513	1.4%	19.4%
Lucky Electric Power Company Limited	11/2/2022	569,040	-	22,813	-	591,853	1.7%	23.1%
Total - as at September 30, 2022		1,050,773	-	39,593	-	1,090,366	3%	43%
Total - as at June 30, 2022		-	2,493,555	137,850	1,580,633	1,050,772	3%	37%

6.2.1 These carry return of 6.93%, 7.99% per annum respectively (June 2022: 6.93%, 7.99% per annum.)

	Note	Un-audited September 30, 2022 (Un-Audited) (Rupees in '000)	(Audited) June 30, 2022 (Audited)
7 PAYABLE TO MANAGEMENT COMPANY			
Management fee	7.1	8,165	5,658
Sindh sales tax payable	7.2	1,061	735
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	5,443	1,976
Selling & marketing payable	7.4	19,747	7,520
sales load payable		757	835
		35,173	16,724

7.1 The management has charged a fee at the rate ranging between 0.2% to 0.3% of the average daily net asset of the scheme. Currently management fee is being charged at the rate of 0.3% of the average daily net asset of the fund. The fee is payable monthly in arrears.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2021: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

7.3 As per Regulation 60(3)(s) of the NBFC Regulations, fee and expenses related to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. Previously, such expenses were chargeable maximum upto 0.1% of the average annual net assets of the Fund or the actual cost, whichever is lower.

However, SECP vide S.R.O. 639(I)/2019, dated June 20, 2019, has removed the maximum limit of 0.1%. During the year, the fee has been charged at the rate ranging 0.2% of the average annual net assets of the Fund.

7.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "selling and marketing expenses" to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged at the rate 0.2% of the average annual net asset of the fund.

		Un-audited September 30, 2022 (Un-Audited)	(Audited) June 30, 2022 (Audited)
	Note	(Rupees in '000)	
8	ACCRUED EXPENSES AND OTHER LIABILITIES		
Provision for Sindh Workers' Welfare Fund	10.2	-	-
Provision for Federal Excise Duty and additional sales tax on management fee		7,528	7,528
Withholding tax payable	10.1	156,877	73,445
Sales load - payable to related parties		-	-
Auditors' remuneration		314	207
Brokerage payable		142	174
Zakat Payable		160	154
Other Payable		65	121
		165,086	81,629

8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2022 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 102.73 million for the period from July 1, 2014 till August 12, 2022.

8.2 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, 2020, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 7.528 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2022 would have been higher by Rs. 0.02 per unit (June 30, 2022: 0.0212 per unit).

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2022 and June 30, 2022.

10 TAXATION

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

The Government of Sindh 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 i.e (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 Companies (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.

Based on 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. 98.533 million that was charged for the period from July 1, 2014 till August 12, 2021.

11 EARNING PER UNIT (EPU)

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

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	Three Month ended September 30,	
	2022	2021
	(Rupees in '000)	
12.1 Transaction during the period		
Management Company		
Remuneration of the Management Company	43,672	19,468
Sindh Sales Tax on remuneration of the Management Company	5,677	2,531
Allocation of expenses related to registrar services, accounting, operation and valuation services	19,747	989
Selling & marketing expense	19,747	1,065
Issue of 3,272,574 units (2021: 1,233,973 units)	333,763	125,000
Redemption of 1,369,831 units (2021: 1,180,207 units)	140,000	120,000
Dividend paid	2,473	941
Central Depository Company Of Pakistan Limited - Trustee		
Remuneration for the period	5,143	5,229
CDS connection charges	11	11

	Three Month ended September 30,	
	2022	2021
	(Rupees in '000)	
Habib Bank Limited - Sponsor		
Profit on bank deposits	167,049	167,049
CDC Trustee HBL Islamic Money Market Fund		
Sale of K-Electric- Commercial Paper (Face Value: 380 million)	-	367,557
CDC Trustee HBL Equity Fund		
Purchase of 3M T-Bills	15,000	-
Directors and Executives of the Management Company		
Issue of 214,320 units (2021: 65,974 units)	21,802	6,705
Redemption of 197,428 units (2021: 21,235 units)	20,129	2,168
Dividend paid	435	186
DCCL HBL Financial Planning Fund - Active Allocation Plan - Associated Company		
Redemption of 14,992 units (2021: 14,992 units) units	-	1,522
Dividend paid	-	-
DCCL HBL Financial Planning Fund - Conservative Allocation Plan - Associated Company		
Issue of 4 units (2021: NIL units)	-	-
Redemption of Nil units (2021: NIL units) units	-	-
Dividend paid	-	-
DCCL HBL Financial Planning Fund - Special Income Plan - Associated Company		
Redemption of Nil units (2021: 884,450 units)	-	89,683
Dividend paid	-	1,359
Mutual Funds Association of Pakistan - Associated Company		
Issue of 1,156 units (2021: Nil units)	117	-
Dividend paid	138	-
Pakistan Petroleum Company - Associated Company		
Issue of 9.286.402 units (2021: Nil units)	951,000	-
Dividend paid	-	-
CDC Trustee HBL Multi Asset Fund		
Purchase of 3M T-Bills	25,000	-
CDC Trustee HBL Stock Fund		
Purchase of 3M T-Bills	25,000	-
CDC Trustee HBL Growth Fund		
Purchase of 3M T-Bills	35,000	-
CDC Trustee HBL Money Market Fund		
Purchase of 3M T-Bills	1,500,000	-
CDC Trustee HBL Islamic Income Fund		
Purchase of Lucky Electric Power Company Sukuk	259,587	-

		September 30, 2022 (Un-Audited) (Rupees in '000')	June 30, 2022 Audited
12.2	Balances outstanding at the period / year end		
	Management Company		
	Outstanding 1,902,743 units (June 2022 : Nil)	194,934	-
	Remuneration of the Management Company	8,165	5,658
	Sindh Sales Tax on remuneration of the Management Company	1,061	735
	Allocation of expenses related to registrar services, accounting, operation and valuation services	5,443	1,976
	Selling & marketing payable	19,747	7,520
	Sales load payable	757	835
	Central Depository Company Of Pakistan Limited - Trustee		
	Trustee fee payable	1,691	1,537
	Security deposit held	100	100
	Habib Bank Limited - Sponsor		
	Bank balances	16,951	33,098,328
	Profit Receivable	135,677	351,431
	Directors and Executive of the Management Company		
	90,217 units held (June 2022: 78,211 units)	9,243	7,928
	DCCL HBL Financial Planning Fund - Conservative Allocation Plan - Associated Company		
	141 units held (June 2022: 137 units)	14	14
	PAKISTAN PETROLEUM LIMITED - Associated Company		
	9,286,402 units held (June 2022: 59,520,216 units)	951,384	6,030,172
	Mutual Funds Association of Pakistan - Associated Company		
	Units held: 52,714 (June 2022: 51,558)	5,401	5,226

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2022				
		Carrying amount		Fair value		
	Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3
Note	(Rupees in '000)					
On-balance sheet financial instruments						
Financial assets measured at fair value	13.1					
Market treasury bills		-	-	-	-	-
		-	-	-	-	-
Financial assets not measured at fair value						
13.2						
Bank balances		-	29,038,866	29,038,866		
Accrued markup		-	475,778	475,778		
Investments		-	1,090,366	1,090,366		
Deposits		-	100	100		
		-	30,605,010	30,605,010		
Financial liabilities not measured at fair value						
15.2						
Payable to Management Company		-	35,173	35,173		
Payable to Central Depository Company of Pakistan Limited - Trustee		-	1,691	1,691		
Accrued expenses and other liabilities		-	456	456		
		-	37,320	37,320		

		June 30, 2022					
		Carrying amount			Fair value		
	Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)						
On-balance sheet financial instruments							
Financial assets measured at fair value							
13.1							
Market treasury bills	484,570	-	484,570	-	484,570	-	484,570
Corporate Sukuk Bonds	1,315,000		1,315,000	-	1,315,000	-	1,315,000
	1,799,570	-	1,799,570	-	1,799,570	-	1,799,570
Financial assets not measured at fair value							
15.2							
Bank balances	-	33,290,444	33,290,444				
Accrued markup	-	466,710	466,710				
Investments	-	1,050,772	1,050,772				
Deposits	-	100	100				
	-	34,808,026	34,808,026				
Financial liabilities not measured at fair value							
15.2							
Payable to Management Company	-	15,989	15,989				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,360	1,360				
Payable against purchase of investments		484,070	484,070				
Accrued expenses and other liabilities	-	381	381				
	-	501,800	501,800				

13.1 Valuation Techniques

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

13.2 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.

13.3 During the period ended September 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

14 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the three month ended September 30, 2022 is 1.15% (YTD) which includes 0.08% representing government levy and SECP fee.

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management company on October 19, 2022.

16 GENERAL

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

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Stock Fund

FUND INFORMATION

Name of Fund	HBL Stock Fund
Name of Auditor	A.F. Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited HBL Micro

HBL Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2022

	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
Assets			
Bank balances	4	53,813	47,889
Investments	5	228,099	223,548
Dividend receivable and accrued mark-up	6	2,478	1,442
Receivable against sale of investments		5,797	2,278
Advance, deposits and other receivables		3,111	3,111
Total assets		293,298	278,268
Liabilities			
Payable to Management Company	8	1,228	2,333
Payable to Trustee		42	65
Payable to Securities and Exchange Commission of Pakistan	11	12	138
Payable against purchase of investments		16,486	-
Accrued expenses and other liabilities	9	40,048	40,095
Total liabilities		57,816	42,631
Net assets		235,482	235,637
Unit holders' fund (as per statement attached)		235,482	235,637
Contingencies and commitments	9.3		
(Number of units)			
Number of units in issue		3,355,014	3,276,044
(Rupees)			
Net assets value per unit		70.1881	71.9274

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

For HBL Asset Management Limited
(Management Company)

_____ Chief Financial Officer	_____ Chief Executive Officer	_____ Director
----------------------------------	----------------------------------	-------------------

HBL Stock Fund

Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited) For The Three Months Ended September 30, 2022

		Three months ended September 30,	
		2022	2021
		----- (Rupees in '000) -----	
Income			
Dividend income		4,362	6,680
Mark-up on deposits with banks		1,647	1,327
Mark-up on government securities		138	-
Unrealized (diminution) on re-measurements of investments		(6,428)	(135,561)
Capital (loss) / gain on sale of investments - net		(2,302)	1,676
		(2,583)	(125,878)
Expenses			
Remuneration of Management Company	9.1&9.2	1,322	5,363
Remuneration of Trustee		147	611
Annual fee to Securities and Exchange Commission of Pakistan		12	47
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	322	1,305
Selling & Marketing Expense	8.4	614	2,491
Settlement, Bank Charges & Other Expenses		140	184
Auditors' remuneration		121	160
Securities Transaction Cost		343	953
Legal Fee		-	33
		3,022	11,149
Net (loss) / income from operating activities		(5,605)	(137,027)
Reversal / (Provision) for Sindh Workers' Welfare fund	9.2	-	44,249
Net (loss) / income for the period before taxation		(5,605)	(92,778)
Taxation	12	-	-
Net (loss) / income for the period after taxation		(5,605)	(92,778)
Earning per unit	13		
Allocation of net income for the period:			
Net Income for the period		-	-
Income already paid on redemption of units		-	-
		-	-
Accounting (loss) / income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
		-	-
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(5,605)	(92,778)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Statement Of Movement In Unitholders' Fund
For The Three Months Ended September 30, 2022

	For the year ended September 30,					
	2022			2021		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	1,408,880	(1,173,243)	235,637	1,837,990	(886,646)	951,344
Issuance of 510,553 units (2021: 912,647 units)						
- Capital value (at net asset value per unit at the beginning of the period)	36,723	-	36,723	102,310	-	102,310
- Element of Income	(20)	-	(20)	(5,934)	-	(5,934)
Total proceeds on issuance of units	36,703	-	36,703	96,376	-	96,376
Redemption of 431,584 units (2021: 429,451 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(31,043)	-	(31,043)	(48,142)	-	(48,142)
- Amount relating to element of loss	(210)	-	(210)	2,113	-	2,113
Total payment on redemption of units	(31,253)	-	(31,253)	(46,030)	-	(46,030)
Total comprehensive income for the year less distribution	-	(5,605)	(5,605)	-	(92,778)	(92,778)
Net assets at the end of the period	1,414,330	(1,178,848)	235,482	1,888,336	(979,424)	908,913
Undistributed income brought forward						
- Realised	(1,105,204)			(966,283)		
- Unrealised	(68,039)			79,637		
	(1,173,243)			(886,646)		
Accounting (loss) / income available for distribution						
-Relating to Capital Gain	-			-		
-Excluding Capital Gain	-			-		
	-			-		
Total Comprehensive income / (loss) for the period	(5,605)			(92,778)		
Undistributed income carried forward	(1,178,848)			(979,424)		
Undistributed income carried forward						
- Realised	(1,172,420)			(843,863)		
- Unrealised	(6,428)			(135,561)		
	(1,178,848)			(979,424)		
				(Rupees)		
Net assets value per unit at beginning of the period		71.9274				112.1020
Net assets value per unit at end of the period		70.1881				101.3324

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For The Three Months Ended September 30, 2022

	Three Months ended September 30,	
	2022	2021
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	(5,605)	(92,778)
Adjustments		
Capital (loss) / gain on sale of investments - net	2,302	(1,676)
Dividend Income	(4,362)	(6,680)
Profit on bank deposit	(1,647)	(1,327)
Unrealized diminution on re-measurements of investments	6,428	135,561
	(2,884)	33,100
(Increase) / decrease in assets		
Investments - net	(13,281)	(67,085)
Receivable against sale of investments	(3,519)	514,666
Advances, deposits, prepayments and other receivables	-	3,921
	(16,800)	451,502
Increase / (decrease) in liabilities		
Payable to Management Company	(1,105)	(3,031)
Payable to Trustee	(23)	(57)
Payable to Securities and Exchange Commission of Pakistan	(126)	(353)
Payable against purchase of investments	16,486	(5,497)
Accrued expenses and other liabilities	(47)	(545,777)
	15,185	(554,714)
Mark-up on bank deposits received	2,145	1,487
Dividend received	2,828	5,535
Net cash used in / (generated from) operating activities	474	(63,090)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	36,703	96,376
Payment against redemption of units	(31,253)	(46,030)
Net cash generated from / (used in) financing activities	5,450	50,346
Net increase in cash and cash equivalents	5,925	(12,744)
Cash and cash equivalents at beginning of the period	47,889	102,568
Cash and cash equivalents at end of the period	53,813	89,824

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

For HBL Asset Management Limited
(Management Company)

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

HBL Stock Fund

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

For The Three Months Ended September 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.4 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.

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, 2022.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

4	BANK BALANCE	Note	September 30, 2022	June 30, 2022
			(Rupees in '000)	
	Savings accounts	4.1	53,795	47,871
	Current accounts		18	18
			<u>53,813</u>	<u>47,889</u>

Mark-up rates on these accounts range between 8% to 17% p.a (June 30, 2021: 5% - 16.7% p.a).

5	INVESTMENTS	Note	September 30, 2022	June 30, 2022
			(Rupees in '000)	
	Held For Trading			
	- Listed equity securities	5.1	228,099	223,548
	- Market treasury bills	5.3	-	-
			<u>228,099</u>	<u>223,548</u>

5.1 Listed Equity Securities

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

Name of the Investee Company	Number of shares					Market value as at	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022	September 30, 2022	Total Investments	Net Assets	
	(Rupees in '000)								
INSURANCE									
IGI Life Insurance Limited	77,000	-	-	500	76,500	1,591	0.70%	0.68%	-
TPL Insurance Limited	35,500	-	-	35,500	-	-	0.00%	0.00%	-
	112,500	-	-	36,000	76,500	1,591	0.70%	0.68%	
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Ltd	86,800	-	-	86,800	-	-	0.00%	0.00%	
	86,800	-	-	86,800	-	-	0.00%	0.00%	
CEMENT									
Attock Cement Pakistan Ltd	137,200	-	-	7,500	129,700	10,580	4.64%	4.49%	0.11%
D G Khan Cement Co.Ltd.	-	216,500	-	110,355	106,145	6,435	2.82%	2.73%	0.02%
Fauji Cement Company Limited	-	382,500	-	-	382,500	5,734	2.51%	2.43%	0.03%
Lucky Cement Ltd	-	16,700	-	2,700	14,000	6,952	3.05%	2.95%	0.00%
Maple Leaf Cement Factory Ltd	-	215,000	-	15,000	200,000	5,572	2.44%	2.37%	0.04%
	137,200	830,700	-	135,555	832,345	35,272	15.46%	14.98%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	113,558	23,000	-	-	136,558	9,547	4.19%	4.05%	1.05%
Nishat Power Limited	-	40,000	-	40,000	-	-	0.00%	0.00%	-
	113,558	63,000	-	40,000	136,558	9,547	4.19%	4.05%	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	20,889	-	-	-	20,889	1,362	0.60%	0.58%	0.01%
	20,889	-	-	-	20,889	1,362	0.60%	0.58%	
AUTOMOBILE ASSEMBLER									
Millat Tractors Ltd	-	5,500	-	5,500	-	-	0.00%	0.00%	-
	-	5,500	-	5,500	-	-	0.00%	0.00%	
PHARMACEUTICALS									
The Searle Company Ltd	9,532	-	-	-	9,532	969	0.42%	0.41%	0.01%
	9,532	-	-	-	9,532	969	0.42%	0.41%	
MISCELLANEOUS									
TPL Properties Ltd	-	28,000	-	28,000	-	-	0.00%	0.00%	-
	-	28,000	-	28,000	-	-	0.00%	0.00%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	-	2,700	-	-	2,700	4,225	1.85%	1.79%	0.00%
Oil & Gas Development Co Ltd	229,055	39,000	-	76,600	191,455	14,497	6.36%	6.16%	0.00%
Pakistan Oilfields Ltd	17,231	3,650	-	-	20,881	7,290	3.20%	3.10%	0.01%
Pakistan Petroleum Ltd	264,619	44,500	-	79,433	229,686	14,114	6.19%	5.99%	0.01%
	510,905	89,850	-	156,033	444,722	40,126	17.59%	17.04%	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Ltd	-	6,000	-	-	6,000	1,673	0.73%	0.71%	0.01%
Pakistan State Oil Company Ltd	61,341	-	-	15,100	46,241	7,511	3.29%	3.19%	0.01%
Sui Northern Gas Pipeline Ltd	-	70,500	-	70,500	-	-	0.00%	0.00%	-
	61,341	76,500	-	85,600	52,241	9,184	4.03%	3.90%	
REFINERY									
Attock Refinery Ltd	51,500	-	-	14,500	37,000	5,447	2.39%	2.31%	0.04%
National Refinery Ltd	21,400	-	-	7,400	14,000	3,408	1.49%	1.45%	0.02%
	72,900	-	-	21,900	51,000	8,856	3.88%	3.76%	
COMMERCIAL BANKS									
Bank Al-Falah Ltd	172,100	215,000	-	15,000	372,100	11,587	5.08%	4.92%	0.02%
Bank Al-Habib Limited	5	-	-	-	5	0	0.00%	0.00%	0.00%
Faysal Bank Limited	104,018	12,500	-	-	116,518	3,068	1.34%	1.30%	0.01%
Habib Bank Ltd*	97,158	150,000	-	97,158	150,000	10,457	4.58%	4.44%	0.01%
Habib Metropolitan Bank Ltd	125,000	-	-	-	125,000	4,259	1.87%	1.81%	0.01%
MCB Bank Ltd	56,389	-	-	-	56,389	6,739	2.95%	2.86%	0.01%
Meezan Bank Ltd	42,296	47,000	3,729	5,000	88,025	9,661	4.24%	4.10%	0.01%
Standard Chartered Bank (Pakistan) Ltd	677,000	-	-	509,000	168,000	3,523	1.54%	1.50%	0.00%
United Bank Limited	137,907	30,000	-	47,000	120,907	13,891	6.09%	5.90%	0.01%
	1,411,873	454,500	3,729	673,158	1,196,944	63,184	27.70%	26.83%	

	Number of shares				Market value as at September 30, 2022	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period		As at September 30, 2022	Total Investments		Net Assets
FERTILIZER									
Engro Corporation Ltd	64,010	35,000	-	29,010	70,000	16,206	7.10%	6.88%	0.01%
Engro Fertilizers Limited	101,439	40,003	-	141,442	-	-	0.00%	0.00%	0.01%
Fauji Fertilizer Co Ltd	143,704	-	-	-	143,704	14,559	6.38%	6.18%	-
	309,153	75,003	-	170,452	213,704	30,765	13.49%	13.06%	-
CHEMICAL									
Engro Polymer & Chemicals Ltd	29,000	40,000	-	29,000	40,000	2,193	0.96%	0.93%	-
	29,000	40,000	-	29,000	40,000	2,193	0.96%	0.93%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	76,500	-	-	76,500	5,695	2.50%	2.42%	0.04%
Hum Network Ltd	200,000	125,000	-	325,000	-	-	0.00%	0.00%	-
TPL Trakker Limited	1,546,500	5,000	-	-	1,551,500	13,746	6.03%	5.84%	0.08%
	1,746,500	206,500	-	325,000	1,628,000	19,441	8.52%	8.26%	
FOOD & PERSONAL CARE PRODUCTS									
Unity Foods Limited	236,900	93,000	-	151,900	178,000	4,016	1.76%	1.71%	0.03%
The Organic Meat Company Limited	277,449	5,000	-	207,500	74,949	1,593	0.70%	0.68%	0.01%
	514,349	98,000	-	359,400	252,949	5,609	2.46%	2.38%	
	5,136,500	1,967,553	3,729	2,152,398	4,955,384	228,099	100.00%	96.86%	
Cost of investments at September 30, 2022						234,527			

*Sponsor of the Management Company

5.2 Investments include shares having market value aggregating to Rs. 102.5891 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2.1 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 3.58 million at Sep 30, 2022 (June 30, 2022: Rs.3.445 million) and not yet deposited on CDC account of department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

5.3 Market Treasury Bills

Issue date	Face value				Balance as at Sep 30, 2022			Market value as a percentage of	
	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at Sep 30, 2022	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
----- (Rupees in '000) ----- % -----									

Market Treasury Bills - 3 Months

Market treasury bills	2-Jun-2022	-	25,000	25,000	-	-	-	-	-
Total as at September 30, 2022					-	-	-	-	-

6	DIVIDEND RECEIVABLE AND ACCRUED MARK-UP		September 30,	June 30,
			2022	2022
			(Rupees in '000)	
	Dividend receivable		1,953	419
	Mark-up accrued on deposits with banks		525	1,023
			<u>2,478</u>	<u>1,442</u>
7	ADVANCE, DEPOSITS AND OTHER RECEIVABLES			
	Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
	Security deposit with Central Depository Company of Pakistan Limited		100	100
	Advance tax		511	511
	Advance against subscription of Term Finance Certificates (TFC)		25,000	25,000
	Advance against IPO Subscription		-	-
			<u>28,111</u>	<u>28,111</u>
	Less: Provision in respect of advance against subscription of term finance certificates	7.1	<u>25,000</u>	<u>25,000</u>
			<u>3,111</u>	<u>3,111</u>
7.1	The Fund had subscribed towards the Term Finance Certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till Sep 30, 2022. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at Sep 30, 2021, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company			
8	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	September 30, 2022	June 30, 2022
			(Rupees in '000)	
	Management fee	8.1	371	409
	Sindh Sales Tax	8.2	48	53
	Sales load payable		92	889
	Allocation of expenses related to registrar services, accounting, operation and valuation services		102	877
	Selling & Marketing payable		614	105
			<u>1,228</u>	<u>2,333</u>
8.1	The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2022: 2% per annum) of the average annual net assets of the Fund for the current year.			
8.2	The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.			

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2022 (Rupees in '000)	June 30, 2022
	Auditors' remuneration		629	508
	Federal Excise Duty	9.1	37,838	37,838
	Provision for Sindh Workers' Welfare Fund	9.2	-	-
	Payable to brokers		169	352
	Withholding tax payable		752	737
	Other payables		660	660
			40,048	40,095

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

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 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. 37.838 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Rs. 11.28 (June 30, 2022: Rs. 11.55) per unit.

9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

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 year, 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. 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.

9.3 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022

9.1 COMMITTED CREDIT LINES

The Securities and Exchange Commission of Pakistan Vide Direction No. 2 of 2017 dated January 13, 2017 as amended by Direction No. 7 of 2017 dated March 3, 2017, has directed all asset management companies to arrange committed credit lines from banks / DFIs for the equity funds equivalent to 10% of its net assets for redemption purposes. Accordingly, the Management Company of the fund has obtained committed credit lines of PKR 925 million at rate of 3 months KIBOR plus 0.45%. The management company is required to review the committed credit at least on a quarterly basis against the net assets of the Fund.

10 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 5.16% (0.36% representing Government Levies, and SECP Fee).

	Note	September 30, 2022	June 30, 2022
11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		(Rupees in '000)	
Fee Payable		<u>12</u>	<u>138</u>

12 TAXATION

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

13 EARNINGS PER UNIT (EPU)

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

14.1	Transactions during the period	Three months ended September 30,	
		2022	2021
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management Fee	1,322	5,363
	Allocation of expenses related to registrar services, accounting, operation and valuation services	322	1,305
	Selling & Marketing Expense	614	2,491
	Habib Bank Limited - Sponsor		
	Bank charges paid	-	4
	Dividend income earned	146	190
	DCCL HBL Financial Planning Fund Conservative Allocation Plan - Associate		
	Issueance of 4,474 units (Sep 30, 2022: Nil units)	311	-
	Redemption of 52,889 units (Sep 30, 2022: Nil units)	3,651	-
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	147	611
	CDC Trustee HBL Cash Fund - Connected party		
	Sale of 3M Tbills	25,000	-
14.2	Balances outstanding as at period end	September 30, 2022	June 30, 2022
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	371	409
	Sindh Sales Tax	48	53
	Sales load payable	92	889
	Selling & Marketing Expense	614	877
	Allocation of expenses related to registrar services, accounting, operation and valuation services	102	105
	Habib Bank Limited - Sponsor		
	Bank balances	3,319	7,920
	Mark-up accrued on deposits with bank	17	34
	Directors and Executives of the Management Company and their relatives		
	Investment held in the Fund: 1,579 units (June 30, 2022: 1,579 units)	111	114
	DCCL HBL Financial Planning Fund Conservative Allocation Plan - Associate		
	Outstanding 94,045 (June 30, 2022: 142,460) units	6,601	10,247
	Jaffer Brothers (Private) Limited and Associated Companies Staff Provident Fund - CP due to 10% units		
	Outstanding 715,854 (June 30, 2022: 715,854) units	50,244	51,490
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	37	202
	Sindh Sales Tax	5	26
	Security deposit	100	100

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

September 30, 2022							
Carrying amount				Fair Value			
Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments							
- Listed equity securities	228,099	-	228,099	228,099	-	-	228,099
	228,099	-	228,099	228,099	-	-	228,099
Financial assets not measured at fair value							
Bank balances	-	53,813	53,813				
Receivable against sale of investments	-	5,797	5,797				
Dividend receivable and accrued mark-up	-	2,478	2,478				
Advances, deposits and other receivables	-	3,111	3,111				
	-	65,199	65,199				
Financial liabilities not measured at fair value							
Payable to Management Company	-	-	1,228	1,228			
Payable to Trustee	-	-	42	42			
Payable against purchase of investments	-	-	13,603	13,603			
Accrued expenses and other liabilities	-	-	2,210	2,210			
	-	-	17,083	17,083			

June 30, 2022								
	Carrying amount				Fair Value			
	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	223,548	-	-	223,548	223,548	-	-	223,548
	223,548	-	-	223,548	223,548	-	-	223,548
Financial assets not measured at fair value				-				
Bank balances	-	47,889	-	47,889				
Dividend receivable and accrued mark-up	-	1,442	-	1,442				
Receivable against sale of investments	-	2,278	-	2,278				
Deposits	-	3,111	-	3,111				
	-	54,720	-	54,720				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	2,333	2,333				
Payable to Trustee	-	-	65	65				
Payable against purchase of investments	-	-	138	138				
Accrued expenses and other liabilities	-	-	40,095	40,095				
	-	-	42,631	42,631				

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

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

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to make disclosure in the financial statement of the collective investment scheme regarding non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment criteria. As at September 30, 2021, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

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

17 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022.

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Equity Fund

FUND INFORMATION

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

HBL Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2022

	Note	Unaudited September 30, 2022	Audited June 30, 2022
(Rupees in '000')			
ASSETS			
Balances with banks	4	14,354	31,362
Investments	5	516,176	791,276
Dividend and profit receivable		2,334	1,517
Deposits and prepayments and Other receivable		2,935	2,915
Receivable against sale of Investment		25,657	5,354
Total assets		561,456	832,424
LIABILITIES			
Payable to the Management Company	6	3,440	7,101
Payable to the Trustee	7	118	180
Payable to Securities and Exchange Commission of Pakistan	8	38	309
Accrued expenses and other liabilities	9	7,542	6,757
Total liabilities		11,138	14,347
			-
NET ASSETS		550,318	818,077
Unit Holders' Funds (As per statement attached)		550,318	818,077
CONTINGENCIES & COMMITMENTS			
	10	Number of units	
Number of units in issue		7,280,661	10,643,257
		(Rupees)	
Net asset value per unit		75.5864	76.8634

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

Condensed Interim Income Statement and Other Comprehensive Income (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

		2022	Quarter ended September 30, 2021
	Note	(Rupees in '000')	
INCOME			
Capital (Loss) / Gain on sale of investments - net		(9,546)	1,463
Dividend income		11,778	11,723
Profit on bank deposits		1,378	527
Profit on money market instruments		72	-
Net unrealised diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(4,938)	(319,067)
Total Loss		(1,256)	(305,354)
EXPENSES			
Remuneration to Management Company		3,765	10,527
Sindh Sales Tax on remuneration of management company	9.2	489	1,368
Remuneration to Trustee		425	880
Annual fee - Securities and Exchange Commission of Pakistan		38	105
Allocation of expenses related to registrar services, accounting, operation and valuation services	0	1,035	2,774
Selling and marketing expenses	0	1,977	5,440
Auditors' Remuneration		112	107
Securities transaction costs, settlement charges and bank charges		1,826	3,522
Fees and Subscription		7	38
Printing and postage expenses		93	-
Total expenses		9,767	24,761
Net Loss from operating activities		(11,023)	(330,115)
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.1	-	8,197
Net Loss for the period before taxation		(11,023)	(321,918)
Taxation	11	-	-
Net Loss for the period after taxation		(11,023)	(321,918)
Allocation of net income for the period:			
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
Net Loss for the period after taxation		(11,023)	(321,918)
Other comprehensive income for the period		-	-
Total comprehensive Loss for the period		(11,023)	(321,918)
Earnings per unit	12		

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Statement Of Movement In Unitholders' Fund
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,					
	2022			2021		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	1,525,280	(707,203)	818,077	2,106,739	163,627	2,270,366
Issuance of 78,409,916 units (2021: 2,032,614 units)						
- Capital value (at net asset value per unit at the beginning of the period)	6,026,853	-	6,026,853	284,464	-	284,464
- Element of loss	(6,017,203)	-	(6,017,202)	(23,509)	-	(23,509)
Total proceeds on issuance of units	9,650	-	9,651	260,955	-	260,955
Redemption of 71,129,254 units (2021: 3,967,590 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(5,467,236)	-	(5,467,236)	(555,264)	-	(304,949)
- Amount relating to element of loss	5,200,849		5,200,849	44,018		(206,297)
Total payment on redemption of units	(266,387)	-	(266,387)	(511,246)	-	(511,246)
Total comprehensive loss for the period	-	(11,023)	(11,023)	-	-	-
Distribution during the period	-	-	-	-	-	-
Total comprehensive loss for the period less distribution	-	(11,023)	(11,023)	-	-	-
Net assets at the end of the period	1,268,543	(718,226)	550,318	1,856,448	163,627	2,020,075
Undistributed income brought forward						
- Realised		(340,374)			108,165	
- Unrealised		(366,829)			55,462	
		(707,203)			163,627	
Accounting (loss) / income available for distribution		(11,023)		-		
Distribution during the year		-			-	
Undistributed income carried forward		(718,226)			163,627	
Undistributed income carried forward						
- Realised		(713,288)			482,694	
- Unrealised		(4,938)			(319,067)	
		(718,226)			163,627	
				(Rupees)		
Net assets value per unit at beginning of the period		76.8634				139.9454
Net assets value per unit at end of the period		75.5864				118.8499

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,	
	2022	2021
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period	(11,023)	(321,918)
Adjustments		
Net unrealised diminution / (appreciation) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	4,938	319,067
Capital loss / (gain) on sale of investments - net	9,546	(1,463)
Operating cash inflows before working capital changes	3,461	(4,314)
Decrease in assets		
Investments	260,616	165,870
Dividend and profit receivable	(817)	(12,250)
Deposits and prepayments	(20)	6,522
Receivable against sale of investments	(20,303)	-
	239,476	160,142
Decrease in liabilities		
Payable to the Management Company	(3,661)	6,308
Payable to the Trustee	(62)	8
Payable to Securities and Exchange Commission of Pakistan	(271)	(131)
Accrued expenses and other liabilities	785	582
Payable against redemption of units	-	(4,088)
Payable against purchase of investments	-	(537,487)
	(3,209)	(534,808)
Net cash generated from / (used in) operating activities	239,728	(378,980)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of units	9,651	260,955
Cash paid on redemption of units	(266,387)	(511,246)
Net cash used in financing activities	(256,736)	(250,291)
Net decrease in cash and cash equivalents during the period	(17,008)	(629,271)
Cash and cash equivalents at the beginning of the period	31,362	701,869
Cash and cash equivalents at the end of the period	14,354	72,598

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

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

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

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

4	BANK BALANCES	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
			(Rupees in '000')	
	In current accounts		-	503
	In saving accounts	4.1	14,354	72,095
			<u>14,354</u>	<u>72,598</u>

4.1 Mark-up rates on these accounts range between 5.00% to 7.00% per annum (June 30, 2022: 12.5% to 17 % per annum).

5	INVESTMENTS	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
			(Rupees in '000')	
	Financial assets 'at fair value through profit or loss'			
	Listed equity securities	5.1	516,176	1,671,819
			<u>516,176</u>	<u>1,671,819</u>

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

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

Name of the Investee Company	----- Number of shares -----					Market value as at September 30, 2022 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Market value as a percentage of Investee paid-up capital
	As at July 1, 2022	Purchases during the period	Bonus / right issues	Sales during the period	As at September 30, 2022				
	-----Number of shares-----						-----Percentage-----		
ENGINEERING									
Mughal Iron & Steel Inds Limited	215,781	-	-	132,781	83,000	5,410	0.01	0.98	0.03
	215,781	-	-	132,781	83,000	5,410	0.01	0.98	0.03
AUTOMOBILE ASSEMBLER									
Millat Tractors Ltd	-	4,539	-	4,539	-	-	-	-	-
	-	4,539	-	4,539	-	-	-	-	-
REFINERY									
Attock Refinery Limited	151,400	19,000	-	114,900	55,500	8,171	1.58	1.48	0.07
National Refinery Limited	129,135	-	-	79,886	49,249	11,990	2.32	2.18	0.06
	280,535	19,000	-	194,786	104,749	20,161	3.90	3.66	0.13
FOOD & PERSONAL CARE PRODUCTS									
Unity Foods Limited	636,379	412,463	-	448,842	600,000	13,536	2.62	2.46	0.11
	636,379	412,463	-	448,842	600,000	13,536	2.62	2.46	0.11
INSURANCE									
IGI Holdings Limited	219,500	-	-	194,600	24,900	2,568	0.50	0.47	0.02
IGI Life Insurance Limited	934,500	4,500	-	27,500	911,500	18,959	3.67	3.45	0.05
TPL Insurance Limited	1,036,500	-	-	756,000	280,500	7,186	1.39	1.31	0.37
	2,190,500	4,500	-	978,100	1,216,900	28,713	5.56	5.23	0.44
CEMENT									
Attock Cement Pakistan Limited	653,800	22,500	-	344,800	331,500	27,040	5.24	4.91	0.29
Fauji Cement Company Limited	-	804,000	-	104,000	700,000	10,493	2.03	1.91	0.07
D G Khan Cement Company Limited	-	619,500	-	294,500	325,000	19,702	3.82	3.58	0.07
Kohat Cement Ltd	-	19,500	-	-	19,500	3,120	0.60	0.57	0.02
Maple Leaf Cement Factory Limited	-	828,750	-	163,750	665,000	18,527	3.59	3.37	0.13
Lucky Cement Ltd	-	7,000	-	-	7,000	3,476	0.67	0.63	-
	653,800	2,301,250	-	907,050	2,048,000	82,358	15.95	14.97	0.58
CHEMICAL									
Engro Polymer & Chemicals Ltd	97,500	-	-	97,500	-	-	-	-	-
	97,500	-	-	97,500	-	-	-	-	-
COMMERCIAL BANKS									
Bank Al-Falah Ltd	269,125	249,391	-	-	518,516	16,147	3.13	2.93	0.03
Faysal Bank Limited	422,440	25,000	-	134,000	313,440	8,253	1.60	1.50	0.03
Habib Bank Limited*	439,880	350,000	-	439,880	350,000	24,399	4.73	4.43	0.02
MCB Bank Limited	170,000	-	-	77,500	92,500	11,054	2.14	2.01	0.01
Meezan Bank Limited	-	178,800	-	-	178,800	19,623	3.80	-	0.02
Standard Chartered Bank (Pakistan) Limited	2,955,500	58,500	-	2,814,000	200,000	4,194	0.81	0.76	0.01
United Bank Limited	560,486	38,784	-	262,144	337,126	38,732	7.50	7.04	0.03
	4,817,431	900,475	-	3,727,524	1,990,382	122,402	23.71	18.67	0.12
FERTILIZERS									
Engro Corporation Limited	177,750	133,125	-	100,000	210,875	48,822	9.46	8.87	0.04
Engro Fertilizers Limited	50,402	50,835	-	101,237	-	-	-	-	-
Fauji Fertilizer Company Limited	547,404	50,000	-	275,800	321,604	32,582	6.31	5.92	0.03
	775,556	233,960	-	477,037	532,479	81,404	15.77	14.79	0.07
MISCELLANEOUS									
TPL Properties Limited	612,000	1,274,493	-	1,886,493	-	-	-	-	-
	612,000	1,274,493	-	1,886,493	-	-	-	-	-
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	3,500	6,050	-	-	9,550	14,944	2.90	2.72	0.01
Oil & Gas Development Company Limited	559,500	113,000	-	492,500	180,000	13,630	2.64	2.48	-
Pakistan Oilfields Limited	31,425	7,575	-	6,025	32,975	11,512	2.23	2.09	0.01
Pakistan Petroleum Ltd	616,861	253,205	-	670,066	200,000	12,290	2.38	2.23	0.01
	1,211,286	379,830	-	1,168,591	422,525	52,376	10.15	9.52	0.03
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	242,846	-	-	192,846	50,000	8,122	1.57	1.48	0.01
Sui Northern Gas Pipeline Ltd	-	194,470	-	194,470	-	-	-	-	-
	242,846	194,470	-	387,316	50,000	8,122	1.57	1.48	0.01
PHARMACEUTICALS									
Ferozsons Laboratories Ltd	43,900	-	-	43,900	-	-	-	-	9.90
The Searle Company Limited	356	-	-	-	356	36	0.01	0.01	-
	44,256	-	-	43,900	356	36	0.01	0.01	9.90
POWER GENERATION & DISTRIBUTION									
Nishat Power Limited	-	137,000	-	137,000	-	-	-	-	-
Hub Power Company Limited	-	575,000	-	225,000	350,000	24,469	4.74	4.45	-
	-	712,000	-	362,000	350,000	24,469	4.74	4.45	-

Name of the Investee Company	-----Number of shares-----					Market value as at September 30, 2021 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Market value as a percentage of Investee paid-up capital
	As at July 1, 2021	Purchases during the year	Bonus / right issues	Sales during the year	As at September 30, 2021				

	-----Number of shares-----					-----Percentage-----			
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	149,500	-	-	149,500	11,129	2.16	2.02	0.32
Systems Limited	5,142	-	-	-	5,142	1,940	0.38	0.35	3.09
TPL Trakker Limited	8,140,500	-	-	903,500	7,237,000	64,120	12.42	11.65	8.64
Hum Network Ltd	900,000	225,000	-	1,125,000	-	-	-	-	-
	9,045,642	374,500	-	2,028,500	7,391,642	77,189	14.96	14.02	12.05
TEXTILE COMPOSITE									
Azgard Nine Limited	820,500	-	-	820,500	-	-	-	-	1.73
GulAhmed Textile Mills Limited	227,800	-	-	227,800	-	-	-	-	0.33
Interloop Limited	91,133	-	-	91,133	-	-	-	-	0.24
	1,139,433	-	-	1,139,433	-	-	-	-	2.30
As at September 30, 2021	21,962,945	6,811,480	-	13,984,392	14,790,033	516,176	99	86	26

Carrying value as at September 30, 2021

1,990,886

* Sponsor of the management company

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

- 5.1.1 The above investments include shares with market value aggregating to Rs. 86.87 million (June 2021: Rs. 154.6 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.
- 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. 0.55 million at September 30, 2021 (June 30, 2021: Rs. 1.58 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

6	PAYABLE TO MANAGEMENT COMPANY	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
			Rupees in '000'	
	Management fee	6.1	1,042	1,572
	Sindh Sales Tax	6.2	135	204
	Sales load payable		-	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services		286	1,013
	Selling and Marketing expenses		1,977	4,312
			3,440	7,101

6.1 As per the offering document of the Fund, the Management Company may charge a fee at the rate of 2% of the average daily net asset of the scheme. The fee is payable monthly in arrears.

