

HBL

ASSET MANAGEMENT LTD.
ایسٹٹ مینجمنٹ لمیٹڈ

AMC Rating : AM1 by VIS



HALF YEARLY REPORT 2023

For the half year ended December 31, 2023

MOVING TOWARDS
EXCELLENCE

TABLE OF CONTENTS

<i>Corporate Information</i>	04
<i>Report of The Directors of The Management Company</i>	05
HBL Income Fund	
<i>Fund Information</i>	22
<i>Independent Auditors' Review Report to the unit holders</i>	23
<i>Trustee Report to the Unit Holders</i>	24
<i>Condensed Interim Statement of Assets and Liabilities</i>	25
<i>Condensed Interim Income Statement</i>	26
<i>Condensed Interim Statement of Comprehensive Income</i>	27
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	28
<i>Condensed Interim Cash Flow Statement</i>	29
<i>Notes to the Condensed Interim Financial Information</i>	30
HBL Government Securities Fund	
<i>Fund Information</i>	45
<i>Independent Auditors' Review Report to the unit holders</i>	46
<i>Trustee Report to the Unit Holders</i>	47
<i>Condensed Interim Statement of Assets and Liabilities</i>	48
<i>Condensed Interim Income Statement</i>	49
<i>Condensed Interim Statement of Comprehensive Income</i>	50
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	51
<i>Condensed Interim Cash Flow Statement</i>	52
<i>Notes to the Condensed Interim Financial Information</i>	53
HBL Money Market Fund	
<i>Fund Information</i>	65
<i>Independent Auditors' Review Report to the unit holders</i>	66
<i>Trustee Report to the Unit Holders</i>	67
<i>Condensed Interim Statement of Assets and Liabilities</i>	68
<i>Condensed Interim Income Statement</i>	69
<i>Condensed Interim Statement of Comprehensive Income</i>	70
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	71
<i>Condensed Interim Cash Flow Statement</i>	72
<i>Notes to the Condensed Interim Financial Information</i>	73
HBL Cash Fund	
<i>Fund Information</i>	85
<i>Independent Auditors' Review Report to the unit holders</i>	86
<i>Trustee Report to the Unit Holders</i>	87
<i>Condensed Interim Statement of Assets and Liabilities</i>	88
<i>Condensed Interim Income Statement</i>	89
<i>Condensed Interim Statement of Comprehensive Income</i>	90
<i>Condensed Interim Cash Flow Statement</i>	91
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	92
<i>Notes to the Condensed Interim Financial Information</i>	94

TABLE OF CONTENTS

HBL Stock Fund

<i>Fund Information</i>	108
<i>Independent Auditors' Review Report to the unit holders</i>	109
<i>Trustee Report to the Unit Holders</i>	110
<i>Condensed Interim Statement of Assets and Liabilities</i>	111
<i>Condensed Interim Income Statement</i>	112
<i>Condensed Interim Statement of Comprehensive Income</i>	113
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	114
<i>Condensed Interim Cash Flow Statement</i>	115
<i>Notes to the Condensed Interim Financial Information</i>	116

HBL Equity Fund

<i>Fund Information</i>	118
<i>Independent Auditors' Review Report to the unit holders</i>	119
<i>Trustee Report to the Unit Holders</i>	120
<i>Condensed Interim Statement of Assets and Liabilities</i>	121
<i>Condensed Interim Income Statement</i>	122
<i>Condensed Interim Statement of Comprehensive Income</i>	123
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	124
<i>Condensed Interim Cash Flow Statement</i>	125
<i>Notes to the Condensed Interim Financial Information</i>	126

HBL Energy Fund

<i>Fund Information</i>	149
<i>Independent Auditors' Review Report to the unit holders</i>	150
<i>Trustee Report to the Unit Holders</i>	151
<i>Condensed Interim Statement of Assets and Liabilities</i>	152
<i>Condensed Interim Income Statement</i>	153
<i>Condensed Interim Statement of Comprehensive Income</i>	154
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	155
<i>Condensed Interim Cash Flow Statement</i>	156
<i>Notes to the Condensed Interim Financial Information</i>	157

HBL Multi Asset Fund

<i>Fund Information</i>	167
<i>Independent Auditors' Review Report to the unit holders</i>	168
<i>Trustee Report to the Unit Holders</i>	169
<i>Condensed Interim Statement of Assets and Liabilities</i>	170
<i>Condensed Interim Income Statement</i>	171
<i>Condensed Interim Statement of Comprehensive Income</i>	172
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	173
<i>Condensed Interim Cash Flow Statement</i>	174
<i>Notes to the Condensed Interim Financial Information</i>	175

HBL Growth Fund

<i>Fund Information</i>	188
<i>Independent Auditors' Review Report to the unit holders</i>	189
<i>Trustee Report to the Unit Holders</i>	190
<i>Condensed Interim Statement of Assets and Liabilities</i>	191
<i>Condensed Interim Income Statement</i>	192
<i>Condensed Interim Statement of Comprehensive Income</i>	193
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	194
<i>Condensed Interim Cash Flow Statement</i>	196
<i>Notes to the Condensed Interim Financial Information</i>	197

TABLE OF CONTENTS

HBL Investment Fund

<i>Fund Information</i>	212
<i>Independent Auditors' Review Report to the unit holders</i>	213
<i>Trustee Report to the Unit Holders</i>	214
<i>Condensed Interim Statement of Assets and Liabilities</i>	215
<i>Condensed Interim Income Statement</i>	216
<i>Condensed Interim Statement of Comprehensive Income</i>	217
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	218
<i>Condensed Interim Cash Flow Statement</i>	220
<i>Notes to the Condensed Interim Financial Information</i>	221

HBL Financial Sector Income Fund

<i>Fund Information</i>	237
<i>Independent Auditors' Review Report to the unit holders</i>	238
<i>Trustee Report to the Unit Holders</i>	239
<i>Condensed Interim Statement of Assets and Liabilities</i>	240
<i>Condensed Interim Income Statement</i>	241
<i>Condensed Interim Statement of Comprehensive Income</i>	242
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	243
<i>Condensed Interim Cash Flow Statement</i>	244
<i>Notes to the Condensed Interim Financial Information</i>	245

HBL Total Treasury Exchange Traded Fund

<i>Fund Information</i>	259
<i>Independent Auditors' Review Report to the unit holders</i>	260
<i>Trustee Report to the Unit Holders</i>	261
<i>Condensed Interim Statement of Assets and Liabilities</i>	262
<i>Condensed Interim Income Statement</i>	263
<i>Condensed Interim Statement of Comprehensive Income</i>	264
<i>Condensed Interim Cash Flow Statement</i>	265
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	266
<i>Notes to the Condensed Interim Financial Information</i>	267

HBL Mehfooz Munafa Fund

<i>Fund Information</i>	276
<i>Independent Auditors' Review Report to the unit holders</i>	277
<i>Trustee Report to the Unit Holders</i>	278
<i>Condensed Interim Statement of Assets and Liabilities</i>	279
<i>Condensed Interim Income Statement</i>	280
<i>Condensed Interim Statement of Comprehensive Income</i>	281
<i>Condensed Interim Cash Flow Statement</i>	282
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	283
<i>Notes to the Condensed Interim Financial Information</i>	284

CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of February 16, 2024)

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

Audit Committee

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

Human Resource 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)
	Mr. Abid Sattar	(Independent Director)
Members	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.hblasaset.com

Head Office & Registered Office

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2023

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund, HBL Growth Fund, HBL Investment Fund, HBL Financial Sector Income Fund – Plan-1, HBL Mehfooz Munafa Fund and HBL Total Treasury Exchange Traded Fund (the Funds) for the period ended December 31, 2023.

ECONOMIC REVIEW

The fiscal year started on a positive note as Government entered into an SBA of USD 3B with IMF. The agreement with IMF opened up the flows from multilateral and bilateral. First tranche of USD 1.2B, deposits placement of USD 2B from Saudi Arabia and USD 1B from UAE and rollover of USD 2.4B loan from China's EXIM Bank helped shore up SBP reserves to USD 8.1B in July'23. Pakistan successfully completed the first review of the SBA agreement and received USD 700M in Jan'24 after Executive Board approval. Moreover, the commitment from IFC to invest USD 1.5B in short and long term projects in Pakistan, rollover of USD 3B Saudi Fund for Development deposits, approval of USD 1.3B flows from multilaterals and controlled current account balance (bearing Jul'23) led to a stable reserves held by SBP at USD 8.2B at Dec'23 end.

Exchange rate has remained very volatile in 1HFY24. Lifting of import restrictions in Jul'24 led to higher demand of USD which kept PKR under pressure in July and August as it depreciated to 307/ USD. To control the freefall of currency, SBP enhanced the vigilance of Exchange Companies, increased their capital requirement while Law Enforcement Agencies cracked down on smuggling, hoarders and black market trade. These measures helped brought down the exchange rate to 277/ USD in October and provided stability to PKR. The parity closed at 282/ USD in Dec'23 vs 286/USD in Jun'23. In addition to administrative measures, relatively balanced current account deficit of USD 90M from Aug'23 to Dec'23 (1HFY24 deficit of USD 831M) provided support to the parity.

On fiscal side, GDP growth in 1QFY24 recorded at 2.13% vs 0.96% in SPLY. The growth is primarily driven by healthy crop output as depicted by 5.1% growth in Agriculture. Industrial also posted a growth of 2.48% due to easing of import restrictions. Services sector posted subpar growth of 0.82% as finance, insurance, education, health, social work and general government recorded a contraction. On the other hand, fiscal deficit in 1HFY24 was 2.3% of GDP vs 2.0% in same period last year. The primary balance posted a surplus of PKR 1,812B (1.7% of GDP) against a surplus of PKR 890B (1.1% of GDP) in same period last year.

Despite improvement in primary balance due to curtailed expenditure and higher tax revenue, fiscal deficit was relatively on a higher side due to interest payments.

On monetary front inflationary pressure continued as energy prices were rationalized as per agreement with IMF. Furthermore, volatile PKR and second round effect of PKR depreciation and higher energy tariff also provided hand in keeping inflation on the higher side. Headline inflation averaged 28.8% y/y in 1HFY24. Core inflation reading was 21.4% while food inflation was 33.6% y/y. Given the inflationary pressures, SBP kept the policy rate unchanged at 22% in 1HFY24.

Large Scale Manufacturing contracted by 0.4% y/y due to contraction in automobiles, tobacco, furniture, textile and others.

STOCK MARKET REVIEW

During the first half of the outgoing fiscal year the benchmark KSE-100 gained 20,998 points (51%) from 41,452 level to 62,451 level. The index has touched the high of 66,427 points on Dec 12, 2023 but took some correction due to pre-election political uncertainty and selling by foreign investors. The positive market sentiment was driven by (i) Reaching of agreement with IMF (ii) inflows from multiple multilateral and bilateral sources (iii) Upgradation of Pakistan's rating by FITCH (iv) crack down on hoarders and smugglers (v) strengthening of PKR (vi) reinvigorated interest by foreign investors and (vii) efforts to resolve energy chain issues.

Renewed interest by investors led to higher trading activity as average volume and value of KSE-All increased by 192% and 159% to 477M and PKR 14.4B respectively in 1HFY24 as compare with 2HFY23.

MONEY MARKET REVIEW

SBP conducted four monetary policies during 1HFY24 where it kept the policy rate unchanged at 22%. SBP highlighted 1) impact of higher energy tariffs, 2) high commodity prices, as the primary reason for no change in the policy rates. Simultaneously, SBP reiterated its stance of positive real interest rates based on the forward guidance as they expect inflation to decline drastically in 2HFY24.

Owing to expectation of considerable decrease in inflation in coming months, secondary market yields witnessed a declining trend in 1HFY23. Yields on shorter tenor 6M and 1Y TBills were down ~128bps and 161bps to 21.37% and 21.32% respectively. Similarly, 3Y and 5Y PIB yields decreased 293 bps and 18 bps to 16.54% and 15.90% respectively. During 1HFY24, government against a target of PKR 16.3tn borrowed PKR 17.6tn via T-Bill auction. Similarly, government raised PKR 6tn through PIBs (majorly Floating Rate PIBs) during 1HFY24.

FUTURE OUTLOOK

We see recovery momentum to continue. GDP growth will hover around 2% in FY24. Despite this recovery, the growth would still be much lower than Pakistan's long term economic growth. Pakistan will continue to adopt tight monetary and fiscal policy in FY24 as IMF program will continue with focus on energy price adjustment and other tax reforms.

We anticipate CAD to remain muted compared with historical averages as demand curtailment measures by SBP and Federal Government will keep imports in check. In near term, parity outlook will likely be driven by completion of IMF review, negotiation of new IMF program and flows from multilaterals and bilateral.

Post-elections, the IMF team is set to conduct the final review of the SBA program, and upon approval from the Executive Board, Pakistan is slated to receive USD 1.1B. The hike in energy tariffs is poised to strengthen measures addressing persistent energy challenges. Furthermore, the realization of foreign investments has the potential to boost economic growth and market dynamics. However, political uncertainties post elections have casted shadows on economic stability. It is likely that weak coalition government would be formed with SIFC playing a major role in economic policy making.

With regards to policy rate, we believe that interest rates have peaked. As inflation is expected to decline, interest rate will follow suit while ensuring real positive interest rate. However, escalation of Israel-Palestine conflict, resulting in increase in oil prices, imminent increase in energy tariffs, second round of effect of energy tariff hike and Ramadan effect pose risk to our assumptions.

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 486.87 million and Rs. 433.91 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 125.3875 per unit as on December 31, 2023 as compared to Rs. 112.4509 per unit as on June 30, 2023 thereby giving an annualized return of 22.82%. During the period the benchmark (6 Month KIBOR) return was 22.51%. The size of Fund was Rs. 5.01 billion as on December 31, 2023 as compared to Rs. 2.11 billion at the start of the year.

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

HBL Government Securities Fund

The total income and net income of the Fund was Rs. 319.73 million and Rs. 296.71 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 125.7728 per unit as on December 31, 2023 as compared to Rs. 112.9464 per unit as on June 30, 2023 thereby giving an annualized return of 22.53%. During the same period the benchmark (6 Month PKRV Rates) return was 22.38%. The size of Fund was Rs. 3.94 billion as on December 31, 2023 as compared to Rs. 0.78 billion at the start of the year.

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

HBL Money Market Fund

The total income and net income of the Fund was Rs. 1.90 billion and Rs. 1.72 billion respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 113.8769 per unit as on December 31, 2023 as compared to Rs. 103.0279 per unit as on June 30, 2023 thereby giving an annualized return of 20.89%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 21.43%. The size of Fund was Rs. 19.33 billion as on December 31, 2023 as compared to Rs. 13.23 billion at the start of the year.

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

HBL Cash Fund

The total income and net income of the Fund was Rs. 5.84 billion and Rs. 5.43 billion respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs 103.2079 per unit as on December 31, 2023 as compared to Rs 101.9926 per unit as on June 30, 2023, after incorporating dividends of Rs. 9.3582 per unit, thereby giving an annualized return of 21.46%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 21.43%. The size of Fund was Rs 51.42 billion as on December 31, 2023 as compared to Rs. 50.34 billion at the start of the year.

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

HBL Stock Fund

The total income and net income of the Fund was Rs. 67.96 million and Rs. 64.23 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs 107.7827 per unit as on December 31, 2023 as compared to Rs 69.6597 per unit as on June 30, 2023 thereby giving a return of 54.73%. During the same period the benchmark KSE 30 index yielded a return of 51.61%. The size of Fund was Rs 0.18 billion as on December 31, 2023 as compared to Rs. 0.16 billion at the start of the year.

HBL Equity Fund

The total and net income of the Fund was Rs. 130.61 million and Rs. 122.20 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 105.2483 per unit as on December 31, 2023 as compared to Rs. 70.3636 per unit as on June 30, 2023 thereby giving a return of 49.58%. During the period the benchmark KSE 100 index yielded a return of 50.66%. The size of Fund was Rs. 0.27 billion as on December 31, 2023 as compared to Rs. 0.32 billion at the start of the year.

HBL Energy Fund

The total income and net income of the Fund was Rs. 166.92 million and Rs. 159.06 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 16.6238 per unit as on December 31, 2023 as compared to Rs. 9.8261 per unit as on June 30, 2023, thereby giving a return of 69.18%. During the same period the benchmark KSE 30 index yielded a return of 51.61%. The size of Fund was Rs. 0.53 billion as on December 31, 2023 as compared to Rs. 0.24 billion at the start of the year.

HBL Multi Asset Fund

The total and net income of the Fund was Rs. 29.01 million and Rs. 26.77 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs 126.9737 per unit as on December 31, 2023 as compared to Rs 92.3983 per unit as on June 30, 2023, thereby giving a return of 37.42%. During the same period the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a return of 37.50%. The size of Fund was Rs 0.11 billion as on December 31, 2023 as compared to Rs. 0.10 billion at the start of the year.

HBL Growth Fund

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

The Fund as a whole earned a total and net income of Rs. 790.80 million and Rs. 699.72 million respectively during the period under review. The fund size of the fund stood at Rs. 7.59 billion as on December 31, 2023.

Performance review of each class is presented below:

HBL Growth Fund – Class ‘A’

HBL Growth Fund – Class ‘A’ earned a total income and net income of Rs. 284.59 million and Rs. 222.20 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 22.0670 per unit as on December 31, 2023 as compared to Rs. 13.7476 as at June 30, 2023, thereby giving a return of 59.74%. During the period the benchmark KSE 100 index yielded a return of 50.66%. The size of Class ‘A’ was Rs. 6.26 billion as on December 31, 2023 as compared to Rs. 3.90 billion at the start of the year.

HBL Growth Fund – Class ‘B’

HBL Growth Fund – Class ‘B’ earned a total and net income of Rs. 506.21 million and Rs. 477.52 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 18.8188 per unit as on December 31, 2023 as compared to Rs. 12.2463 as at June 30, 2023, thereby giving a return of 53.67%. During the period the benchmark KSE 100 index yielded a return of 50.66%. The size of Class ‘B’ was Rs. 1.33 billion as on December 31, 2023 as compared to Rs. 0.91 billion at the start of the year.

HBL Investment Fund

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

The Fund as a whole earned a total and net income of Rs. 336.56 million and Rs. 300.02 million respectively during the period under review. The fund size of the fund stood at Rs. 2.84 billion as on December 31, 2023.

Performance review of each class is presented below:

HBL Investment Fund – Class ‘A’

HBL Investment Fund – Class ‘A’ earned a total income and net income of Rs. 101.51 million and Rs. 78.54 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 7.8414 per unit as on December 31, 2023 as compared to Rs. 4.8996 as at June 30, 2023, thereby giving a return of 59.31%. During the period the benchmark KSE 100 index yielded a return of 50.66%. The size of Class ‘A’ was Rs. 2.22 billion as on December 31, 2023 as compared to Rs. 1.39 billion at the start of the year.

HBL Investment Fund – Class ‘B’

HBL Investment Fund – Class ‘B’ earned a total and net income of Rs. 235.05 million and Rs. 221.48 million respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 9.1873 per unit as on December 31, 2023 as compared to Rs. 6.0678 as at June 30, 2023, thereby giving a return of 51.41%. During the period the benchmark KSE 100 index yielded a return of 50.66%. The size of Class ‘B’ was Rs. 0.61 billion as on December 31, 2023 as compared to Rs. 0.45 billion at the start of the year.

HBL Financial Sector Income Fund – Plan-1

The total income and net income of the Fund was Rs. 3.69 billion and Rs. 3.43 billion respectively during the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.1632 per unit as on December 31, 2023 (after incorporating dividends of Rs. 9.9337 per unit), as compared to Rs. 100.8692 per unit as on June 30, 2023, thereby giving an annualized return of 23.12%. During the same period, the benchmark (6 Month KIBOR) return was 22.51%. The size of Fund was Rs. 36.58 billion as on December 31, 2023 as compared to Rs. 27.43 billion as at start of the year.

HBL Total Treasury Exchange Traded Fund

The total income and net income of the Fund was Rs. 58.23 million and Rs. 54.65 million respectively for the period ended December 31, 2023. The Net Asset Value (NAV) per unit of the Fund was Rs. 111.1938 (adjusted for consolidation of units) per unit as on December 31, 2023 as compared to Rs. 10.0265 per unit as on June 30, 2023, thereby giving an annualized return of 21.53%. During the same period, the benchmark return was 22.24%. The size of Fund was Rs. 556 million as on December 31, 2023 as compared to 501 million as at June 30, 2023.

HBL Mehfooz Munafa Fund

The HBL Mehfooz Munafa Fund launched its plan-II on May 18, 2023 and marked its maturity on August 09, 2023.

The total income and net income of the Fund was Rs. 69.07 million and Rs. 64.28 million respectively for the period from July 01, 2023 to August 09, 2023. All the proceeds were settled upon the maturity of the plan.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited (VIS) has reaffirmed the management quality rating of HBL Asset Management Limited 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 & 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

ایچ بی ایل محافظ منافع فنڈ

HBL محفوظ منافع فنڈ نے اپنا پلان II 18 مئی 2023 کو شروع کیا اور 09 اگست 2023 کو اپنی پختگی کا مارک لگایا۔ یکم جولائی 2023 سے 09 اگست 2023 تک فنڈ کی کل اور خالص آمدنی بالترتیب 69.07 ملین روپے اور 64.28 ملین روپے تھی۔ تمام رقم پلان کی پختگی پر طے کی گئی۔

منجمنٹ کمپنی کی درجہ بندی

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے HBL Asset Management Limited کی منجمنٹ کو الٹی ریٹنگ کو (AM-One) 'AM -I' میں تبدیل کر دیا ہے اور تفویض کردہ درجہ بندی پر آؤٹ لک کا اندازہ ”مستحکم“ طور پر کیا گیا ہے۔

اعتراف

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

از طرف بورڈ آف ایچ بی ایل Asset منجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

ایچ بی ایل گروتھ فنڈ-کلاس B

ایچ بی ایل گروتھ فنڈ-کلاس B نے 31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران کل اور خالص نقصان بالترتیب 235.05 ملین روپے اور 221.48 ملین روپے حاصل کیا۔ 31 دسمبر 2023 کو کلاس B کی خالص Asset قیمت (NAV) فی یونٹ 9.1873 روپے رہی جبکہ 30 جون 2023 کو 6.0678 روپے تھی۔ اس طرح 51.41 فیصد کارپیرن دے رہا ہے۔ اس مدت کے دوران ہینج مارک کے ایس ای 100 انڈیکس نے 50.66 فیصد کارپیرن حاصل کیا۔ 31 دسمبر 2023 تک کلاس B کا حجم 0.61 ارب روپے رہا جبکہ سال کے آغاز میں 0.45 ارب روپے تھا۔

ایچ بی ایل فنانشل سیکٹراکم فنڈ-پلان 1

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران کل اور خالص نقصان بالترتیب 3.69 ملین روپے اور 3.43 ملین روپے رہا۔ 31 دسمبر 2023 کو خالص Asset فنڈ کی قیمت (NAV) فی یونٹ 102.1632 روپے رہی (9.9337 روپے فی یونٹ کے منافع کو شامل کرنے کے بعد) NAV فی یونٹ 30 جون 2023 کو 100.8692 فی یونٹ تھی۔ اسی عرصے کے دوران اس طرح 23.12 فیصد کا سالانہ منافع دیتا ہے۔ اسی مدت کے دوران، ہینج مارک (6 ماہ KIBOR) کارپیرن 22.51 فیصد تھا۔ 31 دسمبر 2023 تک فنڈ کا حجم 36.58 ارب روپے رہا جو سال کے آغاز میں 27.43 ارب تھا۔

ایچ بی ایل ٹوٹل ٹریڈری ایکسیجیٹریڈ فنڈ

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران کل اور خالص نقصان بالترتیب 58.23 ملین روپے اور 54.65 ملین روپے رہا۔ 31 دسمبر 2023 کو خالص Asset فنڈ کی قیمت (NAV) فی یونٹ 111.1938 روپے رہی (یونٹوں کے استحکام کے لیے ایڈجسٹ) 30 جون 2023 تک 0265.10 روپے فی یونٹ، اس طرح 21.53 فیصد کا سالانہ منافع ملتا ہے۔ اسی مدت کے دوران، ہینج مارک کی واپسی 24.22 فیصد تھی۔ 31 دسمبر 2023 تک فنڈ کا حجم 556 ملین روپے تھا جو سال کے آغاز میں 501 ملین تھا۔

ایچ بی ایل گروتھ فنڈ-کلاس B

ایچ بی ایل گروتھ فنڈ-کلاس B نے 31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران کل اور خالص نقصان بالترتیب 506.21 ملین روپے اور 477.52 ملین روپے رہا۔ 31 دسمبر 2023 کو کلاس B کی خالص ایسٹ قیمت (این اے وی) فی یونٹ 18.8188 روپے رہی جبکہ 30 جون 2023 کو 12,2463 روپے تھی۔ اس طرح 53.67 فیصد کاریٹرن دے رہا ہے۔ اس مدت کے دوران ہینج مارک کے ایس ای 100 انڈیکس نے 50.66 فیصد کاریٹرن حاصل کیا۔ 31 دسمبر 2023 تک کلاس B کا حجم 1.33 ارب روپے رہا جبکہ سال کے آغاز میں 0.91 ارب روپے تھا۔

ایچ بی ایل انویسٹمنٹ فنڈ

2 جولائی 2018 سے موثر طریقے سے منظور شدہ کنورژن پلان کے مطابق فنڈ کو اوپن اینڈ ایکویٹی فنڈ میں تبدیل کر دیا گیا ہے۔ یہ معاملہ فنڈ کے مالی بیانات کے نوٹس میں مکمل طور پر ظاہر ہوتا ہے۔

فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب کل اور خالص آمدنی بالترتیب 336.56 ملین روپے اور 300.02 ملین حاصل کی۔ 31 دسمبر 2023 تک فنڈ کا حجم 2.84 ارب روپے رہا۔

ہر کلاس کی کارکردگی کا جائزہ ذیل میں پیش کیا گیا ہے:

ایچ بی ایل گروتھ فنڈ-کلاس A

ایچ بی ایل انویسٹمنٹ فنڈ-کلاس A نے 31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران کل اور خالص آمدنی بالترتیب 101.51 ملین روپے اور 78.54 ملین روپے حاصل کی۔ 31 دسمبر 2023 کو کلاس A کی خالص Asset قیمت (NAV) فی یونٹ 7.8414 روپے رہی جبکہ 31 جون 2023 کو 4.8996 روپے تھی۔ اس طرح 59.31 فیصد کاریٹرن دے رہا ہے۔ اس مدت کے دوران ہینج مارک کے ایس ای 100 انڈیکس نے 50.66 فیصد کاریٹرن حاصل کیا۔ 31 دسمبر 2023 تک کلاس A کا حجم 2.22 ارب روپے رہا جبکہ سال کے آغاز میں 1.39 ارب روپے تھا۔

ایچ بی ایل ملٹی ایسٹ فنڈ

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 29.01 ملین روپے اور 26.77 ملین روپے تھی۔ 31 دسمبر 2023 کو فنڈ کی خالص Asset قیمت (NAV) 126.9737 روپے فی یونٹ رہی جو کہ 30 جون 2023 کو 92.3983 فی یونٹ تھی۔ اس طرح 37.42 فیصد کی واپسی دی گئی۔ اسی مدت کے دوران بینچ مارک انڈیکس (ویٹڈ اوسط یومیہ ریٹرن KSE 100 اور 6 ماہ PKRV ریٹس) نے 37.50 فیصد کی واپسی حاصل کی۔ 31 دسمبر 2023 کو فنڈ کا حجم 0.11 ارب روپے تھا جبکہ سال کے آغاز میں 0.10 ارب روپے تھا۔

ایچ بی ایل گروتھ فنڈ

2 جولائی 2018 سے مؤثر طریقے سے منظور شدہ کنورژن پلان کے مطابق فنڈ کو اوپن اینڈ ایکویٹی فنڈ میں تبدیل کر دیا گیا ہے۔ یہ معاملہ فنڈ کے مالی بیانات کے متعلقہ نوٹسز میں مکمل طور پر ظاہر کیا گیا ہے۔

زیر جائزہ مدت کے دوران فنڈ نے مجموعی طور پر 790.80 ملین روپے اور 699.72 ملین روپے کی بالترتیب کل اور خالص آمدنی حاصل کی۔ 31 دسمبر 2023 تک فنڈ کا حجم 7.59 ارب روپے تھا۔

ہر کلاس کی کارکردگی کا جائزہ ذیل میں پیش کیا گیا ہے:

ایچ بی ایل گروتھ فنڈ - کلاس A

ایچ بی ایل گروتھ فنڈ - کلاس A نے 31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران کل اور خالص آمدنی بالترتیب 284.59 ملین روپے اور 222.20 ملین روپے حاصل کی۔ 31 دسمبر 2023 کو کلاس A کی خالص Asset قیمت (NAV) فی یونٹ 22.0670 روپے رہی جبکہ 30 جون 2023 کو 13,7476 روپے تھی۔ اس طرح 59.74 فیصد کار ریٹرن دے رہا ہے۔ اس مدت کے دوران بینچ مارک کے ایس ای 100 انڈیکس نے 50.66 فیصد کار ریٹرن حاصل کیا۔ 31 دسمبر 2023 تک کلاس A کا حجم 6.26 ارب روپے رہا جبکہ سال کے آغاز میں 3.90 ارب روپے تھا۔

روپے اور 64.23 ملین روپے تھی۔ 31 دسمبر 2023 کو فنڈ کی خالص Asset قیمت (NAV) 107.7827 روپے فی یونٹ رہی جو کہ 30 جون 2023 کو 69.6597 فی یونٹ تھی۔ اسی مدت کے دوران بینچ مارک کے ایس ای 30 انڈیکس نے 51.61 فیصد کی ریٹرن حاصل کی۔ 31 دسمبر 2023 تک فنڈ کا حجم 0.18 ارب روپے تھا جبکہ سال کے آغاز میں حجم 0.16 ارب روپے تھا۔

ایچ بی ایل ایکویٹی فنڈ

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 130.61 ملین روپے اور 122.20 ملین روپے تھی۔ 31 دسمبر 2023 کو فنڈ کی خالص Asset قیمت (NAV) 105.2483 روپے فی یونٹ رہی جو کہ 30 جون 2023 کو 70.3636 فی یونٹ تھی۔ اس طرح 49.58 فیصد کی ریٹرن دیتا ہے۔ اس مدت کے دوران بینچ مارک کے ایس ای 100 انڈیکس نے 50.66 فیصد کارپریٹن حاصل کیا۔ 31 دسمبر 2023 تک فنڈ کا حجم 0.27 ارب روپے رہا جبکہ سال کے آغاز میں حجم 0.32 ارب روپے تھا۔

ایچ بی ایل انرجی فنڈ

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 166.92 ملین روپے اور 159.06 ملین روپے تھی۔ 31 دسمبر 2023 کو فنڈ کی خالص Asset قیمت (NAV) 16.6238 روپے فی یونٹ رہی جو کہ 30 جون 2023 کو 9.8261 فی یونٹ تھی۔ اس طرح 69.18 فیصد کی واپسی دی گئی اس مدت کے دوران بینچ مارک کے ایس ای 30 انڈیکس نے 51.61 فیصد کارپریٹن حاصل کیا۔ 31 دسمبر 2023 تک فنڈ کا حجم 0.53 ارب روپے رہا جبکہ سال کے آغاز میں حجم 0.24 ارب روپے تھا۔

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

ایچ بی ایل منی مارکیٹ فنڈ

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 1.90 ارب روپے اور 1.72 ارب روپے تھی۔ 31 دسمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 113.8769 روپے فی یونٹ تھی جو کہ 30 جون 2023 کو 103.0279 فی یونٹ تھا۔ اسی طرح 20.89 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک ریٹرن (70 فیصد 3 ملین PKRV اور 30 فیصد 3 ملین ڈپازٹ ریٹس) 21.43 فیصد تھی۔ 31 دسمبر 2023 تک فنڈ کا حجم 19.33 بلین روپے تھا جبکہ سال کے آغاز میں حجم 13.23 ارب روپے تھا۔

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

ایچ بی ایل کیش فنڈ

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 5.84 ارب روپے اور 5.43 ارب روپے تھی۔ 31 دسمبر 2023 کو فنڈ کی خالص Asset قیمت (NAV) 103.2079 روپے فی یونٹ رہی جو کہ 30 جون 2023 کو 101.9926 فی یونٹ تھی۔ منافع کو شامل کرنے کے بعد فی یونٹ 9.3582 رہا، اس طرح 21.46 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک ریٹرن (70 فیصد 3 ملین PKRV اور 30 فیصد 3 ملین ڈپازٹ ریٹس) 21.43 فیصد تھی۔ 31 دسمبر 2023 تک فنڈ کا حجم 51.42 ارب روپے تھا جبکہ سال کے آغاز میں حجم 50.34 ارب روپے تھا۔

