

HBL

ASSET MANAGEMENT LTD.

ايسيت ميجمنٹ لميٹڈ

AMC Rating : AM2++ by JCR-VIS

QUARTERLY REPORT 2023

For the period ended September 30, 2023

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

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

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Risk Management Committee

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

Technology Committee

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

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM1 (Stable Outlook)

Legal Advisor

Bawany & Partners,
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, 2023

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

ECONOMIC REVIEW

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

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

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

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

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

STOCK MARKET REVIEW

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

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

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

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

MONEY MARKET REVIEW

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

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

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

FUTURE OUTLOOK

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

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

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

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

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

FUND'S PERFORMANCE AND PAYOUTS

HBL Islamic Money Market Fund

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

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

HBL Islamic Income Fund

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

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

HBL Islamic Stock Fund

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

HBL Islamic Equity Fund

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

HBL Islamic Asset Allocation Fund

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

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

HBL Islamic Financial Planning Fund

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

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

Active Allocation Plan

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

Conservative Allocation Plan

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

HBL Islamic Dedicated Equity Fund

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

HBL LiveStock Fund

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

MANAGEMENT COMPANY RATING

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

ACKNOWLEDGEMENT

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

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

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

Chief Executive Officer

بینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسٹ بینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی مدت کے لئے ایچ بی ایل ایسٹ مارکیٹ فنڈ، ایچ بی ایل ایسٹ اکنم فنڈ، ایچ بی ایل ایسٹ اسٹاک فنڈ، ایچ بی ایل ایسٹ ایلیویشن فنڈ، ایچ بی ایل ایسٹ ایلیویشن فنڈ، ایچ بی ایل ایسٹ فنانشل پلاننگ فنڈ، ایچ بی ایل ایسٹ ڈیڈ ویلٹیٹیڈ ایکویٹی فنڈ اور ایچ بی ایل ایلیویشن اسٹاک فنڈ (دی فنڈز) کے مالی بیانات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

اقتصادی جائزہ

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

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

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

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

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

اسٹاک مارکیٹ کا جائزہ

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

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

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

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

منی مارکیٹ کا جائزہ

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

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

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

مستقبل کا آؤٹ لک

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

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

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

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

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

فنڈ کی کارکردگی اور ادائیگیاں

ایچ بی ایل اسلامک منی مارکیٹ فنڈ

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

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

ایچ بی ایل اسلامک انکم فنڈ

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

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

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

ایچ بی ایل اسلامک اسٹاک فنڈ

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

ایچ بی ایل اسلامک ایکویٹی فنڈ

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

ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ

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

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

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

ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ

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

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

ایکٹو ایلوکیشن پلان

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

کنزرویٹو ایلوکیشن پلان

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

ایچ بی ایل اسلامک ڈیڈ ویلٹیٹیو ایکویٹی فنڈ

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

ایچ بی ایل لائیو اسٹاک فنڈ

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

میجمنٹ کمپنی ریٹرننگ

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

اعتراف

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

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

از طرف

بورڈ آف ایچ بی ایل ایسٹ میجمنٹ لمیٹڈ
چیف ایگزیکٹو آفیسر

HBL

Islamic Money Market Fund

FUND INFORMATION

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

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
 (Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

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

For the three months ended September 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

"

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	<i>Note</i>	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
(Rupees in '000)			
9. ACCRUED EXPENSES AND OTHER LIABILITES			
Auditors' remuneration		478	387
Federal Excise Duty	9.1	2,185	2,185
Withholding tax payable		421,697	90,214
Capital gain tax payable		27	51
Dividend payable		307	307
Other payables		6,620	1,038,269
		<u>431,314</u>	<u>1,131,413</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, 2023, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

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

10. CONTINGENCIES AND COMMITMENTS

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

11. TOTAL EXPENSE RATIO

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

12. TAXATION

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

13. EARNINGS PER UNIT (EPU)

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

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

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

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

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

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

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

16. DATE OF AUTHORISATION FOR ISSUE

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

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Asset Allocation Fund

FUND INFORMATION

Name of Fund	HBL Islamic Asset Allocation Fund
Name of Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited 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, 2023