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

7 PAYABLE TO THE TRUSTEE

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged by permanently eliminating the minimum fee component as mentioned in the offering documents. During the year, Management Company has charged the Trustee fee accordingly. The fee is payable monthly in arrears.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
			Rupees in '000'	
	Provision for Sindh Workers' Welfare Fund	9.1	-	-
	Provision for federal excise duty and additional sales tax on Management Fee	9.2	5,685	5,685
	Brokerage payable		1,022	489
	Auditors' remuneration		237	125
	Printing and other related costs		101	9
	Withholding tax payable		360	325
	Other payables		138	124
			7,543	6,757

9.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 8.20 million for the period from July 1, 2014 till August 12, 2021.

9.2 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2022 would have been higher by Re. 0.781 (June 30, 2022: Re. 0.534) per unit.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2022 and June 30, 2022.

11 TAXATION

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

12 EARNINGS PER UNIT

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

13 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 6.08% (June 2022: 4.49%) (0.48% of TER representing Government Levies (June 2022 : 0.32%) , and SECP Fee).

14 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

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

		(Unaudited) Quarter ended September 30, 2022 2021 (Rupees in '000)	
14.1	Transaction during the period		
	Management Company		
	Remuneration of Management Company	3,765	10,527
	Sindh Sales tax on remuneration of the Management Company	489	1,368
	Habib Bank Limited - Associated Company		
	Dividend income	416	416
	MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Under Common Management		
	Redemption of 61,283 units (2021: 61,283) units	8,520	8,520
	MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management		
	Issue of 2,313 units (2021: 2,313) units	313	313
	Central Depository Company Of Pakistan Limited - Trustee		
	Remuneration for the period	425	880
	CDS Charges	11	11
	Directors and Executives of the Management Company		
	Issue of 15,670 units (2021: 15,670) units	2,082	2,082
	Redemption of 27,087 units (2021: 27,087) units	3,745	3,745
14.2	Amounts outstanding at the period / year end	(Unaudited) September 30, 2022	(Audited) June 30, 2022 Rupees in '000'
	Management Company		
	Units held: units (June 30, 2022: 345,975) units	41,119	48,418
	Remuneration payable to the Management Company	1,042	1,572
	Sindh sales tax on remuneration of the Management Company	135	204
	Allocation of expenses related to registrar services, accounting, operation and valuation services	286	1,013
	Selling and Marketing reimbursement	1,977	4,312
	Sales load payable	-	-
	Central Depository Company Of Pakistan Limited - Trustee		
	Trustee fee payable	118	176
	CDS charges payable	10	4
	Security deposit	100	100
	Habib Bank Limited - Sponsor		
	Bank balance	10,635	2,916
	Units held: units (June 30, 2022: 2,990,876) units	427,243	229,889
	MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Under Common Management		
	Units held: (June 30 ,2022:256,101)	32,048	19,685
	MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management		
	Units held: (June 30 ,2022: 60,518)	9,114	4,652
	Directors and Executives of the Management Company		
	Units held: (June 30, 2022: 1,786) units	1,245	137
	CDC Trustee - Punjab Pension Fund Trust		
	Units held: (June 30 ,2022: 1,692,360)	168,837	130,081

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2022						
		Carrying amount			Fair Value			
Note		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities		516,176	-	-	516,176	516,176	-	-
		516,176	-	-	516,176	516,176	-	-
Financial assets not measured at fair value								
15.1								
Bank balances		-	14,354	-	14,354	-	-	-
Dividend and profit receivable		-	2,334	-	2,334	-	-	-
Deposits		-	2,935	-	2,935	-	-	-
		-	19,623	-	19,623	-	-	-
Financial liabilities not measured at fair value								
15.1								
Payable to the Management Company		-	-	3,440	3,440	-	-	-
Payable to the Trustee		-	-	118	118	-	-	-
Accrued expenses and other liabilities		-	-	1,498	1,498	-	-	-
		-	-	5,056	5,056	-	-	-

		June 30, 2022							
		Carrying amount			Fair Value				
		Fair value through profit and loss- Held for trading	At amortized cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments		----- (Rupees in '000) -----							
Financial assets measured at fair value									
Investments									
- Listed equity securities		791,276	-		791,276	791,276	-	-	791,276
		791,276	-	-	791,276	791,276	-	-	791,276
Financial assets not measured at fair value		15.1							
Bank balances		-	31,362	-	31,362	-	-	-	-
Dividend and profit receivable		-	1,517	-	1,517				
Deposits		-	2,600	-	2,600				
Advance for purchase of investment		-	5,354	-	5,354				
		-	35,479	-	1,623,385	-	-	-	-
Financial liabilities not measured at fair value		15.1							
Payable to the Management Company		-	6,897		6,897	-	-	-	-
Payable to the Trustee		-	160		160	-	-	-	-
Accrued expenses and other liabilities		-	682		682	-	-	-	-
		-	7,739	-	7,739	-	-	-	-

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

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 19, 2022 by the board of directors of the Management company.

17 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For HBL Asset Management Limited (Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Energy Fund

FUND INFORMATION

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

HBL Energy Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As At September 30, 2022

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	22,606	24,197
Investments	5	289,541	427,791
Dividend and profit receivable		8,405	664
Receivable against purchase of Investment		3,330	-
Deposits and prepayments		3,074	3,074
Total assets		326,956	455,726
Liabilities			
Payable to Management Company	6	1,805	3,558
Payable to the Trustee		60	91
Payable to the Securities and Exchange Commission of Pakistan	12	20	128
Payable against purchase of Investment		-	-
Accrued expenses and other liabilities	7	50	-
Unclaimed dividend		15,670	15,385
		5,382	5,382
Total liabilities		22,987	24,544
Net assets		303,969	431,182
Unit holders' fund (as per statement attached)		303,969	431,182
Contingencies and commitments	8		
		(Number of units)	
Number of units in issue		32,168,946	43,714,002
		(Rupees)	
Net assets value per unit		9.4491	9.8637

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

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

For The Three Months Ended September 30, 2022

	Note	Three months ended September 30, Un-Audited	
		2022	2021
		(Rupees in '000)	
Income			
Capital gain on sale of investments - net		191	(6,584)
Dividend income		8,042	16,421
Profit on bank deposits		1,049	574
		9,282	10,411
Unrealised appreciation / (diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net		(17,242)	(102,657)
		(7,960)	(92,246)
Expenses			
Remuneration of Management Company	6.1 & 6.2	2,259	4,235
Remuneration of the Trustee		226	423
Annual fee to the Securities and Exchange Commission of Pakistan		20	37
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	550	1,031
Allocation of expenses related to Selling and Marketing, Settlement and bank charges	6.4	1,049	1,968
Auditors' remuneration		107	115
Fee & Subscription		-	-
Securities transaction costs		28	28
		445	380
		4,698	8,217
Net income / (loss) from operating activities		(12,658)	(100,463)
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.2	-	7,320
Net income / (loss) for the period before taxation		(12,658)	(93,143)
Taxation	9	-	-
Net (loss) for the period after taxation		(12,658)	(93,143)
Allocation of net income for the period:			
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
Net income / (loss) for the period after taxation		-	-
Other comprehensive income for the period		-	-
Total comprehensive income / (loss) for the period		(12,658)	(93,143)

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-audited)

For The Three Months Ended September 30, 2022

	Three Months Ended September 30,					
	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in '000'-----						
Net assets at beginning of the year	547,836	(116,654)	431,182	756,966	17,557	774,523
Issuance of 2,421,031 units (2021: 2,207,803 units)						
- Capital value (at net asset value per unit at the beginning of the year)	23,880	-	23,880	26,462	-	26,462
- Element of Income	(99)	-	(99)	(835)	-	(835)
Total proceeds on issuance of units	23,781	-	23,781	25,627	-	25,627
Redemption of 13,966,087 units (2021: 4,363,690 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(137,757)	-	(137,757)	(52,301)	-	(52,301)
- Amount relating to element of loss	(580)	-	(580)	4,708	-	4,708
Relating to net loss for the year after taxation						
Total payment on redemption of units	(138,337)	-	(138,337)	(47,593)	-	(47,593)
Total comprehensive income for the year	-	(12,658)	(12,658)	-	(93,143)	(93,143)
Distribution during the year	-	-	-	-	-	-
Total comprehensive income for the year less distribution	-	(12,658)	(12,658)	-	(93,143)	(93,143)
Net assets at end of the year	433,280	(129,312)	303,969	734,999	(75,586)	659,412
Undistributed income brought forward						
- Realised		(47,215)			1,772	
- Unrealised		(69,439)			15,785	
		(116,654)			17,557	
Element of loss and capital losses included in prices of units issued less those in units redeemed		-			-	
Accounting (loss) / income available for distribution						
- Relating to CG		-			-	
- Excluding CG		-			-	
		-			-	
Total comprehensive income / (loss) for the year		(12,658)			(93,143)	
Undistributed income carried forward		(129,312)			(75,586)	
Undistributed income carried forward						
- Realised		(112,070)			27,071	
- Unrealised		(17,242)			(102,657)	
		(129,312)			(75,586)	
Net assets value per unit at beginning of the period			9.8637			11.9855
Net assets value per unit at end of the period			9.4491			10.5564

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Cash Flow Statement (Un-audited)
For The Three Months Ended September 30, 2022

		Three Months Ended September 30,	
		2022	2021
	Note	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period		(12,658)	(93,143)
Adjustments			
Capital loss / (gain) on sale of investments - net		(191)	6,584
Dividend income		(8,042)	(16,421)
Profit on bank deposits		(1,049)	(574)
Unrealised (appreciation) / diminution on remeasurement of investments at fair value through profit or loss- held-for-trading - net		17,242	102,657
		(4,698)	(897)
(Increase) / decrease in assets			
Investments - net		121,199	20,018
Dividend and profit receivable		1,350	5,249
Receivable against sale of investments		(3,330)	17,388
Deposits and prepayments		-	-
		119,219	42,655
Increase / (decrease) in liabilities			
Payable to Management Company		(1,753)	(371)
Payable to Central Depository Company of Pakistan Limited - Trustee		(31)	(24)
Payable to Securities and Exchange Commission of Pakistan		(108)	(120)
Payable against purchase of investments		50	15,479
Accrued expenses and other liabilities		285	(25,188)
		(1,557)	(10,224)
Net cash generated from operations		112,964	31,534
CASH FLOW FROM FINANCING ACTIVITIES			
Amount received on issue of units		23,781	25,627
Payment against redemption of units		(138,337)	(47,593)
Dividend Paid		-	-
Net cash used in financing activities		(114,556)	(21,966)
Net decrease in cash and cash equivalents		(1,592)	9,564
Cash and cash equivalents at beginning of the period		24,197	13,030
Cash and cash equivalents at end of the period	4	22,606	22,594

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

Condensed Interim Statement of Cash Flow (Un- Audited)

For The Three Months Ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.
- 2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2022.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 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, 2022.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The 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, 2022.

			September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
	Note			
4		BANK BALANCES		
		In saving accounts	22,595	24,186
		In current accounts	11	11
			<u>22,606</u>	<u>24,197</u>

4.1 Mark-up rates on these accounts range between 8% to 15% per annum (June 30, 2022: 5.5% to 17% per annum).

			September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
	Note			
5		INVESTMENTS		
		Financial assets 'at fair value through profit or loss' - held-for-trading		
		Listed equity securities	289,541	427,791
			<u>289,541</u>	<u>427,791</u>

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

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

Name of the Investee Company	Number of shares				Market value				
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022	Market value As at September 30, 2022 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets	Par value as a percentage of issued capital of the investee company
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	887,119	4,875	-	235,375	656,619	45,904	15.85%	15.10%	0.05%
	887,119	4,875	-	235,375	656,619	45,904			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	29,439	5,750	-	7,300	27,889	43,641	15.07%	14.36%	0.03%
Oil & Gas Development Co Ltd	835,691	68,000	-	330,200	573,491	43,425	15.00%	14.29%	0.03%
Pakistan Oilfields Ltd	123,940	25,300	-	50,540	98,700	34,458	11.90%	11.34%	0.04%
Pakistan Petroleum Ltd	980,994	123,459	-	559,290	545,163	33,500	11.57%	11.02%	0.03%
	1,970,064	222,509	-	947,330	1,245,243	155,024			
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Ltd	24,300	26,600	12,325	1,500	61,725	17,214	5.95%	5.66%	0.07%
Pakistan State Oil Company Ltd	408,437	-	-	229,691	178,746	29,034	10.03%	9.55%	0.04%
Sui Northern Gas Pipeline Ltd	-	388,490	-	103,490	285,000	9,582	3.31%	3.15%	0.04%
	432,737	415,090	12,325	334,681	525,471	55,830			
REFINERY									
Attock Refinery Ltd	120,500	138,116	-	156,197	102,419	15,078	5.21%	4.96%	0.12%
National Refinery Ltd	137,222	-	-	64,503	72,719	17,704	6.11%	5.82%	9.09%
	257,722	138,116	-	220,700	175,138	32,782			
Total September 30, 2022	3,547,642	780,590	12,325	1,738,086	2,602,471	289,541			
Carrying value of investment at September 30, 2022					<u>306,783</u>				

5.2 Investments include shares having market value aggregating to Rs. 51.249 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.3 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.39 million at September 30, 2022 (June 30, 2022: 0.411 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.

	Note	September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
6 PAYABLE TO MANAGEMENT COMPANY			
		(Rupees in '000)	
Management fee	6.1	535	778
Sindh Sales Tax	6.2	69	101
Sales load payable		5	4
Allocation of expenses related to registrar services, accounting, operation and valuation services		147	501
Selling and marketing expenses		1,049	2,174
		1,805	3,558

6.1 The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2022: 2% per annum) of the average annual net assets of the Fund for the current year.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2022: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

	Note	September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
		(Rupees in '000)	
Provision for Federal Excise Duty	7.1	13,920	13,920
Provision for Sindh Workers' Welfare Fund	7.2	-	-
Auditors' remuneration		647	647
Securities transaction cost		443	178
Withholding tax payable		408	389
Zakat Payable		251	251
		15,669	15,385

7.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.920 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Re. 0.43 (June 30, 2022: Re. 0.32) per unit.

7.2 Provision Workers' Welfare Fund and 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 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 i.e. (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 Companies (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.

Bases on 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. 7.320 million that was charged for the period from July 1, 2014 till August 12, 2021.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2022 and June 30, 2022.

9 TAXATION

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

10 EARNING PER UNIT (EPU)

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

11 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2022 is 4.68% which includes 0.36% representing government levy and SECP fee.

12	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
			(Rupees in '000)	
	Fee Payable		-	128

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

13.1	Transactions during the period	Three months ended September 30,	
		2022	2021
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	1,999	3,748
	Sindh Sales Tax on remuneration of the Management Company	260	487
	Allocation of expenses related to registrar services, accounting, operation and valuation services	550	1,031
	Allocation of expenses related to Selling and Marketing,	1,049	1,968
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	226	423
	Central Depository Service charges	6	18
	Habib Bank Limited - Sponsor		
	Redemption of 12,419,913 units (2021: Nil units)	123,232	-
	Bank Charges	5	7
	Directors of the Management Company		
	Issue of 1,164,502 units (2021: 1,822 units)	11,197	20
	Redemption of Nil units (2021: 45,293 units)	-	517

		September 30, 2022 (Un-audited) (Rupees in '000)	June 30, 2022 (Audited)
13.2	Balances outstanding as at period / year end		
	HBL Asset Management Limited - Management Company **		
	Management fee	535	778
	Sindh Sales Tax	69	101
	Sales load payable	5	4
	Allocation of expenses related to registrar services, accounting, operation and valuation services	147	501
	Allocation of expenses related to Selling and Marketing,	1,049	2,174
	Habib Bank Limited - Sponsor		
	Bank Balance	2,404	1,297
	Units held: Nil units (June 30,2022 12,419,913 units)	-	122,506
	Directors of the Management Company		
	Units held: 1,164,502 units (June 30,2022: Nil units)	11,003	-
	HBL Micro Finance Bank (Formerly: First Micro Finance Bank) - Associate		
	Bank balance	463	9
	MCB Bank Limited- Connected person due to holding more than 10% units:		
	Units held: 6,468,401 (June 30 ,2022: 6,468,401)	61,121	63,802
	Rohtas Associates Private Limited- Connected person due to holding more than 10% units:		
	Units held: 6,277,914 (June 30 ,2022: 6,277,914)	59,321	61,923
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	60	88
	CDC charges payable	3	3
	Security deposit	300	300

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Note	September 30, 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
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	289,541	-	-	289,541	289,541	-	-	289,541
	289,541	-	-	289,541	289,541	-	-	289,541
Financial assets not measured at fair value								
14.1	-	-	-	-	-	-	-	-
Bank balances	-	22,606	-	22,606	-	-	-	-
Dividend and profit receivable	-	8,406	-	8,406	-	-	-	-
Security deposits	-	2,800	-	2,800	-	-	-	-
	-	33,812	-	33,812	-	-	-	-
Financial liabilities not measured at fair value								
14.1	-	-	-	-	-	-	-	-
Payable to Management Company	-	-	1,805	1,805	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	60	60	-	-	-	-
Payable against purchase of investments	-	-	50	50	-	-	-	-
Accrued expenses and other liabilities	-	-	15,670	15,670	-	-	-	-
	-	-	17,585	17,585	-	-	-	-
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	427,791	-	-	427,791	427,791	-	-	427,791
	427,791	-	-	427,791	427,791	-	-	427,791
Financial assets not measured at fair value								
14.1	-	-	-	-	-	-	-	-
Bank balances	-	24,197	-	24,197	-	-	-	-
Dividend and profit receivable	-	664	-	664	-	-	-	-
Receivable against sale of investment	-	36,357	-	36,357	-	-	-	-
Security deposits	-	2,800	-	2,800	-	-	-	-
	-	64,018	-	64,018	-	-	-	-
Financial liabilities not measured at fair value								
14.1	-	-	-	-	-	-	-	-
Payable to Management Company	-	-	3,457	3,457	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	81	81	-	-	-	-
Accrued expenses and other liabilities	-	-	6,177	6,177	-	-	-	-
	-	-	9,715	9,715	-	-	-	-

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

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022.

16 GENERAL

- 16.1 Figures have been rounded off to the nearest thousand rupees.
- 16.2 Corresponding figures have been rearranged and reclassified, wherever necessary for better presentation and disclosure.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Multi Asset Fund

FUND INFORMATION

Name of Fund	HBL Multi Asset Fund
Name of Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Zarai Taraqati Bank Limited Sindh Bank Limited Soneri Bank Limited Dubai Islamic Bank Limited Habib Metropolitan Bank Limited National Bank of Pakistan

HBL Multi Asset Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2022

	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
Assets			
Bank balances	4	17,974	29,527
Investments	5	57,126	78,651
Dividend receivable and accrued mark-up		520	769
Receivable Against Sale of Investment		689	10.00
Advances, deposits and other receivables		2,997	2,976
Total assets		79,306	111,933
Liabilities			
Payable to Management Company	6.	289	480
Payable to Trustee	7.	15	25
Payable to Securities and Exchange Commission of Pakistan	8	5	37
Payable Against Purchase of Investment		-	-
Accrued expenses and other liabilities	9.	7,342	7,168
Total liabilities		7,651	7,710
Net assets		71,655	104,223
Unit holders' fund (as per statement attached)		71,655	104,223
Contingencies And Commitments			
	8	(Number of units)	
Number of units in issue		777,089	1,120,780
		(Rupees)	
Net assets value per unit		92.2094	92.9902

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For the three months ended September 30, 2022

	Note	Three months ended September 30,	
		2022	2021
		----- (Rupees in '000) -----	
Income			
Dividend income		1,438	1,208
Mark-up on deposits with banks & Term deposit		557	837
Mark-up / return on investments - net		573	510
Capital gain on sale of investments - net		(772)	328
		1,796	2,883
Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net		(1,168)	(14,063)
		628	(11,180)
Expenses			
Remuneration of Management Company		545	1,146
Remuneration of Trustee		55	115
Annual fee of Securities and Exchange Commission of Pakistan		5	10
Allocation of expenses related to registrar services, accounting, operation and valuation services		84	177
Selling and Marketing Expense		117	246
Settlement and bank charges		97	87
Auditors' remuneration		100	100
Fee and Subscription		5	40
Printing Charges		17	17
Securities transaction costs		140	52
		1,165	1,990
Net loss from operating activities		(537)	(13,170)
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.2	-	5,562
Net loss for the period before taxation		(537)	(7,608)
Taxation	11.	-	-
Net income for the period after taxation		(537)	(7,608)
Allocation of net income for the period:			
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
Net income / (loss) for the period after taxation		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-
Earning per unit	12.		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Statement of Movement in Unitholders' Fund (Un-Audited)

For the three months ended September 30, 2022

Three months ended September 30,								
2022				2021				
(Rupees in '000)								
Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total	
Net assets at the beginning of the period	155,539	(51,316)	-	104,223	220,838	(18,401)	-	202,437
Issuance of 68 units (2021: 372,261 units)								
- Capital value (at net asset value per unit at the beginning of the	6	-	-	6	6,085	-	-	6,085
- Element of loss	0	-	-	0	(7)	-	-	(7)
	6			6	6,078	-	-	6,078
Redemption of 343,758 units (2021: 265,426 units)								
- Capital value (at net asset value per unit at the beginning of the	(31,966)	-	-	(31,966)	(10,099)	-	-	(10,099)
- Income already paid on redemption of units		-	-	-		-	-	0
- Amount paid out of element of income	(71)	-	-	(71)	(24)	-	-	(24)
Relating to net income for the period after taxation	(32,037)	-	-	(32,037)	(10,123)	-	-	(10,123)
Net (loss) / income for the period after taxation	-	(537)	-	(537)	-	(7,608)	-	(7,608)
Distribution during the period	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	(537)	-	(537)	-	(7,608)	-	(7,608)
Net assets at the end of the period	123,508	(51,853)	-	71,655	216,793	(26,009)	-	190,784
Undistributed income brought forward								
- Realised	(36,538)				713			
- Unrealised	(14,778)				(19,114)			
	(51,316)				(18,401)			
Net Loss For the Year after Taxation	(537)				(7,608)			
Accounting income available for distribution	-				-			
Undistributed income carried forward	(51,853)				(26,009)			
Undistributed income carried forward								
- Realised	(50,685)				(11,946)			
- Unrealised	(1,168)				(14,063)			
	(51,853)				(26,009)			
					</			

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the three months ended September 30, 2022

	Three months ended September 30,	
	2022	2021
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	(537)	(7,608)
(Increase) / decrease in assets		
Investments - net	20,846	10,887
Dividend receivable and accrued mark-up	249	(972)
Advances, deposits and other receivables	(21)	(542)
	21,074	9,373
Increase / (decrease) in liabilities		
Payable to Management Company	(191)	(33)
Payable to Trustee	(10)	(1)
Payable to Securities and Exchange Commission of Pakistan	(32)	(31)
Accrued expenses and other liabilities	174	(5,727)
	(59)	(5,792)
Net cash generated from operating activities	20,478	(4,027)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	6	6,078
Payment against redemption of units	(32,037)	(10,123)
Net cash generated from financing activities	(32,031)	(4,045)
Net increase cash and cash equivalents	(11,553)	(8,072)
Cash and cash equivalents at beginning of the period	29,527	54,922
Cash and cash equivalents at end of the period	17,974	46,850

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

JCR-VIS Credit Rating Agency (JCR-VIS) has assigned management quality rating of 'AM2++ (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 IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.
- 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, 2022.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

4.	Bank Balances	Note	September 30, 2022 (Rupees in '000)	June 30, 2022
	Savings accounts	4.1	17,974	29,527
			<u>17,974</u>	<u>29,527</u>

- 4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 4.00%-15.5% per annum (2022: 4.00% - 17.56% p.a).

5.	INVESTMENTS	Note		
	At Fair Value Through Profit or Loss			
	- Term Finance Certificates	5.1	3,111	3,350
	- Listed equity securities	5.3	49,070	70,473
	Financial assets at amortised cost			
	- Sukuk Certificates	5.2	4,945	4,828
			<u>57,126</u>	<u>78,651</u>

5.1 Term Finance Certificates

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

Name of the Investee Company	Number of certificates				Market value / Carrying value* as at September 30, 2022	Market value as a percentage of	
	As at July 1, 2022	Purchases during the period	Sales / Matured during the period	As at September 30, 2022		Total Investments	Net Assets
(Rupees in '000)							
TPL Trakker Limited	4	-	-	4	3,111	1.55%	1.03%
	-	-	-	-	3,111	-	-
Cost of investments at September 30, 2022					3,128		

5.1.2 Significant terms and conditions of Term Finance Certificates and Sukuk bonds outstanding at September 30, 2022 are:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
TPL Trakker Limited	777,778	3 month KIBOR + 3%	30-Mar-21	30-Mar-26
HUB Power Holding Limited	100,000	9.85%	12-Nov-20	12-Nov-22

5.2 Sukuk Certificate - At Amortised Cost

Name of the Investee Company	Maturity Date	As at July 1, 2022	Purchases during the period	Income accrued	Sales / Matured during the period	As at September 30, 2022	Market value as a percentage of	
							Total Investments	Net Assets
(Rupees in '000)								
HUB Power Holding Limited	November 10, 2022	4,828	-	117	-	4,945	2.46%	1.64%
		4,828	-	117	-	4,945		

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

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

Name of the Investee Company	Number of shares				Market value as at September 30, 2022		Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022		Total Investments	Net Assets	
(Rupees in '000)									
Personal Goods (Textile)									
Gul Ahmed Textile Mills Ltd	13,600	-	-	13,600	-	-	0.00%	0.00%	0.00%
Interloop Limited	9,000	-	-	9,000	-	-	0.00%	0.00%	0.00%
Kohinoor Textile Mills Ltd	10,500	-	-	10,500	-	-	0.00%	0.00%	0.00%
Nishat Mills Ltd	8,000	-	-	8,000	-	-	0.00%	0.00%	0.00%
	41,100	-	-	41,100	-	-			
Commercial Banks									
Bank Al-Falah Ltd	78,100	35,000	-	56,500	56,600	1,763	3.09%	2.46%	0.01%
Faysal Bank Limited	72,750	7,000	-	25,500	54,250	1,428	2.50%	1.99%	0.01%
Habib Bank Ltd	37,071	50,000	-	37,071	50,000	3,486	6.10%	4.86%	0.00%
MCB Bank Ltd	24,400	-	-	12,400	12,000	1,434	2.51%	2.00%	0.00%
Meezan Bank Limited	13,000	3,476	1,300	-	17,776	1,951	3.42%	2.72%	0.00%
Standard Chartered Bank (Pakistan) Ltd	140,000	-	-	104,000	36,000	755	1.32%	1.05%	0.00%
United Bank Limited	60,900	6,500	-	36,600	30,800	3,539	6.20%	4.94%	0.00%
	426,221	101,976	1,300	272,071	257,426	14,356			
Cement									
Attock Cemant Pakistan Ltd	-	5,000	-	500	4,500	367	0.64%	0.51%	0.01%
D G Khan Cement Co.Ltd.	-	55,000	-	26,000	29,000	1,758	3.08%	2.45%	0.01%
Fauji Cement Company Limited	-	114,500	-	20,500	94,000	1,409	2.47%	1.97%	0.01%
Lucky Cement Ltd	-	6,900	-	3,000	3,900	1,937	3.39%	2.70%	0.00%
Maple Leaf Cement Factory Ltd	57,812	70,188	-	63,000	65,000	1,811	3.17%	2.53%	0.01%
Pioneer Cement Ltd	-	14,600	-	14,600	-	-	0.00%	0.00%	0.01%
	57,812	266,188	-	127,600	196,400	7,282			
Power Generation & Distribution									
The Hub Power Company Limited	39,483	-	-	11,000	28,483	1,991	3.49%	2.78%	0.00%
	39,483	-	-	11,000	28,483	1,991			
Oil and Gas Exploration Company									
Mari Petroleum Company Ltd	755	550	-	-	1,305	2,042	3.57%	2.85%	0.01%
Oil & Gas Development Co Ltd	50,600	13,000	-	30,500	33,100	2,506	4.39%	3.50%	0.00%
Pakistan Oilfields Ltd	2,900	-	-	-	2,900	1,012	1.77%	1.41%	0.00%
Pakistan Petroleum Ltd	58,900	5,000	-	43,500	20,400	1,254	2.20%	1.75%	0.00%
	113,155	18,550	-	74,000	57,705	6,814			
Oil and Gas Marketing Company									
Attock Petroleum Limited	-	2,000	-	-	2,000	558	0.98%	0.78%	0.01%
Pakistan State Oil Company Ltd	18,004	-	-	9,504	8,500	1,381	2.42%	1.93%	0.01%
Sui Northern Gas Pipeline Limited	-	31,000	-	31,000	-	-	0.00%	0.00%	0.01%
	18,004	33,000	-	40,504	10,500	1,939			
Fertilizer									
Engro Corporation Limited	25,850	15,000	-	16,350	24,500	5,672	9.93%	7.92%	0.00%
Engro Fertilizers Limited	3,000	-	-	3,000	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Co. Ltd	56,312	-	-	34,600	21,712	2,200	3.85%	3.07%	0.00%
	85,162	15,000	-	53,950	46,212	7,872			
Pharma and Bio Tech									
The Searle Company Ltd	1,169	-	-	49	1,120	114	0.20%	0.16%	0.00%
	1,169	-	-	49	1,120	114			
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	96,347	-	-	96,347	-	-	0.00%	0.00%	0.01%
	96,347	-	-	96,347	-	-			
INSURANCE									
IGI Holdings Limited	9,200	-	-	9,200	-	-	0.00%	0.00%	0.00%
	9,200	-	-	9,200	-	-			
Engineering									
Mughal Iron & Steel Inds Ltd	16,613	2,169	-	16,000	2,782	181	0.32%	0.25%	0.01%
	16,613	2,169	-	16,000	2,782	181			
Automobile Assembler									
Millat Tractors Limited	-	1,200	-	1,200	-	-	0.00%	0.00%	0.02%
	-	1,200	-	1,200	-	-			

	Number of shares				Market value as at September 30, 2022	Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022	Total Investments	Net Assets		
(Rupees in '000)									
Chemical									
Engro Polymer and Chemicals Limited	12,500	-	-	12,500	-	-	0.00%	0.00%	0.01%
ICI Pakistan Limited	-	1,000	-	-	1,000	666	1.17%	0.93%	0.01%
	12,500	1,000	-	12,500	1,000	666			
Technology and Communication									
Air Link Communication Ltd	-	5,000	-	5,000	-	-	0.00%	0.00%	0.02%
Avanceon Limited	24,925	18,075	-	17,000	26,000	1,935	3.39%	2.70%	0.02%
Hum Network Limited	150,000	-	-	150,000	-	-	0.00%	0.00%	0.02%
TPL Trakker Limited	213,000	-	-	-	213,000	1,887	3.30%	2.63%	0.02%
	387,925	23,075	-	172,000	239,000	3,822			
Food & Personal Care Product									
Unity Foods Limited	67,500	32,500	-	52,500	47,500	1,072	1.88%	1.50%	0.02%
	67,500	32,500	-	52,500	47,500	1,072			
Refinery									
Attock Refinery Ltd	8,500	-	-	2,400	6,100	898	1.57%	1.25%	0.01%
National Refinery Ltd	6,980	-	-	1,500	5,480	1,334	2.34%	1.86%	0.02%
	15,480	-	-	3,900	11,580	2,232			
MISCELLANEOUS									
TPL Properties Limited	57,000	64,000	-	86,000	35,000	729	1.28%	1.02%	0.02%
	57,000	64,000	-	86,000	35,000	729			
	1,444,671	558,658	1,300	1,069,921	934,708	49,070			
Cost of investments at September 30, 2022						50,225			

5.3.1 Investments include shares having market value aggregating to Rs. 21.699 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.3.2 These include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the bonus shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 383,158 at September 30, 2022 (2021: Rs.514,000) and not yet deposited in CDC account of Department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	September 30, 2022	June 30, 2022
		(Rupees in '000)	
Management fee	6.1	130	219
Sindh Sales Tax	6.2	17	28
Sales load payable		2	2
Allocation of expenses related to registrar services, accounting, operation and valuation services		23	38
Selling and Marketing Payable		117	193
		289	480

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (June 30, 2022: two percent per annum) of the average annual net assets.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7. Payable To Trustee	September 30, 2022	June 30, 2022
	(Rupees in '000)	
Trustee's remuneration	32	22
Sindh Sales Tax	4	3
	<u>36</u>	<u>25</u>

7.1 The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.2% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	September 30, 2022	June 30, 2022
	(Rupees in '000)	
Annual Fee	<u>10</u>	<u>37</u>

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

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2022	June 30, 2022
		(Rupees in '000)	
Auditors' remuneration		473	374
Federal Excise Duty	9.1	6,610	6,610
Other payables		81	66
With Holding Tax Paable		-	-
Payable to brokers		175	115
Dividend payable		3	3
Provision for Sindh Workers' Welfare Fund	9.2	-	-
		<u>7,342</u>	<u>7,168</u>

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.61 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2021 would have been higher by Re. 8.5061 (June 30, 2022: Re. 5.8977) per unit.

9.2 WORKERS' WELFARE FUND AND 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 previous 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. 5.5624 million for the period from July 1, 2014 till August 12, 2021.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022.

11. TAXATION

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

12. EARNINGS PER UNIT (EPU)

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

13. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 4.84% (0.36% representing Government Levies, and SECP Fee).

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

14.1 Transactions during the period

	Three months ended September 30,	
	2022	2021
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	545	1,146
Allocation of expenses related to registrar services, accounting, operation and valuation services	84	177
Selling and Marketing Expense	117	246
Habib Bank Limited - Sponsor		
Redemption of 315,978 units (June 30, 2022: Nil units)	29,443	-
Mark-up earned during the period	91	91
Mark-up received during the period	71	71
Dividend income earned during the period	87	87
Bank charges	1	1
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	55	115
Central Depository service charges	3	3
Executive and Key management personnel		
Redemption of 11,890 units (June 30, 2022: nil units)	1,100	-
HBL Cash Fund		
Sale of T-Bill	25,000	-

14.2	Amounts outstanding as at period end	September 30, 2022	June 30, 2022
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	130	219
	Sindh Sales Tax	17	28
	Sales load payable	2	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	23	38
	Selling and Marketing Payable	117	193
	Habib Bank Limited - Sponsor		
	Investment held in the Fund: Nil units (June 30, 2022: 315,978 units)	-	29,383
	Bank balances	44,302	28,221
	Mark-up receivable on deposits with bank	48	322
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	32	25
	Sindh Sales Tax	4	100
	Mr. Rafiuddin Zakir Mahmood - Connected Person due to holding more than 10% holding		
	Unit held: 312,940 units (June 30, 2022: 312,940 units)	28,856	29,100
	Executive and Key management personnel		
	Unit held: 9,617 units (June 30, 2022: 21,508 units)	887	2,000

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

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

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

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Note	September 30, 2022							
	Carrying amount				Fair Value			
	fair value through profit or loss	At Amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	49,070	-	-	49,070	49,070	-	-	49,070
- Term finance certificate	3,111	-	-	3,111	-	3,111	-	3,111
	52,181	-	-	52,181				
Financial assets not measured at fair value				-				
Bank balances	-	17,974	-	17,974				
Investments								
Dividend receivable and accrued mark-up	-	520	-	520				
Advances, deposits and other receivables	-	2,997	-	2,997				
Term Finance Certificates and sukuk bonds	-	4,945	-	4,945				
	-	26,436	-	26,436				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	289	289				
Payable to Trustee	-	-	15	15				
Accrued expenses and other liabilities	-	-	7,342	7,342				
	-	-	7,646	7,646				

	June 30, 2022							
	Carrying amount				Fair Value			
	Fair value through profit or loss	at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
- Listed equity securities	70,473	-	-	70,473	70,473	-	-	70,473
Term Finance certificate	3,350	-	-	3,350	-	3,350	-	3,350
	<u>73,823</u>	<u>-</u>	<u>-</u>	<u>73,823</u>				
Financial assets not measured at fair value								
Bank balances	-	29,527	-	29,527				
Investments								
- Un-Listed equity securities	-	-	-	-				
- At amortized cost - Placements	-	-	-	-				
- Term Finance Certificates and sukuk bonds	-	4,828	-	4,828				
Dividend receivable and accrued mark-up	-	769	-	769				
Advances, deposits, prepayments and other receivables	-	2,986	-	2,986				
	<u>-</u>	<u>38,110</u>	<u>-</u>	<u>38,110</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	452	452				
Payable to Trustee	-	-	22	22				
Accrued expenses and other liabilities	-	-	558	558				
	<u>-</u>	<u>-</u>	<u>1,032</u>	<u>1,032</u>				

17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Financial Planning Fund

FUND INFORMATION

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

HBL Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2022

----- September 30, 2022 -----				----- June 30, 2022 -----				
Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	
----- (Unaudited) -----				----- (Audited) -----				
----- (Rupees in '000) -----								
Assets								
Bank balances	4	796	3,145	3,941	62,479	1,278	12	63,769
Investments	5	20,462	33,875	54,337	24,375	77,306	-	101,681
Advance, deposits and other receivables		51	22	73	45	16	-	61
Preliminary expenses and flotation costs		42	83	125	110	141	-	251
Total assets		21,351	37,125	58,476	87,009	78,741	12	165,762
Liabilities								
Payable to the Management Company	6	5	12	17	918	13	-	931
Payable to the Trustee		2	5	7	2	6	-	8
Payable to Securities and Exchange Commission of Pakistan	7	2	4	6	7	13	3	23
Accrued expenses and other liabilities	8	234	2,791	3,025	203	89	9	301
Total liabilities		243	2,812	3,055	1,130	121	12	1,263
Net assets		21,108	34,313	55,421	85,879	78,620	-	164,499
Unit holders' fund (as per statement attached)		21,108	34,313	55,421	85,879	78,620	-	164,499
Number of units in issue		278,652	301,170		1,158,847	703,824	-	1,862,671
----- (Rupees) -----				----- (Rupees) -----				
Net asset value per unit		75.7504	113.9325		74.1068	111.7004	-	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

Condensed Interim Income Statement and Other Comprehensive Income (Unaudited)

For the Three months ended September 30, 2022

					For the period from July 01, 2021 to September 13, 2021			
			September-22		September-21			
Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	
			(Rupees in '000)		(Rupees in '000)			
Income								
Mark-up on deposits with bank	170	46	216	22	10	21	53	
Capital (loss) / gain on sale of investment - net	(81)	766	685	(47)	1	176	130	
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	439	729	1,168	(5,398)	(690)	-	(6,088)	
Dividend income	-	-	-	-	-	1,358	1,358	
Bank End load	-	-	-	-	-	-	-	
Total income / (loss)	528	1,541	2,069	(5,423)	(679)	1,555	(4,547)	
Expenses								
Remuneration of the Management Company	4	3	7	1	2	4	7	6.1
Sindh Sales Tax on remuneration of the Management Company	1	-	1	-	-	1	1	6.2
Remuneration of the Trustee	10	19	29	12	13	17	42	7.1
Annual fee to Securities and Exchange Commission of Pakistan	2	4	6	2	3	3	8	7
Allocation of expenses related to registrar services, accounting, operation and valuation services	21	38	59	24	26	34	84	6.3
Amortisation of preliminary expenses and flotation costs	67	58	125	68	58	-	126	
Auditors' remuneration	33	29	62	32	28	49	109	
Printing Charges	-	-	-	4	4	4	12	
Bank charges	1	1	2	4	2	78	84	
Listing Fee	9	8	17	5	4	3	12	
Legal Fee	-	-	-	15	16	8	39	
Total expenses	148	160	308	167	156	201	524	
Net income / (loss) from operating activities	380	1,381	1,761	(5,590)	(835)	1,354	(5,071)	
Reversal / (Provision) for Sindh Workers' Welfare Fund	-	-	-	406	332	466	1,204	8.1
Net income / (loss) for the Period before taxation	380	1,381	1,761	(5,184)	(503)	1,820	(3,867)	
Taxation	-	-	-	-	-	-	-	9
Net income / (loss) for the Period after taxation	380	1,381	1,761	(5,184)	(503)	1,820	(3,867)	
Earning per unit								10
Income already paid on redemption of units	16	203		-	-	162		
Accounting income available for distribution:								
-Relating to capital gains	-	-		(5,445)	(503)	176		
-Excluding capital gains	-	-		261	-	1,482		
	364	1,178		(5,184)	(503)	1,658		
Net income / (loss) for the Period after taxation	380	1,381		(5,184)	(503)	1,820		
Other comprehensive income for the Period	-	-		-	-	-		
Total comprehensive income for the Period	380	1,381		(5,184)	(503)	1,820		

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Statement of Movement In Unitholders' Fund
For the Three months ended September 30, 2022

	September-22			September-21		
	Active Allocation Plan			Active Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the Period	100,204	(14,325)	85,879	84,354	1,525	57,447
Issuance of 5,763 (2021: 4,271) units						
- Capital value (at net asset value per unit at the par value)	427	-	427	316	-	316
- Element of Income	8	-	8	168	-	168
Total proceeds on issuance of units	435	-	435	484	-	484
Redemption of 885,957 (2021: 93,685 units)						
- Capital value (at net asset value per unit at the par value)	(65,655)	-	(65,655)	(6,943)	-	(1,219)
- Amount paid out of element of income	85	-	85	(3,852)	-	(23)
- Income already paid on redemption of units	-	(16)	(16)	-	-	(56)
Total payments on redemption of units	(65,570)	(16)	(65,586)	(10,795)	-	(1,298)
Total comprehensive income for the Period	-	380	380	-	(5,184)	(5,184)
Net assets at end of the Period	35,069	(13,961)	21,108	74,043	(3,659)	51,449
- Realised		1,032			(2,360)	
- Unrealised		(15,357)			3,885	
Undistributed income brought forward		(14,325)			1,525	
Accounting income available for distribution						
- Relating to capital gains		-			(5,445)	
- Excluding capital gains		-			261	
Total comprehensive loss for the period		-			(5,184)	
Undistributed income carried forward		(14,325)			(3,659)	
Undistributed income carried forward						
- Realised		(14,764)			1,739	
- Unrealised		439			(5,398)	
		(14,325)			(3,659)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the Period		74.1068			74.1068	
Net assets value per unit at end of the Period		75.7504			103.2079	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Statement of Movement In Unitholders' Fund
For the Three months ended September 30, 2022

	September-22			September-21		
	Conservative Allocation Plan			Conservative Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the Period	71,779	6,841	78,620	69,654	8,966	78,620
Issuance of 1,750 (2021: 13,586) units						
- Capital value (at net asset value per unit at the par value)	197	-	197	1,517	-	1,517
- Element of Income	4	-	4	52	-	52
Total proceeds on issuance of units	201	-	201	1,569	-	1,569
Redemption of 404,405 (2021: 9) units						
- Capital value (at net asset value per unit at the par value)	(45,172)	-	(45,172)	(1)	-	(1)
- Amount paid out of element of income	(514)	-	(514)	-	-	-
- Income already paid on redemption of units	-	(203)	(203)	-	-	-
Total payments on redemption of units	(45,686)	(203)	(45,889)	(1)	-	(1)
Total comprehensive income for the Period	-	1,381	1,381	-	(503)	(503)
Net assets at end of the Period	26,294	8,019	34,313	71,222	8,463	79,685
- Realised		11,138			7,975	
- Unrealised		(4,297)			991	
Undistributed income brought forward		6,841			8,966	
Accounting income available for distribution						
- Relating to capital gains		-			(503)	
- Excluding capital gains		-			-	
		-			(503)	
Undistributed income carried forward		6,841			8,463	
Undistributed income carried forward						
- Realised		6,112			9,153	
- Unrealised		729			(690)	
		6,841			8,463	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the Period		111.7004			111.7004	
Net assets value per unit at end of the Period		75.7504			103.2079	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Statement of Movement In Unitholders' Fund
For the Three months ended September 30, 2022

	For the period from July 1, 2021 to September 13, 2021		
	Special Income Plan		
	Capital Value	Undistributed income	Total
Net assets at beginning of the Period	(6,232)	6,232	-
Issuance of Nil (2021: 24,128) units			
- Capital value (at net asset value per unit at the par value)	-	-	-
- Element of Income	1,133	-	1,133
Total proceeds on issuance of units	1,133	-	1,133
Redemption of Nil (2021: 857,477) units			
- Capital value (at net asset value per unit at the par value)	-	-	-
- Amount paid out of element of income	(89,300)	-	(89,300)
- Income already paid on redemption of units	-	(162)	(162)
Total payments on redemption of units	(89,300)	(162)	(89,462)
Total comprehensive income for the Period	-	1,820	1,820
Interim Distribution during the period (2021:Rs. 2.2 per unit declared on September 13, 2021 as cash dividend)	-	(1,416)	(1,416)
Net assets at end of the Period	(94,399)	6,474	(87,925)
Undistributed income brought forward			
- Realised		6,196	
- Unrealised		36	
		6,232	
Accounting income available for distribution			
- Relating to capital gains		176	
- Excluding capital gains		1,482	
		1,658	
Distribution during the period		(1,416)	
Undistributed income carried forward		6,474	
Undistributed income carried forward			
- Realised		6,474	
- Unrealised		-	
		6,474	
			(Rupees)
Net assets value per unit at beginning of the Period			-
Net assets value per unit at end of the Period			-

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

Condensed Interim Cash Flow Statement (unaudited)

For the Three months ended September 30, 2022

							For the period from July 01, 2021 to September 13, 2021
September-22			September-21				
Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
------(Rupees in '000)-----							------(Rupees in '000)-----
Cash flows from operating activities							
Net income / (loss) for the Period before taxation	380	1,381	1,761	(5,184)	(503)	1,820	(3,867)
Adjustments for non-cash items							
Dividend income	-	-	-	-	-	(1,358)	(1,358)
Capital loss / (gain) on sale of investment - net	81	(766)	(685)	47	(1)	(176)	(130)
Unrealised (appreciation) / diminution on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(439)	(729)	(1,168)	5,398	690	-	6,088
	22	(114)	(92)	261	186	286	733
Decrease / (increase) in assets							
Investments - net	4,271	44,927	49,198	10,861	(1,168)	89,683	99,376
Advance, deposits and other receivables	(6)	(6)	(12)	300	329	-	629
Preliminary expenses and flotation costs	68	58	126	(239)	(279)	-	(518)
	4,333	44,979	49,312	10,922	(1,118)	89,683	99,487
(Decrease) / Increase in liabilities							
Payable to the Management Company	(913)	(1)	(914)	1	36	(6)	31
Payable to the Trustee	-	(1)	(1)	(1)	(1)	(5)	(7)
Payable to Securities and Exchange Commission of Pakistan	(5)	(9)	(17)	(10)	(9)	(21)	(40)
Accrued expenses and other liabilities	31	2,702	2,724	(455)	(1,858)	(691)	(3,004)
	(887)	2,691	1,792	(465)	(1,832)	(723)	(3,020)
Net cash flow from / (used in) operating activities	3,468	47,555	51,012	10,718	(2,764)	89,246	97,200
Cash flows from financing activities							
Amount received on issue of units	435	201	636	484	1,569	1,133	3,186
Amount paid on redemption of units	(65,586)	(45,889)	(111,475)	(10,795)	(1)	(89,462)	(100,258)
Dividend paid	-	-	-	-	-	(1,416)	(1,416)
Net cash (used in) / generated from financing activities	(65,151)	(45,688)	(110,839)	(10,311)	1,568	(89,745)	(98,488)
Net (decrease) / increase in cash and cash equivalents	(61,683)	1,867	(59,827)	407	(1,196)	(499)	(1,288)
Cash and cash equivalents at the beginning of the Period	62,479	1,278	63,757	237	1,598	1,089	2,924
Cash and cash equivalents at the end of the Period	4	796	3,145	644	402	590	1,636

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

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

For the Three months ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Financial Planning Fund (the Fund), was established under the Trust Deed executed between HBL Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed on March 22, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 14, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton. The Fund commenced its operations from October 11, 2017.