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

ایچ بی ایل اسٹاک فنڈ

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 67.96 ملین

پالیسی ریٹ کے حوالے سے ہم سمجھتے ہیں کہ شرح سود عروج پر ہے۔ چونکہ افراط زر میں کمی متوقع ہے، سود کی شرح حقیقی مثبت شرح سود کو یقینی بناتے ہوئے اس کی پیروی کرے گی۔ تاہم اسرائیل۔ فلسطین تنازعہ میں اضافہ، جس کے نتیجے میں تیل کی قیمتوں میں اضافہ، توانائی کے نرخوں میں اضافہ، توانائی کے نرخوں میں اضافے کے اثرات کا دوسرا دور اور رمضان کا اثر ہمارے مفروضوں کے لیے خطرناک ہیں۔

فنڈ کی کارکردگی اور ادائیگیاں

ایچ بی ایل انکم فنڈ

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 486.87 ملین روپے اور 433.91 ملین روپے تھی۔ 31 دسمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (NAV) 125.3875 روپے فی یونٹ رہی جو کہ 30 جون 2023 کو 112.4509 فی یونٹ تھی۔ اسی طرح 22.82 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک ریٹرن (6 ماہ KIBOR) 22.51 فیصد تھی۔ 31 دسمبر 2023 تک فنڈ کا حجم 5.01 ارب روپے تھا جبکہ سال کے آغاز میں حجم 2.11 ارب روپے تھا۔

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

ایچ بی ایل گورنمنٹ سیکیورٹیز فنڈ

31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 319.73 ملین روپے اور 296.71 ملین روپے تھی۔ 31 دسمبر 2023 کو فنڈ کی خالص ایسٹ قیمت (این اے وی) 125.7728 روپے فی یونٹ تھی جو کہ 31 جون 2023 کو 112.9464 فی یونٹ تھا۔ اسی طرح 22.53 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک ریٹرن (6 ماہ PKRV ریٹس) 22.38 فیصد تھی۔ 31 دسمبر 2023 تک فنڈ کا حجم 3.94 بلین روپے تھا جبکہ سال کے آغاز میں حجم 0.78 بلین روپے تھا۔

بالترتیب 293 bps اور 18 bps کم ہو کر 16.54 فیصد اور 15.90 فیصد ہو گئی۔ 1HFY24 کے دوران 16.3 ٹریلین روپے کے ہدف کے برخلاف حکومت نے T-Bill نیلامی کے ذریعے 17.6 ٹریلین روپے ادھار لیے۔ اسی طرح حکومت نے 1HFY24 کے دوران PIBs (بڑے فلوٹنگ ریٹ PIBs) کے ذریعے 6 ٹریلین روپے اکٹھے کیے۔

مستقبل کا نقطہ نظر

ہم بحالی کی رفتار کو جاری رکھتے ہوئے دیکھ رہے ہیں۔ مالی سال 24 میں جی ڈی پی کی شرح نمو 2 فیصد کے قریب رہے گی۔ اس بحالی کے باوجود، ترقی اب بھی پاکستان کی طویل مدتی اقتصادی ترقی سے بہت کم رہے گی۔ پاکستان مالی سال 24 میں سخت مالیاتی پالیسی اپنانا ہوگی کیونکہ آئی ایم ایف پروگرام توانائی کی قیمتوں میں ایڈجسٹمنٹ اور دیگر ٹیکس اصلاحات پر توجہ کے ساتھ جاری رہے گا۔

ہم توقع کرتے ہیں کہ CAD تاریخی اوسط کے مقابلے میں خاموش رہے گا کیونکہ SBP اور وفاقی حکومت کی طرف سے مانگ میں کمی کے اقدامات درآمدات کو قابو میں رکھیں گے۔ قریب کی مدت میں IMF کے جائزے کی تکمیل، IMF کے نئے پروگرام پر گفت و شنید اور کثیر جہتی اور دو طرفہ بہاؤ کے ذریعے برابری کا نقطہ نظر ممکن ہوگا۔

انتخابات کے بعد IMF کی ٹیم SBA پروگرام کا حتمی جائزہ لینے کے لیے تیار ہے اور ایگزیکٹو بورڈ سے منظوری کے بعد پاکستان کو 1.1 ارب امریکی ڈالر موصول ہونے والے ہیں۔ توانائی کے نرخوں میں اضافہ، توانائی کے مستقل چیلنجوں سے نمٹنے کے اقدامات کو مضبوط بنانے کے لیے تیار ہے۔ مزید برآں غیر ملکی سرمایہ کاری کی وصولی میں اقتصادی ترقی اور مارکیٹ کی حرکیات کو فروغ دینے کی صلاحیت ہے۔ تاہم انتخابات کے بعد کی سیاسی غیر یقینی صورتحال نے معاشی استحکام پر سوال اٹھا دیے ہیں۔ امکان ہے کہ کمزور مخلوط حکومت قائم ہوگی جس میں SIFC اقتصادی پالیسی سازی میں اہم کردار ادا کرے گی۔

اسٹاک مارکیٹ کا جائزہ

گزشتہ مالی سال کی پہلی ششماہی کے دوران بینچ مارک KSE-100 41,452 کی سطح سے 20,998 پوائنٹس (51 فیصد) بڑھ کر 62,451 کی سطح پر پہنچ گیا۔ انڈیکس 12 دسمبر 2023 کو 66,427 پوائنٹس کی بلند ترین سطح کو چھو گیا لیکن قبل از انتخابات سیاسی غیر یقینی صورتحال اور غیر ملکی سرمایہ کاروں کی فروخت کی وجہ سے کچھ کرکیشن کی گئی۔ مارکیٹ کے مثبت جذبات (i) آئی ایم ایف کے ساتھ معاہدے تک پہنچنے (ii) کثیر الجہتی اور دو طرفہ ذرائع سے آمد (iii) FITCH کی طرف سے پاکستان کی درجہ بندی میں اضافہ (iv) ذخیرہ اندوزوں اور اسمگلروں کے خلاف کریک ڈاؤن (v) روپے کو مضبوط بنانے (vi) غیر ملکی سرمایہ کاروں کی دلچسپی اور (vii) توانائی کے مسائل کو حل کرنے کی کوششیں شامل تھیں۔

2HFY23 کے مقابلے میں 1HFY24 میں KSE-All کا اوسط حجم اور قدر بالترتیب 192 فیصد اور 159 فیصد بڑھ کر 477 ملین روپے اور 4.14 ارب روپے ہو جانے کی وجہ سے سرمایہ کاروں کی تجدید شدہ دلچسپی اعلیٰ تجارتی سرگرمیوں کا باعث بنی۔

منی مارکیٹ کا جائزہ

اسٹیٹ بینک نے 1HFY24 کے دوران 4 مانیٹری پالیسیاں پیش کیں، اسٹیٹ بینک نے پالیسی ریٹ کو 22 فیصد پر برقرار رکھا۔ SBP نے (1) توانائی کے اعلیٰ ٹیرف کے اثرات، (2) اشیاء کی اونچی قیمتوں کو پالیسی کی شرحوں میں کسی تبدیلی کی بنیادی وجہ کے طور پر اجاگر کیا۔ اس کے ساتھ ہی اسٹیٹ بینک نے فارورڈ گائیڈنس کی بنیاد پر مثبت حقیقی شرح سود کے اپنے موقف کا اعادہ کیا کیونکہ وہ توقع کرتے ہیں کہ 2HFY24 میں افراط زر میں زبردست کمی آئے گی۔

آنے والے مہینوں میں افراط زر میں خاطر خواہ کمی کی توقع کے پیش نظر 1HFY23 میں سیکنڈری مارکیٹ کی پیداوار میں کمی کا رجحان دیکھا گیا۔ مختصر مدت کے 6M اور ایک سالہ ٹی بلز پر پیداوار بالترتیب 128bps اور 161bps کم ہو کر 21.37 فیصد اور 21.32 فیصد رہی۔ اسی طرح، 3Y اور 5Y PIB کی پیداوار

خریدنے میں مدد کی اور روپے کو استحکام فراہم کیا۔ 23 دسمبر کو 282 روپے فی امریکی ڈالر کے مقابلہ 23 جون کو 286 روپے فی امریکی ڈالر پر بند ہوا۔ انتظامی اقدامات کے علاوہ، 23 اگست سے 23 دسمبر تک 90 ملین امریکی ڈالر کا نسبتاً متوازن کرنٹ اکاؤنٹ خسارہ (1HFY24 خسارہ 831 ملین امریکی ڈالر) نے برابری کو مدد فراہم کی۔

مالیاتی محاذ پر 1QFY24 میں GDP نمو SPLY میں 0.96 فیصد کے مقابلہ میں 2.13 فیصد ریکارڈ کی گئی۔ ترقی بنیادی طور پر صحت مند فصلوں کی پیداوار سے ہوتی ہے جیسا کہ زراعت میں 5.1 فیصد نمو دیکھا گیا۔ درآمدی پابندیوں میں نرمی کی وجہ سے صنعتی شعبے میں بھی 2.48 فیصد اضافہ ہوا۔ فنانس، انشورنس، تعلیم، صحت، سماجی کام اور عام حکومت کی وجہ سے خدمات کے شعبے میں 0.82 فیصد کی سب سے زیادہ ترقی ہوئی۔ دوسری طرف، مالیاتی خسارہ 1HFY24 میں جی ڈی پی کا 2.3 فیصد تھا بمقابلہ گزشتہ سال کی اسی مدت میں 2.0 فیصد تھا۔ پرائمری بیلنس نے اسی مدت میں ارب روپے (جی ڈی پی کے 1.7 فیصد) کے سرپلس پوسٹ کیا بمقابلہ گزشتہ سال 890 ارب روپے (جی ڈی پی کے 1.1 فیصد)۔ کم اخراجات اور زیادہ ٹیکس ریونیو کی وجہ سے بنیادی توازن میں بہتری کے باوجود، سود کی ادائیگیوں کی وجہ سے مالیاتی خسارہ نسبتاً زیادہ تھا۔

مالیاتی محاذ پر مہنگائی کا دباؤ برقرار رہا کیونکہ توانائی کی قیمتوں کو آئی ایم ایف کے ساتھ معاہدے کے مطابق معقول بنایا گیا تھا۔ مزید برآں، غیر مستحکم روپے اور روپے کی قدر میں کمی کے دوسرے دور کے اثرات اور اعلیٰ توانائی ٹیرف نے بھی افراط زر کو بلندی پر رکھنے میں کردار ادا کیا۔ 1HFY24 میں ہیڈ لائن افراط زر کی اوسط 28.8 فیصد y/y تھی۔ بنیادی افراط زر کی شرح 21.4 فیصد تھی جبکہ خوراک کی افراط زر 33.6 فیصد y/y تھی۔ افراط زر کے دباؤ کو دیکھتے ہوئے، SBP نے 1HFY24 میں پالیسی ریٹ کو 22 فیصد پر برقرار رکھا۔ آٹو مو بائلز، تمباکو، فرنیچر، ٹیکسٹائل اور دیگر میں کمی کی وجہ سے بڑے پیمانے پر مینوفیکچرنگ میں 0.4 فیصد y/y کے معاہدے ہوئے۔

میںجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل Asset میںجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی مدت کے لئے ایچ بی ایل انکم فنڈ، ایچ بی ایل گورنمنٹ سیکیورٹیز فنڈ، ایچ بی ایل منی مارکیٹ فنڈ، ایچ بی ایل کیش فنڈ، ایچ بی ایل اسٹاک فنڈ، ایچ بی ایل ایکویٹی فنڈ، ایچ بی ایل انرجی فنڈ، ایچ بی ایل ملٹی Asset فنڈ، ایچ بی ایل گروتھ فنڈ، ایچ بی ایل انوسٹمنٹ فنڈ، ایچ بی ایل فنانشل سیکٹر انکم فنڈ۔ پلان 1، ایچ بی ایل محفوظ منافع فنڈ اور ایچ بی ایل ٹوٹل ٹریڈری ایکس چینج ٹریڈ فنڈ (دی فنڈز) کے مالی بیانات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

اقتصادی جائزہ

مالی سال کا مثبت آغاز ہوا کیونکہ حکومت نے IMF کے ساتھ 3 ارب ڈالر کا SBA معاہدہ کیا۔ آئی ایم ایف کے ساتھ معاہدے سے کئی طرح کے اور دو طرفہ ثمرات سامنے آئے۔ 1.2 ارب ڈالر کی پہلی قسط، سعودی عرب سے 2 ارب امریکی ڈالر اور یو اے ای سے 1 ارب امریکی ڈالر کے ساتھ چین کے EXIM بینک سے 2.4 ارب ڈالر قرض کے رول اور نے SBP کے ذخائر کو جولائی 23 میں 8.1 ارب امریکی ڈالر تک پہنچانے میں مدد کی۔ پاکستان نے SBA معاہدے کا پہلا جائزہ کامیابی کے ساتھ مکمل کیا اور ایگزیکٹو بورڈ کی منظوری کے بعد 24 جنوری میں 700 ملین امریکی ڈالر موصول ہوئے۔ اس کے علاوہ IFC کی جانب سے پاکستان میں مختصر اور طویل مدتی منصوبوں میں 1.5 ارب ڈالر کی سرمایہ کاری، 3 ارب امریکی ڈالر سعودی فنڈ فار ڈیولپمنٹ ڈپازٹس کے رول اور، 1.3 ارب ڈالر کی کثیر جہتی سے منظوری اور کنٹرولڈ کرنٹ اکاؤنٹ بیلنس (جولائی 23) استحکام کے باعث 23 دسمبر تک SBP کے پاس 8.2 ارب امریکی ڈالر کے مستحکم ذخائر تھے۔

ایکسچینج ریٹ 1 HFY24 میں بہت غیر مستحکم رہا ہے۔ 24 جولائی میں درآمدی پابندیاں اٹھانے سے امریکی ڈالر کی مانگ میں اضافہ ہوا جس نے جولائی اور اگست میں روپے کو دباؤ میں رکھا کیونکہ اس کی قدر 307 امریکی ڈالر تک گر گئی۔ کرنسی کی گراوٹ کو کنٹرول کرنے کے لیے اسٹیٹ بینک نے ایکسچینج کمپنیوں کی چوکسی کو بڑھایا، ان کے سرمائے کی ضرورت میں اضافہ کیا جبکہ قانون نافذ کرنے والی ایجنسیوں نے اسمگلنگ، ذخیرہ اندوزوں اور بلیک مارکیٹ کے کاروبار کے خلاف کریک ڈاؤن کیا۔ ان اقدامات نے اکتوبر میں شرح مبادلہ کو 277 روپے فی ڈالر تک

HBL

Income Fund

FUND INFORMATION

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



A.F. FERGUSON & CO.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Income Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 27, 2024

Karachi

UDIN: RR2023100610LXjCmNVi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL INCOME FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Income Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Income Fund
Condensed Interim Statement of Assets and Liabilities
As At December 31, 2023

		December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
Note			
ASSETS			
	Bank balances	4 1,287,405	980,061
	Investments	5 2,874,749	669,877
	Receivable against margin trading system	719,114	465,148
	Interest / profit accrued	136,092	30,926
	Advance, deposits, prepayment and other receivables	6 63,956	55,941
	Total assets	5,081,316	2,201,953
LIABILITIES			
	Payable to HBL Asset Management Limited - Management Company	7 15,096	5,983
	Payable to Central Depository Company of Pakistan Limited - Trustee	8 1,238	525
	Payable to the Securities and Exchange Commission of Pakistan	9 369	564
	Unclaimed dividend	3,802	3,802
	Accrued expenses and other liabilities	10 47,852	83,287
	Total liabilities	68,357	94,161
	NET ASSETS	<u>5,012,959</u>	<u>2,107,792</u>
	UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	<u>5,012,959</u>	<u>2,107,792</u>
	CONTINGENCIES AND COMMITMENTS	11	
		----- (Number of units) -----	
	NUMBER OF UNITS IN ISSUE	<u>39,979,725</u>	<u>18,744,108</u>
		----- (Rupees) -----	
	NET ASSET VALUE PER UNIT	<u>125.3875</u>	<u>112.4509</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Income Statement (Un-Audited)
For The Half Year And Quarter Ended December 31, 2023

		Half year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
Note		------(Rupees in '000)-----			
INCOME					
		224,833	132,121	113,507	55,410
		163,732	96,798	88,429	35,488
		74,192	35,832	74,192	14,476
		4,390	186	4,390	186
		7,388	4,914	3,710	2,341
		12,338	(1,356)	2,865	1,254
		19,726	3,558	6,575	3,595
		486,873	268,495	287,093	109,155
Total income					
EXPENSES					
		26,277	26,095	17,358	9,537
		12,960	4,684	9,013	2,105
		5,657	4,684	1,710	2,105
		1,745	1,410	1,076	536
		1,540	333	949	127
		3,935	2,396	2,121	988
		207	506	207	166
		373	246	256	129
		196	185	63	93
		76	20	76	-
		52,966	40,559	32,829	15,786
Total operating expenses					
		433,907	227,936	254,264	93,369
		-	-	-	-
Net income for the period before taxation					
		433,907	227,936	254,264	93,369
Net income for the period after taxation					
Earnings per unit					
Allocation of net income for the period					
		433,907	227,936		
		(113,525)	(88,298)		
		320,382	139,638		
Accounting income available for distribution:					
		14,637	2,512		
		305,745	137,126		
		320,382	139,638		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended, December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income for the period after taxation	433,907	227,936	254,264	93,369
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	433,907	227,936	254,264	93,369

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

For HBL Asset Management Limited
(Management Company)

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

HBL Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed Income	Total	Capital value	Undistributed Income	Total
	(Rupees in '000)					
Net assets at the beginning of the period (audited)	1,907,939	199,853	2,107,792	4,090,685	155,400	4,246,085
Issuance of 56,463,604 units (2022: 5,445,710 units)						
- Capital value (at net asset value per unit at the beginning of the period)	6,349,383	-	6,349,383	606,821	-	606,821
- Element of income	364,703	-	364,703	17,254	-	17,254
Total proceeds on issuance of units	6,714,086	-	6,714,086	624,075	-	624,075
Redemption of 35,227,987 units (2022: 24,940,275 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(3,961,419)	-	(3,961,419)	(2,779,121)	-	(2,779,121)
- Element of loss	(167,882)	(113,525)	(281,407)	(5,888)	(88,298)	(94,186)
Total payments on redemption of units	(4,129,301)	(113,525)	(4,242,826)	(2,785,009)	(88,298)	(2,873,307)
Total comprehensive income for the period	-	433,907	433,907	-	227,936	227,936
Net assets at the end of the period (un-audited)	<u>4,492,724</u>	<u>520,235</u>	<u>5,012,959</u>	<u>1,929,751</u>	<u>295,038</u>	<u>2,224,789</u>
Undistributed income brought forward comprising of:						
- Realised income		198,709			156,975	
- Unrealised income / (loss)		<u>1,144</u>			<u>(1,575)</u>	
		199,853			155,400	
Accounting income available for distribution						
- Relating to capital gains		<u>14,637</u>			<u>2,512</u>	
- Excluding capital gains		<u>305,745</u>			<u>137,126</u>	
		320,382			139,638	
Undistributed income carried forward		<u>520,235</u>			<u>295,038</u>	
Undistributed income carried forward comprising of:						
- Realised income		507,897			296,394	
- Unrealised income / (loss)		<u>12,338</u>			<u>(1,356)</u>	
		<u>520,235</u>			<u>295,038</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period	<u>112.4509</u>			<u>111.4310</u>		
Net asset value per unit at the end of the period	<u>125.3875</u>			<u>119.5449</u>		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For The Half Year And Quarter Ended December 31, 2023

	Half year ended	
	December 31,	
	2023	2022
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	433,907	227,936
Adjustments for:		
Interest / profit earned	(224,833)	(132,121)
Profit on savings accounts with banks	(163,732)	(96,798)
Mark-up on margin trading system	(74,192)	(35,832)
Gain on sale of investments - net	(7,388)	(4,914)
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.8 (12,338)	1,356
	(48,576)	(40,373)
(Increase) / decrease in assets		
Investments - net	(1,955,146)	1,095,270
Receivable against margin trading system	(181,133)	226,062
Advance, deposits, prepayment and other receivables	(8,015)	459
	(2,144,294)	1,321,791
Increase / (decrease) in liabilities		
Payable to HBL Asset Management Limited - Management Company	9,113	(3,465)
Payable to Central Depository Company of Pakistan Limited - Trustee	713	(433)
Payable to the Securities and Exchange Commission of Pakistan	(195)	(484)
Accrued expenses and other liabilities	(35,435)	(36,493)
	(25,804)	(40,875)
	(2,218,674)	1,240,543
Interest / profit received on investments	131,832	-
Profit received on savings accounts with banks	152,926	105,880
	284,758	105,880
Net cash (used in) / generated from operating activities	(1,933,916)	1,346,423
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	6,714,086	624,075
Payment against redemption and conversion of units	(4,242,826)	(2,873,307)
Net cash generated from / (used in) financing activities	2,471,260	(2,249,232)
Net increase / (decrease) in cash and cash equivalents	537,344	(902,809)
Cash and cash equivalents at the beginning of the period	980,061	1,758,049
Cash and cash equivalents at the end of the period	4.2 1,517,405	855,240

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund

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

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 06, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 25, 2006. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under "Sindh Trust Act, 2020". Accordingly, on September 08, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act, 2020.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund is an open ended mutual fund categorised as 'Income Scheme' 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 March 15, 2007 to March 17, 2007.
- 1.4** The principal objective of the Fund is to make investments in fixed income securities. Other avenues of investments include ready future arbitrage in listed securities and transactions under Continuous Funding System.
- 1.5** VIS Credit Rating Company Limited (VIS) has assigned the Management Quality Rating to 'AM1' (December 31, 2022: 'AM1' dated December 30, 2022) on December 29, 2023 and the outlook on the rating has been assigned as 'Stable' (December 31, 2022: 'Stable') and the fund stability rating of "A+(f)" [December 31, 2022: "A+(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.
- 1.6** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 VIIIA of the repealed Companies Ordinance, 1984; and
- 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 the 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 the requirements of the Trust Deed differ from the requirements of IAS 34, 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 the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2023.

2.2 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the half year ended December 31, 2023.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements 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 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2023.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and, therefore have not been detailed in these condensed interim financial statements.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
4 BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	<u>1,287,405</u>	<u>980,061</u>

4.1 These include a balance of Rs. 48.452 million (June 30, 2023: Rs. 0.215 million) with Habib Bank Limited (a related party) that carries profit at the rate ranging from 19.51% to 20.50% (June 30, 2023: 13.50% to 19.51%) and Rs. 1,146.966 million (June 30, 2023: Rs. 507.805 million) with HBL Microfinance Bank Limited (a related party) that carries profit at the rate ranging from 22.50% to 22.95% (June 30, 2023: 15.5% to 22.25%). Other profit and loss sharing accounts of the Fund carry profit at the rates ranging from 21% to 22.5% (June 30, 2023: 11.50% to 21.85%) per annum.

	Note	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	December 31, 2022 (Un-audited)
4.2 Cash and cash equivalents			

Balances with banks in:

Savings accounts	4	1,287,405	756,865
Government securities - Market Treasury Bills	5.3	-	98,375
Letter of placements	5.6	230,000	-
		<u>1,517,405</u>	<u>855,240</u>

	Note	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
5 INVESTMENTS			

Financial assets at fair value through profit or loss

Corporate sukuk certificates	5.1	49,451	54,285
Term finance certificates	5.2	580,309	380,682
Government securities - Market Treasury Bills	5.3	-	9,760
Government securities - Pakistan Investment Bonds	5.4	1,939,726	-
Government securities - GoP Ijara Sukuk	5.5	75,263	225,150
Letter of placements	5.6	230,000	-
		<u>2,874,749</u>	<u>669,877</u>

5.1 Corporate sukuk certificates

Name of Investee Company	Profit rate	Maturity date	As at July 1, 2023	Purchased during the period	Disposed of / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized appreciation / (diminution) as at December 31, 2023	Percentage in relation to	
										total market value of investment	net assets of the Fund
-----Number of certificates----- (Rupees in '000') -----Percentage-----											
Technology & Communication											
TPL Trakker Limited (1st issue) (A+, PACRA, non-traded) (March 30, 2021) Face value: Rs. 500,000	24.46%	March 30, 2026	47	-	-	47	23,422	23,953	531	0.83%	0.48%
Power generation & distribution											
Hub Power Holdings Limited (1st issue) (AA+, PACRA, traded) (November 12, 2020) Face Value: Rs. 100,000	24.19%	November 12, 2025	250	-	-	250	25,658	25,498	(160)	0.89%	0.51%
Others											
New Allied Electronics Industries (Private) Limited * - sukuk (note 5.1.1) (December 3, 2007)		December 3, 2012	9,000	-	-	9,000	-	-	-	-	-
Total as at December 31, 2023							49,080	49,451	371		
Total as at June 30, 2023							53,866	54,285	419		

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

5.1.1 This represents investment in privately placed Sukuk bonds of the investee company. This investment has been fully provided.

5.2 Term finance certificates

Name of Investee Company	Profit rate	Maturity date	As at July 1, 2023	Purchased during the period	Disposed of / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution) / appreciation as at December 31, 2023	Percentage in relation to	
										total market value of investment	net assets of the Fund
-----Number of certificates----- (Rupees in '000') -----Percentage-----											
Technology & Communication											
TPL Corporation Limited (3rd Issue) (AA-, PACRA, traded) (June 28, 2022) Face value: Rs. 100,000	23.87%	June 28, 2027	1,000	-	-	1,000	102,843	93,835	(9,008)	3.26%	1.87%
Worldcall Telecom Limited * (note 5.2.1) (October 7, 2008)			23,750	-	-	23,750	-	-	-	-	-
-----Number of certificates----- (Rupees in '000') -----Percentage-----											
Name of Investee Company	Profit rate	Maturity date	As at July 1, 2023	Purchased during the period	Disposed of / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution) / appreciation as at December 31, 2023	Percentage in relation to	
										total market value of investment	net assets of the Fund
-----Number of certificates----- (Rupees in '000') -----Percentage-----											
Chemicals											
Agritech Limited * - TFC (note 5.2.2 & 5.2.3)			2,000	-	-	2,000	-	-	-	-	-
Agritech Limited * - TFC (4th issue) (note 5.2.2)			430	-	-	430	-	-	-	-	-
Commercial Banks											
JS Bank Limited (1st issue) (note 5.2.4) (A+, PACRA, non-traded) (December 29, 2017) Face value: Rs. 99,780	24.37%	December 29, 2024	1,264	-	1,264	-	-	-	-	-	-
Soneri Bank Limited (4th Issue) (A+, PACRA, non-traded) (December 26, 2022) Face Value: Rs 99,800	23.16%	December 23, 2032	1,000	-	-	1,000	97,926	99,940	2,014	3.48%	1.99%
Bank Alfalah Limited (7th Issue) (AAA, PACRA, non-traded) (January 15, 2021) Face Value: Rs 5,000	9.03%	January 15, 2024	7,600	-	-	7,600	35,911	37,784	1,873	1.31%	0.75%
Askari Bank Limited (AA, PACRA, non-traded) (March 17, 2020) Face Value: Rs 1,000,000	22.62%	March 17, 2030	-	250	-	250	238,750	248,750	10,000	8.65%	4.96%
Investment Companies											
Jahangir Siddiqui & Company Limited (11th Issue) (AA, PACRA, non-traded) (March 6, 2018) 'Face Value: Rs 833	22.39%	September 6, 2023	10,000	-	10,000	-	-	-	-	-	-
Jahangir Siddiqui & Company Limited (AA, PACRA, non-traded) (July 18, 2017) 'Face Value: Rs 625	18.50%	July 18, 2023	15,100	-	15,100	-	-	-	-	-	-
Trust											
KASHF Foundation (1st issue) (Dec 8, 2023) 'Face Value: Rs 1,000,000	23.01%	December 8, 2026	-	100	-	100	100,000	100,000	-	3.48%	1.99%
Others											
New Allied Electronics Industries (Private) Limited * - TFC (note 5.2.5) (May 15, 2007)		May 15, 2011	9,000	-	-	9,000	-	-	-	-	-
Total as at December 31, 2023							575,430	580,309	4,879		
Total as at June 30, 2023							380,097	380,682	585		

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

5.2.1 Worldcall Telecom Limited term finance certificates were classified by MUFAP as non-performing on November 8, 2012 after default of installment due on October 7, 2012 (earlier default on April 7, 2012) for the second time. A restructuring agreement was signed on December 26, 2012. The restructuring included the extension of repayment period by two years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.767 million has been made out of which till June 30, 2023 Rs. 10.440 million has been received leaving outstanding balance as at December 31, 2023 of Rs. 37.33 million, which is fully provided.

- 5.2.2** The Term finance certificates held by the Fund are secured against hypothecation of stocks and receivables and mortgage / pledge of fixed assets of the issuer.
- 5.2.3** Installment amounting to Rs. 1.998 million (June 30, 2023: Rs. 1.998 million) became due for payment on these Term finance certificates, have been fully provided and are reflected in note 6.
- 5.2.4** The Term finance certificates have face value of Rs. 99,780 each and are issued on December 29, 2017 carried interest rate at the rate of 6 months KIBOR plus 1.4%. The original maturities of the Term finance certificates were on December 29, 2024, however, were matured earlier during the year.
- 5.2.5** This represent investment in privately placed Term finance certificates of the investee company. This investment has been fully provided.

5.3 Government securities - Market Treasury Bills

Particulars	Issue Date	Face Value (Rupees in '000)				Rupees in '000			Percentage in relation to	
		As at July 1, 2023	Purchased during the period	Disposed of / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized diminution as at December 31, 2023	total market value of investment	net assets of the Fund
Market Treasury Bills - 3 - months										
Market treasury bills	May 18, 2023	10,000	53,650	63,650	-	-	-	-	-	-
Market treasury bills	August 10, 2023	-	120,000	120,000	-	-	-	-	-	-
Market treasury bills	October 19, 2023	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	November 16, 2023	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 6 - months										
Market treasury bills	October 19, 2023	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	November 16, 2023	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	November 30, 2023	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 1 - Year										
Market treasury bills	November 16, 2023	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	November 30, 2023	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	October 19, 2023	-	500,000	500,000	-	-	-	-	-	-
Total as at December 31, 2023						-	-	-		
Total as at June 30, 2023						9,771	9,760	(11)		

5.4 Government securities - Pakistan Investment Bonds

Issue Date	Tenor	Face value (Rupees in '000)				Rupees in '000			Percentage in relation to	
		As at July 1, 2023	Purchased during the period	Disposed of / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized appreciation / (diminution) as at December 31, 2023	total market value of investment	net assets of the Fund
July 4, 2023	3 years	-	695,000	350,000	345,000	307,207	308,973	1,766	11%	6%
April 6, 2023	2 years	-	1,000,000	1,000,000	-	-	-	-	-	-
October 19, 2023 (5.4.2)	3 years	-	1,100,000	400,000	700,000	684,197	686,770	2,573	24%	14%
October 13, 2022	5 years	-	200,000	-	200,000	169,278	168,543	(735)	6%	3%
October 19, 2023	5 years	-	800,000	-	800,000	772,219	775,440	3,221	27%	15%
Total as at December 31, 2023						1,932,901	1,939,726	6,825	-	-
Total as at June 30, 2023						-	-	-	-	-

- 5.4.1** The Pakistan Investment Bonds carry yield ranging from 15.90% to 24.24% (June 30, 2023: Nil) per annum and have maturities upto October 19, 2028.
- 5.4.2** This includes floating rate Pakistan Investment Bond pledged with the National Clearing Company of Pakistan Limited (NCCPL) in accordance with the Circular no.11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The bond has a face value of Rs. 120 million and market value of Rs. 118 million as at December 31, 2023.