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For the three months ended September 30, 2023

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For the year ended September 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.2 Term Finance Certificates - Held for trading

HBL Islamic Asset Allocation Fund Plan 1

Name of the Investee Company

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

Cost of investments at September 30, 2023

1,477,011

HBL Islamic Asset Allocation Fund Plan 2

Name of the Investee Company

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

Cost of investments at September 30, 2023

355,700

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

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

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

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

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

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

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

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

7.	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	September 30, 2023				June 30, 2023			
		(Rupees in '000)							
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
Annual Fee	8.1	8	155	40	203	26	446	80	552

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

8. ACCRUED EXPENSES AND OTHER LIABILITIES

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

8.1 PROVISION FOR FEDERAL EXCISE DUTY

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

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

9. CONTINGENCIES AND COMMITMENTS

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

10. TAXATION

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

11. EARNINGS PER UNIT (EPU)

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

12. TOTAL EXPENSE RATIO

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

TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

	Three months ended			Three months ended		
	September 30,			September 30,		
	2023			2022		
	(Rupees in '000)					
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2
Dawood Family takaful Limited Balanced Fund -Connected Person due to holding more than 10% holding						
Investment: Nil units (2022: 1,865,149 units)	-	-	-	-	195,000	-
Dawood Family takaful Limited Income Fund -Connected Person due to holding more than 10% holding						
Investment: Nil units (2022: 1,243,433 units)	-	-	-	-	130,000	-
Dawood Family takaful Limited Individual -Connected Person due to holding more than 10% holding						
Investment: Nil units (2022: 478,243 units)	-	-	-	-	50,000	-
Dawood Family takaful Limited						
Purchase of Sukuks	-	-	-	-	182,000	-
HBL Islamic Income Fund						
Purchase of GOP Ijara	7,709	-	-	-	-	-
Sale of GOP Ijara	10,932	-	-	-	-	-
HBL Financial Sector Income Fund 1						
Purchase of GOP Ijara	5,467	-	-	-	-	-
HBL Islamic Asset Allocation Fund Plan 1						
Sale of Sukuks	-	-	-	27,454	-	-
HBL Islamic Asset Allocation Fund						
Purchase of Sukuks	-	-	-	-	27,454	-
13.2 Amounts outstanding as at period end						
	September 30,			June 30,		
	2023			2023		
	(Rupees in '000)					
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 1
HBL Asset Management Limited - Management Company						
Management Fee	126	244	275	125	253	261
Sindh Sales Tax	16	32	36	16	33	34
Allocation of expenses related to registrar services, accounting, operation and valuation services	63	-	-	62	-	-
Charging of Selling and marketing expenses	169	-	-	128	-	-
Sales load payable	-	-	-	-	-	-
Formation Cost	-	245	155	-	245	155
Habib Bank Limited - Sponsor						
Investment held in the Fund : Nil units (June 30, 2022: 531,283 units)	-	-	-	-	-	-
Bank balances	1,059	-	-	929	-	-
Mark-up receivable on deposits with bank	-	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee						
Remuneration payable	17	122	32	17	127	30
Sindh Sales Tax	2	16	4	2	16	4
Security Deposit	100	100	100	100	100	100
HBL Asset Management Limited Employees Gratuity Fund						
Investment held in the Fund 4,909 units (2023: 4,909 units)	534	-	-	499	-	-
HBL Asset Management Limited Employees Provident Fund						
Investment held in the Fund 14,169 units (2023: 14,169 units)	1,541	-	-	1,441	-	-
Pak Qatar Investment Account - Connected Person due to holding more than 10% holding						
Unit held: 10,330,515 units (2023: 11,012,425 units)	-	1,102,967	-	-	1,115,943	-