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

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

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

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

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

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2++ (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 MCB Financial Services Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.2 Basis of Measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees, except otherwise stated.

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

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.

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

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

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2022.

The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

4. BANK BALANCES

		30-Sep-2022			30-Jun-2022			
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
Note		(Rupees in '000)						
Savings accounts	4.1	796	3,145	3,941	62,479	1,278	12	63,769

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 12.5% to 13.5% (June 2022: 8% to 12.25%) per annum.

5. INVESTMENTS

		30-Sep-2022			30-Jun-2022			
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
Note		(Rupees in '000)						
Investments by category		(Rupees in '000)						
At fair value through profit or loss - held-for-trading								
Units of mutual funds	5.1	20,462	33,875	54,337	24,375	77,306	-	101,681

5.1 Units of mutual funds

Name of Investee Funds	As at July 01, 2022	Purchases during the period	Redemptions during the period	As at September 30, 2022	Total carrying value as at September 30, 2022	Total market value as at September 30, 2022	Appreciation/ (diminution) as at September 30, 2022	Market value as a percentage of net assets	Market value as a percentage of total investment
Active Allocation Plan									
HBL Money Market Fund	11,931	-	-	11,931	1,226	1,270	44	6.02	6.21
HBL Income Fund	31,089	552,209	452,512	130,786	14,596	15,061	465	71.35	73.60
HBL Equity Fund	256,101	-	201,448	54,653	4,201	4,131	(70)	19.57	20.19
	299,121	552,209	653,960	197,370	20,023	20,462	439	96.94	100.00
Conservative Allocation Plan									
HBL Cash Fund	137	4	-	141	14	14	-	0.04	0.04
HBL Income Fund	504,125	-	281,608	222,517	24,795	25,625	830	74.68	75.65
HBL Stock Fund	112,460	4,474	52,889	94,045	6,757	6,601	(156)	19.24	19.49
HBL Money Market Fund	60,495	-	45,134	15,361	1,579	1,635	56	4.76	4.83
HBL Equity Fund	60,519	-	60,519	-	-	-	-	-	-
	767,736	4,478	440,150	332,064	33,145	33,875	730	98.72	100.00
Total as at September 30, 2022	1,066,857	556,687	1,094,110	529,434	53,168	54,337	1,169		
Total as at June 30, 2022	1,778,159	995,705	1,707,016	1,066,857	121,335	101,681	(19,654)		

6. PAYABLE TO THE MANAGEMENT COMPANY

		30-Sep-2022			30-Jun-2022			
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
Note		(Rupees in '000)						
Management fee	6.1	1	1	2	1	2	-	3
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	11	15	4	11	-	15
Sales load payable		-	-	-	913	-	-	913
		5	12	17	918	13	-	931

- 6.1 As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the Scheme. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.
- 6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.
- 6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

8. ACCRUED EXPENSES AND OTHER LIABILITIES

		30-Sep-2022			June 30, 2022			
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
Note		(Rupees in '000)			(Rupees in '000)			
Withholding tax		-	2,672	2,672	-	-	-	-
Provision for Sindh Workers' Welfare Fund	8.1	-	-	-	-	-	-	-
Printing		19	39	58	19	39	-	58
Auditors' remuneration		90	80	170	57	50	-	107
Other Payables		125	-	125	127	-	9	136
		234	2,791	3,025	203	89	9	301

8.1 SINDH WORKER'S WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 0.41 mn, Rs. 0.33 mn and Rs. 0.48 mn in Active Allocation Plan, Conservative Allocation Plan and Special Income Plan million for the period from July 1, 2014 till August 12, 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% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the period, management has distributed cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

10 EARNINGS PER UNIT (EPU)

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

11.1 Transactions during the period

	For the three months ended September 30, 2022			For the three months ended September 30, 2021			
	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----			
HBL Asset Management Limited - Management Company							
Remuneration of the Management Company	4	3	7	1	2	4	7
Sindh Sales Tax on remuneration of the Management Company	1	-	1	-	-	1	1
Allocation of expenses related to registrar services, accounting, operation and valuation services	21	38	59	24	26	34	84
Habib Bank Limited - Sponsor							
Mark-up earned	169	46	215	21	9	20	50
MCB Financial Services Limited - Trustee							
Remuneration of the Trustee	10	19	29	12	13	17	42

HBL Cash Fund
- CIS managed by Management Company

Purchase of Nil (2021: Nil) units

Purchase of 4 (2021: 2) units

Purchase of Nil (2021: 13,422) units

Redemption of Nil (2021: 14,995) units

Redemption of Nil (2021: 884,451) units

HBL Stock Fund
- CIS managed by Management Company

Purchase of 4,474 (2021: Nil) units

Redemption of 52,889 (2021: Nil) units

HBL Equity Fund
- CIS managed by Management Company

Redemption of 201,448 (2021: 61,283) units

Purchase of Nil (2021: 2,313) units

Redemption of 60,519 (2021: 61,283) units

HBL Income Fund
- CIS managed by Management Company

Purchase of 552,209 (2021: 12,143) units

Redemption of 452,512 (2021: 7,365) units

Redemption of 281,608 (2021: Nil) units

HBL Money Market Fund
- CIS managed by Management Company

Purchase of Nil (2021: 12,143) units

Redemption of 45,134 (2021: 3,891) units

Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
------(Rupees in '000)-----			------(Rupees in '000)-----			
-	-	-	1,727	-	-	1,727
-	-	-	-	-	-	-
-	-	-	-	-	1,359	1,359
1,522	-	1,522	1,522	-	-	1,522
-	-	-	-	-	89,683	89,683
-	311	311	-	-	-	-
-	3,651	3,651	-	-	-	-
14,997	-	14,997	8,520	-	-	8,520
-	-	-	-	314	-	314
-	4,463	4,463	-	-	-	-
61,633	-	61,633	-	-	-	-
50,908	-	50,908	820	-	-	820
-	32,318	32,318	-	-	-	-
-	-	-	-	1,255	-	1,255
-	4,782	4,782	-	400	-	400

11.2 Balances outstanding as at period end
**HBL Asset Management Limited -
Management Company**

Management fee

Sindh Sales Tax on Management

Company's remuneration

 Allocation of expenses related to registrar services,
accounting, operation and valuation services

Sales load payable

Units held 263,657 (2022: 263,657) units

Habib Bank Limited - Sponsor

Balance in savings account

MCB Financial Services Limited - Trustee

Remuneration payable to the Trustee

**Ahmed Jamal Mir - Connected Person
due to 10% holding**

Units held: 33,500 (2022: 33,500)

**Ishtiaq Ahmed - Connected person
due to 10% holding**

Units held: 51,478 (2022: 51,478)

Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
------(Rupees in '000)-----			------(Rupees in '000)-----			
1	1	2	1	2	3	6
-	-	-	-	-	-	-
4	11	15	4	11	-	15
-	-	-	913	-	-	913
-	30,039	30,039	-	29,451	-	29,451
783	3,054	3,837	62,466	1,187	11	63,663
2	5	7	2	5	-	7
2,538	-	2,538	2,483	-	-	2,483
3,899	-	3,899	3,815	-	-	3,815

	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----			
Shahbaz Khaliq- Connected Person due to holding of 10% or more Units held 50,353 (2022: 50,353) units	3,814	-	3,814	3,732	-	-	3,732
Qadeer Baig - Connected Person due to holding of 10% or more Units held 34,462 (2022: 34,462) units	2,611	-	2,611	2,554	-	-	2,554
Saleem Majidulla - Connected Person due to holding of 10% or more Units held 30,697 (2022: 30,697) units	2,325	-	2,325	2,275	-	-	2,275
HBL Cash Fund - CIS managed by Management Company Units held Nil (2022: Nil) units Units held 141 (2022: 137) units	-	-	-	-	-	-	-
	-	14	14	-	14	-	14
HBL Stock Fund - CIS managed by Management Company Units held: 94,045 (June 30, 2022: 142,460)	-	6,601	6,601	-	10,247	-	10,247
HBL Money Market Fund - CIS managed by Management Company Units held: 11,931 (June 30, 2022: 11,931) Units held: 15,361 (June 30, 2022: 60,495)	1,270	-	1,270	1,226	-	-	1,226
	-	1,635	-	-	6,218	-	6,218
HBL Equity Fund - CIS managed by Management Company Units held: 54,653 (June 30, 2022: 256,101) Units held: Nil (June 30, 2022: 60,519)	4,131	-	4,131	19,685	-	-	19,685
	-	-	-	-	4,652	-	4,652
HBL Income Fund - CIS managed by Management Company Units held: 130,786 (June 30, 2022: 31,089) Units held: 222,517 (June 30, 2022: 504,124)	15,061	-	15,061	3,464	-	-	3,464
	-	25,625	-	-	56,175	-	56,175

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 i.e. units of mutual funds are based on the quoted NAVs at the close of the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

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

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

		September 30, 2022							
		Carrying amount				Fair Value			
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	(Rupees in '000)							
Financial assets measured at fair value									
Units of mutual funds	5	54,337	-	-	54,337	54,337	-	-	54,337
		54,337	-	-	54,337	54,337	-	-	54,337
Financial assets not measured at fair value									
	12.1								
Bank balances		-	3,941	-	3,941				
Accrued mark-up		-	-	-	-				
		-	3,941	-	3,941				
Financial liabilities not measured at fair value									
	12.1								
Payable to the Management Company		-	17	-	-				
Payable to the Trustee		-	7	-	-				
Accrued expenses and other liabilities		-	204	-	-				
Unit holders' fund		-	55,421	-	-				
		-	55,649	-	-				
		June 30, 2022							
		Carrying amount				Fair Value			
		Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	(Rupees in '000)							
Financial assets measured at fair value									
Units of mutual funds		101,681	-	-	101,681	101,681	-	-	101,681
		101,681	-	-	101,681	101,681	-	-	101,681
Financial assets not measured at fair value									
	12.1								
Bank balances		-	63,769	-	63,769				
		-	63,769	-	63,769				
Financial liabilities not measured at fair value									
	12.1								
Payable to the Management Company		-	931	-	931				
Payable to the Trustee		-	8	-	8				
Accrued expenses and other liabilities		-	301	-	301				
Unit holders' fund		-	164,499	-	164,499				
		-	165,739	-	165,739				

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the period ended September 30, 2021 is 0.35% and 0.3% (YTD) (2020: 0.39%, 0.03% and 0.12% which includes 0.13% and 0.00% (2021: 0.11%, 0.01%, and nil) representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan, Special Income Plan respectively.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 19, 2022 by the Board of Directors of the Management Company.

15. GENERAL

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Growth Fund

FUND INFORMATION

Name of Fund	HBL Growth Fund
Name of Auditor	A.F. Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Allied Bank limited Bank Alfalah Limited Habib Bank Limited Habib Metro Bank Limited HBL Micro Finance Bank JS Bank Limited Khushali Micro Finance Bank MCB Bank Limited Mobillink Micro Finance Bank National Bank Limited Soneri Bank limited U Micro Finance Bank Limited Zarai Taraqati Bank Limited

HBL Growth Fund

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

AS AT SEPTEMBER 30, 2022

		September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
	Note	Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)					
Assets							
Bank balances	4	490,296	286,680	776,976	455,453	275,981	731,434
Investments	5	4,778,097	932,677	5,710,774	5,041,449	1,024,391	6,065,840
Dividend and profit receivable		13,978	8,506	22,484	14,076	2,536	16,612
Receivable against purchase of investment		-	61,895	61,895	-	4,127	4,127
Security deposits and Prepayments		2,257	4,211	6,468	1,206	10,444	11,650
Total assets		5,284,628	1,293,969	6,578,597	5,512,184	1,317,479	6,829,663
Liabilities							
Payable to Management Company	6	9,935	4,962	14,897	9,832	8,998	18,830
Payable to the Trustee		593	183	776	588	276	864
Payable to the Securities and Exchange Commission of Pakistan	8	283	51	334	1,179	302	1,481
Payable against purchase of investment		-	47,555	47,555	-	1,614	1,614
Accrued expenses and other liabilities	0	541	128,192	128,733	442	126,824	127,266
Unclaimed dividend		-	131,968	131,968	-	131,967	131,967
Total liabilities		11,352	312,911	324,263	12,041	269,981	282,022
Net assets		5,273,276	981,058	6,254,334	5,500,143	1,047,498	6,547,641
Total unit holders' fund (as per statement attached)		5,273,276	981,058	6,254,334	5,500,143	1,047,498	6,547,641
Contingencies and commitments							
Number of units in issue	9	283,500,000	76,946,556		283,500,000	81,232,399	
(Rupees)							
Net assets value per unit		18.6006	12.7498		19.4009	12.8951	

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

CONDENSED INTERIM INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

		Three Months Ended September 30,					
Note	2022			2021			
	Class A	Class B	Total	Class A	Class B	Total	
	------(Rupees in '000)-----			------(Rupees in '000)-----			
Income							
Capital gain on sale of investments - net	(114)	(8,004)	(8,118)	-	1,138	1,138	
Dividend income	49,556	16,918	66,474	39,645	12,788	52,433	
Profit on bank deposits	10,132	9,109	19,241	3,436	4,575	8,011	
Income from Government securities	10,890	193	11,083	-	-	-	
	70,464	18,216	88,680	43,081	18,501	61,582	
Unrealized appreciation on re-measurement of investments classified as financial assets at 'fair value through profit and loss' - held-for-trading - net	-	(17,706)	(17,706)	-	(255,736)	(255,736)	
	70,464	510	70,974	43,081	(237,235)	(194,154)	
investments at fair value through profit or loss - net	-	-	-	-	-	-	
Expenses							
Remuneration of Management Company	23,944	5,782	29,726	28,570	10,151	38,721	
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,836	333	2,169	2,129	568	2,697	
Annual fee to the Securities and Exchange Commission of Pakistan	283	51	334	337	90	427	
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,769	1,407	9,176	9,271	2,470	11,741	
Selling and Marketing Expense	-	2,686	2,686	-	4,716	4,716	
Settlement and bank charges	7	143	150	-	268	268	
Auditors' remuneration	126	14	140	126	14	140	
Fees & Subscription	14	184	198	-	104	104	
Securities transaction costs	-	1,362	1,362	-	1,680	1,680	
	33,979	11,962	45,941	40,433	20,061	60,494	
Net income from operating activities	36,485	(11,452)	25,032	2,648	(257,298)	(254,650)	
Reversal / (Provision) for Sindh Workers' Welfare Fund	\$ -	-	-	\$ 2,065	\$ 50,977	53,042	
Net income for the period before taxation	36,485	(11,452)	25,032	4,713	(206,321)	(307,692)	
Taxation	-	-	-	-	-	-	
Net income for the period after taxation	36,485	(11,452)	25,032	4,713	(206,321)	(307,692)	
Allocation of net income for the period:							
Net Income for the period	-	-	-	-	-	-	
Income already paid on redemption of units	-	-	-	-	-	-	
		-					
Accounting (loss) / income available for distribution:							
-Relating to capital gains	-	-	-	-	-	-	
-Excluding capital gains	36,485	-	-	-	-	-	
	36,485	-	-	-	-	-	
Other comprehensive income / (loss) for the period	(263,351)	-	-	(667,233)	-	-	
Total comprehensive income / (loss) for the period	(226,866)	(11,452)	-	(662,520)	(206,321)	-	

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Statement of Movement in Unit Holders' Fund

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	2022					2021			2020							
	Class A					Class B			Class A					Class B		
	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on Issue of Certificates	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on Issue of Certificates	Total	Capital Value	Undistributed Income	Total
(Rupees)																
Net assets at beginning of the year / period	2,835,000	(2,963,741)	3,621,072	2,007,812	5,500,143	(514,254)	1,561,752	1,047,498	2,835,000	(3,196,781)	5,197,691	2,007,812	6,843,722	(319,699)	2,180,577	1,860,878
Issue of 283,500,000 Class B units at the time of conversion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of 1,060,471 units (2019: 1,060,471 units)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,989	-	3,989
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	-	-	-	-	-	-	-	-	(173)	-	(173)
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	-	-	-	-	3,816	-	3,816
Redemption of 96,606,347 units (2019: 96,606,347 units)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	(85,506)	-	(85,506)	-	-	-	-	-	57,264	-	57,264
- Amount paid out of element of income	-	-	-	-	-	30,517	-	30,517	-	-	-	-	-	(112,762)	-	(112,762)
Relating to net income for the year / period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payment on redemption of units	-	-	-	-	-	(54,989)	-	(54,989)	-	-	-	-	-	(55,498)	-	(55,498)
Total comprehensive income for the year / period	-	36,485	(263,351)	-	(226,866)	-	(11,452)	(11,452)	-	4,713	(667,233)	-	(662,520)	-	(206,321)	(206,321)
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year / period less distribution	-	36,485	(263,351)	-	(226,866)	-	(11,452)	(11,452)	-	4,713	(667,233)	-	(662,520)	-	(206,321)	(206,321)
Net assets at end of the year / period	2,835,000	(2,927,256)	3,357,721	2,007,812	5,273,276	(569,243)	1,550,300	981,058	2,835,000	(3,192,068)	4,530,458	2,007,812	6,181,202	(371,382)	1,974,256	1,602,875
Undistributed income / (loss) brought forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised	-	(2,963,741)	-	(5,273,276)	-	-	2,005,914	-	-	(3,196,781)	-	-	-	-	2,014,667	-
- Unrealised	-	-	-	-	-	-	(444,162)	-	-	-	-	-	-	-	165,910	-
	-	(2,963,741)	-	-	-	-	1,561,752	-	-	(3,196,781)	-	-	-	-	2,180,577	-
Transferred to Class B - Segment on conversion of Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income / (Loss) available for distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	36,485	-	-	-	-	(11,452)	-	-	4,713	-	-	-	-	-	-	-
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward	(2,927,256)	-	-	-	-	1,550,300	-	-	(3,192,068)	-	-	-	-	2,180,577	-	-
Undistributed income carried forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised	(2,927,256)	-	-	-	-	1,568,006	-	-	(3,192,068)	-	-	-	-	2,436,313	-	-
- Unrealised	-	-	-	-	-	(17,706)	-	-	-	-	-	-	-	255,736	-	-
	(2,927,256)	-	-	-	-	1,550,300	-	-	(3,192,068)	-	-	-	-	2,180,577	-	-
Net assets value per unit at beginning of the year / period	19.4009	-	-	-	-	19.9509	-	-	24.1401	-	-	-	-	19.9059	-	-
Net assets value per unit at end of the year / period	18.6006	-	-	-	-	12.7498	-	-	21.8032	-	-	-	-	17.6514	-	-

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Condensed Interim Cash Flow Statement (Un-audited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	2022			2021		
	Class A	Class B	Total	Class A	Class B	Total
Note						
CASH FLOW FROM OPERATING ACTIVITIES						
Net income for the period	36,485	(11,452)	25,033	4,713	(206,321)	(201,608)
Adjustments of non-cash items						
Capital loss / (gain) on sale of investments - net	114	8,004	8,004	-	(1,138)	(1,138)
Income from Government securities	(10,890)	(193)				
Unrealised diminution / (appreciation) on remeasurement of investments at fair value through profit or loss - net	-	17,706	17,706	-	255,736	255,736
Dividend income	(49,556)	(16,918)	(66,474)	(39,645.00)	(12,788)	(52,433)
Profit on bank deposit	(10,132)	(9,109)	(19,241)	(3,436)	(4,575)	(8,011)
	(33,979)	(11,962)	(34,972)	(38,368)	30,915	(7,454)
(Increase) / decrease in assets						
Investments - net	10,777	66,197	76,974	-	(25,371)	(25,371)
Receivable against sale of investments	-	(57,768)	(57,768)	-	13,882	13,882
Security deposits	(1,051)	6,233	5,182	(1,656)	7,098	5,442
	9,726	14,662	24,388	(1,656)	(4,392)	(6,047)
Increase / (decrease) in liabilities						
Payable to Management Company	103	(4,036)	(3,933)	(1,246)	(433)	(1,679)
Payable to Central Depository Company of Pakistan Limited - Trustee	5	(93)	(88)	(63)	(48)	(111)
Payable to the Securities and Exchange Commission of Pakistan	(896)	(251)	(1,147)	(973)	(260)	(1,233)
Payable against purchase of investment	-	45,941	45,941	-	(34,487)	(34,487)
Accrued expenses and other liabilities	99	1,368	1,467	(1,919)	(51,990)	(53,909)
	(689)	42,929	42,240	(4,201)	(87,218)	(91,419)
Cash used in operations	(24,943)	45,629	31,656	(44,225)	(60,695)	(104,920)
Dividend received	49,556	11,000	60,556	39,645	-	39,645
Profit received on bank deposit	10,230	9,058	19,288	3,450	4,986	8,436
Net cash generated from operating activities	59,786	20,058	79,844	43,095	4,986	48,081
CASH FLOW FROM FINANCING ACTIVITIES						
Amount received on issue of units	-	-	-	-	3,816	3,816
Amount paid on redemption of units	-	(54,989)	(54,989)	-	(55,498)	(55,498)
Dividend paid	-	1	1	-	(214)	(214)
Net cash generated from / (used in) financing activities	-	(54,988)	(54,988)	-	(51,897)	(51,896)
Net (decrease) / increase in cash and cash equivalents	34,843	10,699	45,542	(1,130)	(107,606)	(108,736)
Cash and cash equivalents at beginning of the period	455,453	275,981	731,434	236,374	381,491	617,865
Cash and cash equivalents at end of the period	490,296	286,680	776,976	235,245	273,886	509,131

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Growth Fund was established under a Trust Deed, executed between PICIC Asset Management Company (Now HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2 Through an order dated August 31, 2016, SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016. Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.
- 1.3 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.4 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.5 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.6 JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (Outlook: Positive) to the Management Company.
- 1.7 Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.
- 2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2022.

2.2 Basis of measurement

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020 except as explained in note 3.1 and 3.2.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2020. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The 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, 2022.

		September 30, 2022			June 30, 2022				
		Class A	Class B	Total	Class A	Class B	Total		
		(Rupees in '000)			(Rupees in '000)				
Note									
4	BANK BALANCES								
	In savings account	4.1							
		490,296	286,680	776,976	236,374	381,491	617,865		
4.1	Mark-up rates on these accounts range between 5% to 8.25% p.a (June 30, 2022: 5% - 7.4% p.a).								
5	INVESTMENTS								
	Financial assets 'at fair value through profit or loss' - held-for-trading								
	- Listed equity securities Available for sale	5.1							
		-	932,677	932,677	-	1,792,927	1,792,927		
	- Listed equity securities	5.2							
		4,778,097	-	4,778,097	6,618,068	-	6,618,068		
		4,778,097	932,677	5,710,774	6,618,068	1,792,927	8,410,995		
5.1	Financial assets 'at fair value through profit and loss' - held-for-trading								
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise									
Name of the Investee Company	Number of shares					Percentage in Relation to			
	As at July 1, 2022	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2022	Market value as at Sep 30, 2022 (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paidup Capital
INSURANCE									
IGI Holdings Limited	295,400	2,000	-	121,600	175,800	18,130	1.85%	1.94%	0.14%
IGI LIFE INSURANCE LIMITED	434,500	29,500	-	-	464,000	9,651	0.98%	1.03%	0.03%
TPL Insurance Limited	756,695	-	-	39,500	717,195	18,375	1.87%	1.97%	0.95%
	1,486,595	31,500	-	161,100	1,356,995	46,156	4.70%	4.95%	
TEXTILE COMPOSITE									
Azgard Nine Ltd	1,486,000	-	-	1,486,000	-	-	0.00%	0.00%	0.86%
Gul Ahmed Textile Mills Ltd	620,327	-	-	620,327	-	-	0.00%	0.00%	0.10%
Interloop Limited	184,172	-	-	184,172	-	-	0.00%	0.00%	2.78%
	2,290,499	-	-	2,290,499	-	-	0.00%	0.00%	
CEMENT									
Attock Cement Pakistan Ltd	778,000	62,500	-	193,500	647,000	52,776	5.38%	5.66%	0.56%
D G Khan Cement Co.Ltd.	-	785,351	-	235,718	549,633	33,319	3.40%	3.57%	0.03%
Fauji Cement Company Limited	-	990,000	-	-	990,000	14,840	1.51%	1.59%	0.03%
Kohat Cement Ltd	43,800	29,100	-	5,100	67,800	10,848	1.11%	1.16%	0.06%
Lucky Cement Ltd	26,424	-	-	-	26,424	13,121	1.34%	1.41%	0.04%
Maple Leaf Cement Factory Ltd	228,096	565,404	-	97,500	696,000	19,391	1.98%	2.08%	0.10%
	1,076,320	2,432,355	-	531,818	2,976,857	144,294	14.71%	15.47%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	473,956	6,497	-	6,497	473,956	33,134	3.38%	3.55%	0.05%
Nishat Power Limited	-	173,000	-	173,000	-	-			
	473,956	179,497	-	179,497	473,956	33,134	3.38%	3.55%	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	383,490	-	-	236,490	147,000	9,581	0.98%	1.03%	0.10%
	383,490	-	-	236,490	147,000	9,581	0.98%	1.03%	
AUTOMOBILE ASSEMBLER									
Millat Tractors Ltd	-	2,900	-	2,900	-	-	0.00%	0.00%	0.12%
	-	2,900	-	2,900	-	-	0.00%	0.00%	
PHARMACEUTICALS									
Ferozsons Laboratories Ltd	40,300	-	-	40,300	-	-	0.00%	0.00%	0.08%
Highnoon Laboratories Limited	18,440	-	-	18,440	-	-	0.00%	0.00%	
The Searle Company Ltd	3,926	-	-	-	3,926	399	0.04%	0.04%	0.06%
	62,666	-	-	58,740	3,926	399	0.04%	0.04%	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	1,491,283	10,000	-	914,283	587,000	12,480	0.00%	0.00%	-
	1,491,283	10,000	-	914,283	587,000	12,480	0.00%	0.00%	
PROPERTIES									
TPL Properties Limited	783,000	829,629	-	1,039,300	573,329	11,948	0.00%	0.00%	0.00%
	783,000	829,629	-	1,039,300	573,329	11,948	0.00%	0.00%	
GLASS & CERAMICS									
Mari Petroleum Company Ltd	18,353	7,607	-	-	25,960	40,622	0.00%	0.00%	0.00%
Oil & Gas Development Co Ltd	397,729	154,000	-	6,900	544,829	41,254			
Pakistan Oilfields Ltd	48,125	3,350	-	-	51,475	17,971			
Pakistan Petroleum Ltd	312,800	457,000	-	293,000	476,800	29,299			
	777,007	621,957	-	299,900	1,099,064	129,147	0%	0%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	267,244	-	-	122,244	145,000	23,552	2.40%	2.53%	0.09%
Sui Northern Gas Pipeline Ltd	-	309,000	-	309,000	-	-			
	267,244	309,000	-	431,244	145,000	23,552	0	0	

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2022 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2022	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2022		Net Assets of the fund	Total Investments	Investee Paidup Capital
REFINERY									
Attock Refinery Ltd	130,000	33,500	-	64,500	99,000	14,575	1.49%	1.56%	0.05%
National Refinery Ltd	113,000	-	-	24,895	88,105	21,450	2.19%	2.30%	0.17%
	243,000	33,500	-	89,395	187,105	36,025	3.67%	3.86%	
COMMERCIAL BANKS									
Bank Al-Falah Ltd	762,000	685,000	-	200,000	1,247,000	38,832	3.96%	4.16%	0.01%
Bank Al-Habib Limited	367,317	-	-	-	367,317	19,835	2.02%	2.13%	0.03%
Faysal Bank Limited	1,228,250	50,000	-	373,500	904,750	23,822	2.43%	2.55%	0.01%
Habib Bank Ltd	729,924	600,000	-	729,924	600,000	41,826			
MCB Bank Ltd	263,004	-	-	18,000	245,004	29,280			
Meezan Bank Ltd	-	150,000	-	-	150,000	16,463	1.68%	1.77%	0.02%
Standard Chartered Bank (Pakistan) Ltd	2,481,000	46,000	-	1,801,000	726,000	15,224	1.55%	1.63%	0.06%
United Bank Limited	649,455	45,000	-	107,620	586,835	67,421	6.87%	7.23%	0.06%
	6,480,950	1,576,000	-	3,230,044	4,826,906	252,703	18.51%	19.47%	
FERTILIZER									
Engro Corporation Ltd	151,488	200,500	-	51,988	300,000	69,456	7.08%	7.45%	-
Engro Fertilizers Limited	-	45,000	-	45,000	-	-	0.00%	0.00%	0.08%
Fauji Fertilizer Co Ltd	503,485	-	-	114,000	389,485	39,459	4.02%	4.23%	-
	654,973	245,500	-	210,988	689,485	108,915	11.10%	11.68%	
CHEMICAL									
Engro Polymer & Chemicals Ltd	145,500	-	-	145,500	-	-	0.00%	0.00%	-
	145,500	-	-	145,500	-	-	0.00%	0.00%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	135,975	202,556	-	113,531	225,000	16,749	1.71%	1.80%	0.89%
TPL Trakker Limited	9,431,000	1,057,500	-	-	10,488,500	92,928	9.47%	9.96%	-
	9,566,975	1,260,056	-	113,531	10,713,500	109,677	11.18%	11.76%	
FOOD & PERSONAL CARE PRODUCTS									
Unity Foods Limited	915,007	215,000	-	480,007	650,000	14,664	1.49%	1.57%	1.92%
	915,007	215,000	-	480,007	650,000	14,664	1.49%	1.57%	
AUTOMOBILE PARTS & ACCESSORIES									
							0.00%	0.00%	0.72%
							0.00%	0.00%	-
							0.00%	0.00%	0.01%
							0.00%	0.00%	0.33%
	-	-	-	-	-	-	0.00%	0.00%	
Total as at September 30, 2022	27,098,465	7,746,894	-	10,415,236	24,430,123	932,677	72.17%	76%	
Total as at June 30, 2022	27,242,846	57,825,744	117,600	57,623,051	27,563,139	1,792,927	99.84%	100%	
Cost as at Sep 30, 2022	950,383								
*Sponsor of the Management Company									

*Sponsor of the Management Company

Investments include shares having market value aggregating to Rs. 189.573 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.

- 5.1.1 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 1.11 million at September 30, 2022 (June 30, 2022: Rs. 1.073) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

Listed equity securities - Available for Sale

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2022 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2022	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2022		Net Assets of the fund	Total Investments	Investee Paidup Capital
5.2 Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	27,364,904	-	-	-	27,364,904	4,444,881	84.29%	93.03%	5.83%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	333,216	6.32%	6.97%	1.56%
TOTAL SEPTEMBER 30, 2022	37,276,150	-	-	-	37,276,150	4,778,097	90.61%	100%	
TOTAL JUNE 30, 2022	37,276,150	-	-	-	37,276,150	5,041,449	97.00%	100%	
Cost as at September 30, 2022						1,420,375			

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

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 38.19 million at September 30, 2022 (June 30, 2022: Rs. 51.139 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.3 Market Treasury Bills

Issue date	Face value				Balance as at Sep 30, 2022			Market value as a percentage of	
	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at Sep 30, 2022	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
----- (Rupees in '000) ----- % -----									

Market Treasury Bills - 3 Months

Market treasur	25-Aug-2022	-	410,000	410,000	-	-	-	-	-
Total as at September 30, 2022					-	-	-		

	Note	September 30, 2022			June 30, 2022		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
6 PAYABLE TO MANAGEMENT COMPANY							
Management fee		6,638	1,619	8,257	8,704	3,079	11,783
Sindh Sales Tax	6.1	863	210	1,073	1,131	400	1,531
Allocation of expenses relating to registrar services, accounting, operation and valuation services		2,434	445	2,879	3,192	847	4,039
Selling and marketing expenses		-	2,688	2,688	-	4,712	4,712
		9,935	4,962	14,897	13,027	9,038	22,065

6.1 The Management Company has charged its remuneration at the rate of 2% per annum (June 30, 2022: 2% per annum) of the average annual net assets of the Fund for the current year.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "registrar services, accounting, operation and valuation services related to , Collective Investment Scheme". During the period the Management Company has charged aforementioned expense to the extent of 0.55% of the average daily net assets of the Fund till September 30, 2022.

	Note	September 30, 2022			June 30, 2022		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
7 ACCRUED EXPENSES AND OTHER LIABILITIES							
Provision for Sindh Workers' Welfare Fund	7.1	-	-	-	2,065	50,977	53,042
Provision for Federal Excise Duty and additional				-			-
Sales tax on Management Fee	7.2	-	125,303	125,303		125,303	125,303
Brokerage		-	1,362	1,362	-	1,392	1,392
Auditors' remuneration		522	164	686	352	94	446
Withholding tax		19	255	274	17	37	54
Others		-	1,108	1,108	-	1,011	1,011
		541	128,192	128,733	2,434	178,814	181,248

7.1 PROVISION FOR WORKERS' WELFARE FUND AND 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, 2022 (received on August 13, 2022) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

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

On August 13, 2022 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 2.5 million & 50.98 million for both and HBL Growth Fund Class A and Class B respectively for the period from July 1, 2014 till August 12, 2022.

7.2 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, 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.

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

The finance act 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the period ended September 30, 2017.

The Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 125.303 million (June 30, 2022: Rs. 125.303 million). Had the provision not been made, the Net Asset Value per unit of Class-B as at September 30, 2020 would have been higher by Re. 1.3799 (June 30, 2022: Rs. 1.340) per unit.

8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	September 30, 2022			June 30, 2022		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
	Fee Payable	283	90	373	1,179	302	1,481

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022.

10 TAXATION

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

11 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio for the Three Months Ended September 30, 2022 is 2.42% and 4.68% (2021: 0.6% and 1.13%) which includes 0.24% and 0.36% (2021: 0.05% and 0.09%) representing government levy, and SECP fee of the Class A and Class B respectively.