5.5 Government securities - GoP Ijarah Sukuks

Name of the security	Maturity date	Tenor	Profit rate	Face Value (Rupees in '000)				Rupees in '000			Percentage in relation to	
				As at July 1, 2023	Purchased during the period	Disposed of / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation as at December 31, 2023	total market value of investment	net assets of the Fund
GoP Ijara Sukuk Certificates XXX - VRR (April 17, 2023) Face value : Rs. 1,000,000	April 17, 2024	1 Year	Weighted average 6 months T-Bills	-	1,000,000	1,000,000	-	-	-	-	-	-
GoP Ijara Sukuk Certificates XXXI - VRR (May 22, 2023) Face value : Rs. 100,000	May 22, 2024	1 Year	Weighted average 6 months T-Bills	225,000	125,000	350,000	-	-	-	-	-	-
GoP Ijara Sukuk Certificates XXXIV - FRR (Dec 4, 2023) Face value : Rs. 100,000	December 4, 2028	5 Years	15.75%	-	100,000	100,000	-	-	-	-	-	-
GoP Ijara Sukuk Certificates XXXIII - FRR (Dec 4, 2023) Face value : Rs. 100,000	December 4, 2026	3 Years	16.19%	-	75,000	-	75,000	75,000	75,263	263	2.62%	1.50%
Total as at December 31, 2023								75,000	75,263	263		
Total as at June 30, 2023								225,000	225,150	150		

5.6 Letter of placements

Name of the investee	Issue date	Interest rate	As at July 1, 2023	Purchased during the period	Matured during the period	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Percentage in relation to	
								total market value of investment	net assets of the Fund
		%	----- (Rupees in '000) -----					%	
Pak Libya Holding Company (Private) Limited	December 18, 2023	22.80%	-	230,000	-	230,000	230,000	8.00%	4.59%
Total as at December 31, 2023			-	230,000	-	230,000	230,000		
Total as at June 30, 2023			-	-	-	-	-		

5.7 Details of non-compliant investments

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular no. 16 dated July 7, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of its constitutive document.

5.8 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	2,874,749	669,877
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	(2,862,411)	(668,733)
		12,338	1,144

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
6 ADVANCE, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES		----- (Rupees in '000) -----	
Security deposits:			
- National Clearing Company of Pakistan Limited		38,169	30,019
- Central Depository Company of Pakistan Limited		100	100
		38,269	30,119
Receivable against investments in Term finance certificates	5.2.3	1,998	1,998
Advance tax	6.1	25,212	25,212
Prepaid expenses		475	610
		65,954	57,939
Less: Provision against overdue instalments of Term finance certificates		(1,998)	(1,998)
		63,956	55,941

- 6.1** As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 150 and 151. However, withholding tax on profit on bank deposit paid to the Fund was deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs 25.212 million (June 30, 2023: Rs 25.212 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on bank balances and debt securities has been shown as other receivable as at December 31, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		----- (Rupees in '000) -----	
Remuneration payable	7.1	6,511	1,766
Sindh Sales Tax payable on remuneration of the Management Company	7.2	846	230
Allocated expenses payable related to registrar services, accounting, operation and valuation services	7.3	4,045	883
Selling and marketing expenses payable	7.4	1,710	2,915
Sales load payable		1,984	189
		15,096	5,983

- 7.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the Total Expense Ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rates ranging from 1% to 1.35% (June 30, 2023: 1% to 1.5%).

The remuneration is payable to the Management Company monthly in arrears.

- 7.2** The Sindh Provincial 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.
- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company may charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The Management Company based on its own discretion has charged allocated expenses at the rates ranging from 0.50% to 0.85% (June 30, 2023: 0.25% to 0.50%).
- 7.4** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate ranging from 0% to 0.50% (June 30, 2023: 0.25% to 0.50%) during the period ended December 31, 2023 while keeping in view the overall return and Total Expense Ratio Limit of the Fund as defined under the NBFC Regulations.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable to the Trustee	8.1	370	133
Sindh Sales Tax payable on remuneration of the Trustee	8.2	48	17
CDC charges payable		820	375
		<u>1,238</u>	<u>525</u>

- 8.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (June 30, 2023: 0.075%) of the daily net assets of the Fund. The remuneration is paid to the Trustee monthly in arrears.
- 8.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
9 FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Fee payable	9.1	<u>369</u>	<u>564</u>

- 9.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to an "Income Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.

Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay the SECP fee within three months of the close of accounting year.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)	
10	ACCRUED EXPENSES AND OTHER LIABILITIES	----- (Rupees in '000) -----		
	Provision for federal excise duty	10.1	27,578	27,578
	Capital gain tax payable		3,661	6,919
	Withholding tax payable		482	33,036
	Auditors' remuneration payable		307	268
	Securities transaction cost payable		899	842
	Zakat payable		440	440
	Other payables		14,485	14,204
			47,852	83,287

- 10.1** The Finance Act, 2013 enlarged the scope of federal excise duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 27.578 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.690 (June 30, 2023: Rs. 1.471).

11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2023 is 2.58% (December 31, 2022: 2.45%) which includes 0.23% (December 31, 2022: 0.21%) representing government levies on the Fund such as Sales Taxes, fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Income Scheme'.

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

14 EARNINGS PER UNIT

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

15 TRANSACTIONS AND BALANCES 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.

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and the NBFC regulations and hence, the transactions are considered to be on an arm's length basis.

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

15.1 Transactions during the period

	(Un-audited) Half year ended December 31,	
	2023	2022
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company including Sales Tax thereon	26,277	26,095
Allocation of expenses related to registrar services, accounting, operation and valuation services	12,960	4,684
Selling and marketing expenses	5,657	4,684
Habib Bank Limited - Sponsor		
Bank charges paid	122	169
Profit earned on bank deposits	7,631	96,798
Redemption of Nil units (December 31, 2022: 7,623,705 units)	-	876,811
Sale of Market Treasury Bills	996,117	-
Habib Bank Limited - Treasury Division		
Redemption of Nil units (December 31, 2022: 404,270 units)	-	46,496
MCBFSL Trustee HBL Financial Planning Fund Active		
Allocation Plan - CIS Managed by the Management Company		
Issuance of Nil units (December 31, 2022: 587,212 units)	-	65,752
Redemption of Nil units (December 31, 2022: 618,300 units)	-	70,608
MCBFSL Trustee HBL Financial Planning Fund Conservative		
Allocation Plan - CIS Managed by the Management Company		
Issuance of Nil units (December 31, 2022: 13,926 units)	-	1,641
Redemption of 247,838 units (December 31, 2022: 297,680 units)	30,270	34,197
CDC Trustee HBL Islamic Income Fund - under common management		
Sale of GoP Ijarah sukuk certificate	246,172	-
CDC Trustee HBL Government Securities Fund - under common management		
Purchase of Pakistan Investment Bond	-	102,956
Central Depository Company of Pakistan Limited - Trustee		
Trustee's remuneration including Sales Tax thereon	1,745	1,410
CDC charges	736	109
Directors and Executives of the Management Company and their relatives		
Issuance of 22,039 units (December 31, 2022: Nil units)	2,661	-
Redemption of 42,499 units (December 31, 2022: 7,315 units)	5,172	842

15.2	Balances outstanding as at period / year end	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
	HBL Asset Management Limited - Management Company		
	Remuneration payable to the Management Company including Sales Tax thereon	7,357	1,996
	Allocation of expenses related to registrar services, accounting, operation and valuation services	4,045	883
	Selling and marketing expenses payable	1,710	2,915
	Sales load payable	1,984	189
	Habib Bank Limited - Sponsor		
	Bank balances	48,452	215
	Profit accrued on bank deposits	984	102
	HBL Microfinance Bank (Formerly: The First Microfinance Bank) - Associate		
	Bank balances	1,146,966	507,805
	Profit accrued on bank deposits	17,374	8,084
	MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
	Outstanding Nil units (June 30, 2023: 247,838 units)	-	27,870
	Directors and Executives of the Management Company and their relatives		
	Outstanding 115,051 units (June 30, 2023: 135,511 units)	14,426	15,238
	Jaffer Brothers (Private) Limited And Associated Companies Staff Provident Fund		
	Connected person - due to holding more than 10% units		
	Outstanding 467,533 units (June 30, 2023: 467,533 units)	58,623	52,575
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable to the Trustee including Sales Tax thereon	418	150
	Security deposit	100	100
	CDC charges payable	820	375

16 FAIR VALUE MEASUREMENT

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.

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

16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair value measurement' requires the Fund to classify assets 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:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: 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); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

----- (Un-audited) -----				
----- As at December 31, 2023 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
ASSETS				
Financial assets at fair value through profit or loss				
- Corporate sukuk certificates	-	49,451	-	49,451
- Term finance certificates	-	580,309	-	580,309
- Government securities - Pakistan Investment Bonds	-	1,939,726	-	1,939,726
- Government securities - GoP Ijara Sukuk	-	75,263	-	75,263
- Letter of Placements	-	230,000	-	230,000
	-	2,874,749	-	2,874,749
----- (Audited) -----				
----- As at June 30, 2023 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
ASSETS				
Financial assets at fair value through profit or loss				
- Corporate sukuk certificates	-	54,285	-	54,285
- Term finance certificates	-	380,682	-	380,682
- Government securities - Market Treasury Bills	-	9,760	-	9,760
- Government securities - GoP Ijara Sukuk	-	225,150	-	225,150
	-	669,877	-	669,877

17 GENERAL

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

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

17.3 Units have been rounded off to the nearest decimal place.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements are authorised for issue by the Board of Directors of the Management Company on February 16, 2024.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Government Securities Fund

FUND INFORMATION

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

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of HBL Government Securities Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Government Securities Fund** (the "Fund") as at December 31, 2023, and the related condensed interim income statement, the condensed interim statement of comprehensive income, the condensed interim statement of movement in unit holders' fund, and the condensed interim statement of cash flows and notes to the condensed interim financial information (herein-after referred to as the 'condensed interim financial information') for the half year then ended. The Board of HBL Asset Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2023 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2023.

The condensed interim financial information for the half year ended December 31, 2022 and the annual financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of chartered accountants, whose review report dated February 23, 2023 and audit report dated September 25, 2023, expressed an unmodified opinion respectively.

The engagement partner on the engagement resulting in this independent auditor's review report is **Hena Sadiq**.


Chartered Accountants

Place: Karachi

Date: February 26, 2024

UDIN: RR202310057M5ihqER0C

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL GOVERNMENT SECURITIES FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Government Securities Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024

HBL Government Securities Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
AS AT DECEMBER 31, 2023

		December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note	-----Rupees in '000-----	
ASSETS			
Bank balances	4	247,438	138,067
Investments	5	3,550,590	639,911
Profit / mark-up receivable		177,132	26,006
Advances, deposits, prepayments and other receivables		1,346	970
TOTAL ASSETS		3,976,506	804,954
LIABILITIES			
Payable to the Management Company	7	7,433	1,245
Payable to the Trustee		230	38
Payable to Securities and Exchange Commission of Pakistan	6	277	107
Accrued expenses and other liabilities	8	33,476	27,121
TOTAL LIABILITIES		41,416	28,511
NET ASSETS		3,935,090	776,443
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,935,090	776,443
CONTINGENCIES AND COMMITMENTS			
	9	-----Number of units-----	
Number of units in issue		31,287,293	6,874,434
		-----Rupees-----	
Net assets value per unit		125.7728	112.9464

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 Government Securities Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

		Half year ended December 31		Quarter ended December 31	
		2023	2022	2023	2022
Note		-----Rupees in '000-----			
INCOME					
Capital gain / (loss) on sale of investments - net		15,205	(3,337)	14,340	(3,653)
Income from government securities		213,741	27,566	172,910	13,489
Income from term finance certificates and sukuku		4,233	4,292	1,785	2,225
Mark-up on bank deposits		83,934	10,878	61,165	6,474
		317,113	39,399	250,200	18,535
Unrealised gain / (loss) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	5.2	2,613	(1,470)	(8,050)	(1,275)
		319,726	37,929	242,150	17,260
EXPENSES					
Remuneration of the Management Company		13,131	3,864	10,901	1,877
Sindh sales tax on remuneration of the Management Company		1,707	502	1,417	244
Remuneration of the Trustee		787	153	627	73
Sindh sales tax on remuneration of the Trustee		102	20	82	10
Annual fee to the Securities and Exchange Commission of Pakistan		1,070	56	852	27
Allocation of expenses related to registrar services, accounting, operation and valuation services		3,947	758	3,439	365
Selling and marketing expense		1,218	1,253	710	603
Auditors' remuneration		258	258	129	148
Fees and subscription		167	155	85	70
Securities transaction and settlement costs		336	239	221	157
Printing charges		26	58	26	57
Bank charges		269	39	131	39
		23,018	7,355	18,620	3,670
Net income for the period from operating activities before taxation		296,708	30,574	223,530	13,590
Taxation	10	-	-	-	-
Net income for the period after taxation		296,708	30,574	223,530	13,590
Allocation of net income for the period					
Income already paid on redemption of units		121,874	6,277	116,188	4,611
Accounting income available for distribution:					
Relating to capital gains		8,978	-	-	-
Excluding capital gains		165,856	24,297	107,342	8,979
		174,834	24,297	107,342	8,979
		296,708	30,574	223,530	13,590
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 Government Securities Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Half year ended December 31		Quarter ended December 31	
	2023	2022	2023	2022
	-----Rupees in '000-----			
Net income for the period after taxation	296,708	30,574	223,530	13,590
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	296,708	30,574	223,530	13,590

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 Government Securities Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31					
	2023			2022		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000-----					
Net assets at beginning of the period	579,224	197,219	776,443	436,529	194,054	630,583
Issuance of units 59,331,919 (2022: 3,861,449 units)						
Capital value (at net asset value per unit at the beginning of the period)	6,701,327	-	6,701,327	434,325	-	434,325
Element of income	434,343	-	434,343	17,944	-	17,944
Total proceeds on issuance of units	7,135,670	-	7,135,670	452,269	-	452,269
Redemption of units 34,919,060 (2022: 5,721,032 units)						
Capital value (at net asset value per unit at the beginning of the period)	(3,943,982)	-	(3,943,982)	(643,487)	-	(643,487)
Income already paid on redemption of units	(207,875)	(121,874)	(121,874)	(17,803)	(6,277)	(6,277)
Element of loss	(207,875)	-	(207,875)	(17,803)	-	(17,803)
Total payments on redemption of units	(4,273,731)	(121,874)	(4,273,731)	(661,290)	(6,277)	(667,567)
Total comprehensive income for the period	-	296,708	296,708	-	30,574	30,574
Net assets at end of the period	3,441,163	372,053	3,935,090	227,508	218,351	445,859
Undistributed income brought forward						
Realised income		196,858			196,238	
Unrealised income / (loss)		361			(2,184)	
		197,219			194,054	
Accounting income available for distribution						
Relating to capital gains		8,978			-	
Excluding capital gains		165,856			24,297	
		174,834			24,297	
		372,053			218,351	
Undistributed income carried forward						
Realised income		369,440			219,821	
Unrealised income / (loss)		2,613			(1,470)	
		372,053			218,351	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		112.9464			112.4774	
Net assets value per unit at end of the period		125.7728			118.9997	

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 Government Securities Fund
Condensed Interim Cash Flow Statement (Unaudited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31	
	2023	2022
Note	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	296,708	30,574
Adjustments for:		
Capital (gain) / loss on sale of investments - net	(15,205)	3,337
Mark-up / profit on bank deposits	(83,934)	(10,878)
Income from government securities	(213,741)	(27,566)
Income from term finance certificates and sukuks	(4,233)	(4,292)
Unrealised (gain) / loss on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(2,613)	1,470
	(23,018)	(7,355)
Increase in assets		
Investments - net	(2,892,861)	(51,299)
Advances, deposits, prepayments and other receivables	(376)	127
	(2,893,237)	(51,172)
Increase / (decrease) increase in liabilities		
Payable to the Management Company	6,188	(401)
Payable to the Trustee	192	(11)
Payable to the Securities and Exchange Commission of Pakistan	170	(125)
Accrued expenses and other liabilities	6,355	(8,866)
	12,905	(9,403)
Cash used in operations	(2,903,350)	(67,930)
Income received from government securities	62,039	37,421
Income received from term finance certificates and sukuks	5,225	3,714
Mark-up received on bank deposits	83,518	13,130
	150,782	54,265
Net cash used in operating activities	(2,752,568)	(13,665)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	7,135,670	452,269
Payment against redemption of units	(4,273,731)	(667,567)
Net cash generated from / (used in) financing activities	2,861,939	(215,298)
Net increase / (decrease) in cash and cash equivalents	109,371	(228,963)
Cash and cash equivalents at the beginning of the period	138,067	451,031
Cash and cash equivalents at end of the period	247,438	222,068

4

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 Government Securities Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

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

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

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM1 (Stable Outlook)' to the HBL Asset Management Company Limited and assigned stability rating of AA-(f) to the Fund as at December 29, 2023 and December 29, 2023, respectively.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information of the Fund 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 Standard 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 requirement of trust deed.

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

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required in a full set of audited financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2023.
- 2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2023, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the six months period ended December 31, 2022.
- 2.1.3** This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed.
- 2.1.4** In compliance with Schedule V of the NBFC Regulations, the Board of 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 December 31, 2023.

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

- 3.1** The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2023.
- 3.2** The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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** There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not have a significant effect on this condensed interim financial information.
- 3.5** The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements of the Fund for the year ended June 30, 2023.

4	BANK BALANCES	Note	December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
			-----Rupees in '000-----	
	In savings accounts	4.1	247,438	138,067

- 4.1** These bank accounts carry mark-up at rates ranging between 19.10% to 22.95% (June 30, 2023: 19% to 22.65%) per annum. This includes an amount held by a related parties, (Habib Bank Limited) amounting to Rs. 63.03 million (June 30, 2023: Rs. 446.371 million) on which return is earned at rate ranging between 19.51 to 20.50% (June 30, 2023: 13.50% to 19.51%) per annum and HBL Microfinance Bank amounting to Rs. 176.23 million (June 30, 2023: Rs. 0.624 million) on which return is earned at rate ranging between 22.95% (June 30, 2023: 10.25% to 17.25%) per annum.

			December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
5	INVESTMENTS	Note	Rupees in '000	
	Financial assets			
	At fair value through profit or loss	5.1	<u>3,550,590</u>	<u>639,911</u>
5.1	Financial assets at fair value through profit or loss			
	Government Securities			
	Market Treasury Bills	5.1.1	41,876	-
	Pakistan Investment Bonds - FRB	5.1.2	1,493,776	219,655
	Pakistan Investment Bonds	5.1.2	1,838,930	-
	GOP Ijarah Sukuk Certificates	5.1.3	176,008	380,253
			<u>3,550,590</u>	<u>599,908</u>
	Corporate Sukuk Bonds	5.1.4	-	40,003
			<u>3,550,590</u>	<u>639,911</u>

5.1.1 Market Treasury Bills

Particulars	Issue Date	Face value				Carrying value as at December 31, 2023	Market value As at December 31, 2023	Unrealised loss	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 period	As at December 31, 2023					
-----Rupees in '000-----										
Treasury bills - 3 Months	Jun 15, 2023	-	250,000	250,000	-	-	-	-	0.00%	0.00%
Treasury bills - 3 Months	Jul 13, 2023	-	1,500,000	1,500,000	-	-	-	-	0.00%	0.00%
Treasury bills - 3 Months	Aug 10, 2023	-	3,800,000	3,800,000	-	-	-	-	0.00%	0.00%
Treasury bills - 3 Months	Aug 24, 2023	-	1,250,000	1,250,000	-	-	-	-	0.00%	0.00%
Treasury bills - 3 Months	Sep 21, 2023	-	1,100,000	1,100,000	-	-	-	-	0.00%	0.00%
Treasury bills - 3 Months	Oct 06, 2022	-	35,000	35,000	-	-	-	-	0.00%	0.00%
Treasury bills - 3 Months	Oct 19, 2023	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Treasury bills - 3 Months	Nov 16, 2023	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Treasury bills - 06 Months	Mar 27, 2023	-	260,000	260,000	-	-	-	-	0.00%	0.00%
Treasury bills - 06 Months	Oct 19, 2023	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Treasury bills - 06 Months	Nov 16, 2023	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Treasury bills - 12 Months	Jun 15, 2023	-	1,300,000	1,300,000	-	-	-	-	0.00%	0.00%
Treasury bills - 12 Months	Oct 19, 2023	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Treasury bills - 12 Months	Nov 03, 2022	-	400,000	400,000	-	-	-	-	0.00%	0.00%
Treasury bills - 12 Months	Nov 02, 2023	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Treasury bills - 12 Months	Nov 16, 2023	-	2,346,000	2,346,000	-	-	-	-	0.00%	0.00%
Treasury bills - 12 Months	Nov 30, 2023	-	650,000	600,000	50,000	42,022	41,876	(145)	1.06%	0.00%
Total - As at December 31, 2023 (Un-Audited)						42,022	41,876	(145)	1.06%	0.00%
Total - As at June 30, 2023 (Audited)						-	-	-	0.00%	0.00%

5.1.2 Pakistan Investment Bonds

Non-Floating

Particulars	Issue Date	Face value				Carrying value as at December 31, 2023	Market value As at December 31, 2023	Unrealised (loss)	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 during the period	As at December 31, 2023					
-----Rupees in '000-----										
Pakistan Investment Bonds - 3 Years	Jul 04, 2023	-	1,580,000	350,000	1,230,000	1,103,917	1,101,553	(2,364)	27.99%	31.02%
Pakistan Investment Bonds - 5 Years	Oct 13, 2022	-	1,375,000	500,000	875,000	738,141	737,377	(764)	18.74%	20.77%
Total - As at December 31, 2023 (Un-Audited)						1,842,058	1,838,930	(3,128)	46.73%	51.79%
Total - As at June 30, 2023 (Audited)						-	-	-	0.00%	0.00%

Floating

Particulars	Issue Date	Face value				Carrying value as at December 31, 2023	Market value As at December 31, 2023	Unrealised gain	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 during the period	As at December 31, 2023					
Rupees in '000										
Pakistan Investment Bonds - 2 Years	Apr 06, 2023	223,000	550,000	773,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bonds - 3 Years	Oct 19, 2023	-	900,000	400,000	500,000	488,423	490,550	2,127	12.47%	13.82%
Pakistan Investment Bonds - 3 Years	Apr 07, 2022	-	400,000	400,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bonds - 5 Years	Oct 19, 2023	-	1,335,000	300,000	1,035,000	1,000,474	1,003,226	2,751	25.49%	28.26%
Total - As at December 31, 2023 (Un-Audited)						1,488,897	1,493,776	4,878	37.96%	42.07%
Total - As at June 30, 2023 (Audited)						219,642	219,655	13	28.00%	34.00%

5.1.2.1 As at December 31, 2023, Pakistan Investment Bonds (PIBs) had a face value of Rs. 1,535 million (June 30, 2023: Rs. 223 million) carrying effective yield ranging between 22.870% to 22.9882%, per annum (June 30, 2023: 21.99%), per annum.

5.1.3 Financial assets at fair value through profit or loss

- GOP Ijarah Sukuk Certificates

Particulars	Issue Date	Face value				Carrying value as at December 31, 2023	Market value As at December 31, 2023	Unrealised gain	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 during the period	As at December 31, 2023					
Rupees in '000										
GoP Ijara Sukuk - VRR - 1 Year	Apr 17, 2023	-	1,610,000	1,610,000	-	-	-	-	0.00%	0.00%
GoP Ijara Sukuk - VRR - 1 Year	Jul 12, 2023	-	75,000	-	75,000	75,000	75,563	563	1.92%	2.13%
GoP Ijara Sukuk - VRR - 1 Year	May 22, 2023	380,000	270,000	625,000	25,000	25,000	25,182	182	0.64%	0.71%
GoP Ijara Sukuk - FRR - 3 Years	Dec 04, 2023	-	175,000	100,000	75,000	75,000	75,263	263	1.91%	2.12%
Total - As at December 31, 2023 (Un-Audited)						175,000	176,008	1,008	4.47%	4.96%
Total - As at June 30, 2023 (Audited)						379,908	380,253	345	48.97%	59.42%

5.1.4 Financial assets at fair value through profit or loss

- Corporate Sukuk Bond

Name of the investee company	As at July 1, 2023	Purchases during the year	Sales during the year	As at December 31, 2023	Carrying value as at December 31, 2023	Market value As at December 31, 2023	Unrealised gain	Market value as a percentage of net assets	Market value as a percentage of total investments
Units					(Rupees in '000)				
Corporate Sukuk Bond									
K-Electric Limited	400	-	400	-	-	-	-	0.00%	0.00%
Total - As at December 31, 2023 (Un-Audited)	400	-	400	-	-	-	-	0.00%	0.00%
Total - As at June 30, 2023 (Audited)	500	420,000	20,500	400,000	40,000	40,003	3	5.15%	6.25%

		December 31, 2023 (Un-audited) ------(Rupees in '000)-----	June 30, 2023 (Audited)
5.2	Net unrealised gain / (loss) on re-measurement of investments classified as financial assets at fair value through profit or loss'		
	Market value of investments	3,550,590	639,911
	Less: Carrying value of investments	(3,547,977)	(639,550)
		2,613	361
6	Payable to Securities and Exchange Commission of Pakistan		
	In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) on annual basis at the rate of 0.02% of average Net Assets of Collective investment Scheme calculated on daily basis. Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis.		
		December 31, 2023 (Un-audited) ------(Rupees in '000)-----	June 30, 2023 (Audited)
7	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration payable to the Management Company	4,082	452
	Sindh Sales Tax payable on the Management Company's remuneration	530	59
	Sales load payable	451	329
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,660	93
	Selling and marketing expense payable	710	312
		7,433	1,245
8	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	15,531	15,531
	Withholding tax payable	16,896	10,668
	Auditors' remuneration	184	268
	Brokerage payable	198	69
	Zakat payable	452	452
	CDS charges payable	29	12
	Others	186	121
		33,476	27,121

-
- 8.1** The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities with Hon'able Supreme Court of Pakistan is pending for decision. In view of the above, the Management Company, as a matter of prudence, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2023 would have been higher by Rs. 0.4964 per unit (June 30, 2023: Rs. 2.2592 per unit).

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2023 (June 30, 2023: Nil).

10 TAXATION

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

11 EARNINGS PER UNIT

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

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

Half year ended December 31	
2023 (Un-Audited)	2022 (Un-Audited)
-----Rupees in '000-----	

12.1 Transactions during the period

HBL Asset Management Limited - Management Company

Remuneration of the Management Company	13,131	3,864
Sindh Sales Tax on remuneration of the Management Company	1,707	502
Sales load paid	304	304
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,947	758
Selling and marketing expense	1,218	1,253

Habib Bank Limited - Sponsor

Bank charges	269	32
Mark-up on bank deposits	6,010	1,432
Sale of T-bill	3,302,414	-
Purchase of T-bill	1,982,080	-

HBL Microfinance Bank - Associate

Profit / mark-up on deposits accounts	35,290	1,677
Sale of Pakistan Investment Bond	140,026	-

Half year ended December 31	
2023 (Un-Audited)	2022 (Un-Audited)
-----Rupees in '000-----	

CDC Trustee HBL Financial Sector Income -

Fund Plan - I - Connected Party

Sale of Bank of Punjab TFC	-	49,890
Sale of Pakistan Investment Bond	-	138,991

CDC Trustee HBL Income Fund -

Connected Party

Sale of Pakistan Investment Bond	-	102,956
----------------------------------	---	---------

HBL Financial Planning Fund Special Income Plan

- Fund under common management

Issue of Nil (2022: 1,220,437) units	-	-
Redemption of 618,612 (2022: Nil) units	75,778	-

Director and Executive of the Management Company

Issue of 6,934 (2022: Nil) units	849	-
Redemption of 13,363 (2022: 9) units	1,592	1

Central Depository Company of Pakistan Limited - Trustee

Remuneration	787	153
Sindh Sales Tax payable on the Trustee fee	102	20
Central Depository service charges	23	15

		Half year ended December 31	
		2023 (Un-Audited)	2022 (Un-Audited)
		-----Rupees in '000-----	
CDC Trustee HBL Islamic Income Fund - - Connected Party			
Sale of GOP Ijara		721,833	-
CDC Trustee HBL Pension Fund - Debt Sub Fund - - Connected Party			
Purchase of PIB		157,877	-
Purchase of T-bill		123,830	-
CDC Trustee HBL Cash Fund - - Connected Party			
Sale of T-bill		7,524,114	-
		December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
		-----Rupees in '000-----	
12.2	Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company			
Remuneration payable to the Management Company		4,082	452
Sindh Sales Tax on remuneration of the Management Company		530	59
Sales load payable		304	329
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,660	93
Selling and marketing payable		710	312
Units held 2,581,225 (June 30, 2023: 2,581,225)		324,648	291,540
Habib Bank Limited - Sponsor			
Bank balances		63,028	28,311
Profit / markup receivable		816	58
		December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
		-----Rupees in '000-----	
HBL Microfinance Bank - Associate			
Bank balances		176,234	107,714
Profit / mark-up receivable		4,458	2,991
Qadeer Baig Connected Party More Than 10%			
Units held: Nil (June 30, 2023: 25,818)		-	2,916
Saleem Majidulla Connected Party More Than 10%			
Units held: Nil (June 30, 2023: 34,139 Units)		-	3,856

	December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
	-----Rupees in '000-----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	34	30
Sindh Sales Tax payable on Trustee Remuneration	4	4
CDC charges payable	12	1
Security deposit held	100	100
Directors and Executives of the Management Company		
Units held: (June 30, 2023: 270)	5	30
Director and Executives of the Management Company		
Units held: 7,668 units (June 30, 2023 : Nil) units	964	-

13 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed 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 financial instruments recognised at fair value, based on:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

December 31, 2023 (Unaudited)							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)							
Financial assets measured at fair value							
Market Treasury Bills	41,876	-	41,876	-	41,876	-	41,876
Pakistan Investment Bonds	1,838,930	-	1,838,930	1,838,930	-	-	1,838,930
GOP Ijarah Sukuk Certificates	176,008	-	176,008	176,008	-	-	176,008
	2,056,814	-	2,056,814	2,014,938	41,876	-	2,056,814
Financial assets not measured at fair value							
Bank balances	-	247,438	247,438				
Profit / mark-up receivable	-	177,132	177,132				
Advances, deposits and other receivables	-	350	350				
	-	424,920	424,920				
Financial liabilities not measured at fair value							
Payable to the management company	-	6,903	6,903				
Payable to the trustee	-	204	204				
Accrued expenses and other liabilities	-	597	597				
	-	7,704	7,704				
June 30, 2023 (Audited)							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)							
Financial assets measured at fair value							
Government securities	-	-	-	-	-	-	-
Market Treasury Bills	-	-	-	-	-	-	-
Pakistan Investment Bonds	380,253	-	380,253	-	380,253	-	380,253
GOP Ijarah Sukuk Certificates	-	-	-	-	-	-	-
Corporate Sukuk Bonds	40,003	-	40,003	40,003	-	-	40,003
	380,253	-	380,253	-	380,253	-	380,253
Financial assets not measured at fair value							
Bank balances	-	138,067	138,067				
Profit / mark-up receivable	-	26,006	26,006				
Advances, deposits and other receivables	-	350	350				
	-	164,423	164,423				
Financial liabilities not measured at fair value							
Payable to the management company	-	1,186	1,186				
Payable to the trustee	-	34	34				
Accrued expenses and other liabilities	-	470	470				
	-	1,690	1,690				

During the period ended December 31, 2023, there were no transfers between levels and no transfer into and out of level 3

14 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2023 is 1.51% (December 31, 2022: 1.33%) which includes 0.19% (December 31, 2022: 0.10%) representing Government levy and SECP fee.

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 February 16, 2024.

16 GENERAL

16.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Money Market Fund

FUND INFORMATION

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



A.F. FERGUSON & Co.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Money Market Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.