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

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

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

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

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

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

HBL Islamic Asset Allocation Fund Plan 2
September 30, 2023

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

HBL Islamic Asset Allocation Fund
June 30, 2023

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

HBL Islamic Asset Allocation Fund Plan 1
June 30, 2023

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

HBL Islamic Asset Allocation Fund Plan 2								
June 30, 2023								
Fair value through profit or loss	Carrying amount			Fair Value			Total	
	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								
- Term finance certificate - unlisted	301,357	-	-	301,357	-	301,357	-	301,357
- GOP Ijara Sukuk	70,042	-	-	70,042	-	70,042	-	70,042
	<u>371,399</u>	<u>-</u>	<u>-</u>	<u>371,399</u>				
Financial assets not measured at fair value								
Bank balances	-	104,454	-	104,454				
Dividend receivable and accrued mark-up	-	10,880	-	10,880				
Advances, deposits and other receivables	-	7,800	-	7,800				
	<u>-</u>	<u>123,134</u>	<u>-</u>	<u>123,134</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	450	-	450				
Payable to Trustee	-	34	-	34				
Accrued expenses and other liabilities	-	150	-	150				
	<u>-</u>	<u>634</u>	<u>-</u>	<u>634</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 _____.

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, 2023

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

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund

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

For the three months ended September 30, 2023

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

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2023

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.

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

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

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

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

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

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

	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
5. INVESTMENTS			
- Listed equity securities	5.1	77,828	148,169
		<u>77,828</u>	<u>148,169</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, 2023	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2023	Market value as at September 30, 2023 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
	Number of shares						%		
CEMENT									
Cherat Cement Company Ltd.	52,000	10,000	-	62,000	-	-	0%	0%	-
D G Khan Cement Co.Ltd.	74,970	288,638	-	289,608	74,000	3,213	4%	4%	0.02%
Fauji Cement Company Limited	325,000	150,000	-	475,000	-	-	0%	0%	-
Kohat Cement Ltd	-	18,500	-	18,500	-	-	0%	0%	-
Lucky Cement Ltd	29,347	40,140	-	62,297	7,190	4,058	5%	5%	0.00%
Maple Leaf Cement Factory Ltd	300,000	276,500	-	337,790	238,710	7,147	9%	9%	0.05%
Pioneer Cement Limited	37,000	-	-	37,000	-	-	0%	0%	-
	818,317	783,778	-	1,282,195	319,900	14,418	19%	18%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	164,000	42,500	-	172,500	34,000	3,003	4%	4%	2%
Nishat Power Limited	-	342,056	-	342,056	-	-	0%	0%	2%
	164,000	384,556	-	514,556	34,000	3,003	0	0	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	-	87,000	-	40,000	47,000	2,343	0%	0%	0%
	-	87,000	-	40,000	47,000	2,343	0%	0%	0%
PHARMACEUTICALS									
Highnoon Laboratories Limited	-	19,300	-	12,700	6,600	2,507	3%	309%	0.00%
The Searle Company Ltd	2,968	-	-	-	2,968	104	0%	13%	0.00%
	2,968	19,300	-	12,700	9,568	2,612	3%	322%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	6,169	863	-	4,700	2,332	3,638	5%	4%	0.00%
Oil & Gas Development Co Ltd	198,300	80,500	-	213,000	65,800	6,347	8%	8%	0.00%
Pakistan Petroleum Ltd	219,920	220,267	-	324,500	115,687	8,569	11%	11%	0.01%
	424,389	301,630	-	542,200	183,819	18,554	24%	23%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	850	80,000	-	41,000	39,850	4,891	6%	6%	0.01%
Sui Northern Gas Pipeline Ltd	175,526	169,498	-	229,998	115,026	5,404	7%	0%	0.02%
	176,376	249,498	-	270,998	154,876	10,295	13%	6%	
REFINERY									
Attock Refinery Ltd	21,500	21,000	-	42,500	-	-	0%	0%	0%
	21,500	21,000	-	42,500	-	-	0%	0%	
COMMERCIAL BANKS									
BankIslami Pakistan Limited	261,000	278,798	-	539,798	-	-	0%	0%	0%
Faysal Bank Limited	-	314,000	-	314,000	-	-	0.00%	0%	0%
Meezan Bank Ltd	132,076	17,500	-	116,761	32,815	3,761	4.83%	5%	0.00%
	393,076	610,298	-	970,559	32,815	3,761	6%	5%	
FERTILIZER									
Engro Corporation Ltd	23,700	48,313	-	72,013	-	-	0%	0%	-
Engro Fertilizers Limited	135,333	88,201	-	133,333	90,201	6,848	9%	8%	0.01%
	159,033	136,514	-	205,346	90,201	6,848	9%	8%	