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

		Three Months Ended September 30,					
		2022			2021		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
12.1	Transactions during the period						
	HBL Asset Management Limited - Management Company						
	Remuneration of the Management Company	21,189	5,117	26,306	25,283	8,983	34,267
	Sales tax on remuneration of the management company	2,755	665	3,420	3,287	1,168	4,455
	Allocation of expenses related to registrar services, accounting, operation and valuation services	7,769	1,407	9,176	9,271	2,470	11,741
	Selling and Marketing Expense	-	2,686	2,686	-	4,716	4,716
	Habib Bank Limited - Sponsor						
	Dividend income	-	1,083	1,083	-	1,628	1,628
	Profit on saving account	-	6,841	6,841	-	37	37
	Directors and Executives of the Management Company						
	Redemption of unit: NIL units (2021:123,052)	-	-	-	-	2,363	2,363
	Central Depository Company of Pakistan						
	Trustee Fee	1,836	333	2,169	2,129	568	2,697
	CDS Charges	-	157	157	-	183	183
		September 30, 2022			June 30, 2022		
		(Un-Audited)			(Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)			(Rupees in '000)		
12.2	Balances at period end						
	HBL Asset Management Company Limited - Management Company						
	Payable to management company	6,638	1,619	8,257	6,569	1,809	8,378
	Sindh sales tax	863	210	1,073	854	235	1,089
	Allocation of expenses relating to registrar services, accounting, operation and valuation services	2,434	445	2,879	2,409	1,245	3,654
	Selling and Marketing Expense	-	2,688	2,688	-	5,709	5,709
	Habib Bank Limited - Sponsor						
	Bank Balances	-	1,763	1,763	-	1,691	1,691
	HBL Micro Finance Bank - Associate						
	Bank Balances	977	8	984	932	9	941

	September 30, 2022			June 30, 2022		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Pakistan Reinsurance Company Limited - Connected person						
- due to holding more than 10% Units						
Units held: 30,406,721 Units (June 2022: 30,406,721 Units)	304,067	-	304,067	304,067	-	304,067
Units held: 15,000,000 Units (June 2022: 15,000,000 Units)	-	191,247	191,247	-	193,427	193,427
Central Depository Company of Pakistan Limited - Trustee						
Trustee remuneration payable	593	183	776	588	195	783
Security Deposit with trustee	100	175	275	-	175	175
CDS Charges Payable	-	101	101	-	81	81
Directors and Executives of the Management Company						
Units held: 18,000 Units (June 2022: 18,000 Units)	180	-	180	180	-	180
Units held: 18,000 Units (June 2022: 18,000 Units)	-		229	-	232	232
MCB Bank Limited - Treasury						
- connected person due to holding more than 10% units						
Outstanding 43,482,858 (2022: 43,482,858 units) at par value	434,829	-	434,829	434,829	-	434,829
CDC - Trustee National Investment						
- Associate						
Outstanding 6,466,800 (2022: 6,466,800 units) at par value	64,668	-	64,668	66,468	-	66,468
HBL Cash Fund - Associate						
Sell of T-bill (3 month) to HBL Cash Fund	35,000	-	35,000	-	-	-

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

13.1

		Class A							
		September 30, 2022							
		Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note-----	(Rupees in '000) -----							
Financial assets measured at fair value									
Investment in listed equity securities									
- available for sale		4,778,097	-	-	4,778,097	4,778,097	-	-	4,778,097
		4,778,097	-	-	4,778,097	4,778,097	-	-	4,778,097
Financial assets not measured at fair value									
Bank balances	-	-	490,296	-	490,296	-	-	-	-
Dividend and profit receivable	-	-	13,978	-	13,978	-	-	-	-
Security deposits	-	-	100	-	100	-	-	-	-
	-	-	504,374	-	504,374	-	-	-	-
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	-	9,935	9,935	-	-	-	-
Payable to trustee	-	-	-	593	593	-	-	-	-
Accrued expenses and other liabilities	-	-	-	522	522	-	-	-	-
	-	-	-	11,051	11,051	-	-	-	-

13.2

		Class B								
		September 30, 2022								
		Carrying amount				Fair Value				
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments	Note	(Rupees in '000)								
Financial assets measured at fair value										
Investment in listed equity securities										
- at fair value through profit and loss										
		932,677	-	-	-	932,677	932,677	-	-	932,677
		932,677	-	-	-	932,677	932,677	-	-	932,677
Financial assets not measured at fair value										
Bank balances		-	-	286,680	-	286,680	-	-	-	-
Dividend and profit receivable		-	-	8,506	-	8,506	-	-	-	-
Deposits		-	-	2,675	-	2,675	-	-	-	-
		-	-	297,861	-	297,861	-	-	-	-
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	-	4,962	4,962	-	-	-	-
Payable to trustee		-	-	-	183	183	-	-	-	-
Accrued expenses and other liabilities		-	-	-	128,478	128,478	-	-	-	-
		-	-	-	133,624	133,624	-	-	-	-

	Class A								
	June 30, 2022								
	Carrying amount					Fair Value			
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----								
Financial assets measured at fair value									
Investment in listed equity securities									
- available for sale	-	5,041,449	-	-	5,041,449	5,041,449	-	-	5,041,449
	-	5,041,449	-	-	5,041,449	5,041,449	-	-	5,041,449
Financial assets not measured at fair value									
Bank balances	-	-	455,453	-	455,453	-	-	-	-
Div idend and profit receivable	-	-	14,076	-	14,076	-	-	-	-
Deposits	-	-	1206	-	1206	-	-	-	-
	-	-	470,735	-	470,735	-	-	-	-
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	-	9,832	9,832	-	-	-	-
Payable to trustee	-	-	-	588	588	-	-	-	-
Accrued expenses and other liabilities	-	-	-	442	442	-	-	-	-
	-	-	-	10,862	10,862	-	-	-	-

	Class B							
	June 30, 2022							
	Carrying amount				Fair Value			
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment in listed equity securities	1024,391	-	-	-	1024,391	1024,391	-	-
- at fair value through profit and loss	1,024,391	-	-	-	1,024,391	1,024,391	-	-
Financial assets not measured at fair value					-			
Bank balances	-	-	275,981	-	275,981	-	-	-
Dividend and profit receivable	-	-	2,536	-	2,536	-	-	-
Deposits	-	-	10,444	-	10,444	-	-	-
	-	-	288,961	-	288,961	-	-	-
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	-	8,998	8,998	-	-	-
Payable to trustee	-	-	-	276	276	-	-	-
Accrued expenses and other liabilities	-	-	-	126,824	126,824	-	-	-
	-	-	-	136,098	136,098	-	-	-

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

14 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022.

15 GENERAL

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Investment Fund

FUND INFORMATION

Name of Fund	HBL Investment Fund
Name of Auditor	A.F. Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited JS Bank Limited Habib Bank Limited Soneri Bank Limited Habib Metropolitan Bank Limited Zarai Taraqati Bank Limited National Bank Limited Allied Bank Limited Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited HBL Micro Finance Bank Limited

HBL Investment Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As At September 30, 2022

		September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
Note		----- (Rupees in '000) -----					
Assets							
Bank balances	4	160,424	147,861	308,285	154,016	148,160	302,176
Investments	5	1,745,870	472,637	2,218,507	1,843,635	701,672	2,545,307
Dividend and profit receivable		3,489	5,878	9,367	4,967	5,441	10,408
Receivable against sale of investment		-	42,535	42,535	-	4,384	4,384
Advances & deposits		588	3,819	4,407	111	3,819	3,930
Total assets		1,910,371	672,730	2,583,100	2,002,729	863,476	2,866,205
Liabilities							
Payable to the Management Company	6	3,595	3,079	6,674	3,574	6,694	10,268
Payable to the trustee		575	106	681	273	187	460
Payable to the Securities and Exchange Commission of Pakistan		102	33	135	428	227	655
Payable against purchase of investment		-	27,147	27,147	-	-	-
Accrued expenses and other liabilities	7	437	58,435	58,872	352	57,707	58,059
Unclaimed dividend		-	85,372	85,372	-	85,372	85,372
Total liabilities		4,709	174,172	178,881	4,627	150,187	154,814
Net assets		1,905,662	498,558	2,404,219	1,998,102	713,289	2,711,391
Total unit holders' fund (as per statement attached)		1,905,662	498,558	2,404,219	1,998,102	713,289	2,711,391
Contingencies and commitments							
Number of units in issue	8	284,125,000	77,801,597		284,125,000	110,303,665	
		----- (Rupees) -----					
Net assets value per unit		6.7071	6.4081		7.0325	6.4666	

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For The Three Months Ended September 30, 2022

		Three months ended September					
Note	2022			2021			
	Class A	Class B	Total	Class A	Class B	Total	
------(Rupees in '000)-----							
Income							
Capital loss on sale of investments - net	(36)	(3,988)	(4,024)	-	(3,433)	(3,433)	
Dividend income	12,440	10,089	22,529	9,952	9,491	19,443	
Profit on bank deposits	1,935	5,390	7,325	1,076	2,775	3,851	
Income from Government securities	3,504	-	3,504	-	-	-	
	17,843	11,491	29,334	11,028	8,832	19,861	
Unrealised (diminution) on remeasurement of investments at fair value through profit or loss - net	-	(7,332)	(7,332)	-	(187,895)	(187,895)	
	17,843	4,159	22,002	11,028	(179,063)	(168,035)	
Expenses							
Remuneration of Management Company	6.1	7,681	3,352	11,033	9,187	6,703	15,891
Sindh Sales tax on remuneration of the Management company	6.2	999	436	1,435	1,194	871	2,066
Remuneration of Trustee		812	245	1,057	876	479	1,356
Annual fee to the Securities and Exchange Commission of Pakistan		102	34	136	122	67	190
Selling & marketing expense	6.4	-	1,760	1,760	-	3,519	3,519
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	2,816	922	3,738	3,369	1,843	5,212
Securities transaction costs		-	1,288	1,288	219	1,622	1,841
Auditors' remuneration		96	60	156	96	61	158
Printing Charges		9	-	9	-	-	-
Fee and Subscription Charges		-	28	28	142	7	149
Bank Charges		3	-	3	-	17	17
Conversion expense from closed end to open end fund		-	-	-	-	-	-
		12,518	8,125	20,643	15,207	15,190	30,398
Net loss from operating activities		5,325	(3,966)	1,359	(4,179)	(194,253)	(198,433)
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.1	-	-	-	634	29,166	29,800
Net loss for the period before taxation		5,325	(3,966)	1,359	(3,545)	(165,087)	(168,633)
Taxation	9	-	-	-	-	-	-
Net (loss)/Income for the period after taxation		5,325	(3,966)	1,359	(3,545)	(165,087)	(168,633)
Allocation Of Net Income For The Period							
Income already paid on redemption		-	-	-	-	-	-
Accounting income available for distribution		-	-	-	-	-	-
-Realting to capital gain		5,325	-	-	-	-	-
-Excuding capital gain		5,325	-	-	-	-	-
Net (Loss)/income for the period after taxation		5,325	-	(3,545)	(165,087)		
Other comprehensive income / (loss) for the year		(97,765)	-	(245,743)	-		
Total comprehensive income / (loss) for the year		(92,440)	(3,966)	(249,288)	(165,087)		

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund

Condensed Interim Statement Of Movemet In Unit Holder's Fund

For The Three Months Ended September 30, 2022

	Three months ended September											
	2022				2021				2021			
	Class A				Class B				Class A			
	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Total		Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total
	----- (Rupees) -----											
Net assets at beginning of the year / period	2,841,250	(2,169,291)	1,326,143	1,998,102	1,311,779	(598,490)	713,289		2,841,250	(2,247,274)	1,898,232	2,492,208
Issuance of Nil units (2021:10,701,012 units)	-	-	-	-	-	-	-		-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	-	-		-	-	-	-
- Element of loss	-	-	-	-	-	-	-		-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-		-	-	-	-
Redemption of 32,502,066.9109 units(2021: 11,732,480 units)	-	-	-	-	(210,178)	-	(210,178)		-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	-	-		-	-	-	-
- Amount paid out of element of income	-	-	-	-	(588)	-	(588)		-	-	-	-
- Relating to net income for the year / period after taxation	-	-	-	-	(588)	-	(588)		-	-	-	-
Total payment on redemption of units	-	-	-	-	(210,765)	-	(210,765)		-	-	-	-
Total comprehensive income for the year / period	-	5,325	(97,765)	(92,440)	-	(3,966)	(3,966)		-	(3,545)	(245,743)	(249,288)
Distribution during the year / period	-	-	-	-	-	-	-		-	-	-	-
Net income for the year / period less distribution	-	5,325	(97,765)	(92,440)	-	(3,966)	(3,966)		-	(3,545)	(245,743)	(249,288)
Net assets at end of the year / period	2,841,250	(2,163,966)	1,228,378	1,905,662	1,101,014	(602,456)	498,558		2,841,250	(2,250,819)	1,652,489	2,242,920
Undistributed income / (loss) brought forward												
- Realised		(2,169,291)				(349,006)				(2,247,274)		
- Unrealised		-				(76,079)				-		
		(2,169,291)				(598,490)				(2,247,274)		
Transferred to Class B - Segment on conversion of Fund		-				-				-		
Accounting income available for distribution												
- Relating to capital gains		-				-				-		
- Excluding capital gains		5,325				-				(3,545)		
		5,325				-				(3,545)		
Distribution during the year / period		-				-				-		
Undistributed income carried forward		(2,163,966)				(598,490)				(2,250,819)		
Undistributed income carried forward												
- Realised		(2,163,966)				(591,158)				(2,250,819)		
- Unrealised		-				(7,332)				-		
		(2,163,966)				(598,490)				(2,250,819)		
Net assets value per unit at beginning of the year / period	7.0325				6.4666				8.7715			
Net assets value per unit at end of the year / period	6.7071				6.4081				7.8941			

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
For The Three Months Ended September 30, 2022

	Three months ended					
	September					
	2022			2021		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					
CASH FLOW FROM OPERATING ACTIVITIES						
Net loss for the period	5,325	(3,966)	1,359	(15,961)	157,057	141,096
Adjustments of non-cash items						
Unrealised diminution on remeasurement of investments at fair value through profit or loss - net	-	7,332	7,332	-	(123,419)	(123,419)
Dividend income	(12,440)	(10,089)	(22,529)	(4,976)	(3,483)	(8,459)
Capital loss on sale of investment - net	36	3,988				
Income from Government securities	(3,504)					
Profit on bank deposit	(1,935)	(5,390)	(7,325)	(1,248)	(2,492)	(3,740)
	(12,518)	(8,125)	(21,163)	(22,185)	27,663	5,478
(Increase) / decrease in assets						
Investments - net	3,468	217,715	221,183	-	(17,484)	(17,484)
Receivable against sale of investments	-	(38,151)	(38,151)	-	11,454	11,454
Security deposits	(477)	(0)	(477)	(372)	(1)	(373)
	2,991	179,564	182,555	(372)	(6,031)	(6,403)
Increase / (decrease) in liabilities						
Payable to Management Company	21	(3,615)	(3,594)	2,422	940	3,362
Payable to Central Depository Company of Pakistan Limited - Trustee	302	(81)	221	48	(20)	28
Payable to the Securities and Exchange Commission of Pakistan	(326)	(194)	(520)	(263)	(263)	(526)
Payable against purchase of investment	-	27,147	27,147	-	4,588	4,588
Accrued expenses and other liabilities	85	728	813	257	233	490
Unclaimed dividend	-	-	-	-	(15,569)	(15,569)
	82	23,985	24,067	2,464	(10,091)	(7,627)
Cash used in operations	(9,445)	195,424	185,459	(20,093)	11,541	(8,552)
Dividend received	12,440	8,729	21,169	4,976	1,044	6,020
Profit received on bank deposit	3,413	6,313	9,726	1,456	2,773	4,229
Net cash generated from operating activities	15,853	15,042	30,895	6,432	3,817	10,249
CASH FLOW FROM FINANCING ACTIVITIES						
Amount received on issue of units	-	-	-	-	4	4
Amount paid on redemption of units	-	(210,765)	(210,765)	-	(18,744)	(18,744)
Net cash generated from / (used in) financing activities	-	(210,765)	(210,765)	-	(18,740)	(18,740)
Net (decrease) / increase in cash and cash equivalents	6,408	(299)	6,109	(13,661)	(3,381)	(17,042)
Cash and cash equivalents at beginning of the period	154,016	148,160	302,176	98,673	183,558	282,231
Cash and cash equivalents at end of the period	4	160,424	147,861	308,285	85,012	265,189

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Notes to the Condensed Interim Financial Information (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

1. STATUS AND NATURE OF BUSINESS

- 1.1 HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has a Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to the following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holder of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.5 JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2++' (Outlook: Positive) to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022

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, 2022.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

		September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)					
4	BANK BALANCES						
	In savings account	160,424	147,861	308,285	154,016	148,160	302,176
		<u>160,424</u>	<u>147,861</u>	<u>308,285</u>	<u>154,016</u>	<u>148,160</u>	<u>302,176</u>

4.1 Mark-up rates on these accounts range between 5.35% to 16% p.a (June 30, 2022: 5.35% - 17.4% p.a).

		September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
		(Rupees in '000)					
5	INVESTMENTS						
	At fair value through profit				-	701672	701,672
	Listed Equity Securities	-	1,283,089	1,283,089	1,843,635	-	1,843,635
	At fair value through other comprehensive income						
	Listed Equity Securities	2,169,981	-	2,169,981	-	-	-
		<u>2,169,981</u>	<u>1,283,089</u>	<u>3,453,070</u>	<u>1,843,635</u>	<u>701,672</u>	<u>2,545,307</u>

5.1 Financial assets 'at fair value through profit or loss

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

Name of investee company	Number of Shares					Market value as at September 30, 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 1, 2022	Purchases during the year	Right issue	Sales during the year	As at September 30, 2022		Total Investments	Net Assets	
Class B									
INSURANCE									
IGI Holdings Limited	189,400	-	-	141,100	48,300	4,981	1.05%	1.00%	0.04%
IGI Life Insurance Limited	307,500	-	-	-	307,500	6,396	1.35%	1.28%	0.02%
TPL Insurance Limited	538,189	-	-	224,500	313,689	8,037	1.70%	1.61%	0.42%
	1,035,089	-	-	365,600	669,489	19,414	4.11%	3.89%	
TEXTILE SPINNING									
Sunshine Cloth	50,000	-	-	-	50,000	-	0.00%	0.00%	0.64%
	50,000	-	-	-	50,000	-	0.00%	0.00%	
TEXTILE WEAVING									
Mohib Textile	40,820	-	-	-	40,820	-	0.00%	0.00%	0.27%
	40,820	-	-	-	40,820	-	0.00%	0.00%	
TEXTILE COMPOSITE									
Azgard Nine Ltd	921,500	-	-	921,500	-	-	0.00%	0.00%	0.00%
Gul Ahmed Textile Mills Ltd	387,900	-	-	387,900	-	-	0.00%	0.00%	0.00%
Interloop Limited	139,576	-	-	139,576	-	-	0.00%	0.00%	0.00%
	1,448,976	-	-	1,448,976	-	-	0.00%	0.00%	

Name of investee company	Number of Shares					Market value as at September 30, 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 1, 2022	Purchases during the year	Right issue	Sales during the year	As at September 30, 2022		Total Investments	Net Assets	
CEMENT									
Att ock Cement Pakistan Lt d	552,600	-	-	252,600	300,000	24,471	5.38%	4.91%	0.26%
DG Khan Cement Co.Lt d.	-	475,000	-	261,500	213,500	12,942	2.74%	2.60%	0.05%
Fauji Cement Company Limited	-	665,000	-	112,000	553,000	8,289	1.75%	1.66%	0.04%
Kohat Cement Lt d	32,300	-	-	-	32,300	5,168	1.09%	1.04%	0.03%
Lucky Cement Lt d	20,000	13,600	-	9,100	24,500	12,166	2.57%	2.44%	0.01%
Maple Leaf Cement Factory Lt d	177,900	205,100	-	30,000	353,000	9,835	2.08%	1.97%	0.07%
	782,800	1,358,700	-	665,200	1,476,300	72,871	15.42%	14.62%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Lt d	302,307	100,000	-	103,500	298,807	20,890	4.42%	4.19%	0.02%
Nishat Power Limited	-	122,000	-	122,000	-	-	0.00%	0.00%	0.00%
	302,307	222,000	-	225,500	298,807	20,890	4.42%	4.19%	
ENGINEERING									
Mughal Iron & Steel Inds Lt d	188,251	-	-	150,751	37,500	2,444	0.52%	0.49%	0.01%
	188,251	-	-	150,751	37,500	2,444	0.52%	0.49%	
AUTOMOBILE ASSEMBLER									
Millat Tractors Lt d	-	7,890	-	7,890	-	-	0.00%	0.00%	0.00%
	-	7,890	-	7,890	-	-	0.00%	0.00%	
PHARMACEUTICALS									
Ferozsons Laboratories Lt d	27,900	-	-	27,900	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	8,730	-	-	8,730	-	-	0.00%	0.00%	0.00%
The Searle Company Lt d	1,901	-	-	-	1,901	193	0.04%	0.04%	0.00%
	38,531	-	-	36,630	1,901	193	0.04%	0.04%	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	1,174,729	-	-	1,089,029	85,700	1,822	0.39%	0.37%	0.01%
	1,174,729	-	-	1,089,029	85,700	1,822	0.39%	0.37%	
MISCELLANEOUS									
TPL Properties Limited	505,000	362,235	-	669,235	198,000	4,126	0.87%	0.83%	0.10%
	505,000	362,235	-	669,235	198,000	4,126	0.87%	0.83%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Lt d	13,966	-	-	-	13,966	21,854	4.62%	4.38%	0.01%
Oil & Gas Development Co Lt d	406,500	61,000	-	200,965	266,535	20,182	4.27%	4.05%	0.01%
Pakistan Oilfields Lt d	36,375	-	-	-	36,375	12,699	2.69%	2.55%	0.02%
Pakistan Petroleum Lt d	306,200	173,500	-	236,700	243,000	14,932	3.16%	3.00%	0.01%
	763,041	234,500	-	437,665	559,876	69,668	14.74%	13.97%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Lt d	174,992	-	-	105,992	69,000	11,208	2.37%	2.25%	0.01%
Sui Northern Gas Pipeline Lt d	-	274,000	-	197,000	77,000	2,589	0.55%	0.52%	0.01%
	174,992	274,000	-	302,992	146,000	13,796	2.92%	2.77%	
REFINERY									
Att ock Refinery Lt d	82,000	45,500	-	77,000	50,500	7,435	1.57%	1.49%	0.06%
National Refinery Lt d	76,797	-	-	34,001	42,796	10,419	2.20%	2.09%	0.05%
	158,797	45,500	-	111,001	93,296	17,854	3.78%	3.58%	
COMMERCIAL BANKS									
Bank Al-Falah Lt d	345,000	-	-	30,000	315,000	9,809	2.08%	1.97%	0.02%
Bank Al-Habib Limited	252,000	-	-	70,000	182,000	9,828	2.08%	1.97%	0.02%
Faysal Bank Limited	400,500	25,000	-	159,000	266,500	7,017	1.48%	1.41%	0.03%
Habib Bank Lt d	573,391	348,739	-	602,942	319,188	22,251	4.71%	4.46%	0.02%
MCB Bank Lt d	198,753	-	-	74,023	124,730	14,906	3.15%	2.99%	0.01%
Meezan Bank Lt d	-	157,500	-	-	157,500	17,286	3.66%	3.47%	0.01%
Standard Chartered Bank (Pakistan) Lt d	1,848,500	-	-	1,606,500	242,000	5,075	1.07%	1.02%	0.01%
United Bank Limited	434,433	45,000	-	178,000	298,433	34,287	7.25%	6.88%	0.02%
	4,049,577	576,239	-	2,720,465	1,905,351	120,458	25.49%	24.16%	

Name of investee company	Number of Shares					Market value as at September 30, 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 1, 2022	Purchases during the year	Right issue	Sales during the year	As at September 30, 2022		Total Investments	Net Assets	
FERTILIZER									
Engro Corporation Ltd	68,394	115000	-	33,200	150,194	34,773	7.36%	6.97%	0.03%
Engro Fertilizers Limited	48,363	11034	-	59,397	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Co Ltd	394,063	0	-	195,200	198,863	20,147	4.26%	4.04%	0.02%
	510,820	126,034	-	287,797	349,057	54,920	11.62%	11.02%	
CHEMICAL									
Engro Polymer & Chemicals Ltd	91,500	43500	-	91,500	43,500	2,385	0.50%	0.48%	0.00%
	91,500	43,500	-	91,500	43,500	2,385	0.50%	0.48%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	87,225	144000	-	101,000	130,225	9,694	2.05%	1.94%	0.07%
TPL Trakker Limited	5,981,500	50500	-	-	6,032,000	53,444	11.31%	10.72%	0.32%
	6,068,725	194,500	-	101,000	6,162,225	63,137	13.36%	12.66%	
FOOD & PERSONAL CARE PRODUCTS									
Unity Foods Limited	448,816	148,684	-	214,000	383,500	8,652	1.83%	1.74%	0.07%
	448,816	148,684	-	214,000	383,500	8,652	1.83%	1.74%	
Total as at September 30, 2022	17,832,771	3,593,782	-	8,925,231	12,501,322	472,637	100%	95%	
Carrying value as at September 30, 2022						479,963			

*Suspended/Delisted Companies

**Sponsors of Management Company

Investments include shares having market value aggregating to Rs. 111.69 million (June 30, 2022: Rs. 179.40 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.44 million at September 30, 2022 (June 30, 2022: Rs. 0.526 Million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.2 Listed equity securities - Fair value through other comprehensive income

Name of investee company	Number of Shares					Market value as at September 30, 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 1, 2022	Purchases during the year	Right issue	Sales during the year	As at September 30, 2022		Total Investments	Net Assets	
Class A									
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	10,233,471	-	-	-	10,233,471	1,662,223	95.21%	87.23%	3.14%
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	83,647	4.79%	4.39%	0.39%
Total	12,721,495	-	-	-	12,721,495	1,745,870	100%	91.61%	

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

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 13.85 million at September 30, 2022 (June 30, 2022: Rs. 13.488) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.3 Market Treasury Bills

Issue date	Face value				Balance as at Sep 30, 2022			Market value as a percentage of	
	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at Sep 30, 2022	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
(Rupees in '000) ----- % -----									

Market Treasury Bills - 3 Months

Market treasury bills	25-Aug-2022	-	130,000	130,000	-	-	-	-	-
-----------------------	-------------	---	---------	---------	---	---	---	---	---

Total as at September 30, 2022

		September 30, 2022			June 30, 2022			
		(Un-Audited)			(Audited)			
		Class A	Class B	Total	Class A	Class B	Total	
6	PAYABLE TO MANAGEMENT COMPANY	Note	(Rupees in '000)					
	Management fee	6.1	2,402	938	3,340	3,173	2,297	5,470
	Sindh Sales Tax	6.2	312	122	434	412	298	710
	Allocation of expenses relating to registrar services, accounting, operation and valuation services	6.3	881	258	1,139	1,164	632	1,796
	Selling & Marketing payable	6.4	-	1,761	1,761	-	4,270	4,270
			3,595	3,079	6,674	4,749	7,497	12,246

- 6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged at the rate of 2% of the average daily net assets of the Fund.. The fee is payable monthly in arrears.
- 6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2022:13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The expense charged by the asset Management Company is 0.55% during the year.
- 6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 1.05% of the average daily net assets of the Fund.

		Note	September 30, 2022			June 30, 2022		
			(Un-Audited)			(Audited)		
			Class A	Class B	Total	Class A	Class B	Total
7	ACCRUED EXPENSES AND OTHER LIABILITIES		(Rupees in '000)					
	Provision for Sindh Workers' Welfare Fund	7.1	-	-	-	-	-	-
	Provision for Federal Excise Duty and additional sales tax on Management Fee	7.2	-	55,961	55,961	-	55,961	55,961
	Printing Charges		-	-	-	-	-	-
	Auditors remuneration		424	243	667	326	182	508
	Security Transaction Charges		-	995	995	-	362	362
	Withholding tax payable		13	59	72	26	89	115
	Other Payable		-	1,130	1,130	-	1,113	1,113
	Payable to class A		-	-	-	-	-	-
	Zakat payable		-	47	47	-	-	-
			437	58,435	58,872	352	57,707	58,059

- 7.1 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 year, 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. 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.

-
- 7.2 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per certificate of the Fund as at September 30, 2022 would have been higher by Rs. 0.4186 per unit (June 30, 2022: 0.413 per certificate) of class B.

8 Contingencies & Commitments

There are no contingencies and commitment as at September 30, 2022.

9 TAXATION

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

10 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the period ended September 30, 2022 of class A is 2.46% (2021: 0.63%) and of class B is 4.84% (2021: 1.38%) which includes 0.24% (2021: 0.06%) of class A and 0.36% (2021: 0.08%) of class B representing government levy and SECP fee.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		Class A SEPTEMBER 30, 2022								
Note	Carrying amount					Total	Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Level 1		Level 2	Level 3	Total	
	(Rupees in '000)									
Financial assets measured at fair value										
Listed equity securities	-	2,169,981	-	-	2,169,981	2,169,981	-	-	2,169,981	
	-	2,169,981	-	-	2,169,981	2,169,981	-	-	2,169,981	
Financial assets not measured at fair value										
Bank balances	-	-	-	160,424	160,424					
Dividend and Profit receivable	-	-	-	3,489	3,489					
	-	-	-	163,913	163,913					
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	3,595	3,595					
Payable to Trustee		-	-	575	575					
Accrued expenses and other liabilities		-	-	424	424					
Net assets attributable to unitholders		-	-	1,905,662	1,905,662					
		-	-	1,910,256	1,910,256					
		Class B SEPTEMBER 30, 2022								
	Carrying amount					Total	Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/ liabilities	Level 1		Level 2	Level 3	Total	
	(Rupees in '000)									
On-balance sheet financial instruments										
Financial assets measured at fair value										
Investments - Listed equity securities	1,283,089	-	-	-	1,283,089	1,283,089	-	-	1,283,089	
	1,283,089	-	-	-	1,283,089	1,283,089	-	-	1,283,089	
Financial assets not measured at fair value										
Bank balances	-	-	-	147,861	147,861					
Dividend and Profit receivable	-	-	-	5,878	5,878					
Receivable against purchase of investment	-	-	-	42,535	42,535					
	-	-	-	196,274	196,274					
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	3,079	3,079					
Payable to Trustee		-	-	106	106					
Payable against purchase of investment				27,147	27,147					
Accrued expenses and other liabilities		-	-	2,368	2,368					
Net assets attributable to unitholders		-	-	498,558	498,558					
		-	-	531,258	531,258					

Class A										
June 30, 2022										
	Carrying amount					Fair Value				
	Fair value through profit and loss	Fair value through other comprehensive income	At amortized Cost	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)										
Financial assets measured at fair value										
Listed equity securities	-	1843,635	-	-	1843,635	1843,635	-	-	1843,635	
	-	1843,635	-	-	1843,635	1843,635	-	-	1843,635	
Financial assets not measured at fair value										
Bank balances	-	-	-	54,016	54,016					
Dividend and Profit receivable	-	-	-	4,967	4,967					
	-	-	-	58,983	58,983					
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	3,574	3,574					
Payable to Trustee		-	-	273	273					
Accrued expenses and other liabilities		-	-	326	326					
Net assets attributable to unitholders		-	-	1998,102	1998,102					
		-	-	2,002,275	2,002,275					
Class B										
June 30, 2022										
	Carrying amount					Fair Value				
	Fair value through profit and loss	Fair value through other comprehensive income	At amortized Cost	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)										
Financial assets measured at fair value										
Listed equity securities	701672	-	-	-	701672	701672	-	-	701672	
	701672	-	-	-	701672	701672	-	-	701672	
Financial assets not measured at fair value										
Bank balances	-	-	-	148,160	148,160					
Dividend and Profit receivable	-	-	-	5,441	5,441					
	-	-	-	153,601	153,601					
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	6,694	6,694					
Payable to Trustee		-	-	187	187					
Payable against purchase of investment		-	-	-	-					
Accrued expenses and other liabilities		-	-	1657	1657					
Unclaimed dividend		-	-	101016	101016					
Net assets attributable to unitholders		-	-	713,289	713,289					
		-	-	822,842	822,842					

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 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

	Three Months Ended					
	September 30, 2022			September 30, 2021		
	Class A	Class B	Total	Class A	Class B	Total
Transactions during the year	(Rupees in '000)					
HBL Asset Management Limited						
Remuneration of Management Company	7,681	3,352	11,033	9,187	6,703	15,891
Sindh Sales Tax on remuneration of Management Company	999	436	1,435	1,194	871	2,066
Reimbursement of Fund Operations, accounting and Related costs	2,816	922	3,738	3,369	1,843	5,212
Selling & Marketing	-	1,760	1,760	-	3,519	3,519
Habib Bank Limited - Associated Company						
Dividend Income	-	787	787	-	-	-
Profit on Bank Deposit	-	17	17	-	9	9
Redemption of units: 31,371,161 (2021: Nil) units	-	203,605	203,605	-	-	-
MCB Bank Limited						
Connected Person Due to Holding more than 10% Certificates						
Profit on bank deposits	-	4,263	4,263	1,071	2,340	3,411
Central Depository Company of Pakistan Limited - Trustee						
Remuneration	812	245	1,057	876	479	1,355
CDC Connection charges	-	105	105	-	101	101
Balances outstanding at the year end						
HBL Asset Management Limited						
Payable to the Management Company	2,402	938	3,340	2,388	1,333	3,721
Sindh Sales tax payable on remuneration to management company	312	122	434	310	173	483
Finance and operational cost	881	258	1,139	876	918	1,794
Selling & Marketing expense	-	1,761	1,761	-	4,270	4,270
Central Depository Company Of Pakistan Limited - Trustee						
Trustee fee payable	574,530	91	681	273	151	424
Security deposit held	100	200	300	100	200	300
CDC Charges Payable	-	34	34	-	36	36
MCB Bank Limited						
Connected Person Due to Holding more than 10% units)						
Bank balance	136,019	154	136,173	152	-	152
Certificates held: 66,090,021 (2022: 66,090,021 certificates)	660,900	-	660,900	660,900	-	660,900

	September 30, 2021 (Un-Audited)			June 30, 2021 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
Habib Bank Limited -Sponsor						
Outstanding units :48,662,161 (2022: 48,662,161) units	486,622	-	486,622	486,622	-	486,622
Outstanding units : 373 (2022: 31,371,533) Units	-	2	2	-	202,867	202,867
Bank Balances	-	507	507	-	507	507
HBL Micro Finance Bank - Associate						
Bank Balances	-	8	8	-	8	8
Associated Companies						
Jubilee General Insurance Company Limited						
Outstanding units:100,379 (2022: 100,379)units	1,004	-	1,004	-	-	-
Outstanding units:103,333 (2022: 103,333)units	-	662	662	-	668	668
New Jubilee General Insurance Company Limited Staff Provident Fund Trust						
Outstanding certificates:118,454 (2022: 118,454) certificates	1,185	-	1,185	1,184	-	1,184
Outstanding units:121,940 (2022: 121,940) units	-	781	781	-	789	789
New Jubilee General Insurance Company Limited Gratuity Fund Trust						
Outstanding units:224,000 (2022: 224,000) units	2,240	-	2,240	2,240	-	2,240
Outstanding units:230,592 (2022: 230,592) units	-	1,478	1,478	-	1,491	1,491
Aga Khan University Employees Provident Fund Trust						
Outstanding certificates:588,000 (2022: 588,000) certificates	5,880	-	5,880	5,880	-	5,880
Aga Khan University Employees Gratuity Fund Trust						
Outstanding certificates:138,000 (2022: 138,000) certificates	1,380	-	1,380	1,380	-	1,380
National Investment Trust Limited - Administration Fund						
Outstanding units:60,720 (2022: 60,720) units	607	-	607	607	-	607
Outstanding units:26,813 (2022: 62,507) units	-	241	241	-	404	404
CDC - Trustee National Investment (Unit) Trust						
Outstanding units:10,108,128 (2022: 10,108,128) units	101,081	-	101,081	101,081	-	101,081
HBL Micro Finance Bank - Associate						
Bank Balance	9	8	18	-	8	8
Directors and Executives of the Management Company						
Outstanding units:26,195 (2022: 26,195) units	262	-	262	262	-	262
Outstanding units:26,813 (2022: 26,812) units	-	172	172	-	173	173
HUMERA IQBAL						
Connected Person Due to Holding more than 10% units)						
Outstanding units:9,679,667 (2022: Nil) units	-	62,028	62,028	-	-	-

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 19, 2022 by the Board of Directors of the company.

14 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

FINANCIAL SECTOR INCOME FUND

FUND INFORMATION

Name of Fund	HBL FINANCIAL SECTOR INCOME FUND
--------------	----------------------------------

Name of Auditor	Yousuf Adil & Co. Chartered Accountants
-----------------	---

Bankers	Habib Bank Limited Soneri Bank Limited Allied Bank Limited HBL Micro Finance Bank U Micro Finance Bank Bank Al falah Limited Khushhali Micro Finance Bank Mobilink Micro Finance Bank Finca Micro Finance Bank
---------	--

HBL FINANCIAL SECTOR INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2022

		September 30, 2022 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
ASSETS	Note		
Bank balances	5	21,533,586	43,918,633
Investments	6	2,141,933	2,047,101
Receivable against margin trading system		130,586	123,160
Profit / markup receivable		374,330	251,794
Receivable against sale of investment		212	-
Deposits and prepayments		54,130	4,229
TOTAL ASSETS		24,234,777	46,344,917
LIABILITIES			
Payable to the Management Company	7	33,808	38,439
Payable to the Trustee		1,687	3,063
Payable to Securities and Exchange Commission of Pakistan		1,639	2,776
Payable against purchase of Investment		-	351,029
Accrued expenses and other liabilities	8	125,405	119,526
TOTAL LIABILITIES		162,539	514,833
NET ASSETS		24,072,238	45,830,083
UNIT HOLDERS' FUND (AS PER STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)		24,072,238	45,830,083
Contingencies and commitments	9		
			(Number of units)
Number of units in issue		237,779,662	458,092,829
			----- (Rupees) -----
Net assets value per unit		101.2376	100.0454

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL FINANCIAL SECTOR INCOME FUND
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 (Un-Audited)

	Note	Three Months ended September 30, 2022 (Rupees in '000)
INCOME		
Capital loss on sale of investments - net		(4,273)
Markup from government securities		121,981
Markup from corporate sukuk bonds		7,177
Markup from commercial papers and term deposit receipts		58,902
Markup from margin trading system		42,252
Profit on bank deposit		1,078,114
		1,304,153
Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	6.2	3,148
		1,307,301
EXPENSES		
Remuneration of the Management Company	7.1	39,139
Sindh Sales Tax on remuneration of the Management Company	7.2	5,088
Remuneration of the Trustee		6,146
Sindh Sales Tax on remuneration of the Trustee		799
Annual fee to Securities and Exchange Commission of Pakistan		1,639
Selling and marketing expenses	7.4	18,218
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	18,218
Securities transaction costs and settlement charges		3,015
Fees and Subscription		374
Auditors' remuneration		204
Bank charges		179
Formation Cost		39
		93,058
Net income for the period from operating activities		1,214,243
Net income for the period before taxation		1,214,243
Taxation	10	-
Net income for the period after taxation		1,214,243
Allocation of net income for the period		
Income already paid on redemption of units		285,605
Accounting income available for distribution: Relating to capital gains		-
Excluding capital gains		928,638
		928,638
		1,214,243
Earnings per unit	11	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL FINANCIAL SECTOR INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 (Un-Audited)

	Three Months ended September 30, 2022
	(Rupees in '000)
Net income for the period after taxation	1,214,243
Other comprehensive income for the period	-
Total comprehensive income for the period	1,214,243

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL FINANCIAL SECTOR INCOME FUND
STATEMENT OF CASH FLOW
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 (Un-Audited)

	Three Months ended September 30, 2022 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	1,214,243
Adjustments for:	
Capital loss on sale of investments - net	4,273
Markup from market treasury bills	(121,981)
Markup from corporate sukuk bonds	(7,177)
Markup from commercial papers and term deposit receipts	(58,902)
Markup from margin trading system	(42,252)
Profit on bank deposit	(1,078,114)
Unrealised gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(3,148)
	(93,058)
Increase in assets	
Investments - net	(95,957)
Receivable against margin trading system	(7,426)
Deposits and prepayments	(49,901)
Receivable against sale of investment	(212)
	(153,496)
Decrease in liabilities	
Payable to the Management Company	(4,631)
Payable to the Trustee	(1,376)
Payable to the Securities and Exchange Commission of Pakistan	(1,137)
Payable against purchase of investment	(351,029)
Accrued expenses and other liabilities	5,879
	(352,294)
Cash used from operations	(598,849)
Income from market treasury bills	121,981
Income received from corporate sukuk bonds	25,974
Income received from commercial papers and term deposit receipts	58,902
Income received from margin trading system	40,671
Profit received on bank deposits	938,362
	1,185,890
Net cash flow from operating activities	587,041
CASH FLOWS FROM FINANCING ACTIVITIES	
Amount received on issue of units	21,296,004
Payment against redemption of units	(43,422,395)
Dividend paid	(845,697)
Net cash used in financing activities	(22,972,088)
Net decrease in cash and cash equivalents	(22,385,047)
Cash and cash equivalents at beginning of the period	43,918,633
Cash and cash equivalents at end of the period	21,533,586

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL FINANCIAL SECTOR INCOME FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 (Un-Audited)

	Three Months ended September 30, 2022		
	Capital value	Undistributed income	Total
	(Rupees in '000)		
Net assets at beginning of the quarter	45,819,471	10,612	45,830,083
Issue of 531,279,114 units			
Capital value (at net asset value per unit at the beginning of the quarter)	53,152,031	-	53,152,031
Element of income	(31,856,027)	-	(31,856,027)
Total proceeds on issue of units	21,296,004	-	21,296,004
Redemption of 751,592,281 units			
Capital value (at net asset value per unit at the beginning of the quarter)	(75,193,350)	-	(75,193,350)
Income already paid on redemption of units	-	(285,605)	(285,605)
Element of loss	32,056,560	-	32,056,560
Total payments on redemption of units	(43,136,790)	(285,605)	(43,422,395)
Total comprehensive income for the quarter	-	1,214,243	1,214,243
Distribution during the quarter	-	(753,177)	(753,177)
Refund of capital	(92,520)		(92,520)
	(92,520)	461,066	368,546
Net assets at end of the quarter	23,886,165	186,073	24,072,238
Undistributed income brought forward			
- Realised		10,183	
- Unrealised		429	
		10,612	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		928,638	
		928,638	
Distribution for the quarter:			
Distribution during the quarter		(753,177)	
		(753,177)	
Undistributed income carried forward		186,073	
Undistributed income carried forward			
Realised income		182,925	
Unrealised income		3,148	
		186,073	
			Rupees
Net assets value per unit at beginning of the quarter			100.0454
Net assets value per unit at end of the quarter			101.2376

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL FINANCIAL SECTOR INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 (Un-Audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Financial Sector Income Fund Plan 1 ("the Fund") was established under a Trust Deed, dated November 16, 2021, 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 14, 2021.

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

The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.

The Fund has been categorised as a 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. The units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs / Sukuks, bank deposits and short-term money market instruments.

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

VIS Credit Rating Company has assigned a management quality rating of AM2++ (Stable Outlook) to the Management Company on December 31, 2021.

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 Fund was duly registered on December 06, 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP 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, the directions issued by the SECP and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

This financial statements have been prepared under the historical cost convention except for the investments which are classified as fair value through profit and loss.

2.3 Functional and presentation currency

This financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the result of which from the basis of making the judgment about the company values of assets and liabilities that are not readily apparent from other sources and actual results may differ from these estimates.