A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Noman Abbas Sheikh**
Dated: February 27, 2024
Karachi
UDIN: RR202310061DOHsAuRvi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

• KARACHI • LAHORE • ISLAMABAD

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MONEY MARKET FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Money Market Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Money Market Fund
Condensed Interim Statement of Assets and Liabilities
AS AT DECEMBER 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	12,194,480	898,563
Investments	5	7,163,001	12,772,891
Interest / profit accrued	6	80,789	118,727
Deposit and prepayments	7	309	105
Total assets		19,438,579	13,790,286
LIABILITIES			
Payable to HBL Asset Management Limited - Management Company	8	42,886	40,663
Payable to Central Depository Company of Pakistan Limited - Trustee	9	952	746
Payable to the Securities and Exchange Commission of Pakistan	10	1,146	2,814
Payable against redemption of units		-	163,780
Dividend payable		1,731	60,109
Accrued expenses and other liabilities	11	61,175	295,966
Total liabilities		107,890	564,078
NET ASSETS		<u>19,330,689</u>	<u>13,226,208</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>19,330,689</u>	<u>13,226,208</u>
CONTINGENCIES AND COMMITMENTS	12		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		<u>169,750,738</u>	<u>128,374,982</u>
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		<u>113.8769</u>	<u>103.0279</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

		Half year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
Note		(Rupees in '000)			
INCOME					
Profit on savings accounts with banks		304,189	297,036	198,595	64,437
Interest / profit earned		1,599,959	869,066	816,429	446,672
Gain / (loss) on sale of investments - net		7,092	(6,330)	(353)	(5,884)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.4	(8,430)	639	(9,197)	639
		(1,338)	(5,691)	(9,550)	(5,245)
Total income		1,902,810	1,160,411	1,005,474	505,864
EXPENSES					
Remuneration of HBL Asset Management Limited - Management Company	8.1 & 8.2	61,090	59,052	38,522	24,495
Selling and marketing expenses	8.3	38,424	44,989	10,464	20,524
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.4	71,303	44,989	43,343	20,524
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 & 9.2	5,358	4,550	2,876	2,016
Fee to the Securities and Exchange Commission of Pakistan	10.1	6,450	1,464	3,460	648
Settlement and bank charges		613	570	426	482
Auditors' remuneration		363	300	272	138
Fee and subscription		161	165	80	81
Securities transaction cost		149	76	31	25
Printing and stationery		76	59	76	59
Total operating expenses		183,987	156,214	99,550	68,992
Net income for the period before taxation		1,718,823	1,004,197	905,924	436,872
Taxation	14	-	-	-	-
Net income for the period after taxation		1,718,823	1,004,197	905,924	436,872
Earnings per unit	15				
Allocation of net income for the period					
Net income for the period after taxation		1,718,823	1,004,197		
Income already paid on redemption of units		(391,696)	(367,078)		
		1,327,127	637,119		
Accounting income available for distribution:					
- Relating to capital gains		-	-		
- Excluding capital gains		1,327,127	637,119		
		1,327,127	637,119		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half year ended December 31,		Quarter ended, December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income for the period after taxation	1,718,823	1,004,197	905,924	436,872
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,718,823</u>	<u>1,004,197</u>	<u>905,924</u>	<u>436,872</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed Income	Total	Capital value	Undistributed Income	Total
-----Rupees in '000-----						
Net assets at the beginning of the period (audited)	13,154,188	72,020	13,226,208	15,548,452	50,221	15,598,673
Issuance of 359,655,656 units (2022: 173,404,181 units)						
- Capital value (at net asset value per unit at the beginning of the period)	37,054,567	-	37,054,567	17,830,706	-	17,830,706
- Element of income	1,933,847	-	1,933,847	672,973	-	672,973
Total proceeds on issuance of units	38,988,414	-	38,988,414	18,503,679	-	18,503,679
Redemption of 318,279,900 units (2022: 220,327,977 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(32,791,710)	-	(32,791,710)	(22,655,759)	-	(22,655,759)
- Element of loss	(1,419,350)	(391,696)	(1,811,046)	(541,222)	(367,078)	(908,300)
Total payments on redemption of units	(34,211,060)	(391,696)	(34,602,756)	(23,196,981)	(367,078)	(23,564,059)
Total comprehensive income for the period	-	1,718,823	1,718,823	-	1,004,197	1,004,197
Net assets at the end of the period (un-audited)	<u>17,931,542</u>	<u>1,399,147</u>	<u>19,330,689</u>	<u>10,855,150</u>	<u>687,340</u>	<u>11,542,490</u>
Undistributed income brought forward comprising of:						
- Realised income		73,808			50,221	
- Unrealised loss		(1,788)			-	
		<u>72,020</u>			<u>50,221</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		1,327,127			637,119	
		<u>1,327,127</u>			<u>637,119</u>	
Undistributed income carried forward		<u>1,399,147</u>			<u>687,340</u>	
Undistributed income carried forward comprising of:						
- Realised income		1,390,717			686,701	
- Unrealised (loss) / income		(8,430)			639	
		<u>1,399,147</u>			<u>687,340</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		<u>103.0279</u>			<u>102.8274</u>	
Net asset value per unit at the end of the period		<u>113.8769</u>			<u>110.1658</u>	

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Statement of Cash Flows (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

		Half year ended December 31,	
		2023	2022
Note		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Net income for the period before taxation	1,718,823	1,004,197
	Adjustments for:		
	(Gain) / loss on sale of investments - net	(7,092)	6,330
	Interest / profit earned	(1,599,959)	(869,066)
	Profit on savings accounts with banks	(304,189)	(297,036)
	Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.4 8,430	(639)
		(183,987)	(156,214)
	Decrease / (increase) in assets		
	Investments - net	5,608,552	(1,075,084)
	Deposit and prepayments	(204)	(180)
		5,608,348	(1,075,264)
	Increase / (decrease) in liabilities		
	Payable to HBL Asset Management Limited - Management Company	2,223	(5,915)
	Payable to Central Depository Company of Pakistan Limited - Trustee	206	(101)
	Payable to the Securities and Exchange Commission of Pakistan	(1,668)	(1,375)
	Accrued expenses and other liabilities	(234,791)	(138,809)
		(234,030)	(146,200)
	Profit received on bank deposits	268,703	448,689
	Interest received on investments	1,673,383	818,031
		1,942,086	1,266,720
	Net cash generated from / (used in) operating activities	7,132,417	(110,958)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Receipts against issuance and conversion of units	38,988,414	18,503,679
	Payment against redemption and conversion of units	(34,766,536)	(23,564,059)
	Dividend paid	(58,378)	(7,532)
	Net cash generated from / (used in) financing activities	4,163,500	(5,067,912)
	Net increase / (decrease) in cash and cash equivalents	11,295,917	(5,178,870)
	Cash and cash equivalents at the beginning of the period	898,563	13,661,227
	Cash and cash equivalents at the end of the period	16 12,194,480	8,482,357

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Money Market Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on March 18, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 9, 2010. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the "Sindh Trust Act, 2020". Accordingly, on August 24, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.2** The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 1.3** The Fund is an open ended mutual fund categorised as 'Money Market Scheme' and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from July 12, 2010 to July 14, 2010.
- 1.4** The principal objective of the Fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.
- 1.5** VIS Credit Rating Company Limited (VIS) has assigned the Management Quality Rating to 'AM1' (December 31, 2022: 'AM1' dated December 29, 2022) dated December 29, 2023 and the outlook on the rating has been assigned as 'Stable' (December 31, 2022: 'Stable') and the Fund stability rating of AA+(f) dated January 2, 2024 (December 31, 2022: AA+(f) dated December 29, 2022). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 VIIIA of the repealed Companies Ordinance, 1984; and
- 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 the 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 the requirements of the Trust Deed differ from the requirements of IAS 34, Interim Financial Reporting, 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 the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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** These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the half year ended December 31, 2023.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements 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** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2023.

- 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

- 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:**

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these are not expected to have any significant effects on the Fund's operations and, therefore, have not been detailed in these condensed interim

	Note	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
4 BANK BALANCES		----- (Rupees in '000) -----	
Balances with bank in:			
Savings accounts	4.1	<u>12,194,480</u>	<u>898,563</u>

- 4.1 These include a balance of Rs 8,113.825 million (June 30, 2023: Rs 98.907 million) with Habib Bank Limited (a related party). This account carries profit at the rates ranging from 17.5% to 22.5% (June 30, 2023: 13.5% to 19.5%) per annum. Other savings accounts of the Fund carry profit at the rates ranging from 20.00% to 22.65% (June 30, 2023: 8.00% to 22.65%) per annum.

	Note	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
5	INVESTMENTS		
At fair value through profit or loss			
- Government securities - Market Treasury Bills	5.1	7,163,001	8,231,171
- Government securities - Pakistan Investment Bonds	5.2	-	3,441,720
- Letter of placements	5.3	-	1,100,000
		<u>7,163,001</u>	<u>12,772,891</u>

5.1 Government securities - Market treasury bills

Name of the security	Issue date	Face value (Rupees in '000)				Rupees in '000			Market value as a percentage of	
		As at July 1, 2023	Purchased during the period	Matured / sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised diminution as at December 31, 2023	total market value of investments	net assets of the Fund
----- (%) -----										
Market Treasury Bills - 3-months										
Market treasury bills	May 4, 2023	1,000,000	2,000,000	3,000,000	-	-	-	-	-	-
Market treasury bills	June 15, 2023	7,550,000	19,723,000	27,273,000	-	-	-	-	-	-
Market treasury bills	June 1, 2023	-	27,105,000	27,105,000	-	-	-	-	-	-
Market treasury bills	July 13, 2023	-	325,000	325,000	-	-	-	-	-	-
Market treasury bills	August 10, 2023	-	35,795,000	35,795,000	-	-	-	-	-	-
Market treasury bills	April 20, 2023	-	672,000	672,000	-	-	-	-	-	-
Market treasury bills	May 18, 2023	-	2,350,000	2,350,000	-	-	-	-	-	-
Market treasury bills	June 22, 2023	-	18,150,000	18,150,000	-	-	-	-	-	-
Market treasury bills	August 24, 2023	-	15,180,000	15,180,000	-	-	-	-	-	-
Market treasury bills	September 7, 2023	-	3,431,000	3,431,000	-	-	-	-	-	-
Market treasury bills	September 21, 2023	-	13,575,000	13,575,000	-	-	-	-	-	-
Market treasury bills	October 5, 2023	-	1,812,745	1,812,745	-	-	-	-	-	-
Market treasury bills	October 19, 2023	-	4,200,000	4,200,000	-	-	-	-	-	-
Market treasury bills	November 2, 2023	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	November 16, 2023	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	November 30, 2023	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 6-months										
Market treasury bills	March 27, 2023	-	8,022,000	8,022,000	-	-	-	-	-	-
Market treasury bills	July 25, 2023	-	4,455,000	4,455,000	-	-	-	-	-	-
Market treasury bills	October 19, 2023	-	4,200,000	2,100,000	2,100,000	1,976,005	1,975,440	(565)	28%	10%
Market treasury bills	November 2, 2023	-	500,000	-	500,000	467,082	466,723	(359)	7%	2%
Market treasury bills	November 16, 2023	-	4,600,000	-	4,600,000	4,267,953	4,261,169	(6,784)	59%	22%
Market treasury bills	November 30, 2023	-	500,000	-	500,000	460,391	459,669	(722)	6%	2%
Market Treasury Bills - 12-months										
Market treasury bills	August 25, 2023	-	9,475,000	9,475,000	-	-	-	-	-	-
Market treasury bills	November 3, 2023	-	250,000	250,000	-	-	-	-	-	-
Total as at December 31, 2023					7,700,000	7,171,431	7,163,001	(8,430)		
Total as at June 30, 2023					8,550,000	8,234,660	8,231,171	(3,489)		

- 5.1.1 These carry yield ranging from 21.33% to 22.00% (June 30, 2023: 21.50% to 21.96%) per annum. These have maturities up to May 30, 2024.

5.2 Government securities - Pakistan Investment Bonds

Issue date	Tenor	Face value (Rupees in '000)				Rupees in '000			Market value as a percentage of	
		As at July 1, 2023	Purchased during the period	Disposed of / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation as at December 31, 2023	total market value of investments	net assets of the Fund
December 30, 2021	2 years	-	6,420,000	6,420,000	-	-	-	-	-	-
August 26, 2021	5 years	3,450,000	-	3,450,000	-	-	-	-	-	-
Total as at December 31, 2023						-	-	-	-	-
Total as at June 30, 2023						3,440,019	3,441,720	1,701		

5.3 Letter of placements

Name of investee company	Maturity date	Face value (Rupees in '000)				Rupees in '000		Market value as a percentage of	
		As at July 1, 2023	Purchased during the period	Sold / Matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	total market value of investments	net assets of the Fund
----- Rupees in '000 ----- % -----									
Bank Alfalah Limited	July 6, 2023	1,100,000	-	1,100,000	-	-	-	-	-
Faysal Bank Limited	December 26, 2023	-	1,650,000	1,650,000	-	-	-	-	-
Pak Brunei Investment Company Limited	August 15, 2023	-	1,300,000	1,300,000	-	-	-	-	-
Pak Brunei Investment Company Limited	August 16, 2023	-	1,300,000	1,300,000	-	-	-	-	-
Pak Brunei Investment Company Limited	September 15, 2023	-	1,200,000	1,200,000	-	-	-	-	-
Pak Brunei Investment Company Limited	October 13, 2023	-	1,125,000	1,125,000	-	-	-	-	-
Pak Brunei Investment Company Limited	November 7, 2023	-	800,000	800,000	-	-	-	-	-
Pak Brunei Investment Company Limited	December 14, 2023	-	1,000,000	1,000,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	July 12, 2023	-	1,500,000	1,500,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	July 14, 2023	-	1,500,000	1,500,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	August 11, 2023	-	1,700,000	1,700,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	August 16, 2023	-	500,000	500,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	September 15, 2023	-	1,490,000	1,490,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	September 22, 2023	-	1,600,000	1,600,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	October 13, 2023	-	1,700,000	1,700,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	November 10, 2023	-	1,800,000	1,800,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	December 26, 2023	-	1,650,000	1,650,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	December 29, 2023	-	1,600,000	1,600,000	-	-	-	-	-
Pak Oman Investment Company Limited	July 7, 2023	-	1,300,000	1,300,000	-	-	-	-	-
Pak Oman Investment Company Limited	July 17, 2023	-	1,500,000	1,500,000	-	-	-	-	-
Pak Oman Investment Company Limited	July 21, 2023	-	1,600,000	1,600,000	-	-	-	-	-
Pak Oman Investment Company Limited	August 10, 2023	-	1,700,000	1,700,000	-	-	-	-	-
Pak Oman Investment Company Limited	August 18, 2023	-	1,700,000	1,700,000	-	-	-	-	-
Pak Oman Investment Company Limited	September 1, 2023	-	1,450,000	1,450,000	-	-	-	-	-
Pak Oman Investment Company Limited	September 8, 2023	-	1,500,000	1,500,000	-	-	-	-	-
Pak Oman Investment Company Limited	September 15, 2023	-	1,500,000	1,500,000	-	-	-	-	-
Pak Oman Investment Company Limited	October 6, 2023	-	1,200,000	1,200,000	-	-	-	-	-
Pak Oman Investment Company Limited	October 13, 2023	-	1,700,000	1,700,000	-	-	-	-	-
Pak Oman Investment Company Limited	December 8, 2023	-	400,000	400,000	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company (Private) Limited	October 31, 2023	-	600,000	600,000	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company (Private) Limited	September 15, 2023	-	1,100,000	1,100,000	-	-	-	-	-
Total as at December 31, 2023						-	-		
Total as at June 30, 2023						1,100,000	1,100,000		

			(Un-audited) December 31, 2023	(Audited) June 30, 2023
		Note	----- (Rupees in '000) -----	
5.4	Net unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss'			
	Market value of investments	5.1, 5.2 & 5.3	7,163,001	12,772,891
	Less: carrying value of investments	5.1, 5.2 & 5.3	(7,171,431)	(12,774,679)
			<u>(8,430)</u>	<u>(1,788)</u>
6	INTEREST / PROFIT ACCRUED			
	Interest / profit accrued on:			
	Bank balances		80,789	45,303
	Government securities - Pakistan Investment Bonds		-	73,424
			<u>80,789</u>	<u>118,727</u>
		Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
7	DEPOSIT AND PREPAYMENTS		----- (Rupees in '000) -----	
	Security deposit with:			
	- Central Depository Company of Pakistan Limited		100	100
	Prepayments of PSX listing fee and Fund rating fee		209	5
			<u>309</u>	<u>105</u>
8	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
	Remuneration payable	8.1	13,023	6,001
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	1,693	780
	Allocation of expenses related to registrar services, accounting, operation and valuation services payable	8.3	16,087	8,427
	Selling and marketing expense payable	8.4	10,463	24,550
	Sales load payable		1,620	905
			<u>42,886</u>	<u>40,663</u>
8.1	As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rates ranging from 0.50% to 0.85% (June 30, 2023: 0.50% to 0.75%). The remuneration is payable to the Management Company monthly in arrears.			
8.2	The Sindh Provincial 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.			
8.3	In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).			
	The Management Company based on its own discretion has currently charged such expenses at the rate ranging from 0.70% to 1.05% (2023: 0.60% to 0.70%) of the daily net assets of the scheme for allocation of such expenses to the Fund.			

- 8.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate ranging from 0% to 0.70% (June 30, 2023: 0.60% to 0.70%) during the half year ended December 31, 2023 while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations.

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	2023	2023
		----- (Rupees in '000) -----	
	Remuneration payable to the Trustee	842	660
	Sindh Sales Tax payable on remuneration of the Trustee	110	86
		<u>952</u>	<u>746</u>

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

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.055% (June 30, 2023: 0.055%) per annum of the daily net assets of the Fund.

- 9.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	2023	2023
		----- (Rupees in '000) -----	
	Fee payable	1,146	2,814

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to an "Money Market Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.

Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay the SECP fee within three months of the close of accounting year.

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
11	ACCRUED EXPENSES AND OTHER LIABILITIES	2023	2023
		----- (Rupees in '000) -----	
	Provision for federal excise duty	41,211	41,211
	Auditors' remuneration payable	361	505
	Withholding tax payable	-	227,441
	Capital gain tax payable	18,430	23,146
	Advance against units to be issued	-	2,500
	Zakat payable	840	840
	Brokerage payable	333	323
		<u>61,175</u>	<u>295,966</u>

-
- 11.1** The Finance Act, 2013 enlarged the scope of federal excise duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 41.211 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.24 (June 30, 2023: Re. 0.32).

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

13 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at December 31, 2023 is 2.14% (December 31, 2022: 2.13%) which includes 0.16% (December 31, 2022: 0.12%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This maximum ratio limit as prescribed under the NBFC Regulation for a collective investment scheme categorised as an 'Money Market Scheme' is 2% which is required to be complied on an annual basis by the Fund.

14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year in cash derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

15 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these condensed interim financial statements as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

			(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	Note		----- (Rupees in '000) -----	
16 CASH AND CASH EQUIVALENTS				
Balances with bank in:				
- Savings accounts	4		12,194,480	549,516
Government securities - Market Treasury Bills	5.1		-	7,932,841
			<u>12,194,480</u>	<u>8,482,357</u>

17 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.

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at the terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and the NBFC regulations and hence, the transactions are considered to be on an arm's length basis.

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

		(Un-audited) Half year ended December 31, 2023	2022
		----- (Rupees in '000) -----	
17.1 Transactions during the period			
HBL Asset Management Limited - Management Company			
Management remuneration including Sales Tax thereon		61,090	59,052
Allocation of expenses related to registrar services, accounting, operation and valuation services		71,303	44,989
Selling and marketing expenses		38,424	44,989
Issuance of 336,135 units (December 31, 2022: Nil units)		35,000	-
Redemption of 336,135 units (December 31, 2022: Nil units)		35,020	-
Habib Bank Limited - Sponsor			
Mark-up earned during the period		204,226	72,155
Redemption of Nil units (December 31, 2022: 4,603,276 units)		-	489,508
Habib Bank Limited - Treasury Division			
Redemption of Nil units (December 31, 2022: 681,844 units)		-	72,507

		(Un-audited) Half year ended December 31,	
		2023	2022
		----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee			
Trustee's remuneration including Sales Tax thereon		5,358	4,550
Directors, Executives and Key Management personnel			
Issuance of 185,068 units (December 31, 2022: 9,540 units)		19,940	1,015
Redemption of 119,979 units (December 31, 2022: 20,504 units)		12,594	3,884
MCBFSL Trustee HBL Financial Planning Fund			
Conservative Allocation Plan - Associate			
Redemption of 15,028 units (December 31, 2022: 47,588 units)		1,669	5,045
MCBFSL Trustee HBL Financial Planning Fund Active			
Allocation Plan - Associate			
Redemption of Nil units (December 31, 2022: 11,931 units)		-	1,308
HBL Asset Management Limited Employees Gratuity Fund - Associate			
Issuance of Nil units (December 31, 2022: 21,159 units)		-	2,300
HBL Asset Management Limited Employees Provident Fund - Associate			
Issuance of Nil units (December 31, 2022: 73,597 units)		-	8,000
CDC Trustee HBL Pension Fund - Money Market Sub Fund			-
- Fund under common management			
Purchase of government securities - Market Treasury Bills		73,000	-
CDC Trustee HBL Cash Fund - Fund under common management			-
Purchase of government securities - Market Treasury Bills		300,000	-
Sale of government securities - Market Treasury Bills		225,000	-
Sale of commercial paper LEPCL - ICP		-	302,555
CDC Trustee HBL Income Fund			-
- Fund under common management			
Purchase of government securities - Market Treasury Bills		572,000	-
17.2 Balances outstanding as at period / year end			
		(Un-audited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company			
Remuneration payable to the Management Company			
including sales tax thereon		14,716	6,781
Sales load payable		1,620	905
Selling and marketing expense payable		10,463	24,550
Allocation of expenses related to registrar services, accounting, operation and valuation services payable		16,087	8,427

	(Un-audited) December 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2023
Habib Bank Limited - Sponsor		
Bank balances	8,113,825	98,907
Profit accrued on bank deposits	34,756	1,837
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to trustee including sales tax thereon	952	746
HBL Asset Management Limited Employees Gratuity Fund - Associate		
Outstanding: 24,637 units (June 30, 2023: 24,637 units)	2,806	2,538
HBL Asset Management Limited Employees Provident Fund - Associate		
Outstanding: 85,693 units (June 30, 2023: 85,693 units)	9,758	8,829
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Outstanding: Nil units (June 30, 2023: 15,028 units)	-	1,548
Directors, Executives and Key Management personnel		
Outstanding: 111,640 units (June 30, 2023: 46,551 units)	12,713	4,796

18 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.

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

18.1 FAIR VALUE HIERARCHY

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

**Financial assets ' at fair value through
profit or loss'**

Government securities - Market Treasury Bills

----- (Un-audited) -----			
----- As at December 31, 2023 -----			
Level 1	Level 2	Level 3	Total
-	7,163,001	-	7,163,001
-	7,163,001	-	7,163,001

**Financial assets ' at fair value through
profit or loss'**

Government securities - Market Treasury Bills

Government securities

- Pakistan Investment Bonds

Letter of placements

----- (Audited) -----			
----- As at June 30, 2023 -----			
Level 1	Level 2	Level 3	Total
-	8,231,171	-	8,231,171
-	3,441,720	-	3,441,720
-	1,100,000	-	1,100,000
-	12,772,891	-	12,772,891

19 GENERAL

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

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

19.3 Units have been rounded off to the nearest decimal place.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 16, 2024.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Cash Fund

FUND INFORMATION

Name of Fund	HBL Cash Fund
Name of Auditor	Yousuf Adil, Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited MCB Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited Sindh Bank Limited Dubai Islamic Bank of Pakistan National Bank of Pakistan
Fund Rating	AA+(f) (VIS)

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of HBL Cash Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Cash Fund** (the "Fund") as at December 31, 2023, and the related condensed interim income statement, the condensed interim statement of comprehensive income, the condensed interim statement of movement in unit holders' fund, and the condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the half year then ended. The Board of HBL Asset Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2023 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2023.

The condensed interim financial information for the half year ended December 31, 2022 and the annual financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of chartered accountants, whose review report dated February 23, 2023 and audit report dated September 25, 2023, expressed an unmodified opinion respectively.

The engagement partner on the engagement resulting in this independent auditor's review report is **Hena Sadiq**.


Chartered Accountants

Place: Karachi

Date: February 26, 2024

UDIN: RR202310057QKPCkS0gM

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL CASH FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Cash Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Cash Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at December 31, 2023

		December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	-----
ASSETS			
Bank balances	4	31,941,182	11,991,941
Investments	5	19,617,214	38,165,975
Profit / mark-up receivable		213,564	406,849
Advances, deposits and prepayments		1,504	1,253
TOTAL ASSETS		51,773,464	50,566,018
LIABILITIES			
Payable to the Management Company	6	73,065	72,175
Payable to the Trustee		2,646	2,555
Payable to Securities and Exchange Commission of Pakistan	7	3,185	8,050
Accrued expenses and other liabilities	8	276,967	144,422
TOTAL LIABILITIES		355,863	227,202
NET ASSETS		51,417,601	50,338,816
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		51,417,601	50,338,816
CONTINGENCIES AND COMMITMENTS	9	----- (Number of Units) -----	-----
Number of units in issue		498,194,375	493,553,515
		----- (Rupees) -----	-----
Net assets value per unit		103.2079	101.9926

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 Cash Fund
Condensed Interim Income Statement (Un-audited)
For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
Note	(Rupees in '000)			
Income				
Capital gain / (loss) on sale of investments - net	21,256	(41,766)	6,226	(33,214)
Income from government securities	4,733,086	1,536,294	2,248,251	956,714
Income from money market transactions and placements	342,539	193,790	73,083	77,324
Income from corporate sukuk bonds	-	82,536	-	47,963
Mark-up on bank deposits	765,702	941,713	488,941	359,030
	5,862,583	2,712,567	2,816,501	1,407,817
Unrealised (loss) / gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(22,878)	402	(28,450)	902
	5,839,705	2,712,969	2,788,051	1,408,719
Expenses				
Remuneration of the Management Company	229,234	81,455	116,440	37,783
Sindh sales tax on remuneration of the Management Company	29,800	10,589	15,137	4,912
Remuneration of the Trustee	14,639	9,596	7,069	5,044
Sindh sales tax on remuneration of the Trustee	1,903	1,247	919	656
Fee to Securities and Exchange Commission of Pakistan	19,917	3,489	9,603	1,834
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services	69,332	36,379	39,328	16,632
Selling and marketing expense	39,436	36,379	9,432	16,632
Auditors' remuneration	257	226	127	119
Fees and subscription	172	36	89	36
Securities transaction costs and settlement charges	621	292	(167)	247
Bank charges	589	476	589	250
Printing charges	76	74	76	60
	405,976	180,238	198,642	84,205
Net income for the period from operating activities	5,433,729	2,532,731	2,589,409	1,324,514
Net income for the period before taxation	5,433,729	2,532,731	2,589,409	1,324,514
Taxation	10	-	-	-
Net income for the period after taxation	5,433,729	2,532,731	2,589,409	1,324,514
Allocation of net income for the period				
Income already paid on redemption	637,903	258,575	412,330	143,241
Accounting income available for distribution:				
Relating to capital gains	-	-	-	-
Excluding capital gains	4,795,826	2,274,156	2,177,079	1,181,273
	4,795,826	2,274,156	2,177,079	1,181,273
	5,433,729	2,532,731	2,589,409	1,324,514
Earnings per unit				

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 Cash Fund

Condensed Interim Statement Of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	------(Rupees in '000)-----			
Net income for the period after taxation	5,433,729	2,532,731	2,589,409	1,324,514
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	5,433,729	2,532,731	2,589,409	1,324,514

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 Cash Fund
Condensed Interim Statement Of Cash Flows (Un-audited)
For The Half Year Ended December 31, 2023

	Half year ended December 31,	
	2023	2022
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	5,433,729	2,532,731
Adjustments for:		
Capital loss on sale of investment - net	(21,256)	41,766
Income from government securities	(4,733,086)	(1,536,294)
Income from money market placements	(342,539)	(193,790)
Income from corporate sukuk bonds	-	(82,536)
Mark-up on bank deposits	(765,702)	(941,713)
Unrealised gain / (loss) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	22,878	(402)
	(405,976)	(180,238)
Decrease / (Increase) in assets		
Investments - net	18,547,139	(19,731,802)
Advances, deposits and prepayments	(251)	(310)
	18,546,888	(19,732,112)
Increase / (decrease) in liabilities		
Payable to the Management Company	890	27,826
Payable to the Trustee	91	465
Payable to Securities and Exchange Commission of Pakistan	(4,865)	(2,650)
Payable against purchase of investments - net	-	(484,070)
Accrued expenses and other liabilities	132,545	37,101
	128,661	(421,328)
Cash generated from / (used in) operations	18,269,573	(20,333,678)
Income received from government securities	4,733,086	1,536,294
Income received from money market placement	581,571	187,096
Income received from corporate sukuk bonds	-	75,168
Mark-up received on bank deposits	719,955	1,204,830
	6,034,612	3,003,388
Net cash generated from / (used in) operating activities	24,304,185	(17,330,290)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	77,190,708	72,479,497
Amount paid on redemption of units	(76,949,879)	(63,404,130)
Dividend paid	(4,595,773)	(2,072,301)
Net cash (used in) / generated from financing activities	(4,354,944)	7,003,066
Net increase / (decrease) in cash and cash equivalents during the period	19,949,241	(10,327,224)
Cash and cash equivalents at the beginning of the period	11,991,941	33,290,444
Cash and cash equivalents at the end of the period	31,941,182	22,963,220

4

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 Cash Fund

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

For The Half Year Ended December 31, 2023

	Half year ended December 31,					
	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
(Rupees in '000)						
Net assets at beginning of the period	49,912,401	426,415	50,338,816	35,913,953	152,355	36,066,308
Issuance of 752,221,009 units (2022: 710,899,134 units)						
Capital value (at net asset value per unit at the beginning of the period)	77,073,049	-	77,073,049	72,057,517	-	72,057,517
Element of income	117,659	-	117,659	421,980	-	421,980
Total proceeds on issuance of units	77,190,708	-	77,190,708	72,479,497	-	72,479,497
Redemption of 747,580,149 units (2022: 621,918,235 units)						
Capital value (at net asset value per unit at the beginning of the period)	(76,247,658)	-	(76,247,658)	(63,038,316)	-	(63,038,316)
Income already paid on redemption of units		(637,903)	(637,903)		(258,575)	(258,575)
Element of loss	(64,318)	-	(64,318)	(107,239)	-	(107,239)
Total payments on redemption of units	(76,311,976)	(637,903)	(76,949,879)	(63,145,555)	(258,575)	(63,404,130)
Total comprehensive income for the period	-	5,433,729	5,433,729	-	2,532,731	2,532,731
Interim distribution of:						
Rs. 1.6445 per unit declared on August 10, 2022 as cash dividend						
Refund of capital	-	-	-	(59,495)	-	(59,495)
Distribution for the period	-	-	-	-	(449,925)	(449,925)
Rs. 1.0143 per unit declared on September 02, 2022 as cash dividend						
Refund of capital	-	-	-	(21,942)	-	(21,942)
Distribution for the period	-	-	-	-	(297,321)	(297,321)
Rs. 1.4745 per unit declared on October 10, 2022 as cash dividend						
Refund of capital	-	-	-	(67,187)	-	(67,187)
Distribution for the period	-	-	-	-	(430,915)	(430,915)
Rs. 1.1493 per unit declared on November 07, 2022 as cash dividend						
Refund of capital	-	-	-	(30,901)	-	(30,901)
Distribution for the period	-	-	-	-	(362,441)	(362,441)
Rs. 1.0082 per unit declared on December 02, 2022 as cash dividend						
Refund of capital	-	-	-	(22,502)	-	(22,502)
Distribution for the period	-	-	-	-	(329,672)	(329,672)
Rs. 2.1545 per unit declared on August 07, 2023 as cash dividend						
Refund of capital	(89,126)	-	(89,126)	-	-	-
Distribution during the year	-	(1,017,984)	(1,017,984)	-	-	-
Rs. 2.4155 per unit declared on September 18, 2023 as cash dividend						
Refund of capital	(68,845)	-	(68,845)	-	-	-
Distribution during the year	-	(1,178,835)	(1,178,835)	-	-	-
Rs. 1.6879 per unit declared on October 16, 2023 as cash dividend						
Refund of capital	(87,223)	-	(87,223)	-	-	-
Distribution during the year	-	(721,297)	(721,297)	-	-	-
Rs. 1.6078 per unit declared on November 13, 2023 as cash dividend						
Refund of capital	(63,777)	-	(63,777)	-	-	-
Distribution during the year	-	(708,748)	(708,748)	-	-	-
Rs. 1.4925 per unit declared on December 11, 2023 as cash dividend						
Refund of capital	(43,086)	-	(43,086)	-	-	-
Distribution during the year	-	(616,852)	(616,852)	-	-	-
Net assets at end of the period	(352,057)	1,190,013	837,956	(202,027)	662,457	460,430
Undistributed income brought forward	50,439,076	978,525	51,417,601	45,045,868	556,237	45,602,105
Realised gain		424,448			151,855	
Unrealised gain		1,967			500	
Accounting income available for distribution		426,415			152,355	
Relating to capital gains		-			-	
Excluding capital gains		4,795,826			2,274,156	
		4,795,826			2,274,156	

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

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

For The Half Year Ended December 31, 2023

Half year ended December 31,

2023			2022		
Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total

(Rupees in '000)

Distribution for the period:

Interim distribution of Rs. 1.6445 per unit declared on August 10, 2022 as cash dividend
Interim distribution of Rs. 1.0143 per unit declared on September 02, 2022 as cash dividend
Interim distribution of Rs. 1.4745 per unit declared on October 10, 2022 as cash dividend
Interim distribution of Rs. 1.1493 per unit declared on November 07, 2022 as cash dividend
Interim distribution of Rs. 1.0082 per unit declared on December 02, 2022 as cash dividend
Interim distribution of Rs. 2.1545 per unit declared on August 07, 2023 as cash dividend
Interim distribution of Rs. 2.4155 per unit declared on September 18, 2023 as cash dividend
Interim distribution of Rs. 1.6879 per unit declared on October 16, 2023 as cash dividend
Interim distribution of Rs. 1.6078 per unit declared on November 13, 2023 as cash dividend
Interim distribution of Rs. 1.4925 per unit declared on December 11, 2023 as cash dividend

-	(449,925)
-	(297,321)
-	(430,915)
-	(362,441)
-	(329,672)
(1,017,984)	-
(1,178,835)	-
(721,297)	-
(708,748)	-
(616,852)	-
(4,243,716)	(1,870,274)
978,525	556,237
1,001,403	555,835
(22,878)	402
978,525	556,237

(Rupees)

(Rupees)

Net assets value per unit at beginning of the period

101.9926

101.3611

Net assets value per unit at end of the period

103.2079

102.5225

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 Cash Fund

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

For The Half Year Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

Through an order dated August 31, 2016, the Securities and Exchange Commission of Pakistan (SECP) approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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), SA. is the parent company of Habib Bank Limited.