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

Cost of investments at September 30, 2023

77,485

Investments include shares having market value aggregating to Rs. 26.1000 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

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

	(Un-Audited)	(Audited)
	September 30,	June 30,
	2023	2023
Note	----- (Rupees in '000) -----	

6. PAYABLE TO THE MANAGEMENT COMPANY

Management fee	144	739
Sindh Sales Tax on Management Company's remuneration	19	96
Sales load payable	-	-
Selling and marketing payable	335	1,643
Allocation of expenses related to registrar services, accounting, operation and valuation services	40	320
	538	2,798

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

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

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

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

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

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

9. TAXATION

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

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

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

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

11.2 Transfers during the period

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

12. TOTAL EXPENSE RATIO

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

13 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on _____ .

14. GENERAL

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Income Fund

FUND INFORMATION

Name of Fund	HBL Islamic Income Fund
Name of Auditor	Yousuf Adil & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Bank Islami Pakistan Limited 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, 2023

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund

Notes To The Condensed Interim Financial Statements (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.20 Basis of measurement

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

2.30 Functional and presentation currency

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

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

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

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

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

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

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

	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
(Rupees in 000')			
4	BANK BALANCES		
	In savings accounts	3,797,866	2,045,427
	In current accounts	4.1 <u>19</u>	<u>50</u>
		<u>3,797,885</u>	<u>2,045,477</u>
4.1	Mark-up rates on these accounts range between 10.50% to 21.30% per annum (June 30, 2023: 8.70% to 20.25% per annum).		
(Rupees in 000')			
5	INVESTMENTS		
	Financial Assets at fair value through profit & loss:		
	Corporate Sukuk	5.1 810,917	1,302,865
	Gop Ijara Sukuk	5.2 5,329,932	2,861,140
	At amortized cost		
	Financial asset at amortized cost	5.3 -	1,411,756
		<u>6,140,849</u>	<u>5,575,761</u>

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

Cost of investment - September 30, 2023

762,453

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

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

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

5.2 GOP Ijara Sukuk

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

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

5.3 Term Deposit Receipt

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

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

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

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the fee is being charged at the rate ranging between 0.68% - 1.00% on the average annual net assets . The fee is payable monthly in arrears.

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

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

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

8.1 PROVISION FOR FEDERAL EXCISE DUTY

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

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

9 CONTINGENCIES AND COMMITMENTS

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

10 TAXATION

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

11 EARNINGS PER UNIT

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

12 TOTAL EXPENSE RATIO

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

13 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

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

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

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

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Note	September 30, 2023								
	Carrying amount				Fair Value				
	Fair value through profit and loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Corporate Sukuk	6	765,914	-	-	765,914	-	765,914	-	765,914
		765,914	-	-	765,914	-	765,914	-	765,914
Financial assets not measured at fair value									
Bank balances		-	3,797,885	-	3,797,885	-	-	-	-
Profit receivable		-	622,304	-	622,304	-	-	-	-
Deposits		-	20,241	-	20,241	-	-	-	-
		-	4,440,430	-	4,440,430	-	-	-	-
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	21,331	21,331	-	-	-	-
Payable to the Trustee		-	-	1,177	1,177	-	-	-	-
Accrued expenses and other liabilities		-	-	1,046	1,046	-	-	-	-
		-	-	23,554	23,554	-	-	-	-
Note	June 30, 2023								
		Carrying amount			Fair Value				
		Fair value through profit and loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Corporate Sukuk	6	5,575,761	-	-	5,575,761	-	5,575,761	-	5,575,761
		5,575,761	-	-	5,575,761	-	5,575,761	-	5,575,761
Financial assets not measured at fair value									
Bank balances		-	2,045,477	-	2,045,477	-	-	-	-
Profit receivable		-	255,625	-	255,625	-	-	-	-
		-	2,301,102	-	2,301,102	-	-	-	-
Financial liabilities not measured at fair value									
Payable to the Management Company		-	-	14,248	14,248	-	-	-	-
Payable to the Trustee		-	-	1,095	1,095	-	-	-	-
Accrued expenses and other liabilities		-	-	119,444	119,444	-	-	-	-
		-	-	134,787	134,787	-	-	-	-

The company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or 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 27, 2023 by the Board of Directors of the Management Company.