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

- (a) classification and measurement of financial assets (Note 4.2.1.1)
- (b) impairment of financial assets (Note 4.2.1.2)
- (c) provisions (Note 4.3)

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the period ended June 30, 2022

The following standards, amendments and interpretations are effective for the period ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective from accounting year beginning on or after:
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

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

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

	Effective from accounting year beginning on or after:
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	Deferred indefinitely
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	
- IFRS 1 – First Time Adoption of International Financial Reporting Standards	
- IFRS 17 – Insurance Contracts	

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this financial statements are set out below.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (refer note 4.2.1.2). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.

4.2.1.2 Impairment of financial assets

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

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

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

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

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

4.2.1.3 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.1.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.2 Classification and measurement of Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Provisions

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

4.4 Taxation

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

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

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issue and redemption of units

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

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

4.7 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value per unit

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

4.9 Revenue recognition

- Capital gain / (loss) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Profit / return on Market treasury bills and investment in debt securities are recognized at a time apportionment basis using the effective interest method.
- Unrealised gain / (loss) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.
- Dividend income is recognised when the right to receive the dividend is established.

4.10 Transactions with related parties / connected persons

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

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

4.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

		September 30, 2022 (Rupees in '000)	June 30, 2022 (Rupees in '000)
5	BANK BALANCES	Note	
	Savings accounts	5.1	<u>21,533,586</u> <u>43,918,633</u>
5.1	These carry profits at the rates ranging between 13.5% to 17.5% (June 2022: 6% to 18%) per annum and include Rs. 11,917.42 (June 2022: Rs. 29,607.99) million maintained with Habib Bank Limited and HBL Micro Finance Bank Limited (related party) which carries profit at the rates ranging between 17.25% to 17.62%.		

		September 30, 2022 (Rupees in '000)	June 30, 2022 (Rupees in '000)
6	INVESTMENTS		
	Financial asset at fair value through profit or loss	6.1	953,378
	Financial asset at amortised cost	6.3	1,188,555
			2,141,933
			2,047,101

6.1 Financial assets at fair value through profit or loss

Corporate sukuk bonds	6.1.1	500,000	450,000
Market treasury bills	6.1.2	-	438,724
Listed equity securities (spread transactions)	6.1.3	-	12,042
Listed equity securities (exchange traded fund)	6.1.4	453,378	-
Future stock contracts		-	246
		953,378	901,012

6.1.1 Corporate sukuk bond

Name of the investee company	As at July 01, 2022	Purchases made during the period	Sales during the period	As at September 30, 2022	Market value as at September 30, 2022	Carrying value as at September 30, 2022	Un-realised Gain / (Loss)	Market value as a percentage of	
								Total investments	Net assets
----- (Number of units) ----- (Rupees in '000) -----									
Corporate sukuk bond - unlisted									
Lucky Electric Short Term Sukuk	-	500	-	500	500,000	500,000	-	23%	2%
K-Electric Limited	450	-	450	-	-	-	-	0%	0%
Total - as at September 30, 2022	450	500	450	500	500,000	500,000	-	23%	2%
Total - as at June 30, 2022	-	450	-	450	450,000	450,000	-	22%	1%

6.1.1.1 This corporate sukuk bonds carry profit at the rate 17.51% per annum.

6.1.1.2 Significant terms and conditions of corporate sukuk bond as at September 30, 2022 is as follows:

Name of the investee company	Payment term	Remaining principal (per sukuk bond)	Profit rate (per annum)	Issue date	Maturity date
Corporate sukuk bond - Unlisted					
Lucky Electric Short Term Sukuk	(Semi - annually)	1,000,000	6 Month Kibor + 0.85%	September 28, 2022	March 28, 2023

6.1.2 Market treasury bills

Particulars	Issue Date	Face value				Balance as at September 30, 2022			Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Un-realised gain / (loss)	total investments	net assets
----- (Rupees '000') -----										
Market Treasury Bills - 3 -months										
Market treasury bills	April 21,2022	100,000	-	100,000	-	-	-	-	0.00%	0.00%
Market treasury bills	June 30,2022	350,000	-	350,000	-	-	-	-	0.00%	0.00%
Market treasury bills	July 28,2022	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
Total as at September 30, 2022		450,000	5,000,000	5,450,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2022		-	2,317,000	1,867,000	450,000	438,403	438,724	321	20.48%	1.82%

6.1.3 Listed equity securities (spread transactions)

The movement in equity securities given below represents spread transactions entered into by the Fund. The Fund purchases equity securities in ready market and sells them in future market on the same day, resulting in spread income due to difference in ready and future stock prices. This way the Fund has no open exposure to the stock market. These securities (if any) at the period-end are valued at the period end ready rate while the future contracts (representing the derivatives) are valued at the period end future rate and the difference between the contracted rate and the future rate has been taken to the income statement.

Sectors / Companies	As at July 01, 2022	Acquired during the Period	Disposed during the Period	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
	----- (Number of shares) -----				----- (Rupees in '000) -----				
FOOD & PERSONAL CARE PRODUCTS									
Unity Foods Limited	600,000	-	600,000	-	-	-	0%	0.00%	0.00%
Investment as at September 30, 2022	600,000	-	600,000	-	-	-	0.00%	0.00%	
Investment as at June 30, 2022	-	1,600,000	1,000,000	600,000	12,180	12,042	0.59%	0.03%	

All equity shares have a par value of Rs. 10 each unless stated otherwise

6.1.4 Listed equity securities (exchange traded funds)

Sectors / Companies	As at July 01, 2022	Acquired during the Period	Disposed during the Period	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
----- (Number of shares) ----- ----- (Rupees in '000) -----									
Exchange Traded Fund									
HBL Total Treasurt - Exchange Traded Fund	-	45,000,000	22,000	44,978,000	450,230	453,378	3,148	1.88%	-
Investment as at September 30, 2022	-	45,000,000	22,000	44,978,000	450,230	453,378	3,148	1.88%	
Investment as at June 30, 2022	-	-	-	-	-	-	0.00%	0.00%	

6.2 Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net

	September 30, 2022	June 30, 2022
Note	(Rupees in '000)	
Market value of investments	953,378	901,012
Carrying value of investments	(950,230)	(900,583)
	3,148	429

	Note	September 30, 2022 (Rupees in '000)	June 30, 2022 (Rupees in '000)
6.3 Financial assets at amortised cost			
Commercial papers	6.3.1	1,188,555	1,146,089
		1,188,555	1,146,089

6.3.1 Commercial papers

Name of investee company	Issue date	As at July 01, 2022	Placement made during the period	Income accrued	Sales / matured during the period	As at September 30, 2022	Percentage of total of investments	Percentage of net assets
----- (Rupees '000') -----								
Pak Elektron Limited	February 01, 2022	96,108	-	2,970	-	99,078	5%	0.41%
China Power Hub Generation Company	April 12, 2022	481,654	-	16,683	-	498,337	23%	2.07%
Lucky Electric Power Company	May 06, 2022	568,327	-	22,813	-	591,140	28%	2.46%
Total as at September 30, 2022		1,146,089	-	1,146,089	-	1,188,555	55%	4.94%
Total as at June 30, 2022		-	1,114,643	1,114,643	-	1,146,089	54%	4.76%

6.3.1.1 These commercial papers carry profit rates ranging from 12.63% to 16.48%. The maturity date for commercial papers of Pak Elektron Limited, China Power Hub Generation Company and Lucky Electric Power Limited is October 29, 2022, October 09, 2022 and November 02, 2022 respectively. Management believes that fair value of the commercial paper is equal to its amortised cost.

6.3.2 Term deposit receipts

Name of investee company	As at July 01, 2022	Placement made during the period	Matured during the period	As at September 30, 2022	Percentage of total of investments	Percentage of net assets
----- (Rupees in '000) -----						
Pak Libya Holding Co. Ltd	-	1,000,000,000	1,000,000,000	-	0%	0%
Total - as at September 30, 2022	-	1,000,000,000	1,000,000,000	-	-	-
Total - as at June 30, 2022	-	3,500,000	3,500,000	-	-	-

	Note	September 30, 2022 (Rupees in '000)	June 30, 2022 (Rupees in '000)
7 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	8,850	13,621
Sindh Sales Tax payable on Management Company's remuneration	7.2	1,151	1,771
Sales load payable		809	174
Formation cost payable		800	800
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	3,980	2,664
Selling and marketing expense payable	7.4	18,218	19,409
		33,808	38,439

- 7.1 As per Regulation 61 of the amended NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the period, the fee is being charged at the rate ranging from 0.45% to 0.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.
- 7.2 The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 7.3 As per Regulation 60(3)(s) of the amended NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. During the period, the fee is being charged at the rate ranging from 0.2% to 0.25% of the average annual net assets accordingly.
- 7.4 As per Regulation 60(3)(v) of the amended NBFC Regulations, selling and marketing expenses is allowed on all categories of open end mutual funds, except fund of funds with no cap. During the period, the fee is being charged at the rate ranging from 0.2% to 0.25% of the average annual net assets accordingly.

	September 30, 2022 (Rupees in '000)	June 30, 2022 (Rupees in '000)
8 ACCRUED EXPENSES AND OTHER LIABILITIES		
Withholding tax payable	123,787	118,999
Auditors' remuneration	501	297
Brokerage payable	133	22
Margin trading system charges payable	323	78
Other payables	662	130
	125,406	119,526

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2022.

10 TAXATION

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

11 EARNINGS PER UNIT

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

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

	September 30, 2022 (Rupees in '000)
12.1 Transactions during the Period	
HBL Asset Management Limited - Management Company	
Remuneration of the Management Company	39,139
Sindh Sales Tax on remuneration of the Management Company	5,088
Allocation of expenses related to registrar services, accounting, operation and valuation services	18,218
Selling and marketing expense	18,218
HBL Asset Management Limited	
Dividend Reinvestment 30,846 Units	3,086
Central Depository Company of Pakistan Limited - Trustee	
Trustee remuneration	6,146
Sindh Sales Tax payable on the Trustee fee	799
Central Depository Service charges	387
Habib Bank Limited - Sponsors	
Bank charges	179
Profit on bank deposit earned	21,913
HBL Micro Finance Bank	
Profit on bank deposit earned	548,190
Directors and executives of the Management Company	
Issue of 188,972 units	18,990
Redemption of 153,179 units	15,450
Dividend Paid	44
Dividend Reinvestment 2,672 units	267
Refund of Capital units 448 units	45
Ibrahim Holdings (Private) Limited	
Connected person due to holding more than 10%	
Issue of 29,802,410 units	3,000,000
Dividend Reinvestment 1,396,588 units	139,722
Refund of Capital 183,976 units	18,406
HBL Total Treasury - Exchange Traded Fund (CIS managed by management company)	
Purchase of 45,000,000 units	450,465
Sale of 22,000 units	222

		September 30, 2022 (Rupees in '000)	
Riaz Textile Mills (Private) Limited			
Connected person due to holding more than 10%			
Issue of 41,603,975 units			4,200,970
Redemption of 71,636,340 units			7,212,380
Dividend Reinvestment 1,853,056 units			185,390
Refund of Capital 285,650 units			28,578
12.2	Balances outstanding as at period end	September 30, 2022 (Rupees in '000)	June 30, 2022 (Rupees in '000)
HBL Asset Management Limited - Management Company			
Remuneration payable to the Management Company		8,850	13,621
Sindh Sales Tax payable on Management Company's remuneration		1,151	1,771
Sales load payable		809	174
Allocation of expenses related to registrar services, accounting, operation and valuation services		3,980	2,664
Selling and marketing expense payable		18,218	19,409
Preliminary cost payable		800	800
Units held: 1,426,784 units (June 2022: 1,395,938 units)		144,444	139,657
Central Depository Company of Pakistan Limited - Trustee			
Trustee fee payable		1,493	2,711
Sindh Sales Tax payable on Trustee Fee		194	352
Security deposit		100	100
Habib Bank Limited - Sponsor			
Bank balances		164,380	9,757,407
HBL Micro Finance Bank			
Bank balances		11,753,043	19,850,586
HBL Total Treasury - Exchange Traded Fund (CIS managed by management company)			
Units Invested: 44,978,000		453,378	-
Ibrahim Holdings (Private) Limited			
Connected person due to holding more than 10%			
Units held: 71,848,751 units (June 2022: 4,0465,777 units)		7,273,795	4,048,415
Riaz Textile Mills (Private) Limited			
Connected person due to holding more than 10%			
Units held: 61,119,869 units (June 2022: 89,013,529 units)		6,187,629	8,905,394
Directors and executives of the Management Company			
Units held: 210,329 units (June 2022: 171,416 units)		21,293	17,149

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

Particulars	September 30, 2022						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)						
Financial assets measured at fair value							
Corporate sukuk bonds	500,000	-	500,000	-	500,000	-	500,000
Market treasury bills	-	-	-	-	-	-	-
Listed equity securities (spread transactions)	-	-	-	-	-	-	-
Listed equity securities (exchange traded fund)	453,378	-	453,378	453,378	-	-	453,378
	953,378	-	953,378	453,378	500,000	-	953,378
Financial assets not measured at fair value							
Bank balance	-	21,533,586	21,533,586				
Commercial Paper	-	1,188,555	1,188,555				
Profit / markup receivable	-	374,330	374,330				
Receivable against margin trading system	-	130,586	130,586				
Receivable against sale of investment	-	212	212				
Deposits	-	54,130	54,130				
	-	23,281,399	23,281,399				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	33,808	33,808				
Payable to the Trustee	-	1,687	1,687				
Payable against purchase of investment	-	-	-				
Accrued expenses and other liabilities	-	125,405	125,405				
	-	160,900	160,900				

			June 30, 2022				
Particulars	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	-----			(Rupees in '000) -----			
Financial assets measured at fair value							
Corporate sukuk bonds	450,000	-	450,000	-	450,000	-	450,000
Market treasury bills	438,724	-	438,724	-	438,724	-	438,724
Listed equity securities (spread transactions)	12,042	-	12,042	12,288	-	-	12,288
	900,766	-	900,766	-	888,724	-	901,012
Financial assets not measured at fair value							
Bank balance	-	43,918,633	43,918,633				
Commercial Paper	-	1,146,089	1,146,089				
Profit / markup receivable	-	251,794	251,794				
Receivable aginst margin trading system	-	123,160	123,160				
Deposits	-	3,340	3,340				
	-	45,443,016	45,443,016				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	36,668	36,668				
Payable to the Trustee	-	2,711	2,711				
Payable against purchase of investment	-	351,029	351,029				
Accrued expenses and other liabilities	-	527	527				
	-	390,935	390,935				

14 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of corporate sukuk bonds and market treasury bills, Fund uses rates which are prescribed by MUFAP at reporting date 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.

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

15. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan the maximum limit of total expense ratio is 2.5% and the total expense ratio of the Fund for the period ended September 30, 2022 1.15% is (June 2022: 0.42%) which includes 0.12% (June 2022: 0.04%) representing Government levy and SECP fee.

16. GENERAL

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

17. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 19, 2022 by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Total Treasury Exchange Traded Fund

FUND INFORMATION

Name of Fund	HBL Total Treasury Exchange Traded Fund
Name of Auditor	Yousuf Adil & 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 Soneri Bank Limited Faysal Bank Limited

HBL Total Treasury Exchange Traded Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2022

	Note	(Un-Audited) September 30, 2022 (Rupees in '000)
Assets		
Bank balances	5	9,671
Investments	6	494,430
Accrued mark-up		47
Preliminary Expenses	7	540
Total assets		504,688
Liabilities		
Payable to the Management Company	8	746
Payable to the Trustee	9	30
Payable to Securities and Exchange Commission of Pakistan	10	5
Accrued expenses and other liabilities	11	29
Total liabilities		810
Net assets		503,878
Unit holders' fund (as per statement attached)		503,878
Contingencies and commitments	12	
		- (Number of units) -
Number of units in issue		50,000,000
		----- (Rupees) -----
Net assets value per unit		10.0776

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Total Treasury Exchange Traded Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For the Period September 12, 2022 to September 30, 2022

	Note	For the Period September 12, 2022 to September 30, 2022 (Rupees in '000)
Income		
Capital gain on sale of investments - net		16
Mark-up / return on investments		3,944
Mark-up on Bank Deposit		47
		4,007
Unrealised appreciation on re-measurement of investments classified as financial asset at fair value through profit or loss - net		141
Total Income		4,148
Expenses		
Remuneration of the Management Company		148
Remuneration of the Trustee		30
Annual fee to Securities and Exchange Commission of Pakistan		5
Allocation of expenses related to registrar services, accounting, operation and valuation services		52
Securities transaction costs		1
Auditors' remuneration		26
Other Charges		2
Amortization of formation cost		6
Total Expenses		270
Net income from operating activities		3,878
Net income for the period before taxation		3,878
Taxation	13	-
Net income for the period after taxation		3,878
Allocation of net (loss) / income for the period:		
Income already paid on redemption of units		-
Accounting (loss) / income available for distribution:		
- Relating to capital gains		157
- Excluding capital gains		3,721
		3,878
		3,878

Earnings per unit

14

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Total Treasury Exchange Traded Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Period September 12, 2022 to September 30, 2022

	For the Period September 12, 2022 to September 30, 2022
	(Rupees in '000)
Net loss for the period after taxation	3,878
Other comprehensive income for the period	-
Total comprehensive loss for the period	3,878

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

For HBL Asset Management Limited
(Management Company)

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

HBL Total Treasury Exchange Traded Fund
Condensed Interim Statement of Movement In Unitholders' Fund (Un-Audited)
For the Period September 12, 2022 to September 30, 2022

	For the Period September 12, 2022 to September 30, 2022		
	Capital value	Undistributed income	Total
	(Rupees in '000)		
Net assets at beginning of the period	-	-	-
Issue of 50,000,000 units			
- Capital value (at net asset value per unit at the beginning of the period)	500,000	-	500,000
- Element of income	-	-	-
Total proceeds on issue of units	500,000	-	500,000
Redemption of Nil units			
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-
- Element of income	-	-	-
- Income already paid on redemption	-	-	-
Total payments on redemption of units	-	-	-
Total comprehensive income for the period	-	3,878	3,878
Distribution during the period	-	-	-
Refund of capital	-	-	-
	-	3,878	3,878
Net assets at end of the period	500,000	3,878	503,878
Undistributed income brought forward			-
- Realised		-	
- Unrealised		-	
Accounting income available for distribution			
Relating to capital gains		157	
Excluding capital gains		3,721	
		3,878	
Distribution during the period		-	
Undistributed income carried forward		3,878	
Undistributed income carried forward			
Realised income		3,737	
Unrealised income		141	
		3,878	
			Rupees
Net assets value per unit at end of the period			10.0776

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Total Treasury Exchange Traded Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the Period September 12, 2022 to September 30, 2022

	For the Period September 12, 2022 to September 30, 2022 (Rupees in '000)
Cash flows from operating activities	
Net income for the period before taxation	3,878
Adjustments	
Capital (gain) on sale of investments - net	(16)
Unrealised (appreciation) on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(141)
	3,721
(Increase) in assets	
Investments - net	(494,273)
Accrued mark-up	(47)
Preliminary Expenses	(540)
	(494,860)
Increase in liabilities	
Payable to the Management Company	746
Payable to the Trustee	30
Payable to the Securities and Exchange Commission of Pakistan	5
Accrued expenses and other liabilities	29
	810
Net cash used in operating activities	(490,329)
Cash flows from financing activities	
Amount received on issue of units	500,000
Payment against redemption of units	-
Dividend paid	-
Net cash generated from financing activities	500,000
Net increase in cash and cash equivalents	9,671
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	9,671

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Total Treasury Exchange Traded Fund
Notes to the condensed interim financial information (Un-Audited)
For the Period September 12, 2022 to September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Total Treasury Exchange Traded Fund (the Fund) was established under a Trust Deed, dated August 16, 2021, 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 November 30, 2021.
- 1.2 The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4 The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in money market securities through exchange traded method.
- 1.5 The Management Company has been assigned a quality rating of 'AM2++' (positive outlook) by VIS Credit Rating Company Limited.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of judgments and estimates

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

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

- (i) Classification and valuation of financial instruments (notes 4.2)
- (ii) Provision (notes 4.7)

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial assets and liabilities

4.2.1 Initial recognition

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

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

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

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

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

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

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

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

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

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

4.2.3 Impairment of financial assets

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

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

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

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

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

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

Basis of valuation of government securities

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

Basis of valuation of equity securities

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

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

Basis of valuation of instruments at amortised cost

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

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

4.2.5 Regular way contracts

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

4.2.6 Offsetting of financial instruments

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

4.3 Net asset value per unit

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

4.3 Issue and redemption of units

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

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

4.4 Revenue recognition

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

4.5 Expenses

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

4.6 Taxation

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

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

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

4.7 Provisions

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

4.8 Derivatives

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

4.9 Distribution to the unit holders

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

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

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

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

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

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

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

		(Un-Audited) September 30, 2022 (Rupees in '000)
5.	BANK BALANCES	Note
	Balances with banks in:	
	Savings accounts	5.1 <u>9,671</u>

- 5.1 This represents bank accounts held with different banks. The balance in savings accounts carry expected profit which ranges from 5% to 15% per annum.

		(Un-Audited) September 30, 2022 (Rupees in '000)
6	INVESTMENTS	Note

Financial assets at fair value through profit or loss

Government Securities - Market Treasury Bills	6.1	<u>494,430</u>
		<u>494,430</u>

6.1 Government securities - Market Treasury Bills

Particulars	Issue Date	Face value				Balance as at September 30, 2022		Market value as a percentage of			
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	total investments	net assets		
-----Rs. In 000-----										-----%-----	
Market Treasury Bills - 3 -months											
Market treasury bills	July 14, 2022	-	300,000	300,000	-	-	-	-	-	-	
Market treasury bills	July 28, 2022	-	350,000	-	350,000	347,256	347,295	70.24%	68.92%		
Market treasury bills	August 11, 2022	-	50,000	-	50,000	49,314	49,329	9.98%	9.79%		
Market treasury bills	August 25, 2022	-	50,000	-	50,000	49,004	49,045	9.92%	9.73%		
Market treasury bills	September 8, 2022	-	50,000	-	50,000	48,715	48,761	9.86%	9.68%		
Total as at September 30, 2022						494,289	494,430	100.00%	98.12%		

(Un-Audited)
September 30,
2022
(Rupees in '000)

7 PRELIMINARY EXPENSE

Preliminary cost at the start of the period		546
Amortization of Expense	7.1	(6)
Preliminary Cost at the end of the period		<u>540</u>

7.1 Formation cost incurred on fund will be amortized over the period of five years as per SECP's directions.

8 PAYABLE TO THE MANAGEMENT COMPANY

Management fee	8.1	131
Sindh Sales Tax on Management Company's remuneration	8.2	17
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	52
Formation cost payable		<u>546</u>
		<u>746</u>

8.1 As per the offering document of the Fund the maximum limit of management fee is 0.5% per annum of average annual net assets. During the period, management remuneration is charged by the Asset Management Company at the rate of 0.5% of average annual net assets of the Fund. The remuneration is paid monthly in arrears.

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

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company may charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The expense charged by the Asset Management Company at the rate of 0.2% of average annual net assets of the fund.

9 PAYABLE TO THE TRUSTEE

Remuneration of the Trustee	9.1	27
Sindh Sales Tax on remuneration of the Trustee	9.2	3
		<u>30</u>

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

As per the offering document of the Fund the maximum limit of trustee fee is 0.1% per annum of average annual net assets. Therefore trustee fee have been charged as 0.1% per annum of net assets calculated on daily basis. The remuneration is paid to the trustee monthly in arrears.

- 9.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.

10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	10.1	5
		<u>5</u>

- 10.1 As per SRO 685(I)/2019 dated June 28, 2019, annual fee at the rate of 0.02% of the net assets of the fund has been charged during the period by Securities and Exchange Commission of Pakistan.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors Remuneration payable	26
Brokerage payable	1
Printing Charges payable	2
	<u>29</u>

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2022

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, 2023 to its unit holders.

14. EARNINGS PER UNIT

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

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

**For the Period
September 12,
2022 to September
30, 2022
(Rupees in '000)**

15.1 Transactions during the period

HBL Asset Management Limited - Management Company

Remuneration of the Management Company	148
Allocation of expenses related to registrar services, accounting, operation and valuation services	52

Central Depository Company of Pakistan Limited - Trustee

Remuneration	30
--------------	----

Habib Bank Limited - Authorized Participant

Issuance of 50,000,000 units	500,000
------------------------------	---------

**September 30,
2022
(Un-audited)
(Rupees in '000)**

15.2 Amounts outstanding as at period

HBL Asset Management Limited - Management Company

Management fee payable	131
Sales tax payable	17
Allocation of expenses related to registrar services, accounting, operation and valuation services	52
Formation Cost payable	546

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	27
Sindh Sales Tax	3

Habib Bank Limited - Authorized Participant

Investment held in the Fund: 50,000,000 units	503,878
---	---------

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2022 (Un-Audited)					
		Carrying amount			Fair value		
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	-----			(Rupees in '000) -----			
Financial assets measured at fair value							
Market treasury bills	494,430	-	494,430	-	494,430	-	494,430
	494,430	-	494,430	-	494,430	-	494,430
Financial assets not measured at fair value							
16.1							
Bank balances	-	9,671	9,671				
Accrued mark-up	-	47	47				
Deposits and other receivables	-	540	540				
	-	10,258	10,258				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	746	746				
Payable to the Trustee	-	30	30				
Accrued expenses and other liabilities	-	29	29				
	-	805	805				

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

17. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 0.96% which includes 0% representing government levies on the Fund such as sales taxes, annual fee to the SECP etc.

18 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022 .

19. GENERAL

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator
(based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices

HBL

ASSET MANAGEMENT LTD.

ایس ایٹ مینجمنٹ لمیٹڈ

Head Office Karachi:

7th Floor, Emerald Tower, Clifton,
Karachi.

UAN:111 HBL AMC (111-425-262)

Fax: 021-35168455

info@hblasasset.com

Lahore:

102-103, Upper Mall, Lahore

Tel: 042-36281600

042-36281640-3

042-36281610

Fax: 042-36281686

Islamabad:

HBL Corporate Center,
HBL building, Jinnah Avenue,
Islamabad

Tel: 051-2821183

Fax: 051-2822206

HBL

ASSET MANAGEMENT LTD.

ایسٹیت میجمنٹ لمیٹڈ

AMC Rating : AM2++ by JCR-VIS

QUARTERLY REPORT 2022

For the period ended September 30, 2022

MOVING TOWARDS
EXCELLENCE

TABLE OF CONTENTS

<i>Corporate Information</i>	4
<i>Report of the Directors of Management Company</i>	5
HBL ISLAMIC MONEY MARKET FUND	
<i>Fund Information</i>	10
<i>Statement of Assets & Liabilities</i>	11
<i>Income Statements</i>	12
<i>Statement of Movement in Unit Holders' Fund</i>	13
<i>Cash Flow Statement</i>	14
<i>Note to the Financial Statements</i>	15
HBL ISLAMIC ASSET ALLOCATION FUND	
<i>Fund Information</i>	26
<i>Statement of Assets & Liabilities</i>	27
<i>Income Statements</i>	28
<i>Statement of Movement in Unit Holders' Fund</i>	29
<i>Cash Flow Statement</i>	30
<i>Note to the Financial Statements</i>	33
HBL ISLAMIC STOCK FUND	
<i>Fund Information</i>	47
<i>Statement of Assets & Liabilities</i>	48
<i>Income Statements</i>	49
<i>Statement of Movement in Unit Holders' Fund</i>	50
<i>Cash Flow Statement</i>	51
<i>Note to the Financial Statements</i>	52
HBL ISLAMIC INCOME FUND	
<i>Fund Information</i>	63
<i>Statement of Assets & Liabilities</i>	64
<i>Income Statements</i>	65
<i>Statement of Movement in Unit Holders' Fund</i>	66
<i>Cash Flow Statement</i>	67
<i>Note to the Financial Statements</i>	68
HBL ISLAMIC EQUITY FUND	
<i>Fund Information</i>	78
<i>Statement of Assets & Liabilities</i>	79
<i>Income Statements</i>	80
<i>Statement of Movement in Unit Holders' Fund</i>	81
<i>Cash Flow Statement</i>	82
<i>Note to the Financial Statements</i>	83

TABLE OF CONTENTS

HBL ISLAMIC FINANCIAL PLANNING FUND

<i>Fund Information</i>	94
<i>Statement of Assets & Liabilities</i>	95
<i>Income Statements</i>	96
<i>Statement of Movement in Unit Holders' Fund</i>	97
<i>Cash Flow Statement</i>	99
<i>Note to the Financial Statements</i>	100

HBL Islamic Dedicated Equity Fund

<i>Fund Information</i>	111
<i>Statement of Assets & Liabilities</i>	112
<i>Income Statements</i>	113
<i>Statement of Movement in Unit Holders' Fund</i>	114
<i>Cash Flow Statement</i>	115
<i>Note to the Financial Statements</i>	116

CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of October 19, 2022)

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

Audit Committee

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

Human Resource Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee	(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. Abid Sattar	(Independent Director)
	Ms. Ava Ardeshir Cowasjee	(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

www.hblasset.com

Head Office & Registered Office

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

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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 September 30, 2022.

ECONOMIC REVIEW

The government's GDP growth target for FY23 was 5.0% (against 5.97% achieved in FY22), however, on account of the recent floods, SBP/ADB/World Bank have revised down their growth projections to 2.4%/3.5%/2.0%, respectively. As per various estimates, economic losses as a result of the floods are expected to reach ~USD 40bn. A positive development has been the resumption of IMF program, which has provided much needed breathing space to the ailing economy, and opened other avenues of funding for the government. Moreover, in order to achieve sustainable economic growth, the authorities have taken some contractionary monetary and fiscal policy measures.

The Current Account Deficit (CAD) for Sep-22 clocked in at USD 316mn, taking 1QFY23 CAD to USD 2.2bn, compared to a Deficit of USD 3.5bn during the same period last year. This was primarily driven by a decline in imports as a result of stringent measures taken by the Government to reduce the outflow of foreign exchange. However, the decline in remittances set off some of the positive impact, which fell by 6.3% during 1QFY23 to USD 7.7bn, compared to USD 8.2bn 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 Regulatory Duty (RD) and Additional Customs Duty (ACD) in the range of 100-150% on almost 600-700 luxury items. However, the recent floods have raised concerns regarding CAD overshooting the government's initial target on account of the expected increase in import of agricultural products and decline in textile exports.

CPI for Sep-22 clocked in at 23.2% YoY, taking 1QFY22 average inflation to 25.11%, compared to 8.58% during the SPLY. The increase in CPI was largely driven by higher food and fuel prices, whereby food prices have been on a rising trajectory owing to the widespread flooding that has devastated crops and farmlands, while fuel prices have risen on account of the Petroleum Development Levy (PDL) imposed by the government.

Fiscal deficit for July was recorded at 0.3% of GDP, compared to 0.4% of GDP during the same period last year (SPLY). Primary balance posted a surplus of PKR 142bn, compared to a deficit of PKR 5bn during the SPLY. FBR has provisionally collected PKR 1,635bn during 1QFY23, compared to PKR 1,403bn during the SPLY, surpassing its target by PKR 27bn.

STOCK MARKET REVIEW

During 1QFY23, the KMI-30 index declined by 1,303pts or 1.9% to close at 67,463pts. The market started off on a positive note, increasing by 2.3% during Jul-22 and Aug-22 on the back of resumption of the IMF program, which opened other avenues of external funding for the government. Investor sentiment was also boosted by news flow that Saudi Arabia was seeking to renew its USD 3bn deposits with Pakistan, along with provision of USD 100mn per month for import of petroleum products. Furthermore, news flow suggested that Qatar had announced plans to invest USD 3bn in various commercial and investment sectors of the country. However, during Sep-22, the positive sentiment was overshadowed by the devastation caused by the floods, as it led to concerns regarding expected increase in the twin deficits due to the required spending on rehabilitation efforts, expected increase in import of agricultural products and decline in textile exports.

During 1QFY23, major negative contribution came from Fertilizer (942 pts), Oil & Gas Exploration (858 pts), Chemicals (575 pts) and Auto Assemblers (266 pts) sectors. On the other hand, major positive contribution came from Technology & Communications (683 pts), Cement (612), and Commercial Banks (368 pts) sectors.

During the period, average traded volume declined by 11% QoQ to 61mn shares, while average traded value decreased by ~6% QoQ to PKR 3.4bn. On the flows side, Foreigners were net sellers during 1QFY23 and sold shares worth USD 297.5mn.

We expect the market to remain range-bound in the near-term amid lack of positive triggers, as investors remain concerned about the political uncertainty, coupled with expected economic slowdown due to the recent floods. However, our longer-term equity outlook remains positive due to attractive valuations. Positive triggers in the medium-term can be in the form of realization of flows and grants from multilateral sources, which would provide strength to the Rupee. In the medium- to long-term, reversal in international commodity prices, either on the back of disruption in demand or increase in supply, is likely to reignite investor interest in equities.

MONEY MARKET REVIEW

During 1QFY23, SBP, in an attempt to curb inflation as a result of the Russia-Ukraine war, increased the Policy Rate by 125bps to 15%. The hike was inevitable, given persistently high global energy prices, the abrupt ending of fuel subsidies and the need to control demand.

The cut-off yields in the last T-bills auction were 15.9999%, 15.9998%, and 15.9900% for 3M, 6M and 12M tenors, respectively. The cut-off yields in the last PIBs auction were 13.92%, 13.39%, and 12.95% in 3Y, 5Y and 10Y tenors, respectively, while no bids were received in 15Y, 20Y and 30Y tenors.

A GOP Ijara Sukuk auction was held on 22-Sep-22, with a target of PKR 100bn (PKR 25bn for Fixed Rental and PKR 75bn for Variable Rental Rate) for a period of 5 years. The Ministry of Finance accepted bids worth PKR 0.77bn (at 12.9029%) in FRR Sukuk, and PKR 18.48bn (at 13.61%) in VRR Sukuk.

The latest hike in the Policy Rate to 15% is expected to help moderate demand to a more sustainable pace, while keeping inflation expectations anchored, and containing risks to external stability. We believe high international commodity prices, along with reform measures under the IMF program, and recent crop and infrastructure damage caused by the floods, will translate adversely in CPI, based on which further hike in interest rate cannot be ruled out. However, possibility of further rate hike is very low under the current political environment.

FUTURE OUTLOOK

Moving ahead, we expect economic growth to slow down to 1.5-2.0% in FY23 on the back of fiscal consolidation by the government, along with disruption in agricultural activities due to the ongoing floods. Focus would remain on how the government keeps economic growth at a sustainable level, while keeping the external and fiscal accounts in check.

On the fiscal side, the government initially targeted a Fiscal deficit of PKR 3.80tn (~4.6% of GDP) in FY23 on the back of ~20% increase in FBR's tax collection to PKR 7.4tn, along with increase in collection of PDL to PKR 550bn. However, however, we believe that Fiscal Deficit may clock in the range of 6.0-6.5% due to the required spending on rehabilitation efforts after the recent floods.

On the fixed income front, we believe that gradual imposition of PDL on fuel, along with hike in electricity and gas tariffs, will translate adversely in CPI. Resultantly, we expect average inflation for FY23 to be in the range of 20-22%. However, inflation is expected to taper down from FY24 onwards due to high-base effect and expectation of easing in international commodity prices. Upside risks to our estimates remain in the form of elevated international commodity prices for an extended period due to geopolitical concerns. On the Islamic front, we expect the Government to issue GoP Ijara Sukuk and other GoP Guaranteed Sukuk in FY23 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 4.2x compared to regional average of 13.9x, and offers an attractive dividend yield of 9.8%, compared to regional average of 3.1%. It is pertinent to note that the spread between KSE-100 index earnings yield and 10Y PKRV is ~13%, compared to 5-year historical average spread of 4.9%, which implies upside of ~56%. Hence, we believe that Pakistan equities offer a good opportunity for long-term investors.

FUND'S PERFORMANCE AND PAYOUTS

HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 871.00 million and Rs. 830.39 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the Fund was Rs. 101.2155 per unit as on September 30, 2022 as compared to Rs. 101.2171 per unit as on June 30, 2022, after incorporating dividend of Rs. 3.6754 per unit, thereby giving an annualized return of 14.66%. During the period the benchmark return (3 Month bank deposit rates) was 5.50%. The size of Fund was Rs. 26.11 billion as on September 30, 2022 as compared to Rs. 15.54 billion at the start of the year.

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

HBL Islamic Income Fund

The total income and net income of the Fund was Rs. 194.64 million and Rs. 180.46 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the Fund was Rs. 106.3827 per unit as on September 30, 2022 as compared to Rs. 102.7607 per unit as on June 30, 2022, thereby giving an annualized return of 13.98%. During the same period the benchmark return (6 Month bank deposit rates) was 4.66%. The size of Fund was Rs. 4.75 billion as on September 30, 2022 as compared to Rs. 4.67 billion at the start of the year.

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

HBL Islamic Stock Fund

The total income and net loss of the Fund was Rs. 2.61 million and Rs. 2.24 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the Fund was Rs. 85.2129 per unit as on September 30, 2022 as compared to Rs. 88.4322 per unit as on June 30, 2022, thereby giving a negative return of 3.64% during the period, against the benchmark return (KMI 30 Index) of negative 1.90%. The size of Fund was Rs. 0.25 billion as on September 30, 2022 as compared to Rs. 0.41 billion at the start of the year.

HBL Islamic Equity Fund

The total and net loss of the Fund was Rs. 1.57 million and Rs. 3.69 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the Fund was Rs. 68.6029 per unit as on September 30, 2022 as compared to Rs. 69.9797 per unit as on June 30, 2022, thereby giving a negative return of 1.97% during the period, against the benchmark return (KMI 30 Index) of 1.90%. The size of Fund was Rs. 0.15 billion as on September 30, 2022 as compared to Rs. 0.15 billion at the start of the year.

HBL Islamic Asset Allocation Fund

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

The total and net income of the Fund including HBL IAAF Plans was Rs. 73.75 million and Rs. 69.70 million respectively during the period ended September 30, 2022. The Net Asset Value (NAV) of the HBL-IAAF decreased from Rs. 108.5372 per unit as on June 30, 2022 to Rs. 105.5610 per unit as on September 30, 2022, thereby giving a negative return of 2.74% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of negative 1.57%. The Net Asset Value (NAV) of the HBL-IAAF Plan-I was Rs. 103.5503 per unit as on September 30, 2022 thereby giving a return of 3.00% during the period against the benchmark return of 0.77%. The Net Asset Value (NAV) of the HBL-IAAF Plan-II was Rs. 105.7695 as on September 30, 2022 thereby giving a return of 5.77% while the benchmark return during the period was 0.51%. The collective size of Fund was Rs. 2.79 billion as on September 30, 2022 as compared to Rs. 2.62 billion at the start of the year.

HBL Islamic Financial Planning Fund

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

The Fund as a whole earned a total and net income of Rs. 3.53 million and Rs. 3.24 million respectively during the period under review. The fund size of the fund stood at Rs. 0.16 billion. Performance review for plan is given below:

Active Allocation Plan

During the period under review, the Active allocation plan earned a total and net income of Rs. 3.51 million and Rs. 3.24 million respectively. The net assets of the Active allocation plan stood at Rs. 155 million representing Net Asset Value (NAV) of Rs. 89.9742 per unit as at September 30, 2022 as compared to Rs. 87.1696 as at June 30, 2022. The plan earned a return of 3.22% for the period under review against the benchmark return of 1.40%. The plan is invested to the extent of 99% in fixed income funds.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total income and net income of Rs. 0.02 million and Rs. 0.00 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.71 million representing Net Asset Value (NAV) of Rs. 90.8155 per unit as at September 30, 2022 as compared to Rs. 90.9171 as at June 30, 2022. The plan earned a negative return of 0.1% for the period under review against the benchmark return of 0.61%. The plan is invested to the extent of 58% in fixed income funds.

HBL Islamic Dedicated Equity Fund

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

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited (VIS) has maintained the management quality rating of HBL Asset Management Limited at 'AM2++' (AM Two Plus Plus) and the outlook on the assigned rating has been maintained at '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 the Securities & Exchange Commission of Pakistan, the Central Depository Company of Pakistan and the Digital Custodian Company Limited as Trustees, the Pakistan Stock Exchange Limited and the State Bank of Pakistan.