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

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

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company and assigned stability rating of AA+(f) to the Fund as at December 31, 2023 and December 29, 2023 respectively.

Title of the assets of the Fund is 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 of the Fund 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 Standard 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 requirement of Trust Deed.

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

2.1.2 This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2023.

2.1.3 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed.

2.1.4 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 December 31, 2023.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost basis, unless stated otherwise.

2.3 Functional and presentation currency

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

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

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

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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 judgements 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 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, standards effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not have a significant effect on this condensed interim financial information.

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

			December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note		----- (Rupees in '000) -----	
4	BANK BALANCES			
		Cash at bank		
		In current account	6	6
		In savings accounts	4.1	31,941,176
			31,941,182	11,991,935
				11,991,941

4.1 This represents bank accounts held with various banks. profit rates on these accounts range between 20% to 22.5% per annum (June 30, 2023: 12.00% to 22.65% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 20,288.962 million (June 30, 2023: Rs. 84.831 million) on which return is earned at the range between 20% to 22.5% (June 30, 2023: 13.50% to 19.5% per annum).

			December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note		----- (Rupees in '000) -----	
5	INVESTMENTS			
		Financial assets		
		At fair value through profit or loss	5.1	19,617,214
		At amortised cost	5.2	-
			19,617,214	34,265,975
				3,900,000
				38,165,975

5.1 Financial assets at fair value through profit or loss

Market Treasury Bills	5.1.1	19,617,214	23,776,311
Pakistan Investment Bonds	5.1.2	-	10,489,664
		19,617,214	34,265,975

5.1.1 Market Treasury Bills

Issue date	Tenure	Face Value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised loss	Market value as percentage of net assets	Market value as percentage of total investments
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023					
----- (Rupees in '000) -----										
August 25, 2022	12 Months	-	11,375,000	11,375,000	-	-	-	-	0.00%	0.00%
April 6, 2023	12 Months	-	1,080,000	1,080,000	-	-	-	-	0.00%	0.00%
June 15, 2023	12 Months	-	800,000	-	800,000	730,346	729,947	(400)	1.42%	3.72%
March 27, 2023	6 Months	-	7,322,000	7,322,000	-	-	-	-	0.00%	0.00%
October 19, 2023	6 Months	-	6,250,000	3,100,000	3,150,000	2,964,057	2,963,160	(897)	5.76%	15.10%
November 2, 2023	6 Months	-	4,500,000	-	4,500,000	4,203,918	4,200,507	(3,411)	8.17%	21.41%
November 16, 2023	6 Months	-	11,450,000	-	11,450,000	10,623,183	10,606,605	(16,578)	20.63%	54.07%
November 30, 2023	6 Months	-	1,215,000	-	1,215,000	1,118,587	1,116,995	(1,592)	2.17%	5.69%
April 20, 2023	3 Months	-	900,000	900,000	-	-	-	-	0.00%	0.00%
May 4, 2023	3 Months	6,500,000	12,520,200	19,020,200	-	-	-	-	0.00%	0.00%
May 18, 2023	3 Months	-	23,971,500	23,971,500	-	-	-	-	0.00%	0.00%
June 1, 2023	3 Months	-	177,875,000	177,875,000	-	-	-	-	0.00%	0.00%
June 15, 2023	3 Months	18,100,000	78,669,000	96,769,000	-	-	-	-	0.00%	0.00%
June 22, 2023	3 Months	-	141,633,000	141,633,000	-	-	-	-	0.00%	0.00%
July 13, 2023	3 Months	-	950,000	950,000	-	-	-	-	0.00%	0.00%
July 25, 2023	3 Months	-	5,325,000	5,325,000	-	-	-	-	0.00%	0.00%

Issue date	Tenure	Face Value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised loss	Market value as percentage of net assets	Market value as percentage of total investments
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023					
----- (Rupees in '000) -----										
August 10, 2023	3 Months	-	59,296,000	59,296,000	-	-	-	-	0.00%	0.00%
August 24, 2023	3 Months	-	22,550,000	22,550,000	-	-	-	-	0.00%	0.00%
September 7, 2023	3 Months	-	13,145,000	13,145,000	-	-	-	-	0.00%	0.00%
September 21, 2023	3 Months	-	36,424,800	36,424,800	-	-	-	-	0.00%	0.00%
October 5, 2023	3 Months	-	531,000	531,000	-	-	-	-	0.00%	0.00%
October 19, 2023	3 Months	-	2,222,100	2,222,100	-	-	-	-	0.00%	0.00%
November 2, 2023	3 Months	-	725,000	725,000	-	-	-	-	0.00%	0.00%
November 16, 2023	3 Months	-	667,910	667,910	-	-	-	-	0.00%	0.00%
November 30, 2023	3 Months	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Total - as at December 31, 2023		24,600,000	621,897,510	625,382,510	21,115,000	19,640,091	19,617,214	(22,878)	38.15%	100.00%
Total - as at June 30, 2023		500,000	701,987,530	677,887,530	24,600,000	23,781,152	23,776,311	(4,841)	47%	62.30%

5.1.1.1 As at December 31, 2023, Market Treasury Bill (T-bill) had a face value of Rs. 21,115 million (June 30, 2023: Rs.24,600 million) carrying effective yield of 16.23% to 28.93% (June 30, 2023: 22.49%) per annum.

5.1.2 Pakistan investment bonds (floating)

issue date	Tenure	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised gain	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023					
-----Rupees in '000-----										
October 22, 2020	3 Years	500,000	-	500,000	-	-	-	-	0.00%	0.00%
August 26, 2021	2 Years	10,015,000	2,500,000	12,515,000	-	-	-	-	0.00%	0.00%
December 30, 2021	2 Years		29,465,000	29,465,000	-	-	-	-	0.00%	0.00%
Total - as at December 31, 2023		10,515,000	31,965,000	42,480,000	-	-	-	-	0.00%	0.00%
Total - as at June 30, 2023		-	45,612,900	35,097,900	10,515,000	10,482,856	10,489,664	6,808	20.84%	27.48%

5.1.2.1 As at December 31, 2023, Pakistan Investment Bonds (PIBs) - FRB had a face value Nil (2023: Rs. 10,515 million) carrying effective yield ranging between Nil (2023: 22.05% to 23.37%) per annum.

	December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
Note	-----	-----
	(Rupees in '000)	

5.2 Financial assets at amortised cost

Letter of placements	5.2.1	-	3,900,000
		-	3,900,000

5.2.1 Letter of placements

Financial assets at amortised cost - Letter of placement

Particulars	Maturity date	As at July 1, 2023	Placement made during the period	Sold / Matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Percentage of net assets	Percentage of total of investments
----- (Rupees in '000) -----								
Bank Alfalah Limited	July 6, 2023	3,900,000	-	3,900,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	July 7, 2023	-	4,500,000	4,500,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	July 7, 2023	-	4,000,000	4,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	July 17, 2023	-	5,100,000	5,100,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	July 14, 2023	-	750,000	750,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	July 14, 2023	-	3,300,000	3,300,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	July 14, 2023	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Saudi Pak Industrial and Agricultural Investment Company Limited	July 21, 2023	-	930,000	930,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	July 21, 2023	-	1,400,000	1,400,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	July 21, 2023	-	5,300,000	5,300,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	August 11, 2023	-	5,300,000	5,300,000	-	-	0.00%	0.00%
Saudi Pak Industrial and Agricultural Investment Company Limited	August 11, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 10, 2023	-	1,300,000	1,300,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	August 9, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	August 9, 2023	-	1,500,000	1,500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	August 10, 2023	-	1,500,871	1,500,871	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	August 10, 2023	-	1,500,871	1,500,871	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	August 18, 2023	-	1,300,000	1,300,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 18, 2023	-	4,000,000	4,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	August 15, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	August 16, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	August 16, 2023	-	1,000,000	1,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	September 15, 2023	-	5,600,000	5,600,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 8, 2023	-	5,600,000	5,600,000	-	-	0.00%	0.00%
Saudi Pak Industrial and Agricultural Investment Company Limited	September 15, 2023	-	1,900,000	1,900,000	-	-	0.00%	0.00%
Saudi Pak Industrial and Agricultural Investment Company Limited	September 15, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	September 15, 2023	-	5,600,000	5,600,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	September 15, 2023	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	September 15, 2023	-	2,000,000	2,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	September 22, 2023	-	5,500,000	5,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	October 6, 2023	-	4,500,000	4,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	October 12, 2023	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	October 13, 2023	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	October 13, 2023	-	2,500,000	2,500,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	October 13, 2023	-	5,000,000	5,000,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	October 13, 2023	-	5,000,000	5,000,000	-	-	0.00%	0.00%
Saudi Pak Industrial and Agricultural Investment Company Limited	October 31, 2023	-	1,400,000	1,400,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	November 10, 2023	-	3,000,000	3,000,000	-	-	0.00%	0.00%
Pakistan Kuwait Investment Company Limited	November 10, 2023	-	1,400,000	1,400,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	November 21, 2023	-	500,000	500,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	December 8, 2023	-	400,000	400,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	December 26, 2023	-	5,000,000	5,000,000	-	-	0.00%	0.00%
Faysal Bank Limited.	December 26, 2023	-	5,050,000	5,050,000	-	-	0.00%	0.00%
Pak Kuwait Investment Company Limited	December 29, 2023	-	3,400,000	3,400,000	-	-	0.00%	0.00%
Total - as at December 31, 2023		3,900,000	124,031,742	127,931,742	-	-	0.00%	0.00%
Total - as at June 30, 2023		-	3,900,000	-	3,900,000	-	7.58%	19.88%

		December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
6	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration payable to the Management Company	41,231	33,305
	Sindh sales tax payable on the Management Company's remuneration	5,360	4,330
	Allocation of expenses related to registrar services, accounting, operation and valuation services	15,683	7,401
	Sales load payable	1,344	1,836
	Selling and marketing expenses payable	9,447	25,303
		73,065	72,175

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis."

		December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
8	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	7,528	7,528
	Payable against redemption of units	7,315	-
	Withholding tax payable	261,377	135,736
	Auditors' remuneration	168	270
	Brokerage payable	263	669
	Zakat payable	316	219
		276,967	144,422

- 8.1** The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023. However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, as a matter of prudence, has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 7.528 million (June 30, 2023: Rs. 7.528 million). Had the provision not been made, the net asset value per unit of the Fund as at December 31, 2023 would have been higher by Rs. 0.0151 per unit (June 30, 2023: Rs. 0.0153 per unit).

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2023 (June 30, 2023: Nil).

10 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by accumulated losses and capital gains whether realised or unrealized, is distributed to the unit holders as cash dividend. 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 accumulated losses and capital gains (whether realised or unrealised) for the period ending June 30, 2024 to its unit holders.

11 EARNINGS PER UNIT

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

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

		(Un-Audited) Half year ended December 31,	
		2023	2022
		----- (Rupees in '000) -----	
12.1	Transaction during the period		
	HBL Asset Management Limited		
	Remuneration of the Management Company	229,234	81,455
	Sindh Sales Tax on remuneration of the Management Company	29,800	10,589
	Allocation of expenses related to registrar services, accounting, operation and valuation services	69,332	36,379
	Selling and marketing expense	39,436	36,379
	Issuance of 9,830,891 units (2022: 3,328,207 units)	1,011,000	339,402
	Redemption of 6,356,748 units (2022: 1,763,803 units)	653,000	180,000
	Dividend paid	17,386	8,773
	Refund of Capital	8,285	-

	(Un-Audited) Half year ended December 31,	
	2023	2022
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	14,639	9,596
Sindh Sales Tax on remuneration of the Trustee	1,903	1,247
CDS connection charges	2	
Habib Bank Limited - Sponsor		
Mark-up on bank deposits	490,792	130,363
Purchase of Market Treasury Bills	58,076,391	-
Sale of Market Treasury Bills	48,729,387	-
Bank charges paid	588	474
	(Un-Audited) Half year ended December 31,	
	2023	2022
	----- (Rupees in '000) -----	
Directors and Executives of the Management Company		
Issuance of 403,482 (2022: 340,046) units	41,298	34,647
Redemption of 461,806 (2022: 361,403) units	47,432	36,855
Dividend paid	133	645
Refund of Capital	81	-
DCCL Trustee HBL Financial Planning Fund - Active Allocation Plan - Under Common Management		
Issuance of 201,164 (2022: 646,876) units	20,836	66,008
Redemption of 212,342 (2022: Nil) units	21,680	-
Dividend paid	822	-
Refund of Capital	318	-
DCCL Trustee HBL Financial Planning Fund - Conservative Allocation Plan - Under Common Management		
Issuance of 11,165 (2022:9) units	1,156	1
Redemption of 57,132 (2022:Nil) units	5,833	-
Dividend paid	380	1
Refund of Capital	18	
HBL Asset Management Limited - Employees Gratuity Fund - Associate		
Issuance of 157,950 (2022: 46,492) units	16,300	4,762
Redemption of 13,617 (2022: Nil) units	12,350	
Dividend paid	1,389	12
Refund of Capital	190	

(Un-Audited) Half year ended December 31,	
2023	2022
----- (Rupees in '000) -----	

HBL Asset Management Limited - Employees Provident Fund - Associate

Issuance of 344,855 (2022: 158,270) units	35,500	16,158
Redemption of 262,299 (2022: Nil) units	27,000	-
Dividend paid	2,367	42
Refund of Capital	327	-

Mutual Fund Association of Pakistan - Due to Common Directorship

Issuance of Nil (2022: 2,777 units)	-	282
Redemption of Nil (2022: 54,336 units)	-	5,512
Dividend paid	-	331

Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units

Issuance of Nil (2022: 73,562,009) units	-	7,503,200
Redemption of Nil (2022: 59,520,216) units	-	6,065,568

1 Link (Private) Limited- Associate

Dividend paid	43,572	-
---------------	--------	---

Pakistan Petroleum Limited - Due to Common Directorship

Issuance of Nil (2022: 9,586,731) units	-	981,442
Redemption of 38,679,206 (2022: Nil) units	3,964,294	-
Dividend paid	146,060	24,378

Taavun (Private) Limited - Connected person due to holding of more than 10% units

Dividend paid	6,725	-
---------------	-------	---

(Un-Audited) Half year ended December 31,	
2023	2022
----- (Rupees in '000) -----	

CDC Trustee HBL Money Market Fund - Under Common Management

Purchase of Corporate Sukuk Bonds	-	302,555
Purchase of Market Treasury Bills	215,911	-
Sale of Market Treasury Bills	298,243	1,487,586

CDC Trustee HBL Pension Fund Debt Sub Fund- Under Common Management

Purchase of Market Treasury Bills	135,664	-
-----------------------------------	---------	---

CDC Trustee HBL Equity Fund - Under Common Management

Purchase of Market Treasury Bills	-	14,827
-----------------------------------	---	--------

		(Un-Audited) Half year ended December 31,	
		2023	2022
		----- (Rupees in '000) -----	
CDC Trustee HBL Multi Asset Fund - Under Common Management			
Purchase of Market Treasury Bills			24,732
CDC Trustee HBL Stock Fund - Under Common Management			
Purchase of Market Treasury Bills		-	24,732
CDC Trustee HBL Growth Fund - Under Common Management			
Purchase of Market Treasury Bills		-	34,625
CDC Trustee HBL Islamic Income Fund - Under Common Management			
Purchase of Corporate Sukuk Bonds		-	259,587
CDC Trustee HBL Pension Fund Money Market Sub Fund- Under Common Management			
Purchase of Market Treasury Bills		117,666	-
Purchase of PIBs		180,023	-
CDC Trustee HBL Government Securities Fund - Under Common Management			
Purchase of Market Treasury Bills		1,405,901	-
HBL MBL - Under Common Management			
Purchase of Market Treasury Bills		198,937	-
Bank Balance		176	-
		(Un-Audited) December 31,	(Audited) June 30,
		2023	2023
		----- (Rupees in '000) -----	
12.2	Balances outstanding as at period / year end		
HBL Asset Management Limited			
Units held: 4,341,302 (June 30, 2023: 615,467)		447,316	62,773
Payable to Management Company		41,231	33,305
Sindh sales tax on Management Company's remuneration		5,360	4,330
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services		15,683	7,401
Sales load payable		1,344	1,836
Selling and marketing expense payable		9,447	25,303

	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Central Depository Company of		
Trustee fee payable	2,646	2,555
Security deposit held	100	100
Habib Bank Limited - Sponsor		
Bank balances	20,288,962	84,841
Mark-up receivable	76,751	2,050
Directors and Executives of the Management Company		
Units held: 17,888 (June 30, 2023: 165,046 units)	1,845	16,833
DCCL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Fund under common management		
Units held: Nil (June 30, 2023: 42,068 units)	-	4,291
Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units		
Units held: Nil (June 30, 2023: 72,694,344 units)	-	7,414,285
Pakistan Petroleum Limited - Due to Common Directorship		
Units held: Nil (June 30, 2023: 37,247,145 units)	-	3,798,933
HBL Asset Management Limited - Employees Gratuity Fund - Associate		
Units held: 104,653 (June 30, 2023: 51,069 units)	10,783	5,209
HBL Asset Management Limited - Employees Provident Fund - Associate		
Units held: 282,824 units (June 30, 2023: 173,852 units)	29,141	17,732
1 Link (Private) Limited- Due to Common Directorship		
Units held: 5,738,188 (June 30, 2023: Nil)	592,226	-
Taavun (Privated) Limited - Connected person due to holding of more than 10% units		
Units held: 885,614 (June 30, 2023: Nil)	91,402	-

13 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

December 31, 2023 (Un-audited)							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----							
Financial assets measured at fair value							
Market Treasury Bills	19,617,214	-	19,617,214	-	19,617,214	-	19,617,214
	19,617,214	-	19,617,214	-	19,617,214	-	19,617,214
Financial assets not measured at fair value							
Bank balances	-	31,941,182	31,941,182				
Profit / mark-up receivable	-	213,564	213,564				
Advances, deposits and other receivables	-	155	155				
	-	32,154,901	32,154,901				
Financial liabilities not measured at fair value							
Payable to the management company	-	67,705	67,705				
Payable to the trustee	-	2,342	2,342				
Accrued expenses and other liabilities	-	7,746	7,746				
	-	77,793	77,793				
June 30, 2023 (Audited)							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----							
Financial assets measured at fair value							
Market Treasury Bills	23,776,311	-	23,776,311	-	23,776,311	-	23,776,311
Pakistan Investment Bonds	10,489,664	-	10,489,664	-	10,489,664	-	10,489,664
	34,265,975	-	34,265,975	-	34,265,975	-	34,265,975
Financial assets not measured at fair value							
Bank balances	-	11,991,941	11,991,941				
Profit / mark-up receivable	-	406,849	406,849				
Advances, deposits and other receivables	-	100	100				
Letter of placements	-	3,900,000	3,900,000				
	-	16,298,890	16,298,890				
Financial liabilities not measured at fair value							
Payable to the management company	-	67,845	67,845				
Payable to the trustee	-	2,261	2,261				
Accrued expenses and other liabilities	-	939	939				
	-	71,045	71,045				

During the period ended December 31, 2023, there were no transfers between levels fair value measurements, and no transfer into and out of level 3.

14 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended December 31, 2023 is 1.53% (December 31, 2022: 0.48%) which includes 0.2% (2022: 0.04%) representing Government levy and SECP fee.

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 February 16, 2024.

16 GENERAL

16.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Stock Fund

FUND INFORMATION

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



A.F. FERGUSON & Co.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Stock Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.


A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Noman Abbas Sheikh**
Dated: February 27, 2024
Karachi
UDIN: RR2023100611Mfji5pWG

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

• KARACHI • LAHORE • ISLAMABAD

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcPakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL STOCK FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Stock Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As At December 31, 2023

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	50,920	38,722
Investments	5	173,306	148,861
Dividend and profit receivable	6	1,499	1,370
Receivable against sale of investments		-	11,584
Advances, deposits and prepayment	7	3,127	3,111
Receivable from HBL Asset Management Limited - Management Company	8	1,842	2,125
Total assets		230,694	205,773
LIABILITIES			
Payable to HBL Asset Management Limited - Management Company	9	731	798
Payable to Central Depository Company of Pakistan Limited - Trustee	10	35	30
Payable to the Securities and Exchange Commission of Pakistan	11	15	38
Payable against purchase of investments		13,749	4,482
Accrued expenses and other liabilities	12	41,010	40,194
Total liabilities		55,540	45,542
NET ASSETS		175,154	160,231
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		175,154	160,231
CONTINGENCIES AND COMMITMENTS	13		
----- (Number of units) -----			
NUMBER OF UNITS IN ISSUE		1,625,068	2,300,195
----- (Rupees) -----			
NET ASSET VALUE PER UNIT		107.7827	69.6597

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Income Statement (Un-Audited)
For The Half Year And Quarter Ended December 31, 2023

		Half year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
Note		----- (Rupees in '000) -----			
INCOME					
Dividend income		5,531	9,549	3,285	5,187
Profit on savings accounts with banks		4,952	3,588	2,509	1,941
Income on government securities - Market Treasury Bills		-	138	-	-
Gain / (loss) on sale of investments - net		41,199	(6,789)	23,416	(4,487)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	16,281	(12,833)	17,101	(6,405)
		57,480	(19,622)	40,517	(10,892)
Total income / (loss)		67,963	(6,347)	46,311	(3,764)
EXPENSES					
Remuneration of HBL Asset Management Limited - Management Company	9.1 & 9.2	1,971	2,440	1,240	1,118
Selling and marketing expense	9.3	445	1,134	105	520
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	412	594	234	272
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 & 10.2	163	244	90	97
Fee to the Securities and Exchange Commission of Pakistan	11.1	68	22	37	10
Securities transaction costs		1,712	775	881	432
Auditors' remuneration		430	273	245	152
Settlement and bank charges		257	399	155	259
Fees and subscription		117	186	70	57
Reimbursement from HBL Asset Management Limited - Management Company	8	(1,842)	-	(1,842)	-
		3,733	6,067	1,215	2,917
Net income / (loss) for the period before taxation		64,230	(12,414)	45,096	(6,681)
Taxation	16	-	-	-	-
Net income / (loss) for the period after taxation		64,230	(12,414)	45,096	(6,681)
Earnings / (loss) per unit	14				
Allocation of net income for the period					
Net income for the period after taxation		64,230	-		
Income already paid on redemption of units		(16,721)	-		
		47,509	-		
Accounting income available for distribution:					
- Relating to capital gains		41,909	-		
- Excluding capital gains		5,600	-		
		47,509	-		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended, December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	64,230	(12,414)	45,096	(6,681)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>64,230</u>	<u>(12,414)</u>	<u>45,096</u>	<u>(6,681)</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Statement Of Movement In Unitholders' Fund (Un-Audited)
For The Half Year Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
-----Rupees in '000-----						
Net assets at the beginning of the period (audited)	1,341,385	(1,181,154)	160,231	1,408,880	(1,173,243)	235,637
Issuance of 2,336,869 units (2022: 738,880 units)						
- Capital value (at net asset value per unit at the beginning of the period)	162,786	-	162,786	53,146	-	53,146
- Element of income / (loss)	53,420	-	53,420	(449)	-	(449)
Total proceeds on issuance of units	216,206	-	216,206	52,697	-	52,697
Redemption of 3,011,996 units (2022: 1,468,327 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(209,815)	-	(209,815)	(105,613)	-	(105,613)
- Element of (loss) / income	(38,977)	(16,721)	(55,698)	1,858	-	1,858
Total payments on redemption of units	(248,792)	(16,721)	(265,513)	(103,755)	-	(103,755)
Total comprehensive income / (loss) for the period	-	64,230	64,230	-	(12,414)	(12,414)
Net assets at the end of the period (un-audited)	<u>1,308,799</u>	<u>(1,133,645)</u>	<u>175,154</u>	<u>1,357,822</u>	<u>(1,185,657)</u>	<u>172,165</u>
Accumulated loss brought forward comprising of:						
- Realised loss	(1,177,896)			(1,105,204)		
- Unrealised loss	(3,258)			(68,039)		
	(1,181,154)			(1,173,243)		
Accounting income available for distribution:						
- Relating to capital gains	41,909			-		
- Excluding capital gains	5,600			-		
	47,509			-		
Net loss for the period after taxation	-			(12,414)		
Accumulated loss carried forward	<u>(1,133,645)</u>			<u>(1,185,657)</u>		
Accumulated loss carried forward comprising of:						
- Realised loss	(1,149,926)			(1,172,824)		
- Unrealised income / (loss)	16,281			(12,833)		
	<u>(1,133,645)</u>			<u>(1,185,657)</u>		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	<u>69.6597</u>			<u>71.9274</u>		
Net asset value per unit at the end of the period	<u>107.7827</u>			<u>67.6059</u>		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For The Half Year Ended December 31, 2023

	Half year ended December 31,	
Note	2023	2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	64,230	(12,414)
Adjustments for:		
Profit on savings accounts with banks	(4,952)	(3,588)
Dividend income	(5,531)	(9,549)
Income on government securities - Market Treasury Bills	-	(138)
(Gain) / loss on sale of investments - net	(41,199)	6,789
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2 (16,281)	12,833
	(3,733)	(6,067)
Decrease / (increase) in assets		
Investments - net	53,886	36,065
Receivable from HBL Asset Management Limited - Management Company	283	-
Advances, deposits and prepayment	(16)	-
	54,153	36,065
Increase / (decrease) in liabilities		
Payable to HBL Asset Management Limited - Management Company	(67)	(1,390)
Payable to Central Depository Company of Pakistan Limited - Trustee	5	(31)
Payable to the Securities and Exchange Commission of Pakistan	(23)	(116)
Accrued expenses and other liabilities	816	(286)
	731	(1,823)
Profit received on savings accounts with banks	4,976	4,085
Dividend received	5,378	9,333
	10,354	13,418
Net cash generated from operating activities	61,505	41,593
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	216,206	52,697
Payment against redemption and conversion of units	(265,513)	(103,755)
Net cash used in financing activities	(49,307)	(51,058)
Net increase / (decrease) in cash and cash equivalents during the period	12,198	(9,465)
Cash and cash equivalents at the beginning of the period	38,722	47,889
Cash and cash equivalents at the end of the period	4 50,920	38,424

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Stock Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on August 09, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 21, 2007. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the "Sindh Trust Act, 2020". Accordingly, on September 8, 2021, the above-mentioned Trust Deed had been registered under the "Sindh Trust Act, 2020".
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund has been categorised as an open ended equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 10 per unit from August 29, 2007 to August 31, 2007.
- 1.4** The principal objective of the Fund is to provide long-term capital growth by investing primarily in a diversified pool of equities and equities related instruments.
- 1.5** VIS Credit Rating Company Limited (VIS) has assigned the Management Quality Rating of 'AM1' (December 31, 2022: 'AM1' dated December 30, 2022) dated December 29, 2023 and the outlook on the rating has been assigned as 'Stable' (December 31, 2022: 'Stable').
- 1.6** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 VIIIA of the repealed Companies Ordinance, 1984; and
- 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 the 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 the requirements of the Trust Deed differ with the requirements of IAS 34, 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 the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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.