16 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Equity Fund

FUND INFORMATION

Name of Fund	HBL Islamic Equity Fund
Name of Auditor	Yousuf Adil & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Bank Islami Pakistan Limited 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, 2023

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

4

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

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

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

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

4 BANK BALANCES

		September 30, 2023 (Un-Audited) (Rupees in '000)	June 30, 2023 Audited
	Note		
Current accounts		1	1
PLS deposit accounts under mark-up arrangements	4.1	<u>19,283</u>	<u>11,547</u>
		<u>19,284</u>	<u>11,548</u>

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

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

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

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

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

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

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

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

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

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

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

		September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note	(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	607	607
	Payable to brokers	1,089	156
	Withholding tax payable	127	45
	Auditors' remuneration	179	110
	Printing Charges	-	-
	Others	89	34
		5,359	4,220

8.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

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

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

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

8.2 PROVISION FOR FEDERAL EXCISE DUTY

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

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

9 CONTINGENCIES AND COMMITMENTS

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

10 TAXATION

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

11 EARNINGS PER UNIT

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

12 TOTAL EXPENSE RATIO

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

13 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

13.1 Balance as at September 30, 2023

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

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable	17	18
Directors and executives of the Management Company		
Units held 9,847 (2023: 95,369) units	722	847
HBL Islamic Financial Planning Fund - Active Allocation Plan CIS under common management		
Units held Nil (2023: Nil) units	-	10,000
HBL Islamic Financial Planning Fund - Conservative Allocation Plan CIS under common management		
Units held Nil (2023: Nil) units	-	20
Munira Aamir Vasi		
Units held Nil (2023: 531,947) units	-	35,038
Muhammad Farhan Fancy - Connected Person due to holding more than 10% units:		
Units held: Nil (2023: 281,371)	-	-
Muhammad Arshad - Connected Person due to holding more than 10% units:		
Units held: Nil (2023: Nil)	-	23,020
IGI Life Insurance - Connected Person due to holding more than 10% units:		
Units held: 120,118 (2023: Nil)	8,812	-
	(Unaudited)	(Unaudited)
	Quarter ended	
	September 30, 2023	2022
	(Rupees in '000)	
Transactions during the year		
HBL Asset Management Company Limited		
Remuneration of the Management Company for the period	504	736
Sindh Sales tax on remuneration of the Management Company	65	96
Allocation of expenses related to registrar services, accounting, operation and valuation services	138	202
Allocation of expenses related to Selling and Marketing,	264	386
Directors and executives of the Management Company		
Redemption of 11,825 (2022: 95,369) units	872	6,477
Issue of 13,944 (2022: 7,305) units	999	499

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

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2023							
Note		Carrying amount			Total	Fair Value			Total
		Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
14.1	Investments								
	- Listed equity securities	73,425	-	-	73,425	73,425	-	-	73,425
		73,425	-	-	73,425	73,425	-	-	73,425
Financial assets not measured at fair value									
14.1	Bank balances	-	19,284	-	19,284	-	-	-	-
	Investments	-	-	-	-	-	-	-	-
	Dividend and profit receivable	-	2,387	-	2,387	-	-	-	-
	Deposits and prepayments	-	4,985	-	4,985	-	-	-	-
		-	26,656	-	26,656	-	-	-	-
Financial liabilities not measured at fair value									
14.1	Payable to Management Company	-	-	470	470	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	17	17	-	-	-	-
	Payable against purchase of investments	-	-	-	-	-	-	-	-
	Accrued expenses and other liabilities	-	-	-	-	-	-	-	-
		-	-	487	487	-	-	-	-
(Rupees in '000)									
		June 30, 2023							
Note		Carrying amount			Total	Fair Value			Total
		Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
14.1	Investments								
	- Listed equity securities	92,808	-	-	92,808	92,808	-	-	92,808
		92,808	-	-	92,808	92,808	-	-	92,808
Financial assets not measured at fair value									
14.1	Bank balances	-	11,548	-	11,548	-	-	-	-
	Investments	-	-	-	-	-	-	-	-
	-Unlisted Equity Securities	-	-	-	-	-	-	-	-
	Dividend and profit receivable	-	667	-	667	-	-	-	-
		-	12,215	-	12,215	-	-	-	-
Financial liabilities not measured at fair value									
14.1	Payable to Management Company	-	-	486	486	-	-	-	-
	Payable to Trustee	-	-	18	18	-	-	-	-
	Accrued expenses and other liabilities	-	-	-	-	-	-	-	-
		-	-	504	504	-	-	-	-