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

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 Soneri Bank Limited
Fund Rating	'AA+(f)' (JCR-VIS)

HBL Islamic Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2022

	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited)
Assets			
Bank balances	4	15,449,315	14,146,600
Investments	5	10,376,000	1,306,000
Accrued mark-up		401,264	127,107
Advances, deposits and prepayment		1,136	877
Total assets		26,227,715	15,580,584
Liabilities			
Payable to Management Company	6	20,781	5,534
Payable to Trustee	7	1,287	786
Payable to Securities and Exchange Commission of Pakistan	8	1,150	1,913
Accrued expenses and other liabilities	9	96,918	31,888
Total liabilities		120,136	40,121
Net assets		26,107,579	15,540,463
Unit holders' fund (as per statement attached)		26,107,579	15,540,463
Contingencies and commitments	10		
(Number of units)			
Number of units in issue		257,940,489	153,535,911
(Rupees)			
Net assets value per unit		101.2155	101.2171

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)
For the three months ended September 30, 2022

	Note	Three months ended September 30,	
		2022	2021
		----- (Rupees in '000) -----	
Income			
Mark-up on deposits with banks		558,126	57,940
Mark-up on investments		312,874	65,456
Net realised gain on sale of investment		-	83
		871,000	123,479
Expenses			
Remuneration of Management Company		15,386	3,927
Remuneration of Trustee		3,574	1,276
Annual fee to the Securities and Exchange Commission of Pakistan		1,150	347
Allocation of expenses related to registrar services, accounting, operation and valuation services		9,939	-
Selling and Marketing expenses		9,939	-
Auditors' remuneration		281	94
Fee and Subscription		193	169
Settlement and bank charges		148	543
		40,610	6,356
Net income from operating activities		830,390	117,123
Reversal / (Provision) for Sindh Workers' Welfare Fund	9.2	-	19,002
Net income for the period before taxation		830,390	136,125
Taxation	12.	-	-
Net income for the period after taxation		830,390	136,125
Allocation of net income for the period:	15.		
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	83
-Excluding capital gains		830,390	136,042
		830,390	136,125
Net income / (loss) for the period after taxation		830,390	136,125
Other comprehensive income		-	-
Total comprehensive income for the period		830,390	136,125

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

Condensed Interim Statement Of Movement In Unit Holders' FUND (Un-Audited)

For the three months ended September 30, 2022

Note	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	Rupees in '000'					
Net assets at beginning of the Period	15,513,483	26,980	15,540,463	6,618,598	21,707	6,640,305
Issuance of units 195,428,873 units (2021: 34,142,131 units)						
- Capital value (at net asset value per unit at the beginning)	19,787,081	-	19,787,081	30,831,084	-	30,831,084
- Element of income	-	-	-	(5,970)	-	(5,970)
Total proceeds on issuance of units	19,787,081	-	19,787,081	30,825,114	-	30,825,114
Redemption of 91,024,295 units (2021: 21,029,452 units)						
- Capital value (at net asset value per unit at the beginning)	(9,224,024)	-	(9,224,024)	(21,934,474)	-	(21,934,474)
- Amount paid out of element of income	-	-	-	-	-	-
Relating to net income for the Period after taxation	-	-	-	4,245	-	4,245
Total payments on redemption of units	(9,224,024)	-	(9,224,024)	(21,930,229)	-	(21,930,229)
Total comprehensive income for the Period	-	830,390	830,390	-	947,487	947,487
Refund of Capital	-	-	-	-	-	-
Distribution during the Period	-	(826,331)	(826,331)	-	(942,214)	(942,214)
Net income for the Period less distribution	-	4,059	4,059	-	5,273	5,273
Net assets at end of the Period	26,076,540	31,039	26,107,579	15,513,483	26,980	15,540,463
Undistributed income brought forward						
- Realised	26,980			21,707		
- Unrealised	-			-		
	26,980			21,707		
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	830,390			947,487		
	830,390			947,487		
Distribution during the Period	(826,331)			(942,214)		
Undistributed income carried forward	31,039			26,980		
Undistributed income carried forward						
- Realised	31,039			26,980		
- Unrealised	-			-		
	31,039			26,980		
				(Rupees)		
Net assets value per unit at beginning of the Period		101.2171				101.1940
Net assets value per unit at end of the Period		101.2155				101.2171

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the three months ended September 30, 2022

	Three months ended September 30,	
	2022	2021
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	830,390	136,125
	830,390	136,125
(Increase) / decrease in assets		
Investments	(9,070,000)	63,622
Accrued profit	(274,157)	44,904
Prepaid expenses	(259)	(267)
	(9,344,416)	108,259
Increase / (decrease) in liabilities		
Payable to Management Company	15,247	(373)
Payable to Trustee	501	13
Payable to Securities and Exchange Commission of Pakistan	(763)	(1,105)
Accrued expenses and other liabilities	65,030	(15,043)
	80,015	(16,508)
Net cash generated from / (used in) operating activities	(8,434,011)	227,876
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	19,787,081	3,454,310
Payment against redemption of units	(9,224,024)	(2,127,642)
Cash dividend paid	(826,331)	(137,413)
Net cash generated from financing activities	9,736,726	1,189,254
Net increase in cash and cash equivalents	1,302,715	1,417,130
Cash and cash equivalents at beginning of the period	14,146,600	5,153,150
Cash and cash equivalents at end of the period	15,449,315	6,570,280

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

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

For the three months ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.
- 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, 2022.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

	Note	(Un-Audited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
4. BANK BALANCES			
Savings accounts	4.1	<u>15,449,315</u>	<u>14,146,600</u>
4.1	This represents bank accounts held with defferent banks. Mark up rates on these accounts range between 3.5% - 16% p.a (June 30, 2022: 3% - 16.25% p.a).		
5 INVESTMENTS	Note	(Un-Audited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
Investment by category			
Financial assets at amortised cost			
Term Deposit Receipts	5.1	<u>5,620,000</u>	-
Financial assets at fair value through profit or loss			
Sukuk Certificate	5.2	<u>4,756,000</u>	<u>1,306,000</u>
		<u>10,376,000</u>	<u>1,306,000</u>

5.1 Term Deposit Receipts - at amortised cost

Term Deposit Receipts - at amortised cost						Market value as a percentage of	
	Note	As at July 1, 2022	Placements made during the period	Matured / Sold during the period	As at Sep 30, 2022	Total investments of fund	Net Assets of fund
----- (Rupees in '000) -----						----- (%) -----	
Bank Al Falah Limited	5.1.1	-	10,362,000	6,742,000	3,620,000	34.89	13.87
Meezan Bank Limited		-	4,400,000	4,400,000	-	-	-
Askari Bank Limited	5.1.2	-	2,000,000	-	2,000,000	19.28	7.66
		-	16,762,000	11,142,000	5,620,000	54.16	21.53

5.1.1 The closing balance represents two TDRs of one months of Rs. 3,120 million and 500 million placed with rate of 15.35% and 15.15% being matured on October 17, 2022 and October 26, 2022 respectively.

5.1.2 The closing balance represents TDR of one months placed with rate of 15.5% being matured on October 07, 2022.

5.2 Sukuks certificate - At fair value through profit or loss

	Maturity Date	Rate (%)	As at July 1, 2022	Purchased during the period	Matured / Sold during the period	Carrying / Market Value as at September 30, 2022	Market value as a percentage of	
							Total investments of fund	Net Assets of fund
							----- (%) -----	
----- (Rupees in '000) -----								
Hub Power Company Limited	27-Oct-22	15.10	6,000	-	-	6,000	0.06	0.02
Lucky Electric Power Company Limited	14-Oct-22	14.23	300,000	-	-	300,000	2.89	1.15
Lucky Electric Power Company Limited	15-Dec-22	16.84	1,000,000	-	-	1,000,000	9.64	3.83
K Electric Limited	10-Feb-23	17.24	-	750,000	-	750,000	7.23	2.87
K Electric Limited	28-Feb-23	17.35	-	750,000	-	750,000	7.23	2.87
China Hub Power Company Limited	28-Jan-23	17.06	-	1,200,000	-	1,200,000	11.57	4.60
Lucky Electric Power Company Limited	6-Jan-23	17.07	-	750,000	-	750,000	7.23	2.87
			1,306,000	3,450,000	-	4,756,000	45.84	18.22

Carrying / Market Value as at June 30, 2022

1,306,000

(Un-Audited) (Audited)
September 30, June 30,
2022 2022
(Rupees in '000)

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note		
Management fee	6.1	4,416	2,857
Sindh Sales Tax	6.2	574	371
Sales load payable		2,353	588
Allocation of expenses related to registrar services, accounting, operation and valuation services		3,499	328
Selling and marketing payable		9,939	1,390
		20,781	5,534

6.1 As Per SECP S.R.O. 639 (1)/2019 dated June 20, 2019, there has been amendment in NBFC regulation no. 61, in which limits over management fee had been removed and directed that the asset management company shall disclose in the Offering document the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit. Further, the asset management company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document and such actual rate shall be disclosed in Fund manager report. The management fee expense charged by the asset management company at the rate ranging from 0.25% to 0.20% (June 30, 2022: 0.2% to 0.3%) of average annual Net Asset of the Fund.

- 6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in '000)	
7	PAYABLE TO THE TRUSTEE		
Trustee fee	7.1	1,139	696
Sindh Sales Tax		148	90
		1,287	786

- 7.1 The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2020 the trustee fee is being charged at the rate of 0.065% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in '000)	
8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Annual fee	8.1	1,150	1,913

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

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in '000)	
9.	ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration		619	339
Federal Excise Duty	9.1	2,185	2,185
Withholding tax payable		93,231	28,584
Provision for Sindh Workers' Welfare Fund	9.2	-	-
Capital gain tax payable		31	46
Dividend payable		307	307
Other payables		545	427
		96,918	31,888

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 2.185 million (June 30, 2021 : 2.185 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Rs. 0.0085 (June 30, 2022: Re. 0.0142) per unit.

9.2 PROVISION WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 20.07 million for the period from July 1, 2014 till August 12, 2021.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022.

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) annualized of the Fund as at September 30, 2022 is 0.71% (2021: 0.09%) which includes 0.08% (2021: 0.01%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc.

12. TAXATION

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

13. EARNINGS PER UNIT (EPU)

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

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

14.1 Transactions during the period	(Un - Audited)	
	Three months ended	
	September 30,	
	2022	2021
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management Fee	15,386	3,927
Allocation of expenses related to registrar services, accounting, operation and valuation services	9,939	-
Selling and Marketing expenses	9,939	-
Investment of Nil units (2021: 20,470 units)	-	2,071
Habib Bank Limited - Sponsor		
Mark-up earned during the period	546	25,610
Bank charges paid	128	131
Directors, Executives and Key management personnel		
Investment of 57,227 units (2021: 26,817 units)	5,197	2,713
Redemption of 29,255 units (2021: 21,450 units)	2,943	2,170
Dividend Reinvestment 7,113 units	720	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	3,574	1,276
Artistic Milliners Pvt Limited - Connected Person Due To holding 10% or more units *		
Investment of Nil units (2021: 335,384 units)	-	33,932
Redemption of Nil units (2021: 341,007 units)	-	34,501
ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND - Associate		
Investment of Nil units (2021: 306,424 units)	-	31,002
Dividend Reinvestment 20,647 units	2,089	-
LUCKY CEMENT LIMITED - Connected Person Due To holding 10% or more units *		
Investment held in the Fund: Nil units (2021: 19,789,378 units)	-	2,002,178
Redemption of Nil units (2021: 9,903,736 units)	-	1,002,005

	(Un - Audited) Three months ended September 30,	
	2022	2021
	(Rupees in '000)	
Yunus Textile Mills Limited - Connected Person Due To holding 10% or more units.		
Investment held in the Fund: 11,860,708 units (2021: Nil units)	1,200,000	-
Redemption of 9,883,923 units (2021: Nil units)	1,000,000	-
Dividend Reinvestment 1,094,892 units	110,775	-
Pakistan Defense Officers Housing Authority - Connected Person Due To holding 10% or more units.		
Investment held in the Fund: 22,733,023 units (2021: Nil units)	2,300,000	-
Dividend Reinvestment 357,467 units	36,167	-
MCBFSL Trustee HBL Islamic Financial Planning Fund - Active Allocation Plan (Associate)		
Investment held in the Fund: 1,383,749 units (2021: Nil units)	140,000	-
Redemption of 1,083,506 units (2021: Nil units)	108,540	-
Dividend Reinvestment 34,196 units	3,460	-
MCBFSL Trustee HBL Islamic Financial Planning Fund - Conservative Allocation Plan (Associate)		
Redemption of 21 units (2021: Nil units)	2	-
Dividend Reinvestment 8 units	1	-
CDC Trustee HBL Cash Fund		
Purchase of Commercial paper - KEL ICP	-	367,557
CDC Trustee HBL Money Market Fund		
Sale of Commercial paper - KEL ICP	-	69,557
Purchase of Commercial paper - KEL ICP	-	63,839
	(Un-Audited)	(Audited)
	September 30,	June 30,
	2022	2022
	(Rupees in '000)	
14.2 Amounts outstanding as at period end		
HBL Asset Management Limited - Management Company		
Management fee	4,416	2,857
Sindh Sales Tax	574	371
Selling and Marketing payable	9,939	1,390
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,499	328
Sales load payable	2,353	588
Habib Bank Limited - Sponsor		
Bank Balances	58,547	93,150
Directors, Executives and Key management personnel		
Units held in the Fund: 150,470 units (June 30, 2022: 115,385 units)	15,230	11,674
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,287	786

	(Un-Audited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND - Associate		
Investment held in the Fund: 589,541 units (30 June, 2022: 568,894 units)	59,671	57,558
Artistic Milliners Pvt Limited - Connected Person Due To holding 10% or more units *		
Investment held in the Fund: Nil units (June 30, 2022: 16,952,740 units)	-	1,715,183
Yunus Textile Mills Limited - Connected Person Due To holding 10% or more units		
Investment held in the Fund: 29,620,050 units (June 30, 2022: 26,548,373 units)	2,998,008	2,686,016
Pakistan Defense Officers Housing Authority - Connected Person Due To holding 10% or more units *		
Investment held in the Fund: 33,991,714 units (June 30, 2022: 10,901,224 units)	3,440,488	-
MCBFSL Trustee HBL Islamic Financial Planning Fund - Conservative Allocation Plan (Associate)		
Investment held in the Fund: 200 units (30 June, 2022: 213 units)	20	22
MCBFSL Trustee HBL Islamic Financial Planning Fund - Active Allocation Plan (Associate)		
Investment held in the Fund: 1,529,740 units (30 June, 2022: 1,195,301 units)	154,833	120,934

* Balances is not showing because the counter party was/is not related party at that mentioned period.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

September 30, 2022						
Carrying amount			Fair Value			
Fair value through profit or loss	At Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets not measured at fair value						
Bank balances	- 15,449,315	15,449,315	-	-	-	-
Term Deposit Receipts	- 5,620,000	5,620,000	-	-	-	-
Sukuk Certificate	4,756,000 -	4,756,000	-	4,756,000	-	4,756,000
Accrued mark-up	- 401,264	401,264	-	-	-	-
Prepayment and Other receivables	- 1,136	1,136	-	-	-	-
4,756,000	21,471,715	26,227,715	-	4,756,000	-	4,756,000
Financial liabilities not measured at fair value						
Payable to HBL Asset Management Limited - Management Company	- 20,647	20,647	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	- 1,139	1,139	-	-	-	-
Accrued expenses and other liabilities	- 1,471	1,471	-	-	-	-
-	23,257	23,257	-	-	-	-
June 30, 2022						
Carrying amount			Fair Value			
Fair value through profit or loss	At Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets not measured at fair value						
Bank balances	- 14,146,600	14,146,600	-	-	-	-
Sukuk Certificate	1,306,000 -	1,306,000	-	1,306,000	-	1,306,000
Accrued mark-up	- 127,107	127,107	-	-	-	-
Advance . Prepayment and other receivable	- 100	100	-	-	-	-
1,306,000	14,273,807	15,579,807	-	1,306,000	-	1,306,000
Financial liabilities not measured at fair value						
Payable to HBL Asset Management Limited - Management Company	- 5,534	5,534	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	- 696	696	-	-	-	-
Accrued expenses and other liabilities	- 1,073	1,073	-	-	-	-
-	7,303	7,303	-	-	-	-

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

16. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Asset Allocation Fund

FUND INFORMATION

Name of Fund	HBL Islamic Asset Allocation Fund
Name of Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited 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 (Un-Audited)

As at September 30, 2022

	Note	September 30, 2022 (Un-Audited)				June 30, 2022 (Audited)		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
(Rupees in '000)								
Assets								
Bank balances	4	19,083	325,180	70,406	414,669	35,794	753,383	789,177
Investments	5	114,266	1,823,498	354,327	2,292,091	171,328	1,620,518	1,791,846
Dividend receivable and accrued mark-up		2,351	73,730	11,917	87,998	2,181	50,186	52,367
Preliminary expenses and flotation cost		-	118	94	212	-	129	129
Receivable Against Sale of Investment		-	-	-	-	-	-	-
Advances , deposits and other receivables		2,808	100	-	2,908	2,803	100	2,903
Total assets		138,508	2,222,626	436,744	2,797,878	212,106	2,424,316	2,636,422
Liabilities								
Payable to Management Company	6	530	586	397	1,116	1,001	565	1,566
Payable to Trustee	7	23	171	30	194	48	160	208
Payable to Securities and Exchange Commission of Pakistan	8	9	123	11	132	72	518	590
Accrued expenses and other liabilities	9	3,994	865	137	4,859	7,960	543	8,503
Payable against purchase of Investment		2,453	-	-	2,453	880	-	880
Total liabilities		7,009	1,745	575	6,301	9,961	1,786	11,747
Net assets		131,499	2,220,881	436,169	2,791,577	202,145	2,422,530	2,624,675
Unit holders' fund (as per statement attached)		131,499	2,222,266	436,169	2,353,765	202,145	2,422,530	2,624,675
Contingencies and commitments								
8								
(Number of units)								
Number of units in issue		1,245,715	21,447,361	4,123,770		1,862,442	24,096,292	
(Rupees)								
Net assets value per unit		105.5610	103.5503	105.7695		108.5372	100.5354	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For the three months ended September 30, 2022

		For the Period 05 August 2022 to 30 September 2022				Three months ended September 30, 2021		
		(Rupees in '000)						
Note		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
Income								
Dividend Income		1,548	-	-	1,548	468	-	468
Return on Investment		792	65,541	7,059	73,392	3,633	45,865	49,498
Mark-up on deposits with banks		1,163	21,472	1,131	23,766	2,168	5,387	7,555
Capital gain on sale of investments - net		(1,030)	774	-	(256)	436	-	436
		2,473	87,787	8,190	98,450	6,705	51,252	57,957
Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net		(2,879)	(13,627)	(1,373)	(17,879)	(10,783)	7,848	(2,935)
		(406)	74,160	6,817	73,754	(4,078)	59,100	55,022
Expenses								
Remuneration of Management Company		730	1,043	399	2,172	1,689	1,092	2,781
Remuneration of Trustee		97	522	46	665	225	546	771
Annual fee of Securities and Exchange Commission of Pakistan		9	123	11	143	20	129	149
Allocation of expenses related to registrar services, accounting, operation and valuation services		322	-	-	322	747	-	747
Selling and Marketing Expense		281	-	-	281	648	-	648
Settlement and Bank Charges		99	94	15	208	95	88	183
Auditors' remuneration		12	110	1	123	12	81	93
Fee and Subscriptions		15	57	-	72	25	69	94
Printing Charges		17	14	3	34	17	14	31
Amortisation of preliminary expenses and floatation costs		-	11	41	52	-	11	11
Securities Transection Costs		231	186	131	548	35	90	125
Charity Expense		77	-	-	77	23	-	23
		1,890	2,160	647	4,697	3,536	2,120	5,656
		(2,296)	72,000	6,170	75,874	(7,614)	56,980	49,366
Reversal / (Provision) for Workers' Welfare Fund	8.2	-	-	-	-	7,130	3,019	10,149
Net (Loss) / income for the period before taxation		(2,296)	72,000	6,170	75,874	(484)	59,999	59,515
Taxation	10.	-	-	-	-	-	-	-
Net (Loss) / income for the period after taxation		(2,296)	72,000	6,170	75,874	(484)	59,999	59,515
Allocation of net income for the period:								
Income already paid on redemption of units		-	-	-	-	-	1,385	1,385
Accounting income available for distribution:								
-Relating to capital gains		-	-	-	-	-	7,661	7,661
-Excluding capital gains		-	72,000	6,170	78,170	-	50,953	50,953
		-	72,000	6,170	78,170	-	58,614	58,614
Net income / (loss) for the period after taxation		-	72,000	6,170	75,874	-	59,999	59,515
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	72,000	6,170	75,874	-	59,999	59,515
Earning Per Unit								

10

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For the three months ended September 30, 2022

	Three months ended September 30,							
	2022				2021			
	Islamic Asset Allocation Fund				Islamic Asset Allocation Fund			
	Capital value	Undistributed income	Unrealized (losses)/income on investment	Total	Capital value	Undistributed income	Unrealized (losses)/income on investment	Total
(Rupees in '000)								
Net assets at the beginning of the period	84,444	117,701	-	202,145	259,067	128,904	-	387,971
Issuance of units 18,509 (2021: 240,060 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,009	-	-	2,009	27,118	-	-	27,118
- Element of loss	9	-	-	9	184	-	-	184
	2,018			2,018	27,302	-	-	27,302
Redemption of 635,236 units (2021: 310,280 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(68,947)	-	-	(68,947)	(35,050)	-	-	(35,050)
- Income already paid on redemption of units	-	-	-	-	-	-	-	-
- Amount paid out of element of income	(1,421)	-	-	(1,421)	(238)	-	-	(238)
Relating to net income for the period after taxation	(70,368)	-	-	(70,368)	(35,288)	-	-	(35,288)
Total comprehensive income for the year								
Net profit / (Loss) for the period after tax	-	(2,296)	-	(2,296)	-	(484)	-	(484)
Distribution during the period	-	-	-	-	-	-	-	-
Total comprehensive/ income for the period	-	(2,296)	-	(2,296)	-	(484)	-	(484)
Net assets at the end of the period	16,094	115,405	-	131,499	251,081	128,420	-	379,501
Undistributed income brought forward								
- Realised	111,082				111,082			
- Unrealised	17,822				17,822			
	128,904				128,904			
Net (Loss) / income for the period before taxation		(2,296)				(484)		
Undistributed income carried forward		126,608				128,420		
Undistributed income carried forward								
- Realised	129,487				139,203			
- Unrealised	(2,879)				(10,783)			
	126,608				128,420			
(Rupees)								
Net assets value per unit at beginning of the period				108.5372				112.9636
Net assets value per unit at end of the period				105.5610				112.8038

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For the three months ended September 30, 2022

	Three months ended							
	September 30,							
	2022				2021			
	Islamic Asset Allocation Fund Plan 1				Islamic Asset Allocation Fund Plan 1			
	Capital value	Undistributed income	Unrealized (losses)/income on investment	Total	Capital value	Undistributed income	Unrealized (losses)/income on investment	Total
	----- (Rupees in '000) -----							
Net assets at the beginning of the period	2,417,993	4,537	-	2,422,530	2,470,677	3,565	-	2,474,242
Issuance of 453,552 units (2021: 990,216 Units)								
- Capital value (at net asset value per unit at the beginning of the period)	45,598	-	-	45,598	99,429	-	-	99,429
- Element of loss	753	-	-	753	571	-	-	571
	46,351			46,351	100,000	-	-	100,000
Redemption of 3,102,484 units (2021: 990,216 Units)								
- Capital value (at net asset value per unit at the beginning of the period)	(311,909)	-	-	(311,909)	(99,429)	-	-	(99,429)
- Income already paid on redemption of units	-	-	-	-	-	(1,385)	-	(1,385)
- Amount paid out of element of income								
Relating to net income for the period after taxation	(6,706)	-	-	(6,706)	(570)	-	-	(570)
	(318,615)	-	-	(318,615)	(99,999)	(1,385)	-	(101,384)
Total comprehensive income for the year								
Net profit / (Loss) for the period after tax	-	72,000	-	72,000	-	59,999	-	59,999
Distribution during the period	-	-	-	-	-	-	-	-
Total comprehensive/ income for the period	-	72,000	-	72,000	-	59,999	-	59,999
Net assets at the end of the period	2,145,729	76,537	-	2,222,266	2,470,678	62,179	-	2,532,857
Undistributed income brought forward								
- Realised		(350)				(350)		
- Unrealised		3,915				3,915		
		3,565				3,565		
Accounting (loss) / income available for distribution		72,000				58,614		
Undistributed income carried forward		75,565				62,179		
Undistributed income carried forward								
- Realised		89,192				54,331		
- Unrealised		(13,627)				7,848		
		75,565				62,179		
	----- (Rupees) -----							
Net assets value per unit at beginning of the period				100.5354				100.0000
Net assets value per unit at end of the period				103.5503				102.7906

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Statement of Movement in Unit Holders' Fund (Un-Audited)
For the three months ended September 30, 2022

For the Period 05 August 2022 to 30 September 2022
2022

Islamic Asset Allocation Fund Plan 2

Capital value	Undistributed income	Unrealized (losses)/income on investment	Total
---------------	----------------------	--	-------

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

Net assets at the beginning of the period

Issuance of 4,123,771 units

- Capital value (at net asset value per unit at the beginning of the period)

- Element of loss

412,377	-	-	412,377
17,622	-	-	17,622
429,999			429,999

Redemption of Nil units

- Capital value (at net asset value per unit at the beginning of the period)

- Income already paid on redemption of units

- Amount paid out of element of income

Relating to net income for the period after taxation

-	-	-	-
-	-	-	-
-	-	-	-

Total comprehensive income for the year

Net profit / (Loss) for the period after tax

Distribution during the period

Total comprehensive/ income for the period

-	6,170		6,170
-	-	-	-
-	6,170	-	6,170

Net assets at the end of the period

429,999	6,170	-	436,169
----------------	--------------	---	----------------

Undistributed income brought forward

- Realised

- Unrealised

-
-

Accounting (loss) / income available for distribution

6,170

Undistributed income carried forward

6,170

Undistributed income carried forward

- Realised

- Unrealised

19,797
(13,627)
6,170

----- (Rupees) -----

Net assets value per unit at beginning of the period

100.0000

Net assets value per unit at end of the period

105.7695

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

Condensed Interim Cash Flow Statement (Un-Audited)

For the three months ended September 30, 2022

	For the Period 05 August 2022 to 30 September 2022				Three months ended September 30, 2021		
	Three months ended September 30, 2022	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
	(Rupees in '000)						
CASH FLOW FROM OPERATING ACTIVITIES							
Net income / (Loss) for the period	(2,296)	72,000	6,170	75,874	(484)	59,999	59,515
Adjustments							
Amortisation of preliminary expenses and floatation costs	-	11	(94)	(83)	-	11	11
	(2,296)	72,011	6,076	75,791	(484)	60,010	59,526
(Increase) / decrease in assets							
Investments - net	58,635	(202,980)	(354,327)	(498,672)	(18,558)	(262,399)	(280,957)
Accrued mark-up	(170)	(23,544)	(11,917)	(35,631)	87	4,280	4,367
Advances, deposits and other receivables	(5)	-	-	(5)	1,508	-	1,508
	58,460	(226,524)	(366,244)	(534,308)	(16,963)	(258,119)	(275,082)
Increase / (decrease) in assets							
Payable to HBL Asset Management Limited - Management Company	(471)	21	397	(53)	1	22	23
Payable to Central Depository Company of Pakistan Limited - Trustee	(25)	11	30	16	1	11	12
Payable to Securities and Exchange Commission of Pakistan	(63)	(395)	11	(447)	(53)	(260)	(313)
Accrued expenses and other liabilities	(3,966)	322	137	(3,507)	(8,141)	(2,597)	(10,738)
	(4,525)	(41)	575	(3,991)	(8,192)	(2,824)	(11,016)
Net cash used in operating activities	51,639	(154,554)	(359,593)	(462,508)	(25,639)	(200,933)	(226,572)
CASH FLOW FROM FINANCING ACTIVITIES							
Amount received on issue of units	2,018	46,351	429,999	478,368	27,302	100,000	127,302
Payment against redemption of units	(70,368)	(318,615)	-	(388,983)	(35,288)	(101,384)	(136,672)
Cash dividend paid	-	-	-	-	-	-	-
Net cash used in financing activities	(68,350)	(272,264)	429,999	89,385	(7,986)	(1,384)	(9,370)
Net (decrease) in cash and cash equivalents	(16,711)	(426,818)	70,406	(373,123)	(33,625)	(202,317)	(235,942)
Cash and cash equivalents at beginning of the period	35,794	753,383	-	789,177	164,167	423,352	587,519
Cash and cash equivalents at end of the period	19,083	326,565	70,406	416,054	130,542	221,035	351,577

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For the year ended September 30, 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.

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.

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, 2022.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

4.	Bank Balances	Note	September 30, 2022				June 30, 2022		
			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
			(Rupees in '000)						
	Savings accounts	4.1	19,083	325,180	70,406	414,669	35,794	753,383	789,177
			19,083	325,180	70,406	414,669	35,794	753,383	789,177

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 4.00%-16.00% per annum (2022: 3.75% - 15.75% p.a).

5	INVESTMENTS	Note	September 30,				June 30,		
			2022			2022			
			Islamic Asset Allocation	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
			(Rupees in '000)						
Fair Value Through Profit or Loss - Held For Trading									
- Listed equity Securities	5.1	114,266	-	-	114,266	129,668	-	129,668	
- Term Finance Certificate	5.2	-	1,823,498	354,327	2,177,825	29,720	1,620,518	1,650,238	
		114,266	1,823,498	354,327	2,292,091	159,388	1,620,518	1,779,906	
Financial Asset at Amortised Cost									
- Term Finance Certificate and Sukuks at Amortised	5.4	-	-	-	-	-	-	-	
- Commercial Paper at Amortised Cost	5.5	-	-	-	-	11,940	-	11,940	
		-	-	-	-	11,940	-	11,940	
		114,266	1,823,498	354,327	2,292,091	171,328	1,620,518	1,791,846	

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

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

Name of the Investee Company	Number of shares					Market value as at September 30, 2022	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022		Total Investments	Net Assets	
(Rupees in '000)									
Textile composite									
Azgard Nine Limited	100,000	-	-	100,000	-	-	0.00%	0.00%	0.00%
Interloop Limited	36,487	-	-	36,487	-	-	0.00%	0.00%	0.00%
Nishat Mills Ltd	26,700	-	-	26,700	-	-	0.00%	0.00%	0.00%
	163,187	-	-	163,187	-	-			
Cement									
Attock Cement Pakistan Ltd	42,800	13,000	-	2,000	53,800	4,388	3.84%	3.34%	0.05%
D G Khan Cement Co.Ltd.	-	90,000	-	31,000	59,000	3,577	3.13%	2.72%	0.01%
Fauji Cement Company Limited	-	172,500	-	-	172,500	2,586	2.26%	1.97%	0.01%
Kohat Cement Ltd	9,470	-	-	-	9,470	1,515	1.33%	1.15%	0.01%
Lucky Cement Ltd	6,755	5,000	-	-	11,755	5,837	5.11%	4.44%	0.00%
Maple Leaf Cement Factory Ltd	106,200	125,800	-	67,000	165,000	4,597	4.02%	3.50%	0.03%
	165,225	406,300	-	100,000	471,525	22,500			
Power generation & distribution									
The Hub Power Company Limited	103,687	-	-	11,500	92,187	6,445	5.64%	4.90%	0.01%
	103,687	-	-	11,500	92,187	6,445			
Engineering									
Mughal Iron & Steel Inds Ltd	48,689	-	-	24,037	24,652	1,607	1.41%	1.22%	0.01%
	48,689	-	-	24,037	24,652	1,607			
Automobile Assembler									
Millat Tractors Limited	-	600	-	600	-	-	0.00%	0.00%	0.00%
	-	600	-	600	-	-			
Food And Allied Industries									
The Organic Meat Company Limited	118,411	-	-	85,411	33,000	702	0.61%	0.53%	0.00%
	118,411	-	-	85,411	33,000	702			
Miscellaneous									
TPL Properties Limited	111,000	120,000	-	168,000	63,000	1,313	1.15%	1.00%	0.03%
	111,000	120,000	-	168,000	63,000	1,313			
Oil and gas exploration companies									
Mari Petroleum Company Ltd	2,835	2,150	-	-	4,985	7,801	6.83%	5.93%	0.00%
Oil & Gas Development Co Ltd	125,500	50,000	-	37,200	138,300	10,472	9.16%	7.96%	0.00%
Pakistan Oilfields Ltd	11,250	4,050	-	-	15,300	5,342	4.68%	4.06%	0.01%
Pakistan Petroleum Ltd	141,992	67,000	-	43,000	165,992	10,200	8.93%	7.76%	0.01%
	281,577	123,200	-	80,200	324,577	33,815			
Oil and gas Marketing companies									
Attock Petroleum Limited	-	7,000	-	-	7,000	1,952	1.71%	1.48%	0.01%
Pakistan State Oil Company Ltd	41,459	-	-	11,495	29,964	4,867	4.26%	3.70%	0.01%
Sui Northern Gas Pipeline Limited	-	61,500	-	9,500	52,000	1,748	1.53%	1.33%	0.01%
	41,459	68,500	-	20,995	88,964	8,567			
Refinery									
Attock Refinery Ltd	22,500	10,000	-	14,500	18,000	2,650	2.32%	2.02%	0.02%
National Refinery Ltd	8,000	-	-	-	8,000	1,948	1.70%	1.48%	0.01%
	30,500	10,000	-	14,500	26,000	4,598			
Fertilizers									
Engro Corporation Limited	74,400	42,200	-	53,728	62,872	14,556	12.74%	11.07%	0.01%
Engro Fertilizers Limited	111,335	40	-	111,375	-	-	0.00%	0.00%	0.00%
	185,735	42,240	-	165,103	62,872	14,556			
Commercial Banks									
BankIslami Pakistan Limited	208,000	-	-	208,000	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	-	50,000	-	-	50,000	1,317	1.15%	1.00%	0.01%
Meezan Bank Limited	119,575	20,500	7,757	42,000	105,832	11,615	10.16%	8.83%	0.01%
	327,575	70,500	7,757	250,000	155,832	12,932			
Chemicals									
Engro Polymer & Chemical Limited	24,500	23,000	-	24,500	23,000	1,261	1.10%	0.96%	0.00%
	24,500	23,000	-	24,500	23,000	1,261			

Name of the Investee Company	Number of shares					Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022	Market value as at September 30, 2022	Total Investments	Net Assets
(Rupees in '000)								
Pharmaceuticals								
Ferozsons Laboratories Limited	7,500	-	-	7,500	-	-	0.00%	0.00%
Highnoon Laboratories Limited	5,160	-	-	5,160	-	-	0.00%	0.00%
The Searle Company Ltd	1,067	-	-	-	1,067	107	0.09%	0.08%
	13,727	-	-	12,660	1,067	107		
Technology and Communication								
Avanceon Limited	36,000	54,000	-	42,000	48,000	3,573	3.13%	2.72%
	36,000	54,000	-	42,000	48,000	3,573		
Food And Personal Care Products								
Unity Foods Limited	147,899	42,101	-	88,500	101,500	2,290	2.00%	1.74%
	147,899	42,101	-	88,500	101,500	2,290		
	1,799,171	960,441	7,757	1,251,193	1,516,176	114,266	100%	87%

Cost of investments at September 30, 2022

117,145

5.1.1 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.1902 million at September, 2022 (June 30, 2022: Rs. 0.20 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.1.2 Investments include shares having market value aggregating to Rs. 32.2560 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2 Term Finance Certificates - Held for trading

HBL Islamic Asset Allocation Fund

Name of the Investee Company

Name of the Investee Company	Number of certificates				Market value as at June 30, 2022	Carrying value as a percentage of total Investment	Carrying value as a percentage of Net Asset
	As at July 1, 2022	Purchases during the year	Sale during the year	As at September 30, 2022			
	----- (Rupees in '000) -----						
Agha Steel Industries Limited	33	-	33	-	-	0.00%	0.00%
	33	-	33	-	-	0.00%	0.00%

Cost of investments at September 30, 2022

-

HBL Islamic Asset Allocation Fund Plan 1
Name of the Investee Company

	Number of certificates				Market value as at September 30, 2022	Carrying value as a percentage of Total Investment	Carrying value as a percentage of Net Asset
	As at July 1, 2022	Purchases during the year	Sale during the year	As at September 30, 2022			
	(Rupees in '000)						
Meezan Bank limited	250	-	-	250	250,000	13.71%	11.26%
Dubai Islamic Bank limited	4,175	-	-	4,175	195,075	10.70%	8.78%
Hub Power Co. Ltd	2,750	-	-	2,750	210,910	11.57%	9.50%
K-Electric Ltd- Sukuk (KELSC5)	32,000	-	-	32,000	163,200	8.95%	7.35%
Pakistanb Energy Sukuk-2 Bound (PESC2)	125,500	50,000	-	175,500	877,500	48.12%	39.51%
OBS AGP (Pvt) Limited	910	-	910	-	-	0.00%	0.00%
Agha Steel Industries Limited	-	33	-	33	26,813	1.47%	1.21%
AlBaraka Bank Pakistan Limited	-	100	-	100	100,000	5.48%	4.50%
	165,585	50,133	910	214,808	1,823,498	100.00%	82.11%

Cost of investments at September 30, 2022
1,837,126
HBL Islamic Asset Allocation Fund Plan 2
Name of the Investee Company

	Number of certificates				Market value as at September 30, 2022	Carrying value as a percentage of Total Investment	Carrying value as a percentage of Net Asset
	As at July 1, 2022	Purchases during the year	Sale during the year	As at September 30, 2022			
	(Rupees in '000)						
Pakistanb Energy Sukuk-2 Bound (PESC2)	-	12,000	-	12,000	60,000	3.29%	2.70%
Pak Electron Limited	-	50	-	50	49,424	2.71%	2.23%
K-Electric Ltd- Sukuk (KELSC5)	-	12,000	-	12,000	61,200	3.36%	2.76%
Mughal Iron & Steel Industries Ltd	-	60	-	60	52,631	2.89%	2.37%
Dubai Islamic Bank limited	-	60	-	60	60,026	3.29%	2.70%
Pakistan International Corporation Ltd.	-	12,000	-	12,000	59,046	3.24%	2.66%
Meezan Bank Limited	-	12	-	12	12,000	0.66%	0.54%
	-	36,182	-	36,182	354,327	19.44%	15.96%

Cost of investments at September 30, 2022
355,700

5.2.1 Significant Terms And Conditions of Term Finance Certificate and Sukuk bonds outstanding as at September 30, 2022 are as follow:

Name Of Security	Remaining Principles (Per TFC)	Markup Rate (Per Annum)	Issue Date	Maturity Date
Term Finance Certificate - Listed				
International Brand Limited	29,054	03 month KIBOR + 0.50 %	15-Nov-17	15-Nov-21
Agha Steel Industries Limited	1,000,000	3 month KIBOR + 0.80 %	9-Oct-18	9-Oct-24
Meezan Bank limited	1,000,000	6 month KIBOR + 0.50 %	22-Sep-16	22-Sep-26
Meezan Bank limited	1,000,000	3 month KIBOR + 1.75 %	1-Aug-18	-
Dubai Islamic Bank limited	1,000,000	6 month KIBOR + 0.50 %	14-Jul-17	14-Jul-27
Dubai Islamic Bank limited	5,000	3 month KIBOR + 1.75 %	31-Dec-18	-
Hub Power Co. Ltd	100,000	12 month KIBOR + 1.90 %	19-Mar-20	19-Mar-24
K-Electric Ltd- Sukuk (KELSC5)	5,000	3 month KIBOR + 1.70 %	3-Aug-20	3-Aug-27
Pakistanb Energy Sukuk-2 Bound (PESC2)	5,000	6 month KIBOR - 0.10 %	21-May-20	21-May-30

5.5 Commercial Paper at Amortised Cost

Name Of Investment Company	Maturity Date	As at July 01, 2022	Placement Made during the period	Income Accrued	Mature /Sale During the Period	Market Value as at September	Market Value as percentage of	
							Total Investment	Net Assets
Mughal Iron & Steel Industries Limited	July 21, 2022	11,940	-	60	12,000	-	0.00%	0.00%
		36,727	18,259	540	55,526	-		

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

		September 30, 2022				June 30, 2022		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
(Rupees in '000)								
Management fee	6.1	153	302	232	687	320	283	603
Sindh Sales Tax	6.2	20	39	30	89	42	37	79
Allocation of expenses related to registrar services, accounting, operation and valuation services		76	-	-	76	160	-	160
Selling and Marketing Expense		281	-	-	281	479	-	479
Sales load payable		-	-	-	-	-	-	-
Formation Cost		-	245	135	380	-	245	245
		530	586	397	1,513	1,001	565	1,566

- 6.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Management Company has charged its remuneration at the rate of 1.5 percent per annum (June 2019: 1.5 percent per annum) of the average annual net assets and 0.15 Percent per annum of the average annual net asset in Plan-1.
- 6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		September 30, 2022				June 30, 2022		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Total
(Rupees in '000)								
Annual Fee	8.1	9	123	11	143	72	518	590

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

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		46	417	1	464	34	306	340
Charity payable		273	-	-	273	195	-	195
Withholding tax payable		-	-	-	-	-	-	-
Payable to NCCPL		24	26	-	50	30	30	60
Payable to Shariah Advisor		10	31	-	41	3	16	19
Provision for Sindh Workers Wel	9.2	-	-	-	-	-	-	-
Federal Excise Duty	9.1	1,063	-	-	1,063	1,063	-	1,063
Payable to Broker		266	186	131	583	153	-	153
Dividend Payable		25	-	-	25	25	-	25
Other payable		2,287	205	5	2,497	6,457	191	6,648
		3,994	865	137	4,996	7,960	543	8,503

8.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.06 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Re. 0.8533 (June 30, 2022: Re. 0.5708) per unit.

8.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 7.1299 million in HBL IAAF and Rs 3.4833 in HBL IAAF Plan 1 for the period from July 1, 2014 till August 12, 2021.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022.

10. TAXATION

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

11. EARNINGS PER UNIT (EPU)

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

12. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 4.21% (0.24% representing Government Levies, and SECP Fee) in HBL IAAF , 0.36% (0.04 representing government levies and SECP Fee) in HBL IAAF Plan-1 and 0.75% (0.08 representing government levies and SECP Fee) in HBL IAAF Plan-2.