2.2 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking Finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2023.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balance used in the preparation of these condensed interim financial statements 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 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

3.3 Amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
4 BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	50,903	38,704
Current accounts		17	18
		<u>50,920</u>	<u>38,722</u>
4.1	These include balances of Rs. 1.264 million (June 30, 2023: Rs. 1.111 million) with Habib Bank Limited (a related party) that carry profit at the rate of 8.00% (June 30, 2023: 8.00%) and Rs. 0.023 million (June 30, 2023: Rs. 27.343 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 21.90% (June 30, 2023: 14.90% to 21.90%). Other savings accounts of the Fund carry profit at the rates of 8.75% to 22.50% (June 30, 2023: 8.00% to 20.30%) per annum.		
	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
5 INVESTMENTS		----- (Rupees in '000) -----	
At fair value through profit or loss			
- Quoted equity securities	5.1	<u>173,306</u>	<u>148,861</u>

5.1 Quoted equity securities

Name of the investee company	As at July 01, 2023	Purchased during the period	Bonus / Rights issue	Sold during the period	As at December 31, 2023	Carrying Value as at December 31, 2023	Market value as at December 31, 2023	Unrealized appreciation / (diminution) as at December 31, 2023	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									total market value of investments	net assets of the Fund	
Number of shares.....						(Rupees in '000).....			%		
INSURANCE											
Adamjee Insurance Company Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
CEMENT											
D.G. Khan Cement Company Limited *	123,000	175,200	-	297,700	500	23	38	15	0.02%	0.02%	-
Lucky Cement Limited	26,070	34,400	-	60,470	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited (note 5.1.2)	308,578	351,500	-	424,500	235,578	8,265	9,169	904	5.29%	5.23%	0.02%
Fauji Cement Company Limited	-	45,000	-	45,000	-	-	-	-	-	-	-
Pioneer Cement Limited	-	113,000	-	64,000	49,000	5,165	5,632	467	3.25%	3.22%	0.02%
Kohat Cement Company Limited	-	35,294	-	12,000	23,294	4,818	5,456	638	3.15%	3.11%	0.01%
Cherat Cement Company Limited *	38,500	22,500	-	60,000	1,000	139	162	23	0.09%	0.09%	-
Gharibwal Cement Limited	-	144,500	-	144,500	-	-	-	-	-	-	-
						18,410	20,457	2,047	11.80%	11.68%	
POWER GENERATION & DISTRIBUTION											
The Hub Power Company Limited * (note 5.1.2)	160,158	98,500	-	222,000	36,658	3,419	4,292	873	2.48%	2.45%	-
Nishat Power Limited	-	240,000	-	240,000	-	-	-	-	-	-	-
						3,419	4,292	873	2.48%	2.45%	
ENGINEERING											
International Steels Limited	-	77,000	-	77,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited (note 5.1.3)	20,890	84,500	-	84,500	20,890	1,128	1,382	254	0.80%	0.79%	0.01%
						1,128	1,382	254	0.80%	0.79%	
AUTOMOBILE ASSEMBLER											
Honda Atlas Cars (Pakistan) Limited	-	7,000	-	7,000	-	-	-	-	-	-	-
Indus Motor Company Limited *	-	5,700	-	2,628	3,072	3,398	3,686	288	2.13%	2.10%	-
Pak Suzuki Motor Company Limited	-	3,800	-	3,800	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	-	48,000	-	39,000	9,000	1,525	1,600	75	0.92%	0.91%	0.01%
						4,923	5,286	363	3.05%	3.02%	
PHARMACEUTICALS											
The Searle Company Limited * (note 5.1.3)	11,915	86,000	-	85,900	12,015	680	618	(62)	0.36%	0.35%	-
Ferozsons Laboratories Limited	-	45,200	-	27,200	18,000	3,731	3,972	241	2.29%	2.27%	0.04%
AGP Limited	-	88,739	-	88,739	-	-	-	-	-	-	-
Highnoon Laboratories Limited	-	7,600	-	-	7,600	3,158	3,834	676	2.21%	2.19%	0.01%
						7,569	8,424	855	4.86%	4.81%	
PAPER & BOARD											
Century Paper & Board Mills Limited	-	209,000	-	-	209,000	7,285	6,805	(480)	3.93%	3.89%	0.05%
						7,285	6,805	(480)	3.93%	3.89%	
GLASS & CERAMICS											
Tariq Glass Industries Limited	38,000	93,000	-	131,000	-	-	-	-	-	-	-
Ghani Glass Limited	-	309,000	-	220,000	89,000	2,623	2,609	(14)	1.51%	1.49%	0.01%
						2,623	2,609	(14)	1.51%	1.49%	
MISCELLANEOUS											
Pakistan Aluminium Beverage Cans Limited	-	129,000	-	129,000	-	-	-	-	-	-	-
Pakistan Hotels Developers Limited	-	3,500	-	3,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
OIL & GAS EXPLORATION COMPANIES											
Oil & Gas Development Company Limited * (note 5.1.2)	147,455	166,500	-	203,800	110,155	10,692	12,387	1,695	7.15%	7.07%	-
Pakistan Petroleum Limited * (note 5.1.2)	213,430	174,500	-	274,720	113,210	8,862	13,023	4,161	7.51%	7.44%	-
Mari Petroleum Company Limited * (note 5.1.2)	6,109	6,218	-	10,521	1,806	2,967	3,786	819	2.18%	2.16%	-
						22,521	29,196	6,675	16.85%	16.67%	
Balance carried forward						67,878	78,451	10,573			

Name of the investee company	As at July 01, 2023	Purchased during the period	Bonus / Rights issue	Sold during the period	As at December 31, 2023	Carrying Value as at December 31, 2023	Market value as at December 31, 2023	Unrealized appreciation / (diminution) as at December 31, 2023	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									total market value of investments	net assets of the Fund	
.....Number of shares.....						----- (Rupees in '000)-----					
Balance brought forward						67,878	78,451	10,573			
OIL & GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited (note 5.1.3)	3,503	91,500	-	59,000	36,003	4,454	6,362	1,908	3.67%	3.63%	0.01%
Shell (Pakistan) Limited	-	66,000	-	66,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited (note 5.1.2)	154,318	263,000	-	337,000	80,318	3,801	5,905	2,104	3.41%	3.37%	0.01%
Attock Petroleum Limited *	-	12,263	-	12,200	63	20	24	4	0.01%	0.01%	-
						8,275	12,291	4,016	7.09%	7.02%	
REFINERY											
Attock Refinery Limited	19,890	87,500	-	107,390	-	-	-	-	-	-	-
						-	-	-	-	-	-
COMMERCIAL BANKS											
National Bank of Pakistan	-	62,000	-	62,000	-	-	-	-	-	-	-
Askari Bank Limited	-	160,000	-	-	160,000	3,979	3,955	(24)	2.28%	2.26%	0.01%
Bank Al-Falah Limited *	-	132,500	-	132,000	500	21	24	3	0.01%	0.01%	-
Faysal Bank Limited * (note 5.1.3)	26,018	273,000	-	273,000	26,018	649	848	199	0.49%	0.48%	-
MCB Bank Limited *	-	179,108	-	179,000	108	14	19	5	0.01%	0.01%	-
United Bank Limited. * (note 5.1.2)	76,529	158,585	-	175,000	60,114	8,979	10,691	1,712	6.17%	6.10%	-
Bank Al-Habib Limited (note 5.1.2)	149,132	233,851	-	228,851	154,132	11,520	12,414	894	7.16%	7.09%	0.01%
Meezan Bank Limited *	95,725	18,000	-	103,725	10,000	1,220	1,614	394	0.93%	0.92%	-
BankIslami Pakistan Limited	80,000	698,000	-	778,000	-	-	-	-	-	-	-
Habib Bank Limited	52,200	414,300	-	392,305	74,195	8,245	8,224	(21)	4.75%	4.70%	0.01%
						34,627	37,789	3,162	21.80%	21.57%	
FERTILIZER											
Engro Corporation Limited *	17,300	74,500	-	82,500	9,300	2,610	2,743	133	1.58%	1.57%	-
Fauji Fertilizer Bin Qasim Limited	-	150,000	-	-	150,000	4,152	4,785	633	2.76%	2.73%	0.01%
Fauji Fertilizer Company Limited (note 5.1.2)	-	166,000	-	100,000	66,000	7,528	7,471	(57)	4.31%	4.27%	0.01%
Engro Fertilizers Limited	52,587	180,500	-	193,697	39,390	4,445	4,421	(24)	2.55%	2.52%	0.01%
						18,735	19,420	685	11.21%	11.09%	
CHEMICAL											
Descon Oxychem Limited	-	74,000	-	74,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
AUTOMOBILE PARTS & ACCESSORIES											
Baluchistan Wheels Limited	-	2,000	-	2,000	-	-	-	-	-	-	-
Panther Tyres Limited	-	138,000	-	43,000	95,000	4,168	4,301	133	2.48%	2.46%	0.06%
						4,168	4,301	133	2.48%	2.46%	
TECHNOLOGY & COMMUNICATION											
Systems Limited * (note 5.1.2)	12,605	57,036	-	55,800	13,841	6,167	5,862	(305)	3.38%	3.35%	-
TPL Trakker Limited	1,551,500	-	-	53,500	1,498,000	13,242	11,789	(1,453)	6.80%	6.73%	0.80%
Air Link Communication Limited	-	237,000	-	181,000	56,000	3,933	3,403	(530)	1.96%	1.94%	0.01%
						23,342	21,054	(2,288)	12.15%	12.02%	
FOOD & PERSONAL CARE PRODUCTS											
Unity Foods Limited	-	203,700	-	203,700	-	-	-	-	-	-	-
						-	-	-	-	-	-
Total as at December 31, 2023						157,025	173,306	16,281			
Total as at June 30, 2023						152,119	148,861	(3,258)			

* Nil due to rounding off

3,468,760	173,306	16,281
(3,468,760)	-	-

5.1.1 All shares have a face value of Rs 10 each.

5.1.2 The above investments include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
	--- (Number of shares) ---		----- Rupees in '000 -----	
Bank Al Habib Limited	54,000	-	4,349	-
Engro Fertilizers Limited	-	30,000	-	2,476
Fauji Fertilizer Company Limited	20,000	-	2,264	-
Habib Bank Limited	-	50,000	-	3,662
Mari Petroleum Company Limited	1,000	1,000	2,096	1,515
Maple Leaf Cement Factory Limited	105,000	-	4,087	-
Meezan Bank Limited	-	12,000	-	1,036
Oil & Gas Development Company Limited	63,500	67,700	7,141	5,281
Pakistan Petroleum Limited	100,000	100,600	11,503	5,949
Sui Northern Gas Pipelines Limited	63,500	-	4,669	-
Systems Limited	5,000	5,000	2,118	2,017
The Hub Power Company Limited	20,000	90,000	2,342	6,262
United Bank Limited	15,681	15,681	2,789	1,843
	<u>447,681</u>	<u>371,981</u>	<u>43,358</u>	<u>30,041</u>

5.1.3 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which were already pending or to be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at December 31, 2023, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

Name of the Investee Company	(Un-audited)		(Audited)	
	December 31,		June 30,	
	2023		2023	
	----- Bonus shares -----			
	Number of shares withheld	Rupees in '000	Number of shares withheld	Rupees in '000
Mughal Iron & Steel Industries Limited	20,889	1,382	20,889	1,012
The Searle Company Limited	11,915	613	11,915	456
Pakistan State Oil Company Limited	3,503	619	3,503	389
Faysal Bank Limited	26,018	848	26,018	525
	62,325	3,462	62,325	2,382

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
5.2 Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss'			

Market value of investments	5.1	173,306	148,861
Less: carrying value of investments	5.1	(157,025)	(152,119)
		<u>16,281</u>	<u>(3,258)</u>

6 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable		788	635
Profit receivable on bank balances	6.1	711	735
		<u>1,499</u>	<u>1,370</u>

6.1 This includes receivables of Rs. 0.044 million (June 30, 2023: Rs. 0.014 million) from Habib Bank Limited (a related party) and Rs. 0.001 million (June 30, 2023: Rs. 0.561 million) from HBL Microfinance Bank Limited (a related party).

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	

7 ADVANCES, DEPOSITS AND PREPAYMENT

Security deposit with:			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		100	100
Advance tax		511	511
Prepayment of KSE listing fee		16	-
Advance against subscription of Term Finance Certificates (TFC)	7.1	<u>25,000</u>	<u>25,000</u>
		<u>28,127</u>	<u>28,111</u>
Less: Provision in respect of advance against subscription of term finance certificates	7.2	<u>(25,000)</u>	<u>(25,000)</u>
		<u>3,127</u>	<u>3,111</u>

7.1 The Fund had subscribed towards the Term Finance Certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till December 31, 2023. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at December 31, 2023, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

7.2 Disclosure Under Circular 16 Of 2010 Issued By The Securities And Exchange Commission Of Pakistan - Categorisation Of Open End Scheme

The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. HBL Asset Management Limited (Management Company) classified HBL Stock Fund (the Fund) as 'Equity Scheme' in accordance with the said circular. As at December 31, 2023, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	% of net assets	% of total investments
		(Rupees in '000)		(%)		
Dewan Cement Limited	TFC	25,000	25,000	-	-	-

8 RECEIVABLE FROM HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

As per SECP's direction No. SCD/PRDD/Direction/18/2016 all AMCs are required to calculate the TER in respect of each CIS to ensure the TER is not in breach of the required maximum percentage. The AMCs are required to adjust the NAV of the CIS on the basis of TER at the end of each Quarter during the financial year for the amount of expenses in excess of the TER limit prescribed in regulation 60(5) of the NBFC Regulations.

During the period ended December 31, 2023, the Fund was in breach of the TER ratio of maximum 4.5% as prescribed under NBFC Regulations for a CIS categorised as equity scheme. As a result the Fund has recorded receivable from Management Company to comply with the TER.

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		(Rupees in '000)	
9 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	9.1	470	262
Sindh Sales Tax payable on remuneration of the Management Company	9.2	61	34
Selling and marketing expenses payable	9.3	105	430
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	94	72
Sales load payable		1	-
		<u>731</u>	<u>798</u>

9.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% to 3% (June 30, 2023: 2%) per annum of the daily net assets of the Fund during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

9.2 The Sindh Provincial 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.

9.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate ranging from 0% to 1.05% (June 30, 2023: 1.05%) during the period ended December 31, 2023 while keeping in view the overall return and Total Expense Ratio limit of the Fund as defined under the NBFC Regulations.

9.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged at the rate ranging from 0.55% to 0.60% of the daily net assets of the Fund during the period ended December 31, 2023 (June 30, 2023: 0.55%).

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	----- (Rupees in '000) -----	
	Remuneration payable to the Trustee	31	27
	Sindh Sales Tax payable on remuneration of the Trustee	4	3
		<u>35</u>	<u>30</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.20% p.a. of Net Assets
- From Rs 1,000 million to Rs 5,000 million	Rs. 2.0 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs.1,000 million.

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

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	----- (Rupees in '000) -----	
	Fee payable	15	38

11.1 "In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP)."

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay the SECP fee within three months of the close of accounting year.

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
12	ACCRUED EXPENSES AND OTHER LIABILITIES	----- (Rupees in '000) -----	
	12.1	37,838	37,838
Provision for federal excise duty			
Withholding tax payable		644	793
Auditors' remuneration payable		463	550
Securities transaction costs payable		881	268
Zakat payable		29	29
Other payable		1,155	716
		<u>41,010</u>	<u>40,194</u>

- 12.1** The Finance Act, 2013 enlarged the scope of federal excise duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 37.838 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 23.28 (June 30, 2023: Rs 16.45)

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

14 EARNINGS / (LOSS) PER UNIT

Earnings / (loss) per unit has not been disclosed in these condensed interim financial statements as in the opinion of the management, the determination of the cumulative weighted average number of outstanding units for calculating EPU is not practicable.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2023 is 5.18% (December 31, 2022: 4.95%), which includes 0.71% (December 31, 2022: 0.47%) representing government levies on the Fund such as sales taxes, annual fee to the SECP. The maximum ratio limit as prescribed under the NBFC Regulation for a collective Investment Scheme categorised as an 'Equity Scheme' is 4.5% which is required to be compiled on an annual basis by the fund. As more fully discussed in note 8, TER of the Fund was in breach as prescribed in the regulation. To comply with this breach, the Fund has made the reversal of expense amounting to Rs. 1.842 million (December 31, 2022: Nil).

16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

17 TRANSACTIONS AND BALANCES 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.

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and the NBFC regulations and hence, the transactions are considered to be on an arm's length basis.

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

17.1 Transactions during the period

	(Un-audited)	
	Half year ended	
	December 31,	
	2023	2022
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company including Sales Tax thereon	1,971	2,440
Allocation of expenses related to registrar services, accounting, operation and valuation services	412	594
Selling and marketing expense	445	1,134
Reimbursement from HBL Asset Management Limited - Management Company	1,842	-

Transactions during the period

	(Un-audited)	
	Half year ended	
	December 31,	
	2023	2022
	----- (Rupees in '000) -----	
Habib Bank Limited - Sponsor		
Bank charges	1	5
Bank profit	284	620
Dividend income	523	200
HBL Micro Finance Bank (Formerly First Micro Finance Bank) - Associate		
Bank profit	2,069	1,315
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration including Sales Tax thereon	163	244
Central Depository service charges	20	146
Directors and Executives of the Management Company and their relatives		
Issuance of 5,041 (December 31, 2022: nil) units	553	-
Redemption of 156 (December 31, 2022: nil) units	12	-
DCCL - HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Issuance of nil (December 31, 2022: 9,404) units	-	644
Redemption of 48,324 (December 31, 2022: 103,540) units	4,390	7,136
Jaffer Brothers (Private) Limited and Associated Companies		
Staff Provident Fund - Connected party due to 10% units		
Redemption of 715,854 (December 31, 2022: nil) units	53,613	-

17.2 Balances outstanding as at period / year end

	(Un-audited)	(Audited)
	December 31,	June 30,
	2023	2023
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company including Sales Tax thereon	531	296
Sales load payable	1	-
Selling and marketing expenses payable	105	430
Allocation of expenses related to registrar services, accounting, operation and valuation services payable	94	72
Receivable from HBL Asset Management Limited - Management Company	1,842	2,125
Habib Bank Limited - Sponsor		
Bank balances	1,264	1,111
Profit receivable	44	14
HBL Micro Finance Bank (Formerly First Micro Finance Bank) - Associate		
Bank balance	23	27,343
Profit receivable	1	561

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Directors and Executives of the Management Company and their relatives		
Outstanding 6,464 (June 30, 2023: 1,579) units	697	110
DCCL - HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Outstanding nil (June 30, 2023: 48,324) units	-	3,366
Balances outstanding as at period / year end		
	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Jaffer Brothers (Private) Limited and Associated Companies Staff Provident Fund - Associate		
Outstanding nil (June 30, 2023: 715,854) units	-	49,866
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including Sales Tax thereon	35	30
Security deposit	100	100

18 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.

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

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

**Financial assets ' at fair value through
profit or loss'**

- Quoted equity securities

----- (Un-audited) -----			
----- As at December 31, 2023 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

173,306	-	-	173,306
---------	---	---	---------

**Financial assets ' at fair value through
profit or loss'**

- Quoted equity securities

----- (Audited) -----			
----- As at June 30, 2023 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

148,861	-	-	148,861
---------	---	---	---------

19 GENERAL

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

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

19.3 Units have been rounded off to the nearest decimal place.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 16, 2024.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Equity Fund

FUND INFORMATION

Name of Fund	HBL Equity Fund
Name of Auditor	Yousuf Adil & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited Soneri Bank Limited HBL Bank Limited JS Bank Limited Khushhali Bank Limited HBL Microfinance Bank Limited Mobilink Microfinance Bank Limited National Bank Limited Zarai Taraqati Bank Limited Allied Bank Limited Habib Metropolitan Bank Limited

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of HBL Equity Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Equity Fund** (the "Fund") as at December 31, 2023, and the related condensed interim income statement, the condensed interim statement of comprehensive income, the condensed interim statement of movement in unit holders' fund, and the condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the half year then ended. The Board of HBL Asset Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2023 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2023.

The condensed interim financial information for the half year ended December 31, 2022 and the annual financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of chartered accountants, whose review report dated February 23, 2023 and audit report dated September 25, 2023, expressed an unmodified opinion respectively.

The engagement partner on the engagement resulting in this independent auditor's review report is **Hena Sadiq**.


Chartered Accountants

Place: Karachi

Date: February 26, 2024

UDIN: RR202310057FrUvle1V

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL EQUITY FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Equity Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2023

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	8,694	9,794
Investments	5	262,808	302,957
Dividend and mark-up receivable		281	306
Receivable against sale of investments		-	13,625
Advances, deposits and prepayments		2,931	2,915
Receivable against reimbursement from Management Company		4,188	4,934
TOTAL ASSETS		278,902	334,531
LIABILITIES			
Payable to the Management Company	6	1,316	1,653
Payable to the Trustee		60	60
Payable to Securities and Exchange Commission of Pakistan	7	25	98
Payable against redemption of units		1,470	2,647
Payable against purchase of investments		1,725	-
Accrued expenses and other liabilities	8	9,085	6,723
TOTAL LIABILITIES		13,681	11,181
NET ASSETS		265,221	323,350
UNIT HOLDERS' FUND (AS PER STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)			
		265,221	323,350
CONTINGENCIES AND COMMITMENTS			
	9	-----Number of units-----	
Number of units in issue		2,519,955	4,595,440
-----Rupees-----			
Net assets value per unit		105.2483	70.3636

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 Equity Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
Note-----	(Rupees in '000) -----			

INCOME

Capital gain / (loss) on sale of investments - net	85,888	(18,007)	41,721	(8,461)
Dividend income	17,039	20,909	8,847	9,131
Mark-up on bank deposits	1,528	2,021	965	643
Income from government securities	-	71	-	-
	104,455	4,994	51,533	1,313
Unrealised gain / (loss) on re-measurement of investments classified as financial asset at 'fair value through profit or loss'- net	26,156	(27,856)	22,712	(22,918)
	130,611	(22,862)	74,245	(21,605)

EXPENSES

Remuneration of the Management Company	3,688	6,133	1,995	2,368
Sindh Sales Tax on remuneration of the Management Company	479	797	259	308
Remuneration of the Trustee	319	613	150	237
Sindh sales tax on remuneration of the Trustee	41	80	19	31
Annual fee to Securities and Exchange Commission of Pakistan	151	61	71	23
Allocation of expenses related to registrar services, accounting, operation and valuation services	902	1,687	437	652
Selling and marketing expenses	1,154	3,220	265	1,243
Auditors' remuneration	343	258	192	146
Fees and subscription	15	14	8	7
Securities transaction cost and settlement charges	5,492	4,167	2,147	2,362
Bank charges	17	38	8	16
Printing charges	3	126	3	33
Reversal against reimbursement from Management Company	(4,188)	-	(4,188)	-
	8,416	17,194	1,366	7,426
Net income / (loss) for the period before taxation	122,195	(40,056)	72,879	(29,031)
Taxation	-	-	-	-
Net income / (loss) for the period after taxation	122,195	(40,056)	72,879	(29,031)

Allocation of net income for the period

Income already paid on redemption of units	42,072	-	32,344	-
Accounting income available for distribution:				
Relating to capital gains	73,072	-	34,853	-
Excluding capital gains	7,051	-	5,682	-
	80,123	-	40,535	-
	122,195	-	72,879	-

Earnings per unit

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 Equity Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	(Rupees in '000)			
Net income / (loss) for the period after taxation	122,195	(40,056)	72,879	(29,031)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	122,195	(40,056)	72,879	(29,031)

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 Equity Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31,					
	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)					
Net assets at beginning of the period	1,073,154	(749,804)	323,350	1,525,280	(707,203)	818,077
Issuance of 1,632,559 units (2022: 297,189 units)						
Capital value (at net asset value per unit at the beginning of the period)	114,873	-	114,873	22,843	-	22,843
Element of Income	43,462	-	43,462	(511)	-	(511)
Total proceeds on issuance of units	158,335	-	158,335	22,332	-	22,332
Redemption of 3,708,043 units (2022: 4,918,643 units)						
Capital value (at net asset value per unit at the beginning of the period)	(260,911)	-	(260,911)	(378,064)	-	(378,064)
Income already paid on redemption of units	-	(42,072)	(42,072)	-	-	-
Element of income	(35,676)	-	(35,676)	3,776	-	3,776
Total payments on redemption of units	(296,587)	(42,072)	(338,659)	(374,288)	-	(374,288)
Total comprehensive income / (loss) for the period	-	122,195	122,195	-	(40,056)	(40,056)
Net assets at end of the period	934,902	(669,681)	265,221	1,173,324	(747,259)	426,065
Undistributed accumulated loss brought forward						
Realised loss	(742,789)			(340,374)		
Unrealised loss	(7,015)			(366,829)		
	(749,804)			(707,203)		
Accounting income available for distribution						
Relating to capital gains	73,072			-		
Excluding capital gains	7,051			-		
	80,123			-		
Total comprehensive loss for the period	-			(40,056)		
Accumulated loss carried forward	(669,681)			(747,259)		
Accumulated loss carried forward						
Realised loss	(695,836)			(719,403)		
Unrealised income / (loss)	26,156			(27,856)		
	(669,681)			(747,259)		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period	70.3636			74.8634		
Net assets value per unit at end of the period	105.2483			70.7537		

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended	
	2023 December 31, ----- (Rupees in '000)	2022 December 31, -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year before taxation	122,195	(40,056)
Adjustments for:		
Capital (gain) / loss on sale of investments - net	(85,888)	18,007
Dividend income	(17,039)	(20,909)
Mark-up on bank deposits	(1,528)	(2,021)
Income from government securities	-	(71)
Unrealised (gain) / loss on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(26,156)	27,856
	(8,416)	(17,194)
Decrease in assets		
Investments - net	152,193	339,061
Advances, deposits and prepayments	(16)	(14)
Receivable against reimbursement from Management Company	746	-
Receivable against sale of investments	13,625	(11,681)
	166,548	327,366
Increase / (decrease) in liabilities		
Payable to the Management Company	(337)	(4,846)
Payable to the Trustee	-	(82)
Payable to Securities and Exchange Commission of Pakistan	(73)	(248)
Payable against redemption of units	(1,177)	-
Payable against purchase of investments - net	1,725	-
Accrued expenses and other liabilities	2,362	124
	2,500	(5,052)
Cash generated from operations	160,632	305,120
Dividend and mark-up received	18,592	24,275
Net cash generated from operating activities	179,224	329,395
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	158,335	22,332
Payment against redemption of units	(338,659)	(374,288)
Net cash used in financing activities	(180,324)	(351,956)
Net decrease in cash and cash equivalents during the year	(1,100)	(22,561)
Cash and cash equivalents at the beginning of the year	9,794	31,362
Cash and cash equivalents at the end of the year	8,694	8,801

4

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 Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Equity Fund ("the Fund") was established under a Trust Deed executed between PICIC Asset Company Limited (now, HBL Asset Management Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/NBFC-II/PSF/249/2011 dated June 1, 2011 and the trust deed was executed on June 14, 2011. Through an order dated August 31, 2016, the Securities and Exchange Commission of Pakistan (SECP) approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017.

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

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

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

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company as at December 29, 2023.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information of the Fund 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 Standard 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 requirement of trust deed.

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

2.1.2 This condensed interim financial information does not include all the information and disclosures required in a full set of audited financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2023.

2.1.3 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed.

2.1.4 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 December 31, 2023.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost basis, unless stated otherwise.

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

2.3 Functional and presentation currency

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

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

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

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not 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 annual audited financial statements of the Fund for the year ended June 30, 2023.

4	BANK BALANCES	Note	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
			(Rupees in '000)	
	Cash at bank			
	In savings accounts	4.1	7,992	9,092
	In current accounts		702	702
			<u>8,694</u>	<u>9,794</u>

- 4.1 These accounts carry mark-up ranges from 21.99% to 22.95% (June 30, 2023: 8.65% to 22.25%) per annum. This includes an amount held with Habib Bank Limited (a related party) amounting to Rs. 0.737 million (June 30, 2023: Rs. 0.11 million) on which return is earned at 16.50% (June 30, 2023: 14.50%) per annum. and HBL Microfinance Bank Limited (a related party) amounting to Rs. 0.02 million (June 30, 2023: Rs. 2.44 million) on which returned earned at rate ranging from 22.50% to 22.96% (June 30, 2023: 17.00%).

5	INVESTMENTS	Note	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
			(Rupees in '000)	
	Financial assets at fair value through profit or loss			
	Listed equity securities	5.1	<u>262,808</u>	<u>302,957</u>

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

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

Name of the investee Companies	As at July 1, 2023	Purchases during the period	Sales during the period	As at December 31, 2023	Carrying Amount as at December 31, 2023	Market Value as at December 31, 2023	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
Number of Shares					(Rupees in '000)			(%)	
AUTOMOBILE ASSEMBLER									
Honda Atlas Cars (Pakistan) Limited	-	220,500	205,500	15,000	3,009	3,206	197	0.01	0.01
Pak Suzuki Motor Company Limited	-	6,300	6,300	-	-	-	-	-	-
Sazgar Engineering Works Limited	-	215,500	193,000	22,500	3,762	4,002	240	0.02	0.02
					6,771	7,208	437	0.03	0.03
CEMENT									
Cherat Cement Company Limited	106,000	258,000	340,000	24,000	3,265	3,911	646	0.01	0.01
D.G. Khan Cement Company Limited	-	1,621,137	1,432,137	189,000	13,588	14,629	1,041	0.06	0.06
Fauji Cement Company Limited	-	545,500	-	545,500	11,141	10,321	(821)	0.04	0.04
Lucky Cement Limited	-	63,500	63,500	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	1,041,500	2,621,066	3,286,566	376,000	11,622	14,634	3,012	0.06	0.06
Pioneer Cement Limited	-	312,627	264,627	48,000	5,122	5,517	395	0.02	0.02
					44,738	49,012	4,274	0.19	0.18
COMMERCIAL BANKS									
Bank Al Habib Limited	-	517,500	517,500	-	-	-	-	-	-
BankIslami Pakistan Limited	1,656,000	1,783,000	3,439,000	-	-	-	-	-	-
Faysal Bank Limited	1,440	-	-	1,440	29	47	18	0.00	0.00
Habib Bank Limited	223,500	1,372,826	1,428,326	168,000	18,505	18,621	116	0.07	0.07
MCB Bank Limited	-	136,500	136,500	-	-	-	-	-	-
Meezan Bank Limited	-	550,171	550,171	-	-	-	-	-	-
United Bank Limited	110,500	282,812	278,812	114,500	17,205	20,363	3,158	0.08	0.08
					35,739	39,031	3,292	0.15	0.15
FOOD & PERSONAL CARE PRODUCTS									
Murree Brewery Company Limited	-	36,500	36,500	-	-	-	-	-	-
Unity Foods Limited	-	100,000	100,000	-	-	-	-	-	-
					-	-	-	-	-
ENGINEERING									
International Steels Limited	-	288,000	288,000	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	251,216	296,284	547,500	-	-	-	-	-	-
					-	-	-	-	-
FERTILIZER									
Engro Fertilizer Limited	371,000	42,000	371,000	42,000	4,754	4,714	(41)	0.02	0.02
					4,754	4,714	(41)	0.02	0.02

Name of the investee Companies	As at July 1, 2023	Purchases during the period	Sales during the period	As at December 31, 2023	Carrying Amount as at December 31, 2023	Market Value as at December 31, 2023	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
----- Number of Shares -----					----- (Rupees in '000) -----			----- (%) -----	
OIL & GAS EXPLORATION COMPANIES									
Oil & Gas Development Company Limited	364,500	856,886	1,048,386	173,000	17,724	19,454	1,730	0.07	0.07
Pakistan Petroleum Limited	479,500	1,017,771	1,262,271	235,000	21,616	27,032	5,416	0.10	0.10
					39,340	46,486	7,146	0.18	0.18
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited	227,000	306,313	432,313	101,000	12,260	17,848	5,588	0.07	0.07
Shell Pakistan Limited	-	262,000	262,000	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	366,000	1,463,360	1,526,360	303,000	16,329	22,277	5,947	0.08	0.08
					28,589	40,124	11,535	0.15	0.15
INSURANCE									
TPL Insurance Limited	176,750	-	-	176,750	3,660	2,554	(1,106)	0.01	0.01
					3,660	2,554	(1,106)	0.01	0.01
PAPER & BOARD									
Century Paper & Board Mills Limited	-	416,000	416,000	-	-	-	-	-	-
					-	-	-	-	-
REFINERY									
Attock Refinery Limited	-	582,744	582,744	-	-	-	-	-	-
National Refinery Limited	-	505,175	445,175	60,000	18,366	19,268	902	0.07	0.07
					18,366	19,268	902	0.07	0.07
POWER GENERATION & DISTRIBUTION									
The Hub Power Company Limited	336,000	709,586	880,086	165,500	16,150	19,378	3,229	0.07	0.07
Kot Addu Power Company Limited	-	533,000	533,000	-	-	-	-	-	-
Lalpir Power Limited	-	208,000	208,000	-	-	-	-	-	-
Nishat Chunian Power Limited	-	1,730,000	1,730,000	-	-	-	-	-	-
Nishat Power Limited	-	1,152,500	1,152,500	-	-	-	-	-	-
					16,150	19,378	3,229	0.07	0.07
TECHNOLOGY & COMMUNICATION									
Air Link Communication Limited	-	385,967	340,967	45,000	2,719	2,734	15	0.01	0.01
Systems Limited	5,142	-	-	5,142	2,074	2,178	104	0.01	0.01
Telecard Limited	-	750,000	750,000	-	-	-	-	-	-
TPL Trakker Limited	3,800,000	34,500	10,000	3,824,500	33,736	30,099	(3,637)	0.11	0.11
					38,529	35,011	(3,518)	0.13	0.13
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Limited	-	129,000	129,000	-	-	-	-	-	-
Nishat Mills Limited	-	343,260	343,260	-	-	-	-	-	-
	-	472,260	472,260	-	-	-	-	-	-
Other Investments									
The Searle Company Limited	445	-	-	445	17	23	6	0.00	0.00
	445	-	-	445	17	23	6	0.00	0.00
Total - As at December 31, 2023 (Un-Audited)					236,653	262,808	26,156	100%	99%
Total - As at June 30, 2023 (Audited)					309,972	302,957	(7,015)	100%	94%

.1 As at December 31, 2023 the Fund has pledged shares 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, of following companies:

- The Hub Power Company Limited (56,110 shares having market value of Rs. 6.570 million)
- Maple Leaf Cement Factory Limited (222,000 shares having market value of Rs. 8.640 million)
- Oil & Gas Development Company Limited (120,000 shares having market value of Rs. 13.494 million)
- Pakistan Petroleum Limited (48,000 shares having market value of Rs. 5.521 million)
- TPL Trakker Limited (200,000 shares having market value of Rs. 1.574 million)
- United Bank Limited (3,000 shares having market value of Rs. 0.534 million)

- .2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other Asset Management Companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable High Court of Sindh 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 High Court of Sindh 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. 2.27 million at December 31, 2023 (June 30, 2023: Rs. 2.145 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 of the Fund and accordingly has recorded the bonus shares on gross basis at fair value of its investments.

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
6	PAYABLE TO THE MANAGEMENT COMPANY	Note	----- (Rupees in '000) -----
	Remuneration payable to the management company	790	534
	Sindh Sales Tax payable on the management company's remuneration	103	69
	Allocation of expenses related to registrar services, accounting, operation and valuation services	158	147
	Selling and marketing expense payable	265	903
		<u>1,316</u>	<u>1,653</u>

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) on annual basis at the rate of 0.02% of average net assets of Collective investment Scheme calculated on daily basis. Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.095% and introduced a shift in payment frequency, from annual to monthly basis.

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
8	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees in '000) -----
	Provision for Federal Excise Duty	8.1	5,685
	Withholding tax payable		843
	Brokerage payable		2,139
	Auditors' remuneration		191
	Printing charges		-
	CDS charges payable		73
	Others		154
			<u>9,085</u>
			<u>6,723</u>

-
- 8.1** The legal status of applicability of Federal Excise Duty (FED) on the Fund is same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision. In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2023 would have been higher by Rs. 2.256 per unit (June 30, 2023: Rs. 1.2371 per unit).