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

15 DATE OF AUTHORISATION FOR ISSUE

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

16 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, 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	Digital Custodian Company Limited
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	For the three months ended					
	September					
	2023			2022		
	Active Allocation Plan		Active Allocation Plan			
	Undistributed		Undistributed			
Capital value	income /	Total	income /	Total	Capital value	Total
	(accumulated		(accumulated			
	loss)		loss)			
	(Rupees in '000)		(Rupees in '000)			
Net assets at beginning of the period	112,299	(9,942)	102,357	133,704	(10,366)	53,520
Issuance of 210 units (2022: 3,860)						
- Capital value (at net asset value per unit at the beginning of the period)	18	-	18	135,239	-	135,239
- Element of loss	861	-	861	4,323	-	4,323
Total proceeds on issuance of units	879	-	879	139,562	-	139,562
Redemption of 1,383 units (2022: 56,951 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(121)	-	(121)	(108,073)	-	(108,073)
- Element of income	(3)	(3)	(6)	(2,724)	-	(2,724)
Total payments on redemption of units	(124)	(3)	(127)	(110,797)	-	(110,797)
Total comprehensive income / loss for the period	-	6,069	6,069	-	3,242	3,242
	-	6,069	6,069	-	3,242	3,242
Net assets at end of the period	113,054	(3,876)	109,178	162,469	(7,124)	85,526
Undistributed income brought forward						
- Realised		(10,355)			(10,366)	
- Unrealised		413			-	
		(9,942)			(10,366)	
Accounting income available for distribution						
- Relating to capital gains	6,066			3,242		
- Excluding capital gains	-			-		
	6,066			3,242		
Accumulated loss carried forward		(3,876)			(7,124)	
Accumulated loss carried forward						
- Realised		(9,442)			(7,124)	
- Unrealised		5,566			-	
		(3,876)			(7,124)	
Net assets value per unit at beginning of the period			(Rupees) 87,5441			(Rupees) 87,1696
Net assets value per unit at end of the period			(Rupees) 92,7273			(Rupees) 89,9742

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Financial Planning Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Three months period ended on September 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 SIGNIFICANT ACCOUNTING POLICIES

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

3.2 USE OF ESTIMATES AND JUDGEMENTS

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

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

3.3 FINANCIAL RISK MANAGEMENT

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

4. BANK BALANCES

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

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

5. INVESTMENTS

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

5.1 Units of mutual funds

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

6. Payable to the Management Company

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

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

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

7. ACCRUED EXPENSES AND OTHER LIABILITIES

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

8. TAXATION

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

9. TRANSACTIONS WITH CONNECTED PERSONS

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

9.1 Transactions during the period

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

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

10. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

September 30, 2023 (Un-Audited)

Active Allocation Plan

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

Note (Rupees in '000)

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	109,190	-	-	109,190	109,190	-	-	109,190
	109,190	-	-	109,190	109,190	-	-	109,190

Financial assets not measured at fair value^{10.1}

Bank balances	-	935	-	935
Accrued mark-up	-	4	-	4
Other receivables	-	-	-	-
	-	939	-	939