13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	Three months ended September 30, 2022	For the Period 05 August 2022 to 30 September 2022	Three months ended September 30, 2021		
	(Rupees in '000)				
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1
13.1 Transactions during the period					
HBL Asset Management Limited - Management Company					
Management fee	730	1,043	399	1,689	1,092
Allocation of expenses related to registrar services, accounting, operation and valuation services	322	-	-	747	-
Charging of Selling and marketing expenses	281	-	-	648	-
Habib Bank Limited - Sponsor					
Redemption of 531,283 Units (2021: 52,743 Units)	59,219	-	-	5,947	-
Bank charges paid	7	-	-	7	-
Mark-up earned during the period	663	-	-	663	-
Mark-up received during the period	1,443	-	-	1,443	-
Central Depository Company of Pakistan Limited - Trustee					
Remuneration	97	522	46	225	546
CDC Charges	3	1	15	3	1
Pak Qatar Individual Family Participant Investment Fund- Connected					
Person due to holding more than 10% holding					
Redemption: 1,932,126 units (Sep 30, 2021: Nil Units)	-	200,000	-	-	-
Dawood Family takaful Limited Aggressive Fund -Connected					
Person due to holding more than 10% holding					
Investment: 536,946 units	-	-	55,000	-	-
Dawood Family takaful Limited Balanced Fund -Connected					
Person due to holding more than 10% holding					
Investment: 1,865,149 units	-	-	195,000	-	-
Dawood Family takaful Limited Income Fund -Connected					
Person due to holding more than 10% holding					
Investment: 1,243,433 units	-	-	130,000	-	-
Dawood Family takaful Limited Individual -Connected					
Person due to holding more than 10% holding					
Investment: 478,243 units	-	-	50,000	-	-
Dawood Family takaful Limited					
Purchase of Sukuks	-	-	182,000	-	-
HBL Islamic Asset Allocation Fund Plan 1					
Sale of Sukuks	27,454	-	-	-	-
HBL Islamic Asset Allocation Fund					
Purchase of Sukuks	-	27,454	-	-	-

13.2 Amounts outstanding as at period end

Amounts outstanding as at period end	September 30, 2022			June 30, 2022	
	(Rupees in '000)				
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1
HBL Asset Management Limited - Management Company					
Management Fee	153	302	232	320	283
Sindh Sales Tax	20	39	30	42	37
Allocation of expenses related to registrar services, accounting, operation and valuation services	76	-	-	160	-
Charging of Selling and marketing expenses	281	-	-	479	-
Sales load payable	-	-	-	-	-
Formation Cost	-	245	135	-	245
Habib Bank Limited - Sponsor					
Investment held in the Fund : Nil units (June 30, 2022: 531,283 units)	-	-	-	57,664	-
Bank balances	129,200	-	-	1,809	-
Mark-up receivable on deposits with bank	211	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee					
Remuneration payable	199	483	41	42	142
Sindh Sales Tax	26	63	5	6	18
Security Deposit	100	100	-	100	100
HBL Asset Management Limited Employees Gratuity Fund					
Investment held in the Fund 4,909 units (2021: 4,909 units)	518	-	-	533	-
HBL Asset Management Limited Employees Provident Fund					
Investment held in the Fund 14,169 units (2021: 14,169 units)	1,496	-	-	1,538	-
Pak Qatar Investment Account - Connected Person due to holding more then 10% holding					
Unit held: 11,742,039 units (2022: 11,742,039 units)	-	1,215,892	-	-	1,180,491
Pak Qatar Individual Family Participant Investment Fund- Connected Person due to holding more then 10% holding					
Investment held in the fund 5,832,981 units (2022: 7,765,108 units)	-	604,007	-	-	780,668
Pak Qatar Individual Family Participant Takaful Fund- Connected Person due to holding more then 10% holding					
Investment held in the fund 2,776,180 units (2022: 2,776,180 units)	-	287,474	-	-	279,104
Dawood Family takaful Limited Aggressive Fund -Connected Person due to holding more then 10% holding					
Unit Held: 536,946 units	-	-	56,793	-	-
Dawood Family takaful Limited Balanced Fund -Connected Person due to holding more then 10% holding					
Unit Held: 1,865,149 units	-	-	197,276	-	-
Dawood Family takaful Limited Income Fund -Connected Person due to holding more then 10% holding					
Unit Held: 1,243,433 units	-	-	131,517	-	-
Dawood Family takaful Limited Individual -Connected Person due to holding more then 10% holding					
Unit Held: 478,243 units	-	-	50,584	-	-
Tariq Mehmood Malik- Connected Person due to holding more then 10% holding					
Unit held: 187,104 units (June 30, 2022: 187,104 units)	19,751	-	-	20308	-

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

HBL Islamic Asset Allocation Fund	September 30, 2022							
	Carrying amount				Fair Value			
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
- Listed Equities Securities	114,266	-	-	114,266	114,266	-	-	114,266
- Term finance certificate - unlisted	-	-	-	-	-	-	-	-
- GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	114,266	-	-	114,266				
Financial assets not measured at fair value								
Bank balances	-	19,083	-	19,083				
Term finance certificates and sukuk bonds	-	-	-	-				
Commercial Paper	-	-	-	-				
Accrued mark-up	-	2,351	-	2,351				
Advances, deposits and other receivables	-	2,808	-	2,808				
	-	24,242	-	24,242				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	510	510				
Payable to Trustee	-	-	23	23				
Accrued expenses and other liabilities	-	-	2,931	2,931				
	-	-	3,464	3,464				

HBL Islamic Asset Allocation Fund Plan 1

				September 30, 2022			
				Carrying amount		Fair Value	
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments	-	-	-	-	-	-	-
- Listed Equities Securities	-	-	-	-	-	-	-
- Term finance certificate - unlisted	1,823,498	-	-	1,823,498	-	1,823,498	-
- GOP Ijara Sukuk	-	-	-	-	-	-	-
	1,823,498	-	-	1,823,498			
Financial assets not measured at fair value							
Bank balances	-	325,180	-	325,180			
Accrued mark-up	-	73,730	-	73,730			
Advances, deposits and other receivables	-	100	-	100			
	-	399,010	-	399,010			
Financial liabilities not measured at fair value							
Payable to Management Company	-	-	547	547			
Payable to Trustee	-	-	171	171			
Accrued expenses and other liabilities	-	-	865	865			
	-	-	1,583	1,583			

HBL Islamic Asset Allocation Fund Plan 2

				September 30, 2022			
				Carrying amount		Fair Value	
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments	-	-	-	-	-	-	-
- Listed Equities Securities	-	-	-	-	-	-	-
- Term finance certificate - unlisted	354,327	-	-	354,327	-	354,327	-
- GOP Ijara Sukuk	-	-	-	-	-	-	-
	354,327	-	-	354,327			
Financial assets not measured at fair value							
Bank balances	-	70,406	-	70,406			
Accrued mark-up	-	11,917	-	11,917			
Advances, deposits and other receivables	-	94	-	94			
	-	82,417	-	82,417			
Financial liabilities not measured at fair value							
Payable to Management Company	-	-	397	397			
Payable to Trustee	-	-	30	30			
Accrued expenses and other liabilities	-	-	137	137			
	-	-	564	564			

HBL Islamic Asset Allocation Fund

				June 30, 2022			
				Carrying amount		Fair Value	
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments	-	-	-	-	-	-	-
- Listed Equities Securities	129,668	-	-	129,668	129,668	-	-
- Term finance certificate - unlisted	29,720	-	-	29,720	-	29,720	-
- GOP Ijara Sukuk	-	-	-	-	-	-	-
	159,388	-	-	159,388			
Financial assets not measured at fair value							
Bank balances	-	35,794	-	35,794			
Term finance certificates and sukuk bonds	-	-	-	-			
Commercial Paper	-	11,940	-	11,940			
Dividend receivable and accrued mark-up	-	2,181	-	2,181			
Advances, deposits and other receivables	-	2,803	-	2,803			
	-	52,718	-	52,718			
Financial liabilities not measured at fair value							
Payable to Management Company	-	-	1,001	1,001			
Payable to Trustee	-	-	48	48			
Accrued expenses and other liabilities	-	-	6,897	6,897			
	-	-	7,946	7,946			

HBL Islamic Asset Allocation Fund Plan 1								
June 30, 2022								
	Carrying amount				Fair Value			
	Fair value through profit or loss	At amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Term finance certificate - unlisted	1,620,518	-	-	1,620,518	-	1,620,518	-	1,620,518
- GOP Ijara Sukuk	-	-	-	-	-	-	-	-
	<u>1,620,518</u>	<u>-</u>	<u>-</u>	<u>1,620,518</u>				
Financial assets not measured at fair value								
Bank balances	-	753,383	-	753,383				
Dividend receivable and accrued mark-up	-	50,186	-	50,186				
Preliminary expenses and flotation costs	-	129	-	129				
Advances, deposits and other receivables	-	100	-	100				
	<u>-</u>	<u>803,798</u>	<u>-</u>	<u>803,798</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	565	565				
Payable to Trustee	-	-	160	160				
Accrued expenses and other liabilities	-	-	543	543				
	<u>-</u>	<u>-</u>	<u>1,268</u>	<u>1,268</u>				

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

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Stock Fund

FUND INFORMATION

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

HBL Islamic Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at Sep 30, 2022

		(Un-Audited) September 20 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	31,771	14,593
Investments	5	233,532	401,731
Dividend and profit receivable		1,537	868
Receivable against sale of investment		-	4,376
Advances, deposits, prepayments and other receivables		3,020	3,000
Total assets		269,860	424,568
Liabilities			
Payable to the Management Company	6	1,397	2,798
Payable to the Trustee		42	84
Payable to Securities and Exchange Commission of Pakistan		17	126
Payable against Purchase of Equity Securities		9,176	2,000
Dividend Payable		-	-
Accrued expenses and other liabilities	7	9,374	8,521
Total liabilities		20,005	13,529
Net assets		249,855	411,039
Unit holders' fund (as per statement attached)		249,855	411,039
----- (Number of units) -----			
Number of units in issue		2,932,121	4,648,066
----- (Rupees) -----			
Net assets value per unit		85.2129	88.4322

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 Stock Fund
Condensed Interim Income Statement (Un-Audited)
For the three months ended September 30, 2022

		For the Period Ended September 30,	
		2022	2021
Note		(Rupees in '000)	
Income			
		3,934	3,255
		618	817
		3,093	1,984
		7,645	6,056
		(5,036)	(74,696)
5.4		-	-
Total (Loss) / Income		2,609	(68,641)
Expenses			
6.1 & 6.2		1,893	4,074
		189	407
		17	36
6.3		880	1,893
6.4		461	991
		761	575
		102	91
		139	134
		68	51
		139	40
		197	163
		4,846	8,454
Net (loss) / Income from operating activities		(2,237)	(77,095)
7.2		-	9,507
Net (loss) / income for the period before taxation		(2,237)	(67,588)
8		-	-
Net (loss) / income for the period after taxation		(2,237)	(67,588)
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
	- Relating to capital gains	-	49,392
	- Excluding capital gains	-	-
		-	49,392
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(2,237)	(67,588)

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 Stock Fund

Condensed Interim Statement of Movement in Unit Holders' Fund

For the three months ended September 30, 2022

Three months ended							
September 30,							
Note	2022			2021			
	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
(Rupees in '000)							
Net assets at beginning of the period	851,523	(440,485)	411,039	997,150	(236,680)	-	760,470
Issue of units 1,724,750 (2021: 10,701,012 units)							
- Capital value (at net asset value per unit at the beginning of the period)	152,523	-	152,523	81,288	-	-	81,288
- Element of loss	(3,144)	-	(3,144)	(4,431)	-	-	(4,431)
Total proceeds on issuance of units	149,379	-	149,379	76,857	-	-	76,857
Redemption of 3,440,695 units (2021: 11,732,480 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(304,268)	-	(304,268)	(124,288)	-	-	(124,288)
- Amount paid out of element of income relating to net income for the year after taxation	(4,058)	-	(4,058)	1,570	-	-	1,570
Total payments on redemption of units	(308,326)	-	(308,326)	(122,718)	-	-	(122,718)
Total comprehensive income for the period	-	(2,237)	(2,237)	-	(67,588)	-	(67,588)
Interim distribution of Rs. 0.32 per unit declared on June 28, 2022 as cash dividend							
Refund of capital	-	-	-	-	-	-	-
Distribution for the period		-	-		-	-	-
Net assets at end of the period	692,576	(442,722)	249,855	951,290	(304,268)	-	647,023
Undistributed income brought forward							
- Realised		(276,912)			(276,912)		
- Unrealised		40,232			40,232		
		(236,680)			(236,680)		
Accounting (loss) / Income available for distribution		(2,237)			(67,588)		
Distribution during the period		-			-		
(Accumulated loss) / undistributed income carried forward		(238,917)			(304,268)		
(Accumulated loss) / undistributed income carried forward							
- Realised		(233,881)			(229,572)		
- Unrealised		(5,036)			(74,696)		
		(238,917)			(304,268)		
			Rupees				Rupees
Net assets value per unit at beginning of the period		88.4322					123.9845
Net assets value per unit at end of the period		85.2129					111.8105

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 Stock Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2022

	Three Months ended September 30,	
	2022	2021
Note	(Rupees in '000)	
Cash flows from operating activities		
Net (loss) / income for the period before taxation	(2,237)	(67,588)
Adjustments		
Capital loss / (gain) during the period	(3,093)	(1,984)
Dividend Income	(3,934)	(3,255)
Profit on bank deposits	(618)	(817)
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss - held-for-trading	5,036	74,696
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	-	-
	(4,846)	1,053
(Increase) / decrease in assets		
Investments - net	177,808	59,539
Dividend receivable and accrued mark-up	3,883	1,205
Receivable against sale of equity instruments	-	-
Advances, deposits, prepayments and other receivables	(20)	3,962
	181,671	64,705
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,401)	625
Payable to the Trustee	(42)	(25)
Payable to Securities and Exchange Commission of Pakistan	(109)	(100)
Payable against redemption of units	-	-
Dividend Payable	-	-
Accrued expenses and other liabilities	853	(9,663)
	(700)	(9,162)
Net cash (used in) / generated from operating activities	176,125	56,596
Cash flows from financing activities		
Amount received on issue of units	149,379	76,857
Payment against redemption of units	(308,326)	(122,717)
Net cash generated from financing activities	(158,947)	(45,860)
Net increase in cash and cash equivalents	17,178	10,736
Cash and cash equivalents at beginning of the period	14,593	40,776
Cash and cash equivalents at end of the period	31,771	51,512

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 Stock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 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++ (Outlook: Positive) 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 September 30, 2021.

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, 2022.

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, 2022.

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 financial statements of the Fund for the year ended June 30, 2022.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
savings accounts	4.1	31,771	14,593
current account		-	-
		<u>31,771</u>	<u>34,972</u>

4.1 The balance in savings accounts carry expected profit which ranges from 5.00% to 15.80% (June 30, 2022: 4% to 15.75%) per annum.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
- Listed equity securities	5.1	233,532	401,731
		<u>233,532</u>	<u>401,731</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, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022	Market value as at September 30, 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	80,577	-	-	80,577	-	-	0%	-	-
Kohinoor Textile Mills Ltd	74,000	-	-	74,000	-	-	0%	-	-
Nishat Mills Ltd	54,048	-	-	54,048	-	-	0%	-	-
	208,625	-	-	208,625	-	-	-	-	
CEMENT									
Attock Cement Pakistan Ltd	242,400	10,500	-	158,900	94,000	7,668	3%	3%	8%
D G Khan Cement Co.Ltd.	-	289,831	-	208,331	81,500	4,941	2%	2%	2%
Fauji Cement Company Limited	-	571,500	-	-	571,500	8,567	4%	3%	4%
Kohat Cement Ltd	-	15,500	-	-	15,500	2,480	1%	1%	1%
Lucky Cement Ltd	13,488	31,300	-	14,454	30,334	15,063	6%	6%	1%
Maple Leaf Cement Factory Ltd	-	606,500	-	251,500	355,000	9,890	4%	4%	7%
	255,888	1,525,131	-	633,185	1,147,834	48,608	21%	19%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	302,841	-	-	93,378	209,463	14,644	6%	6%	2%
	302,841	-	-	93,378	209,463	14,644	6%	7%	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	79,444	-	-	79,444	-	-	0%	0%	0%
	79,444	-	-	79,444	-	-	0%	0%	0%
AUTOMOBILE ASSEMBLER									
Millat Tractors Ltd	-	3,500	-	3,500	-	-	0%	0%	0%
	-	3,500	-	3,500	-	-	0%	1%	
PHARMACEUTICALS									
Ferozsons Laboratories Ltd	22,300	-	-	22,300	-	-	0%	0%	6%
Highnoon Laboratories Limited	875	-	-	875	-	-	0%		
The Searle Company Ltd	50,375	-	-	48,000	2,375	241	0%	10%	10%
	73,550	-	-	71,175	2,375	241	0%	10%	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	594,485	20,015	-	614,500	-	-	0%	0%	0%
	594,485	20,015	-	614,500	-	-	0%	0%	
PROPERTIES									
TPL Properties Limited	303,000	58,000	-	361,000	-	-	0%	0%	0%
	303,000	58,000	-	361,000	-	-	0%	0%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	10,929	4,100	-	2,500	12,529	19,606	8%	8%	1%
Oil & Gas Development Co Ltd	475,516	62,000	-	355,616	181,900	13,773	6%	6%	0%
Pakistan Oilfields Ltd	51,969	23,000	-	24,000	50,969	17,794	8%	7%	2%
Pakistan Petroleum Ltd	557,000	37,500	-	397,500	197,000	12,106	5%	5%	1%
	1,095,414	126,600	-	779,616	442,398	63,279	27%	25%	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Ltd	19,000	11,569	4,750	-	35,319	9,850	4%	4%	4%
Pakistan State Oil Company Ltd	120,196	21,000	-	95,696	45,500	7,391	3%	0%	1%
Sui Northern Gas Pipeline Ltd	-	243,000	-	105,500	137,500	4,623	2%	2%	2%
	139,196	275,569	4,750	201,196	218,319	21,863	9%	6%	

Name of the Investee Company	As at July 01, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2022	Market value as at September 30, 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 -----						----- % -----		
REFINERY									
Attock Refinery Ltd	92,949	25,000	-	83,539	34,410	5,066	2%	2%	4%
National Refinery Ltd	56,100	-	-	34,509	21,591	5,257	2%	2%	3%
	149,049	25,000	-	118,048	56,001	10,322	4%	4%	
COMMERCIAL BANKS									
BankIslami Pakistan Limited	1,057,500	-	-	1,057,500	-	-	0%	0%	0%
Faysal Bank Limited	-	141,500	-	-	141,500	3,726	1.60%	0%	2%
Meezan Bank Ltd	349,151	59,670	15,427	215,872	208,376	22,869	9.79%	9%	2%
	1,406,651	201,170	15,427	1,273,372	349,876	26,595	12%	9%	
FERTILIZER									
Engro Corporation Ltd	153,162	89,400	-	141,162	101,400	23,476	10%	9%	2%
Engro Fertilizers Limited	252,750	100,065	-	352,815	-	-	0%	0%	2%
	405,912	189,465	-	493,977	101,400	23,476	10%	9%	
CHEMICAL									
Engro Polymer & Chemicals Ltd	101,000	112,000	-	101,000	112,000	6,141	3%	2%	1%
ICI Pakistan Ltd	-	3,200	-	-	3,200	2,131	1%	1%	0%
	101,000	115,200	-	101,000	115,200	8,272	4%	3%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	91,500	103,500	-	96,500	98,500	7,332	3%	3%	5%
TPL Trakker Limited	79,000	160,000	-	81,500	157,500	1,395	0%		1%
	170,500	263,500	-	178,000	256,000	8,728	3%	3%	
FOOD & PERSONAL CARE PRODUCTS									
							0%		
Unity Foods Limited	415,834	192,600	-	275,834	332,600	7,503	3%	3%	6%
	415,834	192,600	-	275,834	332,600	7,503	3%	3%	
Grand total	5,701,389	2,995,750	20,177	5,485,850	3,231,466	233,532	100%	100%	
	5,701,389	2,995,750	20,177	5,485,850	3,231,466	233,532			
	-	-	-	-	-	-			
Cost of investments at September 30, 2022						238,568			

5.1.1 Investments include shares having market value aggregating to Rs. 79.02 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. 0.38 million at September 30, 2022 (June 30, 2020: Rs. 0.40 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) September 30, 2022	(Audited) June 30, 2022
Note		(Rupees in '000)	
6. PAYABLE TO THE MANAGEMENT COMPANY			
Management fee		368	739
Sindh Sales Tax on Management Company's remuneration		48	96
Sales load payable		-	-
Selling and marketing payable		880	1,643
Allocation of expenses related to registrar services, accounting, operation and valuation services		101	320
		1,397	2,798

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
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	-	-
Charity payable	7.3	1,247	1,050
Withholding tax payable		-	8
Auditors' remuneration		396	294
Payable to brokers		808	261
Other payables		138	123
		9,374	8,521

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, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.785 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2020 would have been higher by Rs. 1.3295 per unit (June 30, 2020: 1.145 per unit).

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

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

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

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

- 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 three months ended

September 30,

2022 2021

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

9.1 Transactions during the period

HBL Asset Management Limited - Management Company

Management fee including sales tax thereon	1,893	4,074
Allocation of expenses related to registrar services, accounting, operation and valuation services	461	991
Selling and marketing expenses	880	1,893

Habib Bank Limited - Sponsor

Bank charges paid	19	19
Bank profit	139	139
Redemption 1,319,805 units (2021: Nil units)	119,943	-

Executives and their relatives

Issue of Nil units (2021: 2,444 units)	-	300
Redemption 44,637 units (2021: 1,307 units)	3,799	150

		For the three months ended	
		September 30,	
		2022	2021
		----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee			
Remuneration		189	407
Central Depository services charges		21	21
MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND			
- CONSERVATIVE ALLOCATION PLAN - ASSOCIATE			
Redemption 26 units (2021: Nil units)		2	-
PAK QATAR FAMILY TAKAFUL LTD			
-Connected party due to more than 10%			
Issue of 293,086 units (2021: Nil units)		25,000	-
Redemption 216,541 units (2021: Nil units)		20,000	-
PAK QATAR GENERAL TAKAFUL LIMITED			
-Connected party due to more than 10%			
Issue of 588,160 units (2021: Nil units)		50,000	-
Redemption 295,074 units (2021: Nil units)		26,352	-
		(Un-Audited)	(Audited)
		September 30,	June 30,
		2022	2022
9.2 Balances outstanding as at period / year end		----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company			
Management fee		368	739
Sindh Sales Tax on Management Company's remuneration		48	96
Sales load payable		-	-
Selling and marketing payable		880	1,643
Allocation of expenses related to registrar services, accounting, operation and valuation services		101	320
Habib Bank Limited - Sponsor			
Investment held in the Fund Nil units (June 30, 2022: 1,319,805 units)		-	116,713
Bank balances		5,431	2,248
Profit receivable		37	12
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable including sales tax thereon		42	84
Security deposit		100	100
Executives and their relatives			
Investment held in the Fund: 2,482 units (June 30, 2022: 47,119 units)		212	4,167
MCBFSL TRUSTEE HBL ISLAMIC FINANCIAL PLANNING FUND			
- CONSERVATIVE ALLOCATION PLAN - ASSOCIATE			
Investment held in the Fund 1,584 units (2022: 1,610 units)		135	142
PAK QATAR FAMILY TAKAFUL LTD			
-Connected party due to more than 10%			
Investment held in the Fund 621,176 units (2022: 544,631 units)		52,932	48,163
PAK QATAR GENERAL TAKAFUL LIMITED			
-Connected party due to more than 10%			
Investment held in the Fund 293,086 units (2022: Nil units)		24,975	-

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.

September 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
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments										
- Listed equity securities	5	233,532		-	-	233,532	233,532	-	-	233,532
Financial assets not measured at fair value										
10.1										
Bank balances		-		31,771	-	31,771	-	-	-	-
Dividend and profit receivable		-		1,537	-	1,537	-	-	-	-
Receivable against sale of investment				-		-				
Other receivables		-		3,020	-	3,020	-	-	-	-
		-		36,328	-	36,328	-	-	-	-
Financial liabilities not measured at fair value										
10.1										
Payable to the Management Company		-	-	-	1,397	1,397	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-		-	17	17	-	-	-	-
Payable to the Trustee		-	-	-	42	42	-	-	-	-
Accrued expenses and other liabilities		-		-	2,589	2,589	-	-	-	-
		-		-	4,044	4,044	-	-	-	-
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		401,731		-	-	401,731	1,389,046	-	-	1,389,046
		401,731	-	-	-	401,731	1,389,046	-	-	1,389,046
Financial assets not measured at fair value										
10.1										
Bank balances		-	-	14,593	-	14,593				
Dividend and profit receivable		-	-	868	-	868				
Receivable against sale of investment				4,376		4,376				
Other receivables		-	-	3,000	-	3,000				
		-	-	22,837	-	22,837				
Financial liabilities not measured at fair value										
Payable to the Management Company		-	-	-	2,798	2,798				
Payable to Securities and Exchange Commission of Pakistan		-	-	-	126	126				
Payable to the Trustee		-	-	-	84	84				
Accrued expenses and other liabilities		-	-	-	8,521	8,521				
			-	-	11,529	11,529				

-
-
- 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 three months ended September 30, 2022 is 4.84% (September 30, 2021: 1.16%), which includes 0.36% (September 30, 2021: 0.09%) 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 October 19, 2022 .
13. GENERAL
- 13.1 Figures have been rounded off to the nearest thousand rupees.
- 13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.
- 13.3 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures presented in condensed interim income statement and statement of comprehensive income for the quarter ended September 30, 2022 have not been reviewed.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Income Fund

FUND INFORMATION

Name of Fund	HBL Islamic Income Fund
Name of Auditor	Yousuf Adil & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Bank Islami Pakistan Limited 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

HBL Islamic Income Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
AS AT September 30, 2022

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in 000's)	
ASSETS			
Bank balances	4	2,401,061	2,966,406
Investments	5	2,245,833	1,668,893
Profit recievable		134,827	75,064
Deposits and prepayments and Others		1,121	310
Total assets		4,782,842	4,710,673
LIABILITIES			
Payable to the Management Company	6	6,647	5,280
Payable to the Trustee		375	327
Annual fee payable to Securities and Exchange			
Commission of Pakistan		262	425
Redemption Payable		25,318	4,601
Dividend payable		233	233
Accrued expenses and other liabilities	8	3,327	28,971
Total liabilities		36,163	39,837
NET ASSETS		4,746,679	4,670,836
UNIT HOLDERS' FUND		4,746,679	4,670,836
CONTINGENCIES AND COMMITMENTS			
	9	(Number of units)	
Number of units in issue		44,618,885	45,453,539
(Rupees)			
Net assets value per unit		106.3827	102.7607

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Income Statement And Comprehensive Income (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

		Quarter ended September 30,	
		2022	2021
	Note	(Rupees in '000')	
INCOME			
Capital loss on sale of investments - net		(563)	(594)
Profit from bank deposits		121,854	11,496
Profit from Sukuks		68,898	7,507
Profit from GOP		-	-
Profit from TDRs		7,947	4,072
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(3,499)	5,369
		194,637	27,849
EXPENSES			
Remuneration to the Management Company		6,170	4,103
Sindh Sales Tax on remuneration of management company on management fee		802	533
Remuneration to the Trustee		1,111	251
Annual fee to Securities and Exchange Commission of Pakistan		262	59
Fund operations, accounting and related costs	7	2,776	381
Shahriah Advisory Charges		54	54
Amortisation of preliminary expenses and floatation costs		-	-
Auditors' remuneration		59	59
Fees and subscription		67	92
Securities transactionm, settlement and bank charges		96	68
Printing charges		-	-
Selling and Marketing expenses		2,776	677
		14,173	6,278
Net income from operating activities		180,464	21,571
Reversal / (Provision) for Sindh Workers' Welfare Fund	8.1	-	16,683
Net income for the period before taxation		180,464	38,254
Taxation	10	-	-
Net income for the period after taxation		180,464	38,254
Allocation of net income for the period:			
Income already paid on redemption of units		22,671	5,958
Accounting income available for distribution:			
-Relating to capital gains		-	3,835
-Excluding capital gains		157,793	28,461
		157,793	32,296
Net income / (loss) for the period after taxation		180,464	38,254
Other comprehensive income for the period		-	-
Total comprehensive income for the period		180,464	38,254
Earnings per unit			

11

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund

Condensed Interim Statement Of Movement In Unit Holders' Fund

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the period	4,605,667	65,169	4,670,836	966,294	53,885	1,020,179
Issuance of 14,346,636 units (2021: 12,921 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,474,270	-	1,474,270	623,728	-	623,728
- Element of loss	(376,504)	-	(376,504)	(243,431)	-	(243,431)
Total proceeds on issuance of units	1,097,766	-	1,097,766	380,297	-	380,297
Redemption of 15,181,356 units (2021: 3,989,754 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,560,047)	-	(1,560,047)	(374,620)	-	(374,620)
- Amount relating to element of loss		(22,671)	(22,671)		(5,958)	(5,958)
Relating to net loss for the period after taxation	380,331	-	380,331	250,836	-	250,836
Total payments on redemption of units	(1,179,716)	(22,671)	(1,202,387)	(123,784)	(5,958)	(129,742)
Total comprehensive income for the period	-	180,464	180,464	-	38,254	38,254
Refund of Capital	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	180,464	180,464	-	38,254	38,254
Net assets at end of the period	4,523,717	222,962	4,746,679	1,222,807	86,181	1,308,988
Undistributed income brought forward						
- Realised		55,463			52,705	
- Unrealised		9,706			1,180	
		65,169			53,885	
Accounting income / (loss) for the period		180,464			38,254	
Distribution during the period		-			-	
Undistributed income carried forward		245,633			92,139	
Undistributed income carried forward						
- Realised		249,132			86,770	
- Unrealised		(3,499)			5,369	
		245,633			92,139	
Net assets value per unit at beginning of the period			102.7607			102.7607
Net assets value per unit at end of the period			106.3827			105.1334

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Cash Flow Statement (Unaudited)
For The Three Months Ended September 30, 2022

	Quarter ended September 30, 2022 2021 (Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	180,464	38,254
Adjustments for non cash charges and other items:		
Amortisation of deferred formation cost	-	-
Capital loss on sale of investments - net	563	594
Unrealize appreciation on re-measurement of investments as 'financial assets at fair value through profit of loss' - net	3,499	(5,369)
	4,062	(4,775)
(Increase) / decrease in assets		
Investments - net	(581,002)	1,093,914
Profit receivable	(59,763)	63,258
Deposits and prepayments	(811)	3
	(641,576)	1,157,175
Increase / (Decrease) in liabilities		
Payable to the Management Company	1,367	(2,741)
Payable to the Trustee	48	(235)
Annual fee payable to Securities and Exchange Commission of Pakistan	(163)	(366)
Redemption Payable	20,717	1,412
Dividend payable	-	-
Accrued expenses and other liabilities	(25,644)	(26,493)
	(3,675)	(28,423)
Net cash (used in) / generated from operating activities	(460,725)	1,162,231
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	1,097,766	380,297
Cash paid on redemption of units	(1,202,387)	(135,540)
Dividend paid	-	-
Net cash used in financing activities	(104,621)	244,757
Net decrease in cash and cash equivalents	(565,346)	1,406,988
Cash and cash equivalents at the beginning of the period	2,966,406	2,966,406
Cash and cash equivalents at the end of the period	2,401,061	4,373,396

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

For HBL Asset Management Limited
(Management Company)

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

HBL Islamic Income Fund

Notes To The Condensed Interim Financial Statements (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 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 and the trust deed was executed on February 20, 2014.

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

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

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

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

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

JCR-VIS Credit Rating Company has assigned an asset management rating of 'AM2++' (Positive Outlook) to the Management Company and a stability rating 'A+(f)' to the Fund..

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

- 2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.
- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2022.
- 2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2022.

2.20 Basis of measurement

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

2.30 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.

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, 2022.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in 000')	
4 BANK BALANCES		
In savings accounts	2,400,742	2,965,999
In current accounts	4.1 319	407
	2,401,061	2,966,406

4.1 Mark-up rates on these accounts range between 7.85% to 14.25% per annum (June 30, 2022: 6.54% to 14.85% per annum).

		(Unaudited)	(Audited)	
		September 30,	June 30,	
5	INVESTMENTS	Note	2022	2022
		(Rupees in 000')		
Financial Assets at fair value through profit & loss:				
	Corporate Sukuk	5.1	2,141,982	1,529,706
At amortized cost				
	Financial asset at amortized cost	5.2	103,851	139,187
			2,245,833	1,668,893

5.1 Corporate Sukuks:

Entity	Long Term Rating	Number of Units				Market value	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchases during the period	Sales / matured during the year	As at September 30, 2022			
		-----No. of Certificates-----				-----Rupees in '000'-----	-----%-----	
Corporate Sukuks								
LEPCL STS 07-072022		-	250	250	-			
Agha Steel Industries Limited		95	-	22	73	59,313	1.25%	2.64%
OBS AGP Private Limited		1,100	-	-	1,100	111,485	2.35%	4.96%
Dubai Islamic Bank Pakistan Limited		54	-	-	54	54,023	1.14%	2.41%
Ghani Gases Limited		1,330	-	-	1,330	30,590	0.64%	1.36%
Hub Power Company Limited - 190320		350	-	-	350	26,843	0.57%	1.20%
Hub Power Company Limited - 270422		4,500	-	-	4,500	450,000	9.48%	20.04%
Pak Electron Limited		120	-	-	120	118,618	2.50%	5.28%
TPL Corpora		750	-	-	750	75,000	1.58%	3.34%
Lucky Electric Power Company 14-04-22		375	-	-	375	375,000	7.90%	16.70%
K-Electric 10-08-2022		257	-	-	257	257,000	5.41%	11.44%
TPL Trakker Limited		44	-	-	44	34,224	0.72%	1.52%
Lucky Electric Power Company Limited (28-8-2022)		390	-	-	390	390,000	8.22%	17.37%
K-Electric		150	-	-	150	159,886	3.37%	7.12%
Total - September 30, 2022		9,515	250	272	9,493	2,141,982	45.13%	95.38%
Cost of investment - September 30, 2020						1,592,517		

5.1.1 These Sukuk carry semi annual mark-up at the rate of 8.15% to 10.78% per annum. (June 30, 2021: semi annual mark-up at the rate of 7.20% to 14.50% per annum) respectively.

5.2 Commercial papers

Name of investee company	Issue date	As at July 1, 2022	Placement made during the year	Income accrued	Sales /matured	As at September 30, 2022	Percentage of total of investments	Percentage of net assets
Hub Power Holdings Limited	12-May-22	101,377	-	2,474	-	103,851	4.62%	2.19%
Mughal Iron & Steel Industries Limited	26-Jul-21	37,810	-	190	38,000	-	0.00%	0.00%
Total - September 30, 2022		139,187	-	2,664	38,000	103,851	4.62%	2.19%

			September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note			
6	PAYABLE TO MANAGEMENT COMPANY			
	Management fee	6.1	1,550	1,931
	Sindh Sales Tax	6.2	202	251
	Sales load payable		1,233	704
	Allocation of expenses related to registrar services, accounting, operation and valuation services		886	772
	Selling and Marketing expenses		2,776	1,622
			6,647	5,280

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged aforementioned expense to the extent of 0.1385% of the average daily net assets of the Fund.

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

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

			(Unaudited) September 30, 2022 (Rupees in 000's)	(Audited) June 30, 2022
	Note			
8	ACCRUED EXPENSES AND OTHER LIABILITIES			
	Provision for Sindh Workers' Welfare Fund	8.1	-	-
	Provision for Federal Excise Duty	8.2	1,344	1,344
	Payable to brokers		81	-
	Withholding tax payable		1,211	27,003
	Auditors' remuneration		230	171
	Printing Charges		85	85
	Others		376	368
			3,327	28,971

8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

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

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 16.91 million for the period from July 1, 2014 till August 12, 2021.

8.2 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.344 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2022 would have been higher by Re. 0.0301 (June 30, 2022: Re. 0.0296) per unit.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022 and June 30, 2022.

10 TAXATION

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

11 EARNINGS PER UNIT

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

12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2022 is 0% which includes 0.08% representing government levy and SECP fee.

13 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
13.1 Balance as at September 30, 2021		
HBL Asset Management Company Limited		
Management fee payable	1,550	1,931
Sindh Sales Tax	202	251
Sales load payable	1,233	704
Allocation of expenses related to registrar services, accounting operation and valuation services	886	772
Selling & Marketing Expense	2,776	1,622
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable		327
Security deposit	375	100
Habib Bank Limited-Sponsor		
Units held : Nil (June 30, 2022: Nil units)	-	-
Bank balances	3,182	306,175
HBL Asset Management Limited Employees Gratuity Fund		
Units held : 5,949 units (June 30, 2022: 5,949 units)	633	611
HBL Asset Management Limited Employees Provident Fund		
Units held 31,980 units (June 30, 2022: 31,980 units)	3,402	3,286
Directors and executives of the Management Company		
Units held 7,587 units (June 30, 2022: 48,163 units)	807	4,949
HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management		
Units held : Nil (June 30 2022: Nil) units	-	-
HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management		
Units held : 5,331 (June 30, 2022: 5,512) units	567	566

	(Unaudited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
Jubilee Life Insurance Company Limited		
Units held : 3,961,318 (2022: 3,961,318) units	421,416	407,068
Hamdard Laboratories (Waqf) Pakistan		
Related party due to holding more than 10%		
Units held: Nil (June 30, 2022: 14,907,091)	-	1,531,863
Zahid Rashid Soorty		
Related party due to holding more than 10%		
Units held: 5,593,171 (June 30, 2022: 5,641,546)	595,017	579,729
	(Unaudited) Quarter ended September 30, 2022	(Unaudited) Quarter ended September 30, 2021 (Rupees in '000)
Transactions during the year		
HBL Asset Management Company Limited		
Remuneration of the Management Company for the period	6,170	4,103
Sindh Sales tax on remuneration of the Management Company	802	533
Habib Bank Limited - Sponsors		
Profit on bank deposits	361	2,730
Bank charges paid	78	30
Central Depository Company of Pakistan Limited-Trustee		
Trustee fee	1,111	251
CDS charges	4	12
Directors and executives of the Management Company		
Issue of 9,518 units (2021: 8,574 units)	1,000	900
Redemption of 50,094 units (2021: Nil units)	5,243	-
HBL Islamic Financial Planning Fund - Active Allocation Plan		
CIS under common management		
Investment of Nil (2021: 393) units	-	40
Redemption of Nil (2021: 3,825) units	-	390
HBL Islamic Financial Planning Fund - Conservative Allocation Plan		
CIS under common management		
Investment of Nil (2021: Nil) units	-	-
Redemption of 182 (2021: 3,529) units	19	362

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Note	September 30, 2022						
		Carrying amount			Fair Value			
		Fair value through profit and loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Corporate Sukuk	6	2,141,982	-	-	2,141,982	-	2,141,982	-
		<u>2,141,982</u>	<u>-</u>	<u>-</u>	<u>2,141,982</u>	<u>-</u>	<u>2,141,982</u>	<u>-</u>
Financial assets not measured at fair value								
Bank balances		-	2,401,061	-	2,401,061	-	-	-
Profit receivable		-	134,827	-	134,827	-	-	-
Deposits		-	1,121	-	1,121	-	-	-
		<u>-</u>	<u>2,537,009</u>	<u>-</u>	<u>2,537,009</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Payable to the Management Company		-	-	6,647	6,647	-	-	-
Payable to the Trustee		-	-	375	375	-	-	-
Accrued expenses and other liabilities		-	-	772	772	-	-	-
		<u>-</u>	<u>-</u>	<u>7,794</u>	<u>7,794</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Note	June 30, 2022							
		Carrying amount				Fair Value			
		Fair value through profit and loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments		----- (Rupees in '000) -----							
Financial assets measured at fair value									
Investments									
- Corporate Sukuk	6	1,668,893	-	-	1,668,893	-	1,668,893	-	1,668,893
		1,668,893	-	-	1,668,893	-	1,668,893	-	1,668,893
Financial assets not measured at fair value									
Bank balances		-	2,966,406	-	2,966,406	-	-	-	-
Profit receivable		-	75,064	-	75,064	-	-	-	-
		-	3,041,470	-	3,041,470	-	-	-	-
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	5,280	5,280	-	-	-	-
Payable to the Trustee		-	-	327	327	-	-	-	-
Accrued expenses and other liabilities		-	-	28,971	28,971	-	-	-	-
		-	-	34,578	34,578	-	-	-	-

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

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 19, 2022 by the Board of Directors of the Management Company.