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2023 (June 30, 2023: Nil).

10 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the accumulated losses and capital gains whether realised or unrealised, is distributed to the unit holders as cash dividend. 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 at least 90% of the Fund's accounting income as reduced by accumulated losses and capital gains (whether realised or unrealised) to its unit holders.

11 EARNINGS PER UNIT

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

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

		Half year ended December 31,	
		2023 (Un-Audited)	2022 (Un-Audited)
		----- (Rupees in '000) -----	
12.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	3,688	6,133
	Sindh Sales Tax on remuneration of the Management Company	479	797
	Selling and marketing expenses	1,154	3,220
	Allocation of expenses related to registrar services, accounting, operation and valuation services	902	1,687
	Reversal against reimbursement from Management Company	(4,188)	-
	Habib Bank Limited - Sponsor		
	Purchase of shares	129,770	-
	Sale of shares	133,306	-
	Bank charges	11	18
	Mark-up on bank deposits	73	206
	Dividend Income	844	660
	HBL Microfinance Bank - Associate		
	Profit / mark-up on deposits accounts	30	96
	CDC Trustee - Punjab Pension Fund Trust- connected person holding 10% or more units		
	Redemption of Nil (2022: 985,523) units	-	75,000
	DCCL Trustee HBL Financial Planning Fund Active Allocation Plan - Under Common Management		
	Redemption of Nil (2022: 256,101) units	-	19,116
	HBL Money Market Fund - Under Common Management		
	Sale of Market Treasury Bill	-	14,827
	DCCL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management		
	Redemption of Nil (2022: 60,518) units	-	4,463
	Directors and Executives of the Management Company		
	Issue of 20,438 (2022: 32,002) units	2,162	200
	Redemption of 2,543 (2022: 2,534) units	192	191
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration of the Trustee	319	613
	Sindh Sales Tax on remuneration of the Trustee	41	80
	Central Depository service charges	108	108

	Half year ended December 31, 2023 (Un-Audited)	Year ended June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
12.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration payable of the Management Company	790	534
Sindh Sales Tax payable on the Management Company's remuneration	103	69
Selling and marketing expenses	265	903
Allocation of expenses related to registrar services, accounting, operation and valuation services	158	147
Receivable against reimbursement from Management Company	4,188	4,934
Habib Bank Limited - Sponsor		
Bank balances	737	612
HBL Microfinance Bank - Associate		
Bank balances	21	2,449
Profit / mark-up receivable	-	77
Directors and Executives of the Management Company		
Units held: 18,789 units (June 30, 2023: 894 units)	1,978	63
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	60	60
Central Depository Charges payable	73	93
Security deposit	100	100
The Citizens Foundation- connected person *		
holding 10% or more units		
Units held: 754,236 units (June 30, 2023: Nil units) *	79,382	-

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

13 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

December 31, 2023 (Un-Audited)							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----							
Financial assets measured at fair value							
Equity Investment	262,808	-	262,808	262,808	-	-	262,808
Financial assets not measured at fair value							
Bank balances	-	8,694	8,694				
Dividend and mark-up receivable	-	281	281				
Advances and deposits	-	2,600	2,600				
Receivable against reimbursement from Management Company	-	4,188	4,188				
	-	15,763	15,763				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	1,213	1,213				
Payable to the Trustee	-	53	53				
Payable against redemption of units	-	1,470	1,470				
Payable against purchase of investments	-	1,725	1,725				
Accrued expenses and other liabilities	-	2,557	2,557				
	-	7,018	7,018				
June 30, 2023 (Audited)							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----							
Financial assets measured at fair value							
Equity Investment	-	302,957	302,957	302,957	-	-	302,957
Financial assets not measured at fair value							
Bank balances	-	9,794	9,794				
Dividend and mark-up receivable	-	306	306				
Receivable against sale of investments	-	13,625	13,625				
Advances and deposits	-	2,600	2,600				
Receivable against reimbursement from Management Company	-	4,934	4,934				
	-	31,259	31,259				

Financial liabilities not measured at fair value

14 TOTAL EXPENSE RATIO

15 DATE OF AUTHORISATION FOR ISSUE

16 GENERAL

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

Director

HBL

Energy Fund

FUND INFORMATION

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

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of HBL Energy Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Energy Fund** (the "Fund") as at December 31, 2023, and the related condensed interim income statement, the condensed interim statement of comprehensive income, the condensed interim statement of movement in unit holders' fund, and the condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the half year then ended. The Board of HBL Asset Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2023 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2023.

The condensed interim financial information for the half year ended December 31, 2022 and the annual financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of chartered accountants, whose review report dated February 23, 2023 and audit report dated September 25, 2023, expressed an unmodified opinion respectively.

The engagement partner on the engagement resulting in this independent auditor's review report is **Hena Sadiq**.


Chartered Accountants

Place: Karachi

Date: February 26, 2024

UDIN: RR2023100575uxi07Qpz

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel: (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



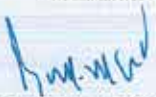
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ENERGY FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Energy Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Energy Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at December 31, 2023

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	100,714	26,773
Investments	5	452,227	244,571
Dividend and mark-up receivable		1,032	647
Advances, deposits, prepayments and other receivable		3,091	4,741
Receivable against reimbursement of Management Company		2,483	-
TOTAL ASSETS		559,547	276,732
LIABILITIES			
Payable to the Management Company	6	3,203	1,219
Payable to the Trustee		114	51
Payable to Securities and Exchange Commission of Pakistan	7	39	61
Unclaimed dividend		5,382	5,382
Accrued expenses and other liabilities	8	17,126	28,521
TOTAL LIABILITIES		25,864	35,234
NET ASSETS		533,683	241,498
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		533,683	241,498
CONTINGENCIES AND COMMITMENTS			
	9	----- (Number of units) -----	
Number of units in issue		32,103,624	24,577,131
----- (Rupees) -----			
Net assets value per unit		16.6238	9.8261

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 Energy Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
Note	(Rupees in '000)			
Income				
Capital loss on sale of investments - net	61,858	(14,674)	35,574	(14,865)
Dividend income	11,722	25,995	9,229	17,953
Mark-up on bank deposits	3,857	2,443	2,020	1,394
	77,437	13,764	46,823	4,482
Unrealized gain/(loss) on re-measurement of investments classified as financial asset at 'fair value through profit or loss'- net	89,486	(9,555)	63,867	(7,687)
	166,923	4,209	110,690	(3,205)
Expenses				
Remuneration of the Management Company	4,000	3,531	2,566	1,532
Sindh Sales Tax on remuneration of the Management Company	520	459	334	199
Remuneration of the Trustee	331	382	188	182
Sindh Sales Tax on remuneration of the Trustee	43	50	24	24
Annual fee to Securities and Exchange Commission of Pakistan	157	35	89	15
Allocation of expenses related to registrar services, accounting, operation and valuation services	944	971	550	421
Reversal against reimbursement from Management Company	(2,483)	-	(2,483)	-
Selling and marketing expenses	1,006	1,854	253	805
Auditors' remuneration	429	-	301	-
Fees and subscription	116	85	109	43
Securities transaction cost	2,417	1,454	1,124	1,009
Settlement and bank charges	385	298	173	191
	7,865	9,119	3,228	4,421
Net Income / (loss) for the period from operating activities	159,058	(4,910)	107,462	(7,626)
Net Income / (loss) for the period before taxation	159,058	(4,910)	107,462	(7,626)
Taxation	-	-	-	-
Net Income / (loss) for the period after taxation	159,058	(4,910)	107,462	(7,626)
Allocation of net income for the period				
Income already paid on redemption of units	14,712	-	9,213	-
Accounting income available for distribution:				
Relating to capital gains	137,014	-	90,917	-
Excluding capital gains	7,332	-	7,332	-
	144,346	-	98,249	-
	159,058	-	107,462	-
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 Energy Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)***For The Half Year And Quarter Ended December 31, 2023*

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net Income / (loss) for the period after taxation	159,058	(4,910)	107,462	(7,626)
Other comprehensive income for the period	-	-	-	-
Total comprehensive Income / (loss) for the period	159,058	(4,910)	107,462	(7,626)

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 Energy Fund

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

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,					
	2023			2022		
	Capital value	Undistributed income/ (loss)	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)					
Net assets at beginning of the period	362,742	(121,243)	241,498	547,836	(116,654)	431,182
Issuance of 29,852,084 units (2022: 2,949,838 units)						
Capital value (at net asset value per unit at the beginning of the period)	293,330	-	293,330	29,096	-	29,096
Element of income	153,230	-	153,230	(211)	-	(211)
Total proceeds on issuance of units	446,560	-	446,560	28,885	-	28,885
Redemption of 22,325,591 units(2022: 20,612,545 units)						
Capital value (at net asset value per unit at the beginning of the period)	(219,374)	-	(219,374)	(203,316)	-	(203,316)
Income already paid on redemption of units	-	(14,712)	(14,712)	-	-	-
Element of Income	(79,347)	-	(79,347)	3,816	-	3,816
Total payable on redemption of units	(298,721)	(14,712)	(313,433)	(199,500)	-	(199,500)
Total comprehensive income / (loss) for the period	-	159,058	159,058	-	(4,910)	(4,910)
Net assets at end of the period	510,581	23,103	533,683	377,221	(121,564)	255,657
Undistributed income / (loss) brought forward						
Realised loss		(112,636)			(47,215)	
Unrealised loss		(8,607)			(69,439)	
		(121,243)			(116,654)	
Accounting income available for distribution						
Relating to capital gains		137,014			-	
Excluding capital gains		7,332			-	
		144,346			-	
Total comprehensive loss for the period		-			(4,910)	
Accumulated income / (loss) carried forward		23,103			(121,564)	
Accumulated income / (loss) carried forward						
Realised loss		(66,383)			(112,009)	
Unrealised gain / (loss)		89,486			(9,555)	
		23,103			(121,564)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		9.8261			9.8637	
Net assets value per unit at end of the period		16.6238			9.8136	

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 Energy Fund
Condensed Interim Cash Flow Statement (Un-audited)
For The Half Year Ended December 31, 2023

	Half year ended December 31,	
	2023	2022
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (loss) for the period before taxation	159,058	(4,910)
Adjustments for:		
Capital loss on sale of investments - net	(61,858)	14,674
Dividend income	(11,722)	(25,995)
Mark-up on bank deposits	(3,857)	(2,443)
Unrealised (gain) / loss on re-measurement of investments classified at 'fair value through profit or loss' - net	(89,486)	9,555
	(7,865)	(9,119)
(Increase) / decrease in assets		
Investments - net	(56,312)	159,765
Receivable against reimbursement of Management Company	(2,483)	(11,082)
Advances, deposits, prepayments and other receivable	1,650	-
	(57,145)	148,683
(decrease) / Increase in liabilities		
Payable to the Management Company	1,984	(2,067)
Payable to the Trustee	63	(16)
Payable to Securities and Exchange Commission of Pakistan	(22)	(92)
Accrued expenses and other liabilities	(11,395)	10,049
	(9,370)	7,874
Cash generated from / (used in) operations	(74,380)	147,438
Dividend received	11,704	25,971
Mark-up received on bank deposits	3,490	2,750
	15,194	28,721
Net cash flows (used in) / generated from operating activities	(59,186)	176,159
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	446,560	28,885
Amount paid on redemption of units	(313,433)	(199,500)
Net cash flows generated from / (used in) financing activities	133,127	(170,615)
Net increase in cash and cash equivalents	73,941	5,544
Cash and cash equivalents at beginning of the period	26,773	24,197
Cash and cash equivalents at end of the period	100,714	29,741

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 Energy Fund

Condensed Interim Statement of Cash Flow (Un- Audited)

For The Half Year Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

Through an order dated August 31, 2016, the Securities and Exchange Commission of Pakistan (SECP) approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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.

In accordance with clause 65(1) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a meeting of the unit holders of the Fund was held on January 31, 2013 whereby the conversion of the Fund into an open-end scheme was duly approved. The Securities and Exchange Commission of Pakistan accorded its final approval for conversion of the Fund into an open-end scheme through its letter dated May 3, 2013. The conversion of the Fund from a closed end fund to an open-end fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/PRDD/AMCW/PEF/607/2013 dated June 24, 2013. Each unit holder was allotted units according to their respective holdings as at that date on the basis of a ratio of 1 certificate to 1 unit. Accordingly 100,000,000 units were issued on the date of conversion.

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

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

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

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

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

VIS Credit Rating Company has assigned an asset manager rating of 'AM1 (Stable Outlook)' to the HBL Asset Management Company Limited as at December 30, 2023.

Title to the assets of the Fund is 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 of the Fund 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 Standard 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 requirement of trust deed.

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

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2023.
- 2.1.3** This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed.
- 2.1.4** 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 December 31, 2023.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost basis, unless stated otherwise.

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 this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2023, unless otherwise stated.
- 3.2** The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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 judgements 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** There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, standards effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not have a significant effect on this condensed interim financial information.
- 3.5** The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2023.
- 3.6** The accounting policies applied in this 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.

		December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
	Note		
4	BANK BALANCES		
In savings accounts	4.1	100,703	26,762
In current accounts		11	11
		100,714	26,773

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 9% to 22.5 % per annum (June 30, 2023: 9.0% to 21.85% per annum). This includes balance held with Habib Bank Limited and MCB Bank limited (a related party) amounting to Rs. 10.002 million (June 30, 2023: Rs. 8.941 million) and 15.069 million (June 30, 2023: 1.026 million) respectively on which return is earned at 19.51% (June 30, 2023: 9.0% to 19.5%) and 18% (June 30, 2022: 14.5%) respectively. HBL Microfinance Bank Limited (Formerly The First Microfinance Bank Limited) amounting to Rs. 0.0114 million (June 30, 2023: 0.079 million) on which interest is earned at rate ranging 21.75% (June 30, 2023: 10.25% to 17.25%)

		December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
	Note		
5	INVESTMENTS		
	Financial assets at 'fair value through profit or loss'		
Listed equity securities	5.1	452,227	244,571

5.1 Investment in listed equity securities - Financial Assets at 'fair value through profit or loss'

Shares of Listed Companies - Fully paid up ordinary shares of Rupees 10 each unless stated otherwise

Name of the Investee Company	Notes	As at July 1, 2023	Purchases during the period	Bonus Issue	Sales during the period	As at December 31, 2023	Carrying Amount as at December 31, 2023	Market Value as at December 31, 2023	Unrealized gain / (loss) on re- measurement of investments	Market value as percentage of total investments	Market value as percentage of net assets
----- Number of shares -----					----- (Rupees in '000) -----				----- (%) -----		
Oil and Gas Exploration Companies											
Pakistan Petroleum Limited	5.1.1	871,502	446,500	-	585,899	732,103	53,568	84,214	30,646	18.62%	15.78%
Oil and Gas Development Company Limited	5.1.1	663,140	468,000	-	310,000	821,140	79,198	92,337	13,140	20.42%	17.30%
Mari Petroleum Company Limited		24,271	46,814	-	29,889	41,196	75,434	86,351	10,917	19.09%	16.18%
Pakistan Oilfields Limited		-	67,180	-	65,180	2,000	838	844	6	0.19%	0.16%
		1,558,913	1,028,494	-	990,968	1,596,439	209,038	263,746	54,709	58.32%	49.42%
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	5.1.1 & 5.1.2	2,389	533,675	-	323,800	212,264	31,044	37,509	6,465	8.29%	7.03%
Sui Northern Gas Pipeline Limited		457,170	1,245,383	-	882,362	820,191	41,127	60,300	19,173	13.33%	11.30%
Shell Pakistan Limited		110,000	523,000	-	633,000	-	-	-	-	0.00%	0.00%
Sui Southern Gas Company Limited		-	2,987,834	-	1,395,079	1,592,755	19,668	18,046	(1,622)	3.99%	3.38%
Attock Petroleum Limited		26,289	130,081	-	156,321	49	16	19	2	0.00%	0.00%
		595,848	5,419,973	-	3,390,562	2,625,259	91,855	115,874	24,018	25.62%	21.71%
Power Generation & Distribution											
The Hub Power Company Limited	5.1.1	556,330	466,000	-	801,000	221,330	21,249	25,916	4,666	5.73%	4.86%
Nishat Power Limited		527,279	932,000	-	1,459,279	-	-	-	-	0.00%	0.00%
K-Electric Limited		-	4,500,000	-	-	4,500,000	19,931	23,670	3,739	5.23%	4.44%
Kot Addu Power Company Ltd		-	937,500	-	450,250	487,250	12,018	13,853	1,835	3.06%	2.60%
		1,083,609	6,835,500	-	2,710,529	5,208,580	53,198	63,438	10,240	14.03%	11.89%

Name of the Investee Company	Notes	As at July 1, 2023	Purchases during the period	Bonus Issue	Sales during the period	As at December 31, 2023	Carrying Amount as at December 31, 2023	Market Value as at December 31, 2023	Unrealized gain / (loss) on re- measurement of investments	Market value as percentage of total investments	Market value as percentage of net assets
----- Number of shares ----- (Rupees in '000) ----- (%) -----											
Refinery											
Attock Refinery Limited		50,420	178,300	-	200,720	28,000	8,650	9,169	519	2.03%	1.72%
National Refinery Limited		62,424	175,425	-	237,849	-	-	-	-	0.00%	0.00%
		112,844	353,725	-	438,569	28,000	8,650	9,169	519	2.03%	1.72%
Total - As at December 31, 2023		3,351,214	13,637,692	-	7,530,628	9,458,278	362,741	452,227	89,486	100.00%	84.74%
Total - As at June 30, 2023		3,547,642	14,872,756	-	15,081,509	3,338,889	253,178	244,571	(8,607)	100.00%	101.27%

5.1.1 As at December 31, 2023, the Fund has pledged shares 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 of following companies:

- Oil and Gas Development Company (326,000 shares having market value of Rs. 36.658 million)
- Pakistan Petroleum Limited (255,000 shares having market value of Rs. 29.332 million)
- The Hub Power Company Limited (100,000 shares having market value of Rs. 11.709 million)
- Mari Petroleum Company Limited (5000 shares having market value of Rs. 10.48 million)

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in High Court of Sindh 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 High Court of Sindh 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. 0.422 million at December 31, 2023 (June 30, 2023: Rs. 0.265 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 of the Fund and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		December 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
		----- (Rupees in '000) -----	
6	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration to the Management Company	1,225	403
	Sindh Sales Tax payable on the Management Company's remuneration	159	52
	Allocation of expenses related to registrar services, accounting, operation and valuation services	245	111
	Selling and marketing expense payable	269	648
	Sale load payable	1,305	5
		<u>3,203</u>	<u>1,219</u>

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis."

8	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2023 (Un-Audited)	June 30, 2022 (Audited)
			----- (Rupees in '000) -----	
	Provision for Federal Excise Duty	8.1	13,920	13,920
	Withholding tax payable		1,085	617
	Brokerage payable		1,477	606
	Auditors' remuneration		310	267
	Printing charges		26	-
	Zakat payable		251	251
	NCCPL charges payable			35
	Other		57	12,825
			17,126	28,521

8.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.921 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2023 would have been higher by Rs. 0.4366 per unit (June 30, 2023: Re. 0.57 per unit).

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.921 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2022 would have been higher by Rs. 0.53 per unit (June 30, 2022: Rs. 0.32 per unit).

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

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 7.319 million for the period from July 1, 2014 till August 12, 2021.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2023 (June 30, 2023: Nil).

10 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains and accumulated losses 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 accumulated losses whether realised or unrealised for the year ending June 30, 2024 to its unit holders.

11 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.

12

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

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

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

162

	December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
12.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	1,225	403
Sindh Sales Tax on Management Company's remuneration	159	52
Allocation of expenses related to registrar services, accounting, operation and valuation services	245	111
Selling and marketing expenses	269	653
Sale load payable	1,305	-
Receivable from Management Company	2,483	-
Habib Bank Limited - Sponsor		
Bank balances	10,002	8,941
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	82	40
Sindh Sales Tax on remuneration of the Trustee	11	5
CDS charges payable	21	6
Security deposit	300	300
Directors and Executives of the Management Company		
Units held: 1,935,984 unit (June 30, 2023: 1,646,723)	33,575	16,181
HBL Micro Finance Bank - Associate		
Bank balances	11	80
MCB Bank Limited- Connected person due to holding more than 10% units:		
Bank balance	15,069	12,289
Units held: 6,468,400 (June 30, 2023: 6,468,400)	107,516	63,559
Rohtas Associates Private Limited- Connected person due to holding more than 10% units:		
Units held: (June 30, 2023: 6,277,914)	-	61,687

13 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and financial 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:

The following table shows financial instruments recognised at fair value, based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

December 31, 2023 (Un-Audited)							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
			(Rupees in '000)				
Financial assets measured at fair value							
Equity investment	452,227	-	452,227	452,227	-	-	452,227
Financial assets not measured at fair value							
Bank balances	-	100,714	100,714				
Dividend and mark-up receivable	-	1,032	1,032				
Advances,deposits and other receivable	-	3,091	3,091				
Receivable against reimbursement of Management Company	-	2,483	2,483				
	-	104,837	104,837				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	3,203	3,203				
Payable to the Trustee	-	114	114				
Unclaimed dividend	-	5,382	5,382				
Accrued expenses and other liabilities	-	17,126	17,126				
	-	25,825	25,825				
June 30, 2023 (Audited)							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
			(Rupees in '000)				
Financial assets measured at fair value							
Equity invetment	244,571	-	244,571	-	-	-	-
Financial assets not measured at fair value							
Bank balances	-	26,773	26,773				
Dividend and mark-up receivable	-	647	647				
Advances,deposits,and other receivable	-	4,741	4,741				
	-	32,161	32,161				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	1,219	1,219				
Payable to the Trustee	-	51	51				
Unclaimed dividend	-	61	61				
Accrued expenses and other liabilities		28,521	28,521				
	-	29,852	29,852				

During the period ended December 31, 2023, there were no transfers between levels fair value measurements, and no transfer into and out of level 3.

14 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2023 is 4.77% (2022: 2.60%) which includes 0.61% (2022: 0.20%) representing Government levy and SECP fee.

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 February 16, 2024.

16 GENERAL

16.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Multi Asset Fund

FUND INFORMATION

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



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

**Independent Auditors' Review Report to the unit holders of
HBL Multi Asset Fund**

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Multi Asset Fund** ("the Fund") as at 31 December 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cashflow and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarters ended 31 December 2023 and 31 December 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 27 February 2024

Karachi

UDIN: RR202310188jlwsOyb2d



KPMG Taseer Hadi & Co.
Chartered Accountants

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com




TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MULTI ASSET FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Multi Asset Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Multi Asset Fund
Condensed Interim Statement of Assets and Liabilities
As at December 31, 2023

		December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000') -----	
Assets			
Bank balances	6	18,459	27,173
Investments	7	90,785	78,583
Dividend receivable and accrued mark-up		674	760
Advances, deposits and other receivable	8	4,429	3,792
Receivable against sales of Investments		1,200	1,758
Total assets		115,547	112,066
Liabilities			
Payable to the Management Company	9	212	320
Payable to the Trustee		21	19
Payable to Securities and Exchange Commission of Pakistan		8	19
Accrued expenses and other liabilities	10	7,202	8,044
Total liabilities		7,443	8,402
Net assets		108,104	103,664
Unit holders' fund (as per statement attached)		108,104	103,664
Contingencies and Commitments	11		
		-----Number of units-----	
Number of units in issue		851,387	1,121,925
		----- (Rupees) -----	
Net assets value per unit		126.9737	92.3983

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Income Statement (Un-Audited)
For the six and three months period ended December 31, 2023

		For six months period ended		For three months period ended	
		December 31,		December 31,	
		2023	2022	2023	2022
	Note	----- (Rupees in '000') -----			
Income					
Net realised gain / (loss) on sale of investments		12,343	(1,458)	5,982	(686)
Dividend income		3,011	2,849	1,964	1,411
Return on investments calculated using effective interest method		1,293	966	716	393
Profit on deposits with banks calculated using effective interest method		2,302	1,678	1,172	1,121
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial asset at fair value through profit or loss'		10,061	(1,685)	8,869	(517)
		29,010	2,350	18,703	1,722
Expenses					
Remuneration of the Management Company		1,041	989	507	444
Remuneration of the Trustee		103	99	50	44
Annual fee to Securities and Exchange Commission of Pakistan		39	9	19	4
Allocation of expenses related to registrar services, accounting, operation and valuation services		136	153	53	69
Selling and marketing expense		144	212	29	95
Auditors' remuneration		266	240	167	140
Securities transaction costs		947	332	223	192
Settlement and bank charges		236	219	134	122
Printing Charges		48	52	32	35
Reimbursement of expenses from Management Company	9.1	(738)	-	(738)	-
Fee and subscription		15	12	8	7
		2,237	2,317	484	1,152
Net income from operating activities		26,773	33	18,219	570
Net income for the period before taxation		26,773	33	18,219	570
Taxation	12	-	-	-	-
Net income for the period after taxation		26,773	33	18,219	570
Allocation of net income for the period after taxation					
Net income for the period after taxation		26,773	33	18,219	33
Income already paid on redemption of units		(3,041)	-	(344)	-
Accounting income available for distribution		23,732	33	17,875	33
Accounting income available for distribution:					
- Relating to capital gains		19,718	-	14,547	-
- Excluding capital gains		4,014	33	3,328	33
		23,732	33	17,875	33

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the six months period ended December 31, 2023

	For six months period ended		For three months period ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000') -----			
Net income for the period after taxation	26,773	33	18,219	570
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>26,773</u>	<u>33</u>	<u>18,219</u>	<u>570</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

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

For the six and three months period ended December 31, 2023

	2023			2022		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
----- (Rupees in '000') -----						
Net assets at beginning of the period	154,814	(51,150)	103,664	155,539	(51,316)	104,223
Issuance of 222,383 units (2022: 385,233 units)						
- Capital value	20,548	-	20,548	35,823	-	35,823
- Element of income / (loss)	5,948	-	5,948	(779)	-	(779)
Total proceeds on issuance of units	26,496	-	26,496	35,044	-	35,044
Redemption of 492,921 units (2022: 393,291 units)						
- Capital value	(45,545)	-	(45,545)	(36,570)	-	(36,570)
- Element of loss	(243)	(3,041)	(3,284)	(66)	-	(66)
Total payments on redemption of units	(45,788)	(3,041)	(48,829)	(36,636)	-	(36,636)
Total comprehensive income for the period	-	26,773	26,773	-	35	35
Net assets at end of the period	135,522	(27,418)	108,104	153,947	(51,281)	102,666
Undistributed loss brought forward						
- Realised loss		(49,986)			(36,538)	
- Unrealised loss		(1,165)			(14,778)	
		(51,151)			(51,316)	
Accounting income available for distribution						
- Relating to capital gains	19,718			-		
- Excluding capital gains	4,014			35		
	23,732			35		
Accumulated loss carried forward		(27,419)			(51,281)	
Accumulated loss carried forward						
-Realised loss		(37,480)			(49,596)	
-Un-realised gain / (loss)		10,061			(1,685)	
		(27,419)			(51,281)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		92.3983			92.9902	
Net assets value per unit at end of the period		126.9737			92.2656	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the six months period ended December 31, 2023

	2023	2022
	----- (Rupees in '000') -----	
Cash flows from operating activities		
Net income for the period before taxation	26,773	33
Adjustments		
Net realised gain on sale of investments	(12,343)	1,458
Profit on deposits with banks calculated using effective yield method	(2,302)	(1,678)
Return on investments calculated using effective interest method	(1,293)	(966)
Dividend income	(3,011)	(2,849)
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial asset at fair value through profit or loss'	(10,061)	1,685
	(2,237)	(2,317)
<i>Decrease / (increase) in assets</i>		
Investments	10,202	22,279
Advances, deposits and other receivables	(637)	(716)
Receivable against sale of investments	558	7
	10,123	21,570
<i>(Decrease) / increase in liabilities</i>		
Payable to the Management Company	(108)	(175)
Payable to the Trustee	2	(7)
Payable to Securities and Exchange Commission of Pakistan	(11)	(28)
Accrued expenses and other liabilities	(842)	92
	(959)	(118)
Net cash generated from operations	6,927	19,135
Profit received on bank deposits	2,398	1,647
Markup received on investments	1,296	836
Dividend income received	2,998	2,570
	6,692	5,053
Net cash generated from operating activities	13,619	24,188
Cash flows from financing activities		
Amount received on issuance of units	26,496	35,044
Payment against redemption of units	(48,829)	(36,636)
Net cash (used in) from financing activities	(22,333)	(1,592)
Net (decrease) / increase in cash and cash equivalents	(8,714)	22,596
Cash and cash equivalents at beginning of the period	27,173	29,527
Cash and cash equivalents at end of the period	18,459	52,123

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended December 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Multi Asset Fund (the Fund) was established under a Trust Deed, dated October 08, 2007, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on September 28, 2007.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The Fund has been categorised as a balanced fund as per the criteria laid down by SECP for categorization of open-end Collective Investment Scheme (CISs). The Management Company has also planned to change its category from 'balanced fund' to 'asset allocation fund' for which the Management Company intends to seek SECP approval. Once executed, the Company would launch different plans in the Fund to ensure continuous compliance of fund size requirements.
- 1.5** The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes, such as equity securities, government securities, fixed income securities, continuous funding system, derivatives, money market instruments and other asset classes / securities / instruments.
- 1.6** VIS Credit Rating Company has upgraded a management quality rating to 'AM1' (Stable Outlook) to the Management Company on 31 December 2023 (2022: AM1 dated on 31 December 2022)
- 1.7** 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 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 VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations 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 and the NBFC Regulations have been followed.

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 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 this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2023.

2.2 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current period:

The Fund has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from July 1, 2023. These amendments neither resulted in any changes to the accounting policies nor impacted the accounting policies' information disclosed in the annual audited financial statements for the year ended June 30, 2023.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on July 1, 2023 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in this condensed interim financial information.

2.3 Basis of measurement

This condensed interim financial information has been prepared under going concern basis and under the historical cost convention except for the investments which are stated at fair value.

2.4 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2023. Further, accounting policies related to material class of accounts does not necessarily means it is material.

4. USE OF ESTIMATES AND JUDGEMENTS

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

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

5. FINANCIAL RISK MANAGEMENT

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

		December 31, 2023 (Unaudited) (Rupees in '000')	June 30, 2023 (Audited)
6	BANK BALANCES	<i>Note</i>	
	Savings accounts	6.1	<u>18,459</u> <u>27,173</u>
6.1	This represents bank accounts held with different banks. Profit rates on these accounts ranges between 20.5% - 22.5% (June 30, 2023: 14% - 22.5%) per annum.		