Financial liabilities not measured at fair value^{10.1}

Payable to the Management Company	-	-	18	18
Payable to the Trustee	-	-	9	9
Accrued expenses and other liabilities	-	-	630	630
Unit Holders' Fund	-	-	109,178	109,178
	-	-	109,835	109,835

June 30, 2023 (Audited)

Active Allocation Plan

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

Note (Rupees in '000)

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	5	103,815	-	-	103,815	103,815	-	-	103,815
		103,815	-	-	103,815	103,815	-	-	103,815

Financial assets not measured at fair value^{10.1}

Bank balances	-	311	-	311
Accrued mark-up	-	-	-	-
Receivable against sale of units	-	-	-	-
	-	311	-	311

Financial liabilities not measured at fair value^{10.1}

Payable to the Management Company	-	-	17	17
Payable to the Trustee	-	-	9	9
Accrued expenses and other liabilities	-	-	308	308
Dividend payable	-	-	-	-
Payable against redemption of units	-	-	-	-
Unit Holders' Fund	-	-	102,357	102,357
	-	-	102,691	102,691

September 30, 2023 (Un-Audited)

Conservative Allocation Plan

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

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	788	-	-	788	788	-	-	788
	788	-	-	788	788	-	-	788

Financial assets not measured at fair value 10.1

Bank balances	-	214	-	214				
Accrued mark-up	-	1	-	1				
Receivable against sale of units	-	-	-	-				
Other receivables	-	-	-	-				
	-	215	-	215				

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	-	-				
Payable to the Trustee	-	-	-	-				
Accrued expenses and other liabilities	-	-	22	22				
Unit Holders' Fund	-	-	795	795				
	-	-	818	818				

June 30, 2023 (Audited)

Conservative Allocation Plan

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

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	5	752	-	-	752	752	-	-	752
		752	-	-	752	752	-	-	752

Financial assets not measured at fair value 10.1

Bank balances	-	91	-	91				
Accrued mark-up	-	1	-	1				
Receivable against sale of units	-	-	-	-				
	-	92	-	92				

Financial liabilities not measured at fair value 10.1

Payable to the Management Company	-	-	-	-				
Payable to the Trustee	-	-	-	-				
Accrued expenses and other liabilities	-	-	56	56				
Payable against redemption of units	-	-	-	-				
Unit Holders' Fund	-	-	750	750				
	-	-	806	806				

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

10.2 Transfers during the period

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

11. TOTAL EXPENSE RATIO

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

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on _____ by the Board of Directors of the Management Company.

13. GENERAL

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

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Dedicated Equity Fund

FUND INFORMATION

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

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	2023			2022		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in '000'-----						
Net assets at beginning of the period	92,140	(92,140)	-	92,140	(92,140)	-
Issuance of Nil units (2022: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-
Redemption of Nil units (2022: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Amount relating to element of loss	-	-	-	-	-	-
Relating to net loss for the year after taxation	-	-	-	-	-	-
Total payments on redemption of units	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
Total comprehensive income less distribution	-	-	-	-	-	-
Net assets at end of the period	92,140	(92,140)	-	92,140	(92,140)	-
Undistributed income brought forward						
- Realised		(92,140)			(92,140)	
- Unrealised		-			-	
		<u>(92,140)</u>			<u>(92,140)</u>	
Accounting (loss) / income for the period		-			-	
Distribution during the period		-			-	
Undistributed income carried forward		<u>(92,140)</u>			<u>(92,140)</u>	
Undistributed income carried forward						
- Realised		(92,140)			(92,140)	
- Unrealised		-			-	
		<u>(92,140)</u>			<u>(92,140)</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 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Dedicated Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Three months period ended on September 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Dedicated Equity Fund (the Fund) was established under a Trust Deed, dated June 22, 2017, executed between HBL Asset Management Limited as the Management Company and MCB Financial Services limited (MCBFSL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on July 04, 2018.
- 1.2** The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emereld Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 1.3** The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4** The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.5** Title to the assets of the Fund are held in the name of Digital Custodian Company Limited (Formerly: MCB Financial Services Limited as trustee of the Fund).
- 1.6** VIS Credit Rating Company has assigned an asset manager rating of 'AM1' (stable outlook) to the Management Company on December 31, 2022. However, the Management Company has not obtained the Fund's rating as at June 30, 2023.
- 1.7** The Fund's objective is to provide investment avenues to the fund of funds and allocation plans under fund of funds schemes managed by the Management Company, it may become zero as allowed under the terms of its Offering Document. The Fund's investors can only be other collective schemes, managed by the Management Company. The Management Company has decided not to invest in the fund through other collective schemes managed by them and during the current year, consequently they intend to wind up the fund.
- 1.8** In view of above, the Fund is not considered a going concern. Accordingly and these financial statements have been prepared on basis other than going concern, as explained in note 2.2 of the financial statements for the year ended June 30, 2023.