16 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Equity Fund

FUND INFORMATION

Name of Fund	HBL Islamic Equity Fund
Name of Auditor	BDO Ebrahim & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Bank Islami Pakistan Limited Bank Al Baraka Limited MCB Bank Limited Faisal Bank Limited Habib Bank Limited

HBL Islamic Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2022

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	13,309	15,503
Investments	5	128,036	142,750
Dividend and profit receivable		3,555	1,175
Receivable against sale of investments		13,788	7,870
Deposits and prepayments		3,077	3,056
Total assets		161,765	170,354
Liabilities			
Payable to Management Company	6	1,253	326
Payable to the Trustee		28	28
Payable to the Securities and Exchange Commission of Pakistan	7	7	67
Payable against purchase of investments		-	-
Payable against redemption of units		10,199	19,986
Accrued expenses and other liabilities	8	4,588	4,009
Total liabilities		16,075	24,416
Net assets		145,690	145,938
Unit holders' fund (as per statement attached)		145,690	145,938
Contingencies and commitments			
	9		
		(Number of units)	
Number of units in issue		2,123,677	2,085,441
		(Rupees)	
Net assets value per unit		68.6029	69.9797

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

		Quarter ended September 30,	
		2022	2021
	Note	(Rupees in '000')	
INCOME			
Capital (loss) / gain on sale of investments - net		(3,371)	(31,668)
Dividend income		2,488	2,540
Profit from bank deposits		2,340	502
Unrealize (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(3,028)	(40,312)
		(1,571)	(68,937)
EXPENSES			
Remuneration to the Management Company		736	2,913
Sindh Sales Tax on remuneration of management company		96	379
Remuneration to the Trustee		83	329
Annual fee to Securities and Exchange Commission of Pakistan		7	29
Allocation of expenses related to registrar services, accounting, operation and valuation services		202	709
Amortisation of preliminary expenses and floatation costs		-	-
Auditors' remuneration		59	58
Fees and subscription		7	40
Securities transaction and bank charges		488	1,038
Printing charges		-	-
Expense to Shariah Advisory Services		54	53
Selling and marketing expense		386	1,459
		2,118	7,006
Net loss from operating activities		(3,689)	(75,943)
Reversal / (Provision) for Sindh Workers' Welfare Fund	8.1	-	5,543
Net loss for the period before taxation		(3,689)	(70,400)
Taxation	10	-	-
Net loss for the period after taxation		(3,689)	(70,400)
Allocation of net loss for the period:			
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
Net loss for the period after taxation		(3,689)	(70,400)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(3,689)	(70,400)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Statement of Movement in Unitholders' Fund
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the period	455,922	(309,984)	145,938	800,479	(175,895)	145,938
Issuance of 1,018,634 units (2021: 12,921 units)						
- Capital value (at net asset value per unit at the beginning of the period)	71,284	-	71,284	95,387	-	95,387
- Element of loss	612	-	612	39,330	-	39,330
Total proceeds on issuance of units	71,896	-	71,896	134,717	-	134,717
Redemption of 980,398 units (2021: 3,989,754 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(68,608)	-	(68,608)	(262,780)	-	(262,780)
- Amount relating to element of loss	153	-	153	(99,803)	-	(99,803)
Relating to net loss for the year after taxation	-	-	-	-	-	-
Total payments on redemption of units	(68,455)	-	(68,455)	(362,583)	-	(362,583)
Total comprehensive income for the year	-	(3,689)	(3,689)	-	(70,400)	(70,400)
Distribution for the year	-	-	-	-	-	-
Total comprehensive income for the year less distribution	-	(3,689)	(3,689)	-	(70,400)	(70,400)
Net assets at end of the year	459,363	(313,673)	145,690	572,613	(246,295)	(152,327)
Undistributed income brought forward						
- Realised		(278,691)			(187,421)	
- Unrealised		(31,293)			11,526	
		(309,984)			(175,895)	
Element of income and capital gains included in prices of units issued less those in units redeemed		-			-	
Accounting (loss) / income for the year		(3,689)			(70,400)	
Distribution during the year		-			-	
Undistributed income carried forward		(313,673)			(246,295)	
Undistributed income carried forward						
- Realised		(310,645)			(205,983)	
- Unrealised		(3,028)			(40,312)	
		(313,673)			(246,295)	
Net assets value per unit at beginning of the year			69.9797			69.9797
Net assets value per unit at end of the year			68.6029			91.8628

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2022

	Quarter ended September 30,	
	2022	2021
	(Rupees in 000's)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(3,689)	(70,400)
Adjustments for non cash charges and other items:		
Amortisation of deferred formation cost	-	-
Capital gain on sale of investments - net	3,371	31,668
Unrealize diminution/ (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	3,028	40,312
	6,399	71,980
Decrease / (increase) in assets		
Investments - net	8,315	(229,201)
Dividend and profit receivable	(2,380)	(2,164)
Receivable from equity market settlement	(5,918)	7,870
Deposits and prepayments	(21)	(7,310)
Preliminary and floatation costs	-	-
	(4)	(230,805)
(decrease) / Increase in liabilities		
Payable to the Management Company	927	2,752
Payable to the Trustee	-	71
Annual fee payable to Securities and Exchange Commission of Pakistan	(60)	(38)
Payable against equity market settlement	-	27,624
Accrued expenses and other liabilities	579	1,333
	1,446	31,742
Net cash generated from / (used in) operating activities	4,152	(197,483)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	71,896	134,717
Cash paid on redemption of units	(78,242)	(357,723)
Net cash used in / generated from financing activities	(6,346)	(223,006)
Net (decrease)/ increase in cash and cash equivalents	(2,194)	(420,489)
Cash and cash equivalents at the beginning of the period	15,503	15,503
Cash and cash equivalents at the end of the period	13,309	(404,984)

4

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

JCR-VIS Credit Rating Company has assigned an asset management 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 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS - 34) and provision of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirments of the IFRS the requirments of NBFC Rules,the NBFC Regulations or the directives issued by the SECP shall prevail.

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.

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, 2022.

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this condensed interim financial information for the period ended September 30, 2022.

4	BANK BALANCES	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 Audited
	Current accounts		1	10
	PLS deposit accounts under mark-up arrangements	4.1	13,308	15,493
			<u>13,309</u>	<u>15,503</u>

4.1 Mark-up rates on these accounts range between 6.54% to 14.25% p.a (June 30, 2022: 6.50% - 9.00% p.a).

5	INVESTMENTS	Note	September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 Audited
	Financial assets 'at fair value through profit or loss' held for trading			
	- Listed equity securities	5.1	128,036	142,750
			<u>128,036</u>	<u>142,750</u>

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

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

Name of the Investee Company	Number of shares				As at September 30, 2022	Market value			Par value as a percentage of issued capital of the investee company
	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period		As at September 30, 2022 (Rupees in	As a percentage of total Investments	As a percentage of net Assets	
TEXTILE COMPOSITE									
Interloop Limited	17,623	-	-	17,623	-	-	-	-	-
Kohinoor Textile Mills Ltd	16,500	-	-	16,500	-	-	-	-	-
Nishat Mills Limited	14,551	-	-	14,551	-	-	-	-	-
						-	-	-	
CEMENT									
Attock Cement Pakistan Ltd	129,700	-	-	55,500	74,200	6,052	4.73%	4.15%	1.65%
D G Khan Cement Co.Ltd.	-	154,300	-	61,300	93,000	5,638	4.40%	3.87%	1.65%
Fauji Cement Company Limited	-	283,000	-	-	283,000	4,242	3.31%	2.91%	1.65%
Kohat Cement Ltd	-	35,000	-	-	35,000	5,600	4.37%	3.84%	0.04%
Lucky Cement Limited	-	9,800	-	-	9,800	4,866	3.80%	3.34%	0.01%
Maple Leaf Cement Factory Ltd	-	227,500	-	74,050	153,450	4,275	-	-	-
						30,673	20.62%	18.11%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	74,300	45,700	-	-	120,000	8,389	6.55%	5.76%	0.02%
Nishat Chunian Power Ltd	53,500	-	-	53,500	-	-	-	-	-
						8,389	-	-	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	33,213	-	-	21,213	12,000	782	0.61%	0.54%	0.02%
						782	0.61%	0.53%	
AUTOMOBILE ASSEMBLER									
Millat Tractors Ltd	-	2,200	-	2,200	-	-	-	-	-
						-	-	-	
PHARMACEUTICALS									
The Searle Company Limited	16,088	-	-	14,500	1,588	161	0.13%	0.11%	0.01%
						161	0.13%	0.10%	
FOOD & ALLIED INDUSTRIES									
The Organic Meat Company Limited	121,292	15,000	-	136,000	292	6	0.00%	0.00%	0.02%
						6	0.00%	-0.01%	
MISCELLANEOUS									
TPL Properties Limited	78,000	658,000	-	736,000	-	-	-	-	-
						-	-	-	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	3,916	5,900	-	-	9,816	15,360	12.00%	10.54%	0.02%
Oil and Gas Development Company Limited	177,244	184,000	-	291,244	70,000	5,300	4.14%	3.64%	0.01%
Pakistan Oilfields Limited	19,899	2,450	-	6,305	16,044	5,601	4.37%	3.84%	0.01%
Pakistan Petroleum Limited	207,640	107,177	-	239,817	75,000	4,609	3.60%	3.16%	0.01%
						30,870	24.11%	21.18%	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Ltd	10,100	-	2,525	-	12,625	3,521	2.75%	2.42%	0.02%
Pakistan State Oil Company Limited	38,078	-	-	23,078	15,000	2,436	1.90%	1.67%	0.02%
Sui Northern Gas Pipeline Limited	-	55,500	-	55,500	-	-	-	-	0.01%
						5,957	-	-	
REFINERY									
Attock Refinery Ltd	38,100	-	-	26,800	11,300	1,664	1.30%	1.14%	0.02%
National Refinery Ltd	23,170	-	-	13,450	9,720	2,366	1.85%	1.62%	0.02%
						4,030	3.15%	2.76%	
COMMERCIAL BANKS									
BankIslami Pakistan Limited	130,500	-	-	130,500	-	-	-	-	-
Meezan Bank Limited	126,957	68,500	7,345	53,500	149,302	16,386	12.80%	11.25%	0.02%
						16,386	12.80%	11.24%	
FERTILIZER									
Engro Corporation Limited	52,266	57,484	-	29,750	80,000	18,523	14.47%	12.71%	0.02%
Engro Fertilizers Limited	114,027	18,682	-	132,709	-	-	-	-	-
						18,523	0.00%	-0.01%	
CHEMICAL									
Engro Polymer & Chemicals Limited	39,000	-	-	39,000	-	-	-	-	-
ICI Pakistan Ltd	-	2,400	-	2,400	-	-	-	-	-
						-	0.00%	-0.01%	
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	26,873	34,127	-	14,500	46,500	3,462	2.70%	2.38%	0.00%
Systems Limited	6,898	-	-	-	6,898	2,604	2.03%	1.79%	0.00%
TPL Trakker Limited	157,500	134,000	-	-	291,500	2,583	2.02%	1.77%	0.00%
						8,649	6.76%	3.55%	
Food & Personal Care Product									
Unity Foods Limited	194,962	135,038	-	170,000	160,000	3,610	2.82%	2.48%	0.01%
						3,610	2.82%	2.47%	
Total September 30, 2022	1,921,897	2,235,758	9,870	2,431,490	1,736,035	128,036	6.76%	5.93%	

Carrying value as at September 30, 2021

540,754

- 5.2 The above investments include shares with market value aggregating to Rs 37.53 million (2021: Rs 82.84 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, which are as follows:

These investments include gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 3.114 million (June 30, 2021 Rs. 2.616 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end. Moreover the requirement to deduct tax on bonus shares has been withdrawn through Finance Act, 2018.

	Note	September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
6 PAYABLE TO MANAGEMENT COMPANY			
Management fee	6.1	244	250
Sindh Sales Tax	6.2	32	32
Sales load payable		524	15
Allocation of expenses related to registrar services, accounting, operation and valuation services		67	1
Selling and marke		386	28
		1,253	326

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

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

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

		September 30, 2022 (Un-Audited) (Rupees in '000)	June 30, 2022 (Audited) (Rupees in '000)
8	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Sindh Workers' Welfare Fund	8.1	-
	Provision for Federal Excise Duty	8.2	3,268
	Donation payable		437
	Payable to brokers		571
	Withholding tax payable		70
	Auditors' remuneration		133
	Printing Charges		21
	Others		88
			4,588
			4,009

8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

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

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

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

8.2 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating aggregating to Rs. 3.268 million (June 30, 2018: Rs. 3.268 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2022 would have been higher by Re. 1.539 (June 30, 2022: Re. 1.567) per unit.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2022 and June 30, 2022.

10 TAXATION

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

11 EARNINGS PER UNIT

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

12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2022 is 0.61% which includes 0.36% representing government levy and SECP fee.

13 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

13.1 Balance as at September 30, 2022

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
HBL Asset Management Company Limited		
Units held Nil (2022: Nil) units	-	-
Management fee payable	244	250
Sindh Sales tax on remuneration of the Management Company	32	32
Sales load payable	524	15
Allocation of expenses related to registrar services, accounting, operation and valuation services	67	1
Allocation of expenses related to Selling and Marketing,	386	28
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable	28	28
Directors and executives of the Management Company		
Units held 7,305 (2022: 95,369) units	501	6,674
HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management		
Units held Nil (2022: Nil) units	-	-
HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management		
Units held Nil (2022: Nil) units	-	-
Munira Aamir Vasi		
Units held 531,947 (2022: 531,947) units	36,493	37,225
Muhammad Farhan Fancy - Connected Person due to holding more than 10% units:		
Units held: Nil (2022: 281,371)	-	19,690
Muhammad Arshad - Connected Person due to holding more than 10% units:		
Units held: 316,746 (2022: Nil)	21,730	19,690

	(Unaudited) Quarter ended September 30, 2022	(Unaudited) Quarter ended September 30, 2021
	(Rupees in '000)	
Transactions during the year		
HBL Asset Management Company Limited		
Remuneration of the Management Company for the period	736	2,913
Sindh Sales tax on remuneration of the Management Company	96	379
Allocation of expenses related to registrar services, accounting, operation and valuation services	202	709
Allocation of expenses related to Selling and Marketing, Sale load	386	1,459
Issue of Nil (2021: Nil) units	-	-
Redemption of Nil (2021: Nil units)	-	-
Directors and executives of the Management Company		
Redemption of 95,369 (2021: 23,528) units	6,477	2,328
Issue of 7,305 (2021: 22,481) units	499	2,312
HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management		
Redemption of Nil (2021: 15,065) units	-	1,560
Issue of Nil (2021: 3,074) units	-	316
HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management		
Issue of Nil (2021: 3,118) units	-	321
Redemption of Nil (2021: Nil) units	-	-
Central Depository Company of Pakistan Limited		
Trustee fee	83	329
CDS charges	10	35
Muhammad Arshad - Connected Person due to holding more than 10% units:		
Issue of 316,746 (2021: Nil) units	23,020	-

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2022							
Note		Carrying amount			Fair Value				
		Fair value through profit or loss - held-for- trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value	14.1								
Investments									
- Listed equity securities		128,036	-	-	128,036	128,036	-	-	128,036
		128,036	-	-	128,036	128,036	-	-	128,036
Financial assets not measured at fair value	14.1				-				
Bank balances		-	13,309	-	13,309	-	-	-	-
Investments									
Dividend and profit receivable		-	3,555	-	3,555	-	-	-	-
Deposits and prepayments		-	3,077	-	3,077	-	-	-	-
		-	19,941	-	19,941	-	-	-	-
Financial liabilities not measured at fair value	14.1								
Payable to Management Company		-	-	1,253	1,253	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	28	28	-	-	-	-
Payable against purchase of investments				-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-	-
		-	-	1,281	1,281	-	-	-	-

		June 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
		----- (Rupees in '000) -----							
On-balance sheet financial instruments									
Financial assets measured at fair value	14.1								
Investments									
- Listed equity securities		142,750	-	-	142,750	142,750	-	-	142,750
		142,750	-	-	142,750	142,750	-	-	142,750
Financial assets not measured at fair value	14.1				-				
Bank balances		-	15,503	-	15,503	-	-	-	-
Investments									
-Unlisted Equity Securities		-	-	-	-	-	-	-	-
Dividend and profit receivable		-	1,175	-	1,175	-	-	-	-
		-	16,678	-	16,678	-	-	-	-
Financial liabilities not measured at fair value	14.1								
Payable to Management Company		-	-	326	326	-	-	-	-
Payable to Trustee		-	-	28	28	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-	-
		-	-	354	354	-	-	-	-

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

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022.

16 CORRESPONDING FIGURES

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

17 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Financial Planning Fund

FUND INFORMATION

Name of Fund	HBL Islamic Financial Planning Fund
Name of Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Name of Trustee	MCB Financial Services Limited (MCBFSL)
Name of Shariah Advisors	AI - 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 Sep 30, 2022

		Sep 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
Note		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
----- (Rupees in '000) -----							
ASSETS							
	4	1,322	250	1,572	2,709	247	2,956
Bank balances							
	5	154,771	696	155,467	120,934	705	121,639
Investments							
		19	1	20			-
Accrued mark-up							
			-	-	8	1	9
Receivable against sale of investment							
		19	-	19	-	-	-
Preliminary expenses and flotation costs							
		107	18	125	102	18	120
Advances, deposits and other receivables							
TOTAL ASSETS		156,238	965	157,203	123,753	971	124,724
LIABILITIES							
	6	410	-	410	22		22
Payable to the Management Company							
		4	-	4	10		10
Payable to the Trustee							
		5	-	5	9	5	14
Payable to Securities and Exchange Commission of Pakistan							
	7	448	71	519	374	241	615
Accrued expenses and other liabilities							
		26	-	26	-	-	-
Dividend Payable							
			185				
Payable against redemption of units							
TOTAL LIABILITIES		893	257	964	415	246	661
NET ASSETS		155,345	708	156,053	123,338	725	124,063
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)							
		155,345	708	156,053	123,338	725	124,063
----- (Units) -----							
NUMBER OF UNITS IN ISSUE		1,726,546	7,796	-	1,414,900	7,961	-
----- (Rupees) -----							
NET ASSETS VALUE PER UNIT		89.9742	90.8155		87.1696	90.9171	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

Condensed Interim Income Statement (Un-Audited)

For the three months ended September 30, 2022

		For the three months ended September 30, 2022			For the three months ended September 30, 2021		
	Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
Income							
(Rupees in '000)							
Mark-up on deposits with bank		48	4	52	11	7	18
Capital gain / (loss) on sale of investment - net		-	1	1	(22)	3	(19)
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		-	13	13	(4,885)	53	(4,832)
Dividend Income		3,460	1	3,461	-	-	-
Back end load		-	-	-	-	-	-
		3,508	19	3,527	(4,896)	64	(4,832)
Expenses							
Remuneration of the Management Company	6.1	9	-	9	1	-	1
Sindh Sales Tax on remuneration of the Management Company	6.2	1	-	1	-	-	-
Remuneration of the Trustee		25	-	25	13	13	26
Annual fee to the Securities and Exchange Commission of Pakistan		5	-	5	3	3	6
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	50	-	50	26	26	52
Amortisation of preliminary expenses and flotation costs		-	-	-	4	-	4
Auditors' remuneration		77	7	84	69	5	75
Printing charges		36	3	39	-	-	-
Bank charges		3	9	12	5	4	9
Fees and subscription		6	-	6	-	-	-
Shariah advisory fee		54	-	54	51	1	52
Tax on bank profit		-	-	-	-	-	-
Legal Fee		-	-	-	17	17	34
		266	19	285	189	69	257
Net income / (loss) from operating activities		3,242	-	3,242	(5,085)	(5)	(5,089)
Reversal of selling and marketing expense	6.4	-	-	-	-	-	-
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.1	-	-	-	541	49	590
Net income / (loss) for the period before taxation		3,242	-	3,242	(4,543)	44	(4,499)
Taxation	8	-	-	-	-	-	-
Net income / (loss) for the period after taxation		3,242	-	3,242	(4,543)	44	(4,499)
Income already paid on redemption of units		-	-	-	-	-	-
Accounting income available for distribution							
- Relating to capital gains		3,242	-	3,242	(4,543)	44	12,414
- Excluding capital gains		-	-	-	-	-	-
		3,242	-	3,242	(4,543)	44	12,414
Net income / (loss) for the period after taxation		3,242	-	3,242	(4,543)	44	(4,499)
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 income / (loss) for the period		3,242	-	3,242	(4,543)	44	(4,499)

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the three months ended September 30, 2022

	For the three months ended					
	September					
	2022			2021		
	Capital value	Active Allocation Plan Undistributed income / (accumulated loss)	Total	Capital value	Active Allocation Plan Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	133,704	(10,366)	123,338	55,000	(1,480)	53,520
Issuance of 3,860 units (2019: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	135,239	-	135,239	503	-	503
- Element of loss	4,323	-	4,323	(3)	-	(3)
Total proceeds on issuance of units	139,562	-	139,562	500	-	500
Redemption of 56,951 units (2019: 262,033 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(108,073)	-	(108,073)	(2,088)	-	(2,088)
- Element of income	(2,724)	-	(2,724)	23	-	23
Total payments on redemption of units	(110,797)	-	(110,797)	(2,065)	-	(2,065)
Total comprehensive income / loss for the period	-	3,242	3,242	-	(4,543)	(4,543)
	-	3,242	3,242	-	(4,543)	(4,543)
Net assets at end of the period	162,469	(7,124)	155,345	53,435	(6,023)	47,411
Undistributed income brought forward						
- Realised		(10,366)			(7,473)	
- Unrealised		-			882	
		(10,366)			(6,591)	
Accounting Income / Loss available for distribution		3,242			(4,543)	
Accumulated loss carried forward		(7,124)			(15,677)	
Accumulated loss carried forward						
- Realised		(7,124)			(10,793)	
- Unrealised		-			(4,885)	
		(7,124)			(15,677)	
Net assets value per unit at beginning of the period		(Rupees)	87.1696		(Rupees)	115.8209
Net assets value per unit at end of the period		(Rupees)	89.9742		(Rupees)	105.7334

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

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

For the three months ended September 30, 2022

	For the three months ended					
	September			September		
	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	(302)	1,027	725	49,849	1,068	50,917
Issuance of 209,350 units (2019: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	1	-	1	6	-	6
- Element of loss	-	-	-	-	-	-
Total proceeds on issuance of units	1	-	1	6	-	6
Redemption of 244,456 units (2019: 18,512 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(16)	-	(16)	(11)	-	(28,100)
- Element of income	(2)	-	(2)	-	-	1,156
Total payments on redemption of units	(18)	-	(18)	(11)	-	(26,944)
Total comprehensive income for the period	-	-	-	-	44	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	-	-	-	-	44	44
Net assets at end of the period	(319)	1,027	708	49,844	1,112	50,955
Undistributed income brought forward						
- Realised		1,064			873	
- Unrealised		(37)			150	
		1,027			1,023	
Accounting income / (loss) available for distribution		-			44	
Distribution during the period		-			-	
Accumulated gain carried forward		1,027			1,067	
Accumulated gain carried forward						
- Realised		1,014			1,163	
- Unrealised		13			7	
		1,027			1,067	
Net assets value per unit at beginning of the period			(Rupees) 90.9171			(Rupees) 114.9507
Net assets value per unit at end of the period			90.8155			115.0506

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 three months ended September 30, 2022

	Three months ended September 30, 2021			Three months ended September 30, 2020		
Note	Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Cash flows from operating activities						
Net loss for the period before taxation	3,242	-	3,242	(4,543)	44	(4,499)
Adjustments for non-cash items						
Mark-up on deposits with bank	(48)	(4)	(52)	(11)	(7)	(18)
Capital (gain) / loss on sale of investment - net	-	(1)	(1)	22	(3)	19
Unrealised diminution on re-measurement of investments investments at 'fair value through profit or loss - held-for-trading' - net	-	(13)	(13)	4,885	(53)	4,832
Amortisation of preliminary expenses and flotation costs				-	-	-
Dividend Income	(3,460)					
	(266)	(18)	3,176	353	(20)	333
(Increase) / decrease in assets						
Investments	(33,829)	23	(33,806)	1,594	41	1,635
Preliminary expenses and flotation costs	(19)	-	(19)	4	-	4
Other receivables	(5)	(0)	(5)	3	3	3
	(33,853)	23	(33,830)	1,601	44	1,645
Increase / (decrease) in liabilities						
Payable to the Management Company	388	-	388	-	1	1
Payable to the Trustee	(6)	-	(6)	-	1	1
Payable to Securities and Exchange Commission of Pakistan	(4)	(5)	(9)	(13)	3	(10)
Accrued expenses and other liabilities	74	(170)	(96)	(496)	(45)	(541)
Dividend Payable	-	-	-	26	-	26
	452	(175)	277	(483)	(40)	(523)
	(33,667)	(170)	(30,377)	1,470	(15)	1,455
Profit received on bank deposits	29	3	32	13	12	1,759
Net cash (used in) / generated from operating activities	(33,638)	(167)	(30,345)	1,483	(4)	3,214
Cash flows from financing activities						
Amount received / receivable on issue of units	139,562	1	139,563	500	6	506
Amount paid / payable on redemption of units	(110,797)	(18)	(110,815)	(2,065)	(11)	(2,076)
Dividend paid	3,486	-	3,486	-	-	-
Net cash generated from / (used in) financing activities	32,251	(17)	32,234	(1,565)	(5)	(1,571)
Net (decrease) / increase in cash and cash equivalents	(1,387)	(184)	1,889	(82)	(8)	1,643
Cash and cash equivalents at the beginning of the period	2,709	247	2,956	789	584	1,373
Cash and cash equivalents at the end of the period	4 1,322	63	4,843	706	576	3,014

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

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 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 three different plans namely Conservative Allocation Plan, Active Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Strategic Allocation Plan were offered from June 15, 2016 to June 16, 2016. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may have a set time frame. Each Allocation Plan announce separate NAVs which rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

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) 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES

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, 2022.

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, 2022.

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, 2022.

4. BANK BALANCES

		September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
Note		----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Savings accounts	4.1	1,322	250	1,572	2,709	247	2,956

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

5. INVESTMENTS

		September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)		
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Total
Note		----- (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	154,771	696	155,467	120,934	705	121,639
-----------------------	-----	---------	-----	---------	---------	-----	---------

5.1 Units of mutual funds

Name of Investee Funds	As at July 1, 2022	Purchases during the period	Redemptions during the period	As at September 30, 2022	Total carrying value as at September 30, 2022	Total market value as at September 30, 2022	Appreciatio n/ (diminutio n) as at September 30, 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									
HBL Islamic Money Market	1,195,301	1,417,946	1,083,506	1,529,741	154,771	154,771	(0)	99.63	100.00
	1,195,301	1,417,946	1,083,506	1,529,741	154,771	154,771	(0)	99.63	100.00
Conservative Allocation Plan									
HBL Islamic Income Fund	5,285	-	182	5,103	524	543	19	76.69	78.02
HBL Islamic Stock Fund	1,585	-	26	1,559	138	133	(5)	18.79	19.11
HBL Islamic Money Market Fund	212	7	21	198	20	20			
	7,082	7	229	6,860	682	696	14	95.48	97.13
Total as at September 30, 2022	1,202,383	1,417,953	1,083,735	1,536,601	155,453	155,467	14		

6. PAYABLE TO THE MANAGEMENT COMPANY

		September 30, 2022 (Un-Audited)			June 30, 2022 (Audited)			
		Active Allocation Plan	Conservative Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total
Note		(Rupees in '000)						
Formation cost		-	-	-	-	-	1,860	1,860
Management fee	6.1	5	-	5	1	1		2
Sindh Sales Tax on Management Company's remuneration	6.2	1	-	1	-	-		-
Allocation of expenses related to registrar services, accounting, operation and vauation services	6.3	7	-	7	8	6		14
Sales load payable		397	-	397	13	358		371
		410	-	417	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

		September 30, 2022 (Un-Audited)				June 30, 2022 (Audited)			
		Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Capital Preservatio n Plan	Total
Note		(Rupees in '000)							
Withholding tax		-	-	255	255	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.1	-	-	1,170	3,118	-	-	-	-
Shariah advisory fee		21	-	13		34	1		35
Printing		110	20	24	159	74	10		84
Auditors' remuneration		277	49	202	551	200	43	-	243
Other payables		40	2	2	549		2		2
		448	71	1,665	4,633	308	56	-	364

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

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

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

On August 13, 2022 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 0.54 million and 0.5 million in Active Allocation Plan and Conservative Allocation Plan for the period from July 1, 2014 till August 12, 2022.

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 three month ended - September 2022				For the three months ended - September 2021			
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Plan	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Management Company								
Remuneration of the Management Company	9	-	-	9	1	-	-	1
Sindh Sales Tax on remuneration of the Management Company	1	-	-	1	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	50	-	-	50	26	26	-	52
Habib Bank Limited - Sponsor								
Mark-up on deposits with bank	11	7	4,719	4,737	11	7	-	18
Bank Charges	5	4	1	11	5	4	-	9
MCB Financial Services Limited - Trustee								
Remuneration of the Trustee	25	-	-	25	13	13	-	26
Collective investment scheme managed by Management Company								
HBL Islamic Income Fund								
Redemption of 182 units (2021: 3,529 units)	-	19	-	19	-	362	-	362

	For the three month ended - September 2022				For the three months ended - September 2021			
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Plan	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Islamic Money Market Fund								
Purchase of 1,417,946 units (2021: nil units)	143,460	-	-	143,460	-	-	-	-
Redemption of 1,083,506 units (2021: nil units)	109,623	-	-	109,623	-	-	-	-
Purchase of 7 units (2021: 1,409 units)		1		1			-	-
Redemption of 21 units (2021: nil units)		2		2	-	-	-	-
Dividend Income	3,460	1		3,461				
HBL Islamic Stock Fund								
Redemption of 26 units (2021: 9,057 units)	-	2	-	2	-	-	-	-
Director and Executives								
- Connected person due to 10% holding								
Issue of 440,017 units (2021: Nil units)	40	-		40	-	-	-	-
Syed Fayeze Asar - Connected Person due to 10% holding								
Issue of 440,017 units (June 30, 2022: Nil units)	39,962	-	-	39,962	-	-	-	-
9.2 Balances outstanding as at period / year end								
	Three Months ended September 30, 2022 (note 1.1)				30-Jun-22			
	Active Allocation Plan	Conservative Allocation Plan	Total		Active Allocation Plan	Conservative Allocation Plan	Total	
	(Rupees in '000)							
HBL Asset Management Limited - Management Company								
Management fee	5	-	-	9	2	-	-	2
Sindh Sales Tax on Management Company's remuneration	1	-	-	1	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	7	-	-	10	20	-	-	20
Sales load payable	397	-	-	397	-	-	-	-
Formation cost	-	-	-	-	-	-	-	-
Units held 12,039 units (June 30, 2022: Nil units)	1,083	-	-	1,083	-	-	-	-
Habib Bank Limited - Sponsor								
Mark-up receivable on deposits with bank	19	1		21	8	1		9
Balance in savings account	47	3		2,518	2,695	223		2,918
MCB Financial Services Limited - Trustee								
Remuneration payable to the Trustee	4	-	-	4	10	-	-	10
HBL ASSET MANAGEMENT LTD EMPLOYEES PROVIDENT FUND ASSOCIATE								
Units held 12,039 units (June 30, 2022: 12,039 units)	1,273	-	-	1,273	1,049	-	-	1,049
Syed Fayeze Asar - Connected Person due to 10% holding								
Units held 440,017 units (June 30, 2022: Nil units)	39,590	-	-	39,590	-	-	-	-
Amjad Maqsood - Connected Person due to 10% holding								
Units held 1,655 units (June 30, 2022: Nil units)	-	150	-	150	-	-	-	-
Muhammad Ashraf - Connected Person due to 10% holding								
Units held 5,243 units (June 30, 2022: Nil units)	-	476	-	476	-	-	-	-

	30-Sep-22				30-Jun-22			
	Active Allocation Plan	Conservative Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	-	Total
(Rupees in '000)								
HBL Islamic Income Fund (Formerly PICIC Islamic Income) Fund - CIS managed by Management Company								
Units held 101,185 units (June 30, 2022: Nil units)	120,934	-	-	120,934	-	-	-	-
Units held 398,425 units (June 30, 2022: 5,285 units)	-	133	-	133	-	544	-	544
HBL Islamic Equity Fund - CIS managed by Management Company								
Units held 396,148 units (June 30, 2022: Nil units)	154,771	-	-	154,771	-	-	-	-
Units held 98,542 units (June 30, 2022: Nil units)	-	543	-	543	-	-	-	-
Units held Nil units (June 30, 2020: Nil units)	-	-	-	0	-	-	-	-
HBL Islamic Money Market Fund - CIS managed by Management Company								
Units held Nil units (June 30, 2022: 1,195,301 units)	-	-	-	-	120,934	-	-	120,934
Units held 398,425 units (June 30, 2022: 211 units)	-	-	-	-	-	21	-	21
HBL Islamic Stock Fund - CIS managed by Management Company								
Units held Nil units (June 30, 2022: Nil units)	-	-	-	-	-	-	-	-
Units held Nil units (June 30, 2022: 1,585 units)	-	-	-	-	-	140	-	140

Units as at Sep 30, 2022 are calculated on the basis of latest announced NAV i.e September 30, 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.

September 30, 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								
Units of mutual funds	154,771	-	-	154,771	154,771	-	-	154,771
	154,771	-	-	154,771	154,771	-	-	154,771
Financial assets not measured at fair value 10.1								
Bank balances	-	1,322	-	1,322				
Accrued mark-up	-	19	-	19				
Other receivables	-	107	-	107				
	-	1,448	-	1,448				
Financial liabilities not measured at fair value 10.1								
Payable to the Management Company	-	-	410	410				
Payable to the Trustee	-	-	4	4				
Accrued expenses and other liabilities	-	-	448	448				
Unit Holders' Fund	-	-	155,345	155,345				
	-	-	156,207	156,207				
June 30, 2022 (Audited)								
Active Allocation Plan								
Carrying amount				Fair Value				
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
Note ----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Units of mutual funds	5 120,934	-	-	120,934	120,934	-	-	120,934
	120,934	-	-	120,934	120,934	-	-	120,934
Financial assets not measured at fair value 10.1								
Bank balances	-	2,709	-	2,709				
Accrued mark-up	-	-	-	-				
Receivable against sale of units	-	-	-	-				
	-	2,709	-	2,709				
Financial liabilities not measured at fair value 10.1								
Payable to the Management Company	-	-	22	22				
Payable to the Trustee	-	-	10	10				
Accrued expenses and other liabilities	-	-	308	308				
Dividend payable	-	-	-	-				
Payable against redemption of units	-	-	-	-				
Unit Holders' Fund	-	-	123,338	123,338				
	-	-	123,678	123,678				

September 30, 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

Units of mutual funds	696	-	-	696	696	-	-	696
	696	-	-	696	696	-	-	696

Financial assets not measured at fair value 10.1

Bank balances	-	250	-	250
Accrued mark-up	-	1	-	1
Receivable against sale of units	-	-	-	-
Other receivables	-	18	-	18
	-	269	-	269

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	-	-
Payable to the Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	71	71
Unit Holders' Fund	-	-	708	708
	-	-	780	780

June 30, 2022 (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

Units of mutual funds	5	705	-	-	705	705	-	-	705
		705	-	-	705	705	-	-	705

Financial assets not measured at fair value 10.1

Bank balances	-	247	-	247
Accrued mark-up	-	-	-	-
Receivable against sale of units	-	-	-	-
	-	247	-	247

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	-	-
Payable to the Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	56	56
Payable against redemption of units	-	-	-	-
Unit Holders' Fund	-	-	725	725
	-	-	781	781

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

10.2 Transfers during the period

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

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the three months ended September 30, 2022 is 0.04% and 0.00% (YTD) (September 30, 2021: 0.38% and 0.13%) which includes 1.07% and 0.00% (September 30, 2021: 0.01% and 0.00%) representing government levy and SECP fee of the Active Allocation Plan and Conservative Allocation Plan respectively.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on October 19, 2022 by the Board of Directors of the Management Company.

13. GENERAL

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

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

HBL Islamic Dedicated Equity Fund

FUND INFORMATION

Name of Fund	HBL Islamic Dedicated Equity Fund
Name of Auditor	Yousuf Adil Chartered Accountants
Name of Trustee	MCB Financial Services Limited (MCBFSL) Digital Custodian Company Limited
Name of Shariah Advisor	Al Hilal 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
As at September 30, 2022

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	427	427
Dividend and profit receivable		6	6
Preliminary expenses and floatation costs		275	275
Advances and deposits		6,064	6,064
Total assets		6,772	6,773
Liabilities			
Payable to Management Company		6,195	6,195
Payable to the Trustee		-	-
Payable to the Securities and Exchange Commission of Pakistan	7	-	-
Accrued expenses and other liabilities	8	578	578
Total liabilities		6,773	6,773
Net assets		-	-
Unit holders' fund (as per statement attached)		-	-
Contingencies and commitments			
	9		
(Number of units)			
Number of units in issue		-	-
(Rupees)			
Net assets value per unit		-	-

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Income Statement and Other Comprehensive Income (Un-Audited)
For the Three months period ended on September 30, 2022

		Quarter ended September 30,	
	Note	2022	2021
		(Rupees in '000')	
INCOME			
Profit from bank deposits		-	-
		-	-
EXPENSES			
Remuneration to the Management Company		-	-
Remuneration to the Trustee		-	-
Annual fee to Securities and Exchange Commission of Pakistan		-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	-
Amortisation of preliminary expenses and floatation costs		-	-
Auditors' remuneration		-	-
Fees and subscription		-	-
Securities transaction and bank charges		-	-
Haram income		-	-
Expense to Shariah Advisory Services		-	-
Other		-	-
		-	-
Net income / (loss) from operating activities		-	-
Provision for Workers' Welfare Fund	8.1	-	-
		-	-
Net income / (loss) for the period before taxation		-	-
Taxation	10	-	-
		-	-
Net income / (loss) for the period after taxation		-	-
Allocation of net loss for the period:			
Income already paid on redemption of units		-	-
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
		-	-
		-	-
Net income / (loss) for the period after taxation		-	-
Other comprehensive income for the period		-	-
		-	-
Total comprehensive income / (loss) for the period		-	-

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the Three months period ended on September 30, 2022

	2022			2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the period	92,140	(92,140)	-	-	-	-
Issuance of Nil units (2021: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-
Redemption of Nil units (2021: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Amount relating to element of loss	-	-	-	-	-	-
Relating to net loss for the year after taxation	-	-	-	-	-	-
Total payments on redemption of units	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
Total comprehensive income less distribution	-	-	-	-	-	-
Net assets at end of the period	92,140	(92,140)	-	-	-	-
Undistributed income brought forward						
- Realised		(92,140)			-	
- Unrealised		-			-	
		<u>(92,140)</u>			<u>-</u>	
Accounting (loss) / income for the period		-			-	
Distribution during the period		-			-	
Undistributed income carried forward		<u>(92,140)</u>			<u>-</u>	
Undistributed income carried forward						
- Realised		(92,140)			-	
- Unrealised		-			-	
		<u>(92,140)</u>			<u>-</u>	
Net assets value per unit at beginning of the period			<u>-</u>			<u>-</u>
Net assets value per unit at end of the period			<u>-</u>			<u>-</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Three months period ended on September 30, 2022

	Three Months ended	
	September 30,	
	2022	2021
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the period after taxation	-	-
Adjustments		
Profit on bank deposits	-	-
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss	-	-
	-	-
(Increase) / decrease in assets		
Dividend receivable and accrued mark-up	-	17
Preliminary expenses and floatation costs	-	(1)
Advances, deposits, prepayments and other receivables	-	(58)
	-	(42)
Increase / (decrease) in liabilities		
Payable to Management Company	-	(1)
Payable to Trustee	-	(48)
Payable to Securities and Exchange Commission of Pakistan	-	(3)
Accrued expenses and other liabilities	-	(149)
	-	(201)
Net cash (used in) from operating activities	-	(242)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	-	-
Payment against redemption of units	-	-
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	-	(242)
Cash and cash equivalents at beginning of the period	-	1,454
Cash and cash equivalents at end of the period	-	1,213

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Three months period ended on September 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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.

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

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

VIS Credit Rating Company has assigned a management quality rating of AM2++ (Stable Outlook) to the Management Company.

2 BASIS OF PREPARATION

Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.
- 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, 2022.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this condensed interim financial information for the period ended September 30, 2022.

4	BANK BALANCES	Note	September 30,	June 30,
			2022 (Un-Audited) (Rupees in '000)	2022 Audited
	PLS deposit accounts under mark-up arrangements	4.1	427	427
			<u>427</u>	<u>427</u>

- 4.1 Mark-up rates on these accounts range between 5.0% to 13.0% p.a (June 30, 2022: 6.8% - 13.94% p.a).

6	PAYABLE TO MANAGEMENT COMPANY	Note	September 30,	June 30,
			2022 (Un-Audited)	2022 (Audited)
	Management fee	6.1	169	169
	Sindh Sales Tax	6.2	22	22
	Allocation of expenses related to registrar services, accounting, operation and valuation services		16	16
	Other payable to the Management Company		5,988	5,988
			<u>6,195</u>	<u>6,195</u>

- 6.1 As per offering documents of the fund the maximum limit of management fee is 3% per annum of average annual net assets. During the period, no management fee is charged on fund.
- 6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.
- 7 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

		September 30, 2022 (Un-Audited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	8.1	-	-
Auditors' remuneration		553	553
Others		25	25
		<u>578</u>	<u>578</u>

8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2022 and June 30, 2022.

10 TAXATION

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

11 EARNINGS PER UNIT

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

12 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2022 is Nil.

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

13.1 Transactions during the period	Three Months ended September 30,	
	2022	2021
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management Fee	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-
Selling & Marketing Expense	-	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	-	-
MCBFSL HBL IFPF Islamic Capital Preservation Plan		
Issuance of Nil units (2021: Nil Units)	-	-
Redemption of Nil units (2021: Nil Units)	-	-

13.2	Balances outstanding as at period end	September 30,	June 30,
		2022	2022
		(Un-Audited)	(Audited)
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	169	169
	Sindh Sales Tax	22	22
	Allocation of expenses related to registrar services, accounting, operation and valuation services	16	16
	MCB Financial Services Limited - Trustee		
	Remuneration payable	-	-

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2022						
Note	2022				Fair Value			
	Fair value through profit or loss - held-for-trading	At amortised cost	Other financial 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	-	427	-	427	-	-	-	-
Dividend and profit receivable	-	6	-	6	-	-	-	-
Deposits and prepayments	-	6,064	-	6,064	-	-	-	-
	-	6,497	-	6,497	-	-	-	-
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	6,195	6,195	-	-	-	-
Accrued expenses and other liabilities	-	-	578	578	-	-	-	-
	-	-	6,773	6,773	-	-	-	-
		June 30, 2022						
	Carrying amount				Fair Value			
	Fair value through profit or loss - held-for-trading	At amortised cost	Other financial 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	-	427	-	427	-	-	-	-
Receivable against sale of investment	-	-	-	-	-	-	-	-
Advances and deposits	-	2,600	-	2,600	-	-	-	-
Dividend and profit receivable	-	6	-	6	-	-	-	-
	-	3,033	-	3,033	-	-	-	-
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	6,195	6,195	-	-	-	-
Payable to Trustee	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	578	578	-	-	-	-
	-	-	6,773	6,773	-	-	-	-

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 19, 2022.

16 CORRESPONDING FIGURES

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

17 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer








Director



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

HBL

ASSET MANAGEMENT LTD.

ایس ایٹ مینجمنٹ لمیٹڈ

Head Office Karachi:

7th Floor, Emerald Tower, Clifton,
Karachi.

UAN:111 HBL AMC (111-425-262)

Fax: 021-35168455

info@hblasasset.com

Lahore:

102-103, Upper Mall, Lahore

Tel: 042-36281600

042-36281640-3

042-36281610

Fax: 042-36281686

Islamabad:

HBL Corporate Center,
HBL building, Jinnah Avenue,
Islamabad

Tel: 051-2821183

Fax: 051-2822206