2 BASIS OF PREPARATION

Statement of compliance

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

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

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

2.2 Basis of measurement

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

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

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

2.3 Functional and presentation currency

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

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

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

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

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

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

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

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

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

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

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

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

5.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). For the current year, no expense is charged since average net assets of the Fund were nil (June 30, 2023: nil).

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

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

7 CONTINGENCIES AND COMMITMENTS

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

8 TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the period as reduced by accumulated losses and capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. No provision for taxation has been recognised during the year as the Fund has already distributed net income to unit-holders while making payments on redemptions.

9 EARNINGS PER UNIT

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

10 TOTAL EXPENSE RATIO

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

11.1	Transactions during the period	(Un-Audited) Three Months ended September 30,	
		2023	2022
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Reimbursement of expenses	155	-
11.2	Balances outstanding as at period end	2023	2023
		(Un-Audited)	(Audited)
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	169	169
	Sindh Sales Tax	22	22
	Allocation of expenses related to registrar services, accounting, operation and valuation services	16	16
	Other payable to the Management Company	5,988	5,988
	Receivable From HBL Asset Management Company	3,640	3,484

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- There are no financial instrument that are measured at fair value
- Unobservable inputs for the asset or liability (level 3).

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on _____.

14 CORRESPONDING FIGURES

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

15 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Livestock Fund

FUND INFORMATION

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

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Livestock Fund

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

For the Three months period ended on September 30, 2023

	September 2023		
	Capital value	Undistributed income	Total
	----- Rupees in '000 -----		
Net assets at beginning of the period	90,000	3,618	93,618
Issuance of Nil units			
Capital value (at net asset value per unit at the beginning of the period)	-	-	-
Element of income	-	-	-
Total proceeds on issuance of units	-	-	-
 Total comprehensive loss for the period	-	(1,011)	(1,011)
 Net assets at end of the period	<u>90,000</u>	<u>2,607</u>	<u>92,607</u>
 Undistributed income brought forward			
Realised income		(12,452)	
Unrealised income		16,070	
		3,618	
Accounting income available for distribution			
Relating to capital gain		-	
Excluding capital gain		-	
		(1,011)	
 Distributions during the period:		-	
 Undistributed income carried forward		<u>2,607</u>	
Undistributed income carried forward			
Realised Income		3,015	
Unrealised loss		(408)	
		<u>2,607</u>	
			(Rupees)
 Net assets value per unit at beginning of the period			<u>1,040.1980</u>
Net assets value per unit at end of the period			<u>1,028.9690</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Livestock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Three months period ended on September 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

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

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

4. BANK BALANCES

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

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

5. INVESTMENTS

Financial assets at fair value through profit or loss

Livestock	5.1	<u>6,947</u>	<u>50,000</u>
-----------	-----	--------------	---------------

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

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

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

6.1 As per the amendment in Regulation 61 of the NBFC Regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The maximum limit disclosed in the Offering Document (OD) is 3% per annum of average annual net assets.

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

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

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

8 CONTINGENCIES AND COMMITMENTS

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

9 TAXATION

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

10 EARNINGS PER UNIT

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

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

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

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

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

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

13 TOTAL EXPENSE RATIO

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

14 DATE OF AUTHORISATION FOR ISSUE

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

15 GENERAL

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

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

Chief Financial Officer

Chief Executive Officer








Director










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HBL

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