7 INVESTMENTS

Investments by category

December 31,
2023
(Unaudited)
(Rupees in '000')

June 30,
2023
(Audited)

At fair value through profit or loss

Listed equity securities	7.1	75,181	71,015
Term finance certificates and sukuk bonds	7.2	7,137	7,568
Market Treasury Bills	7.3	8,467	-
GOP Ijarah Sukuks	7.4	-	-
		<u>90,785</u>	<u>78,583</u>

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

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

Name of Investee Company	As at July 01, 2023	Purchases during the period	Bonus / Rights issue (Note 7.1.2)	Sales during the period	As at December 31, 2023	Cost of Holdings as at December 31, 2023	Market value as at December 31, 2023	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)					(Rupees in '000')		(%)		
Cement										
D.G. Khan Cement Company Limited	-	83,000	-	75,000	8,000	634	619	0.68	0.57	0.02
Fauji Cement Company Limited	-	53,000	-	-	53,000	1,066	1,003	1.10	0.93	0.02
Lucky Cement Limited	-	11,000	-	11,000	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	194,000	425,000	-	528,000	91,000	2,967	3,542	3.90	3.28	0.08
Cherat Cement Company Limited	22,000	87,946	-	108,746	1,200	185	196	0.22	0.18	0.01
Pioneer Cement Limited	-	84,292	-	32,492	51,800	5,698	5,954	6.56	5.51	0.23
	<u>216,000</u>	<u>744,238</u>	<u>-</u>	<u>755,238</u>	<u>205,000</u>	<u>10,550</u>	<u>11,313</u>	<u>12.46</u>	<u>10.47</u>	<u>0.36</u>
FOOD & PERSONAL CARE PRODUCTS										
Murree Brewery Company Limited	-	9,000	-	2,500	6,500	2,367	2,181	2.40	2.02	0.23
Unity Foods Limited	-	57,500	-	57,500	-	-	-	-	-	-
	<u>-</u>	<u>66,500</u>	<u>-</u>	<u>60,000</u>	<u>6,500</u>	<u>2,367</u>	<u>2,181</u>	<u>2.40</u>	<u>2.02</u>	<u>0.23</u>
Commercial Banks										
Faysal Bank Limited	750	162,000	-	162,000	750	20	24	0.00	0.02	0.00
Habib Bank Limited	59,000	183,500	-	242,500	-	-	-	-	-	-
MCB Bank Limited	-	104,400	-	104,400	-	-	-	-	-	-
Meezan Bank Limited	-	146,300	-	119,000	27,300	3,900	4,405	4.85	4.07	0.02
Askari Bank Limited	-	100,000	-	13,000	87,000	1,914	2,151	2.37	1.99	0.06
Bank Al Habib Limited	-	165,570	-	140,000	25,570	1,913	2,059	2.27	1.91	0.02
Bank Islami Pakistan Limited	592,500	101,500	-	694,000	-	-	-	-	-	-
United Bank Limited	23,000	61,506	-	53,400	31,106	4,489	5,532	6.09	5.12	0.03
	<u>675,250</u>	<u>1,024,776</u>	<u>-</u>	<u>1,528,300</u>	<u>171,726</u>	<u>12,236</u>	<u>14,172</u>	<u>15.58</u>	<u>13.11</u>	<u>0.12</u>
Engineering										
International Steels Limited	-	28,000	-	10,000	18,000	1,062	1,314	1.45	1.22	0.04
Mughal Iron & Steel Industries Limited	2,782	78,500	-	78,500	2,782	154	184	0.00	0.17	0.01
	<u>2,782</u>	<u>106,500</u>	<u>-</u>	<u>88,500</u>	<u>20,782</u>	<u>1,216</u>	<u>1,498</u>	<u>1.45</u>	<u>1.39</u>	<u>0.05</u>
Fertilizers										
Fauji Fertilizer Company Limited	1,010	36,000	-	1,010	36,000	1,043	1,148	1.26	1.06	0.03
Engro Corporation Limited	-	35,300	-	35,300	-	-	-	-	-	-
Engro Fertilizers Limited	112,500	46,500	-	154,000	5,000	538	561	0.62	0.52	0.00
	<u>113,510</u>	<u>117,800</u>	<u>-</u>	<u>190,310</u>	<u>41,000</u>	<u>1,581</u>	<u>1,710</u>	<u>1.88</u>	<u>1.58</u>	<u>0.03</u>
Insurance										
Adamjee Insurance Company Limited	-	15,500	-	15,500	-	-	-	-	-	-
	<u>-</u>	<u>15,500</u>	<u>-</u>	<u>15,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Refinery										
Attock Refinery Limited	-	76,800	-	76,800	-	-	-	-	-	-
National Refinery Limited	-	70,000	-	70,000	-	-	-	-	-	-
	<u>-</u>	<u>146,800</u>	<u>-</u>	<u>146,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Oil & Gas Exploration Companies										
Oil & Gas Development Company Limited	108,000	142,000	-	183,600	66,400	6,540	7,467	8.22	6.91	0.02
Pakistan Petroleum Limited	142,000	214,600	-	277,700	78,900	6,211	9,076	10.00	8.40	0.03
	<u>250,000</u>	<u>356,600</u>	<u>-</u>	<u>461,300</u>	<u>145,300</u>	<u>12,751</u>	<u>16,543</u>	<u>18.22</u>	<u>15.30</u>	<u>0.04</u>
Oil & Gas Marketing Companies										
Sui Southern Gas Company Limited	-	35,000	-	35,000	-	-	-	-	-	-
Shell Pakistan Limited	-	4,600	-	4,600	-	-	-	-	-	-
Attock Petroleum Limited	-	2,300	-	2,300	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	94,000	341,500	-	365,800	69,700	3,531	5,124	5.64	4.74	0.11
Pakistan State Oil Company Limited	56,920	58,580	-	87,800	27,700	3,693	4,895	5.39	4.53	0.06
	<u>150,920</u>	<u>441,980</u>	<u>-</u>	<u>495,500</u>	<u>97,400</u>	<u>7,224</u>	<u>10,019</u>	<u>11.04</u>	<u>9.27</u>	<u>0.17</u>

Name of Investee Company	As at July 01, 2023	Purchases during the period	Bonus / Rights issue (Note 7.1.2)	Sales during the period	As at December 31, 2023	Cost of Holdings as at December 31, 2023	Market value as at December 31, 2023	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)				(Rupees in '000')		(%)			
Paper & Board										
Century Paper & Board Mills Limited	-	74,000	-	35,500	38,500	1,339	1,254	1.38	1.16	0.10
	-	74,000	-	35,500	38,500	1,339	1,254	1.38	1.16	0.10
Glass & Ceramics										
Tariq Glass Industries Limited	-	34,500	-	34,500	-	-	-	-	-	-
Ghani Glass Limited	-	30,000	-	30,000	-	-	-	-	-	-
	-	64,500	-	64,500	-	-	-	-	-	-
Pharmaceuticals										
Highnoon Laboratories Limited	-	800	-	800	-	-	-	-	-	-
AGP Limited	-	1,982	-	1,982	-	-	-	-	-	-
Ferozsons Laboratories Limited	-	4,700	-	-	4,700	924	1,037	1.14	0.96	0.11
The Searle Company Limited	1,400	17,500	-	17,500	1,400	75	72	0.00	0.07	0.00
	1,400	24,982	-	20,282	6,100	1,000	1,109	1.14	1.03	0.11
Power Generation & Distribution										
Nishat Power Limited	-	125,000	-	125,000	-	-	-	-	-	-
Nishat Chunian Limited	-	293,000	-	293,000	-	-	-	-	-	-
K-Electric Limited	-	190,000	-	-	190,000	959	999	1.10	0.92	0.01
The Hub Power Company Limited	93,000	112,500	-	170,500	35,000	4,124	4,098	4.51	3.79	0.03
	93,000	720,500	-	588,500	225,000	5,083	5,098	5.61	4.72	0.03
Textile Composite										
Gul Ahmed Textile Mills Limited	-	40,000	-	-	40,000	1,049	864	0.95	0.80	0.05
	-	40,000	-	-	40,000	1,049	864	0.95	0.80	0.05
AUTOMOBILE ASSEMBLER										
Sazgar Engineering Works Limited	-	9600	-	4,100	5,500	1,006	978	1.08	0.90	0.09
Pak Suzuki Motor Company Limited	-	1700	-	1,700	-	-	-	-	-	-
Indus Motor Company Limited	-	1860	-	110	1,750	1,822	2,100	2.31	1.94	0.02
Honda Atlas Cars (Pakistan) Limited	-	13100	-	13,100	-	-	-	-	-	-
Millat Tractors Limited	-	1,500	-	1,500	-	-	-	-	-	-
	-	27,760	-	20,510	7,250	2,828	3,078	3.39	2.85	0.11
Automobile Parts & Accessories										
Baluchistan Wheels Limited	-	15,000	-	3,500	11,500	1,708	2,248	2.48	2.08	0.86
Panther Tyres Ltd.	-	31,000	-	-	31,000	1,244	1,403	1.55	1.30	0.18
	-	46,000	-	3,500	42,500	2,952	3,652	4.02	3.38	1.05
Technology and Communication										
TRG Pakistan Limited	-	5,500	-	5,500	-	-	-	-	-	-
Pakistan Telecommunication Company Ltd	-	35,000	-	-	35,000	511	428	0.47	0.40	0.01
Air Link Communication Limited	-	24,800	-	8,000	16,800	1,033	1,021	1.12	0.94	0.04
Systems Limited	-	4,400	-	4,400	-	-	-	-	-	-
TPL Trakker Limited	274,500	-	-	116,500	158,000	1,397	1,243	1.37	1.15	0.84
	274,500	69,700	-	134,400	209,800	2,941	2,692	2.97	2.49	0.90
Miscellaneous										
Pakistan Aluminium Beverage Cans Limited	-	20,500	-	20,500	-	-	-	-	-	-
Pakistan Hotels Developers Limited	-	1,000	-	1,000	-	-	-	-	-	-
	-	21,500	-	21,500	-	-	-	-	-	-
Total as at December 31, 2023	1,777,362	4,109,636	-	4,630,140	1,256,858	65,117	75,181	82.51	69.55	3.36

7.1.1 Investments include shares having market value aggregating to Rs. 22.088 million (June 30, 2023: Rs. 15.332 million) that have been pledged with National Clearing Company of Pakistan Limited (NCCPL) for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

7.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 354,838 as at December 31, 2023 (June 30, 2023: Rs 250,167) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

7.2 Term Finance Certificates and Sukuk Bonds - At fair value through profit or loss

Name of the Investee Company	As at July 01, 2023	Purchases during the period	Sales / Matured during the period	As at December 31, 2023	Carrying Value as at December 31, 2023	Market value as at December 31, 2023	Market value as a percentage of	
							Total Investments	Net Assets
	----- (Number of certificates) -----				----- (Rupees in '000') -----		----- % -----	
Technology & Communication								
TPL Trakker Limited	4	-	-	4	2,125	2,037	2.24	1.88
Power Generation & Distribution								
The Hub Power Company Limited	50	-	-	50	5,000	5,100	5.62	4.72
	54	-	-	54	7,125	7,137	7.86	6.60
Total	54	-	-	54	7,125	7,137	7.86	6.60

Significant terms and conditions of term finance certificates and sukuk bonds outstanding as at December 31, 2023 are as follows:

Name of Security	Remaining Principal (Rupees per Sukuk / TFC)	Mark-up rate (per annum)	Issue date	Maturity date
TPL Trakker Limited	500,000	3 month KIBOR + 3%	30-Mar-21	30-Mar-26
The Hub Power Company Limited	100,000	6 month KIBOR + 2.5%	12-Nov-20	12-Nov-25

7.3 Market Treasury Bills - At fair value through profit or loss

Name of Security	Issue date	As at July 01, 2023	Purchases made during the period	Matured / sold during the period	As at December 31, 2023	Carrying Value as at 31 December 2023	Market Value as at 31 December 2023	Unrealised appreciation/ (diminution) as at 31 December 2023	Market Value as a percentage of	
									Total Investment	Net Assets
----- (Rupees in '000) -----									----- % -----	
Market Treasury Bills - 12 Months										
Treasury bills - 12 months	2-Nov-23	-	6,000	-	6,000	5,101	5,094	7	5.61	4.71
Treasury bills - 12 months	16-Nov-23	-	4,000	-	4,000	3,382	3,373	9	3.72	3.12
		-	10,000	-	10,000	8,483	8,467	16		

7.4 Investment in Government Securities - Ijarah Sukuk - at fair value through profit or loss

Issue Date	Tenor	As at July 01, 2023	Purchases made during the period	Sold during the period	As at December 31, 2023	Amortised Cost as at 31 December 2023	Market Value as at 31 December 2023	Market Value as a percentage of	
								Total Investment	Net Assets
(Rupees in '000)								%	
17-Apr-23	1 Year	-	13,000	13,000	-	-	-	-	-
17-Apr-23	1 Year	-	5,000	5,000	-	-	-	-	-
		-	18,000	18,000	-	-	-		

8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

		December 31, 2023 (Un-audited) (Rupees in '000')	June 30, 2023 (Audited)
Security deposit with National Clearing Company of Pakistan Limited (NCCPL)		2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited (CDC)		100	100
Advance against subscription of Term Finance Certificates		25,000	25,000
Advance tax	8.1	382	383
Prepaid Listing Fee		16	
Receivable from Management Company against selling and marketing expenses		731	809
Other Receivable		700	-
		<u>29,429</u>	<u>28,792</u>
Less: Provision in respect of advance against subscription of Term Finance Certificates	8.2	<u>(25,000)</u>	<u>(25,000)</u>
		<u>4,429</u>	<u>32,584</u>

8.1 This pertains to tax deducted by bank due to non availability of the withholding tax exemption certificate for certain months on bank profit which will be claimed on filing of tax return of the Fund.

8.2 The Fund had subscribed towards the term finance certificates of an issuer as Pre-IPO investor on January 09, 2008. Under the agreement, the issuer was required to complete the public offering by October 09, 2008. However, no public offering has been carried out by the issuer as at June 30, 2021. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at June 30, 2021, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

9 PAYABLE TO THE MANAGEMENT COMPANY

	December 31, 2023 (Un-audited) (Rupees in '000')	June 30, 2023 (Audited)
In respect of:		
Management fee	161	171
Sindh Sales Tax on management fee	21	22
Allocation of expenses related to registrar services accounting, operation and valuation services	8	30
Selling and marketing payable	22	97
	<u>212</u>	<u>320</u>

- 9.1** As per SECP's direction No. SCD/PRDD/Direction/18/2016, "The Asset Management Companies (AMCs) shall adjust the Net Asset Value (NAV) of the Collective Investment Scheme (CIS) on the basis of Total Expense Ratio (TER) at the end of each quarter during the financial year for the amount of expenses in excess of TER limit prescribed in regulation 60 (5) of the NBFC regulations for that CIS by booking liability against AMC. Moreover, the reimbursement (if any) by an AMC to CIS shall be made on the basis of annual TER calculated at the end of each financial year and NAV shall be adjusted accordingly."

During the year ended June 30, 2023 the fund was in breach of TER ratio of 4.5% as prescribed under the Regulations for the CIS categorised as "Balanced Scheme". As a result the fund has recorded the reimbursement of expense during the last month of the financial year ended 30 June, 2023 and has recognised a receivable from the Management Company accordingly.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

		December 31, 2023	June 30, 2023
	<i>Note</i>	(Un-audited)	(Audited)
		(Rupees in '000')	
Auditors' remuneration		277	421
Federal Excise Duty	10.1	6,610	6,610
Payable to brokers		264	183
Dividend Payable		3	6
Withholding Tax Payable		-	744
Other payables		48	80
		7,202	8,044

- 10.1** The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023.

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2019 aggregating to Rs. 6.610 million. Had the provision not been retained, the Net Assets Value per unit of the Fund as on December 31, 2023 would have been higher by Rs. 7.7638 per unit (June 30, 2023: Rs. 5.8917 per unit).

11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2023 except those disclosed in the note 12 of the annual audited financial statements for the year ended June 30, 2023.

12 TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11 of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2024 to its unit holders.

13 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

13.1 Transactions during the period	Half year ended December 31,	
	2023	2022
	(Un-Audited)	
	(Rupees in '000')	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	921	875
Sales tax on management fee	120	114
Allocation of expenses related to registrar services, accounting, operation and valuation services	136	153
Selling and marketing cost	144	212
Reimbursement of expense from Management Company	(738)	-
Issuance of 191,691 units (2022: 384,754 Units)	23,000	35,000
Habib Bank Limited - Sponsor		
Redemption of Nil units (2022: 315,978 units)	-	29,443
Bank charges paid during the period	1	-
Mark-up earned during the period	135	126
Dividend income earned during the period	162	-
Purchase of 183,500 (2022: 50,000 shares)	16,851	3,500
Sale of 242,500 shares (2022: 87,071 shares)	21,715	6,644
Central Depository Company of Pakistan Limited - Trustee		88
Remuneration	91	11
Sales tax on remuneration	12	14
Central Depository service charges	27	-
Executive and Key management personnel		
Redemption of Nil units (2022: 16,856 units)	-	1,550
Mr. Rafiuddin Zakir Mahmood - Connected Persons due to 10% and more		
Redemption of 325,479 units (2022: Nil units)	31,884	-
HBL Islamic Income Fund		
Sale of GOP Ijarah (Face Value)	18,000	-
Purchase of GOP Ijarah (Face Value)	5,000	-
HBL Cash Fund		
	-	25,000

		December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
13.2	Amounts outstanding as at period end	(Rupees in '000')	
	HBL Asset Management Limited - Management Company		
	Management fee payable	161	171
	Sales tax payable	21	22
	Sales load payable	-	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	8	30
	Selling and Marketing Cost payable	22	97
	Receivable from management company against selling and marketing expenses	731	809
	Investment held in the Fund: 591,861 units (June, 30 2023: 400,170 Units)	75,151	36,975
	Habib Bank Limited - Sponsor		
	Investment held in the Fund: Nil units (June, 30 2023: NIL units)	-	-
	Bank balances	1,013	2,025
	Profit receivable on bank deposits	-	-
	Outstanding balance of Shares: Nil shares (June, 30 2023: 59,000 shares)	-	4,321
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	19	17
	Sales tax payable	2	2
	Security Deposit	100	100

*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 year are not reported as related party.

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. 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:

December 31, 2023 (Un-Audited)							
	Carrying amount			Fair value			
	At fair value through profit or loss	At amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial instruments	Note ----- (Rupees in '000') -----						
Financial assets measured at fair value							
<i>Investments</i>							
Listed equity securities	75,181	-	75,181	75,181	-	-	75,181
Term Finance Certificates and sukuk bonds	7,137	-	7,137	-	7,137	-	7,137
Market Treasury Bills	8,467	-	8,467	-	8,467	-	8,467
	<u>90,785</u>	<u>-</u>	<u>90,785</u>				
Financial assets not measured at fair value	14.2						
Bank balances	-	18,459	18,459				
Dividend receivable and accrued mark-up	-	674	674				
Receivable against sale of investments	-	1,200	1,200				
Advances, deposits and other receivables	-	4,429	4,429				
	<u>-</u>	<u>24,762</u>	<u>24,762</u>				
Financial liabilities not measured at fair value	14.2						
Payable to the Management Company	-	212	212				
Payable to the Trustee	-	21	21				
Accrued expenses and other liabilities	-	592	592				
	<u>-</u>	<u>825</u>	<u>825</u>				
June 30, 2023 (Audited)							
	Carrying amount			Fair Value			
	At Fair value through profit or loss	At amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial instruments	Note ----- (Rupees in '000') -----						
Financial assets measured at fair value							
<i>Investments</i>							
- Listed equity securities	71,015	-	71,015	71,015	-	-	71,015
- Term Finance Certificates and sukuk bonds	7,568	-	7,568	-	7,568	-	7,568
	<u>78,583</u>	<u>-</u>	<u>78,583</u>				
Financial assets not measured at fair value							
Bank balances	-	27,173	27,173				
Dividend receivable and accrued mark-up	-	760	760				
Advances, deposits and other receivables	-	3,792	3,792				
Receivable against purchase of investment	-	1,758	1,758				
	<u>-</u>	<u>33,483</u>	<u>33,483</u>				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	320	320				
Payable to the Trustee	-	19	19				
Accrued expenses and other liabilities	-	1434	1434				
	<u>-</u>	<u>1,773</u>	<u>1,773</u>				

14.1 Valuation techniques used in determination of fair values within level 2

Investments in Term Finance Certificates are valued on the basis of the market rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

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

14.3 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption and issuance respectively, calculated on a basis consistent with that used in this condensed interim financial information. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorised into level 2 of fair value hierarchy.

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

The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the said circular. The Management Company classified the Fund as 'Balanced Scheme' in 'accordance with the said circular. As at June 30, 2021, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any debt security in the portfolio shall not be lower than A- (A Minus).

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

In alignment with the preceding context, as indicated in note 8.2. The provision related to non-compliant investments was recognized in the Fund's financial statements, amounting to Rs 18.75 million for the year ended June 30, 2009, and Rs 6.25 million for the year ended June 30, 2010, as disclosed in the respective financial statements.

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio of the Fund for the half year ended December 31, 2023 is 2.46% (December 31, 2022: 2.67%) which includes 0.31% (December 31, 2022: 0.15%) representing government levy, Worker's Welfare Fund and SECP fee.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 16, 2024.

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Growth Fund

FUND INFORMATION

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



A.F. FERGUSON & CO.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Growth Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 27, 2024

Karachi

UDIN: RR202310061B2wKHL6pW

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

• KARACHI • LAHORE • ISLAMABAD

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com




TRUSTEE REPORT TO THE UNIT HOLDERS

HBL GROWTH FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Growth Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Growth Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As At December 31, 2023

		December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
Note		(Rupees in '000)					
ASSETS							
Bank balances	4	698,528	250,230	948,758	794,036	271,151	1,065,187
Investments	5	5,564,327	1,340,812	6,905,139	3,427,984	829,835	4,257,819
Dividend and profit receivable	6	21,715	6,504	28,219	24,327	4,105	28,432
Advance, deposits and prepayment	7	1,529	4,145	5,674	1,216	4,128	5,344
Receivable from HBL Asset Management Limited - Management Company	8	-	11,157	11,157	-	5,895	5,895
Receivable against sale of investments		-	13,410	13,410	-	134,606	134,606
Total assets		6,286,099	1,626,258	7,912,357	4,247,563	1,249,720	5,497,283
LIABILITIES							
Payable to HBL Asset Management Limited - Management Company	9	12,514	5,569	18,083	7,716	4,439	12,155
Payable to Central Depository Company of Pakistan Limited - Trustee	10	726	424	1,150	481	185	666
Payable to the Securities and Exchange Commission of Pakistan	11	528	109	637	987	189	1,176
Payable against purchase of investments		-	23,302	23,302	-	76,614	76,614
Accrued expenses and other liabilities	12	780	133,709	134,489	735	128,341	129,076
Dividend payable		15,562	-	15,562	340,200	-	340,200
Unclaimed dividend		-	131,741	131,741	-	131,741	131,741
Total liabilities		30,110	294,854	324,964	350,119	341,509	691,628
NET ASSETS		6,255,989	1,331,404	7,587,393	3,897,444	908,211	4,805,655
UNIT HOLDERS' FUND		6,255,989	1,331,404	7,587,393	3,897,444	908,211	4,805,655
(AS PER STATEMENT ATTACHED)							
CONTINGENCIES AND COMMITMENTS							
	13	Number of units			Number of units		
NUMBER OF UNITS IN ISSUE		283,500,000	70,748,520		283,500,000	74,162,156	
		(Rupees)			(Rupees)		
NET ASSET VALUE PER UNIT		22.0670	18.8188		13.7476	12.2463	

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Condensed Interim Income Statement (Un-Audited)

For The Half Year And Quarter Ended December 31, 2023

		Half year ended December 31, 2023			Half year ended December 31, 2022			Quarter ended December 31, 2023			Quarter ended December 31, 2022		
		Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
Note		(Rupees in '000)											
INCOME													
Dividend income		220,104	58,014	278,118	347,983	39,747	387,730	205,237	36,069	241,306	298,427	22,829	321,256
Profit on savings accounts with banks		64,487	29,686	94,173	34,677	16,742	51,419	27,438	14,031	41,469	24,545	7,633	32,178
Income from government securities - Market Treasury Bills		-	-	-	10,890	193	11,083	-	-	-	-	-	-
Gain / (loss) on sale of investments - net		-	238,137	238,137	(97)	(32,016)	(32,113)	-	115,744	115,744	(17)	(24,012)	(24,029)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	5.12.2	-	180,372	180,372	-	(56,224)	(56,224)	-	168,036	168,036	-	(38,518)	(38,518)
		-	418,509	418,509	(97)	(88,240)	(88,337)	-	283,780	283,780	(17)	(62,530)	(62,547)
Total income / (loss)		284,591	506,209	790,800	393,453	(31,558)	361,895	232,675	333,880	566,555	322,955	(32,068)	290,887
EXPENSES													
Remuneration of HBL Asset Management Limited - Management Company	9.1& 9.2	42,251	15,177	57,428	46,094	11,187	57,281	23,895	9,427	33,322	22,150	5,405	27,555
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	13,710	3,209	16,919	14,957	2,723	17,680	7,754	1,810	9,564	7,188	1,316	8,504
Selling and marketing expense	9.4	-	3,658	3,658	-	5,198	5,198	-	986	986	-	2,512	2,512
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1& 10.2	3,281	756	4,037	3,557	643	4,200	1,825	407	2,232	1,721	310	2,031
Fee to the Securities and Exchange Commission of Pakistan	11.1	2,363	534	2,897	544	99	643	1,334	293	1,627	261	48	309
Settlement and bank charges		2	292	294	21	202	223	2	64	66	14	59	73
Auditors' remuneration		374	98	472	253	30	283	219	65	284	127	16	143
Fees and subscription		347	1,025	1,372	1,142	554	1,696	170	589	759	1,139	371	1,510
Printing charges		61	15	76	75	9	84	61	15	76	64	9	73
Securities transaction costs		-	15,083	15,083	-	5,246	5,246	-	5,820	5,820	-	3,884	3,884
Reimbursement from HBL Asset Management Limited - Management Company	8	-	(11,157)	(11,157)	-	-	-	-	(11,157)	(11,157)	-	-	-
Total operating expenses		62,389	28,690	91,079	66,643	25,891	92,534	35,260	19,476	54,736	32,664	13,930	46,594
Net income / (loss) for the period before taxation		222,202	477,519	699,721	326,810	(57,449)	269,361	197,415	314,404	511,819	290,291	(45,998)	244,293
Taxation	15	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation		222,202	477,519	699,721	326,810	(57,449)	269,361	197,415	314,404	511,819	290,291	(45,998)	244,293
Earnings / (loss) per unit	16												
Allocation of income for the period:													
Net income for the period after taxation		222,202	477,519		326,810	-							
Income already paid on units redeemed		-	(13,047)		-	-							
		222,202	464,472		326,810	-							
Accounting income available for distribution:													
- Relating to capital gains		-	407,002		-	-							
- Excluding capital gains		222,202	57,470		326,810	-							
		222,202	464,472		326,810	-							

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For The Half Year And Quarter Ended December 31, 2023

Note	Half year ended December 31, 2023			Half year ended December 31, 2022			Quarter ended December 31, 2023			Quarter ended December 31, 2022			
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	
(Rupees in '000)													
Net income / (loss) for the period after taxation	222,202	477,519	699,721	326,810	(57,449)	269,361	197,415	314,404	511,819	290,291	(45,998)	244,293	
Items that will not be reclassified to income statement													
Net unrealised appreciation / (diminution) on re- measurement of investments classified as 'financial assets at fair value through other comprehensive income'	5.1.12	2,136,343	-	2,136,343	(729,009)	-	(729,009)	1,739,928	-	1,739,928	(465,657)	-	(465,657)
Total comprehensive income / (loss) for the period		2,358,545	477,519	2,836,064	(402,199)	(57,449)	(459,648)	1,937,343	314,404	2,251,747	(175,366)	(45,998)	(221,364)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Condensed Interim Statement Of Movement In Unitholders' Fund

For The Half Year Ended December 31, 2023

Half year ended December 31, 2023								
Class A					Class B			
Capital value	Accumulated loss	Unrealised income on investment	Premium on issue of certificates	Total	Capital value	Accumulated loss	Total	
(Rupees in '000)								
Net assets at the beginning of the period (audited)	2,835,000	(2,952,975)	2,007,607	2,007,812	3,897,444	2,005,136	(1,096,925)	908,211
Issuance of Class A: Nil units (2022: Nil units) and Class B: 559,851 units (2022: 41,348 units)								
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-
- Element of income	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	9,017	-	9,017
Redemption of Class A: Nil units (2022: Nil units) and Class B: 3,973,487 units (2022: 475,926 units)								
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	(48,661)	-	(48,661)
- Element of loss	-	-	-	-	-	(1,635)	(13,047)	(14,682)
Total payment on redemption of units	-	-	-	-	-	(50,296)	(13,047)	(63,343)
Total comprehensive income for the period	-	222,202	2,136,343	-	2,358,545	-	477,519	477,519
Net assets at the end of the period (un-audited)	2,835,000	(2,730,773)	4,143,950	2,007,812	6,255,989	1,963,857	(632,453)	1,331,404
Accumulated loss brought forward comprising of:								
- Realised loss		(2,952,975)					(1,074,906)	
- Unrealised loss		-					(22,019)	
		(2,952,975)					(1,096,925)	
Accounting income available for distribution:								
- Relating to capital gains		-					407,002	
- Excluding capital gains		222,202					57,470	
Net income available for distribution		222,202					464,472	
Net loss for the period after taxation		-					-	
Accumulated loss carried forward		(2,730,773)					(632,453)	
Accumulated loss carried forward comprising of:								
- Realised loss		(2,730,773)					(812,825)	
- Unrealised income		-					180,372	
		(2,730,773)					(632,453)	
		(Rupees)					(Rupees)	
Net asset value per unit at the beginning of the period		13.7476					12.2463	
Net asset value per unit at the end of the period		22.0670					18.8188	

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Condensed Interim Statement Of Movement In Unitholders' Fund

For the half year ended December 31, 2023

Half year ended December 31, 2022								
Class A					Class B			
Capital value	Accumulated loss	Unrealised income / (loss) on investment	Premium on issue of certificates	Total	Capital value	Accumulated loss	Total	
(Rupees in '000)								
Net assets at the beginning of the period (audited)	2,835,000	(2,963,741)	3,621,072	2,007,812	5,500,143	2,094,291	(1,046,793)	1,047,498
Issuance of Class A: Nil units (2021: Nil units) and Class B: 41,348 units (2021: 2,769,880 units)								
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	533	-	533
- Element of loss	-	-	-	-	-	(57)	-	(57)
Total proceeds on issuance of units	-	-	-	-	-	476	-	476
Redemption of Class A: Nil units (2021: Nil units) and Class B: 475,926 units (2021: 7,301,000 units)								
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	(76,126)	-	(76,126)
- Element of income	-	-	-	-	-	1,065	-	1,065
Total payment on redemption of units	-	-	-	-	-	(75,061)	-	(75,061)
Total comprehensive income / (loss) for the period	-	326,810	(729,009)	-	(402,199)	-	(57,449)	(57,449)
Net assets at the end of the period (un-audited)	2,835,000	(2,636,931)	2,892,063	2,007,812	5,097,944	2,019,706	(1,104,242)	915,464
Accumulated loss brought forward comprising of:								
- Realised (loss) / income		(2,963,741)					(602,631)	
- Unrealised loss		-					(444,162)	
		<u>(2,963,741)</u>					<u>(1,046,793)</u>	
Accounting income available for distribution:								
- Relating to capital gains		-					-	
- Excluding capital gains		326,810					-	
Net income available for distribution		326,810					-	
Net loss for the period after taxation		-					(57,449)	
Accumulated loss carried forward		<u>(2,636,931)</u>					<u>(1,104,242)</u>	
Accumulated loss carried forward comprising of:								
- Realised (loss) / income		(2,636,931)					(1,048,018)	
- Unrealised loss		-					(56,224)	
		<u>(2,636,931)</u>					<u>(1,104,242)</u>	
		(Rupees)					(Rupees)	
Net asset value per unit at the beginning of the period		<u>19.4009</u>					<u>12.8951</u>	
Net asset value per unit at the end of the period		<u>17.9822</u>					<u>12.1462</u>	

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Condensed Interim Cash Flow Statement (Un-audited)

For The Half Year Ended December 31, 2023

		Half year ended December 31, 2023			Half year ended December 31, 2022		
		Class A	Class B	Total	Class A	Class B	Total
	Note	(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income / (loss) for the period before taxation		222,202	477,519	699,721	326,810	(57,449)	269,361
Adjustments for:							
Dividend income		(220,104)	(58,014)	(278,118)	(347,983)	(39,747)	(387,730)
Profit on savings accounts with banks		(64,487)	(29,686)	(94,173)	(34,677)	(16,742)	(51,419)
Income from government securities - Market Treasury Bills		-	-	-	(10,890)	(193)	(11,083)
(Gain) / loss on sale of investments - net		-	(238,137)	(238,137)	97	32,016	32,113
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	5.1.2.2	-	(180,372)	(180,372)	-	56,224	56,224
		(62,389)	(28,690)	(91,079)	(66,643)	(25,891)	(92,534)
(Increase) / decrease in assets							
Investments - net		-	(24,584)	(24,584)	(97)	39,926	39,829
Advance, deposits and prepayment		(313)	(17)	(330)	(473)	2	(471)
Receivable from HBL Asset Management Limited - Management Company		-	(5,262)	(5,262)	-	-	-
		(313)	(29,863)	(30,176)	(570)	39,928	39,358
Increase / (decrease) in liabilities							
Payable to HBL Asset Management Limited - Management Company		4,798	1,130	5,928	(284)	(4,340)	(4,624)
Payable to Central Depository Company of Pakistan Limited - Trustee		245	239	484	(11)	(3)	(14)
Payable to the Securities and Exchange Commission of Pakistan		(459)	(80)	(539)	(635)	(203)	(838)
Accrued expenses and other liabilities		45	5,368	5,413	212	2,630	2,842
Unclaimed dividend		-	-	-	-	(9)	(9)
		4,629	6,657	11,286	(718)	(1,925)	(2,643)
Dividend received		218,394	55,841	274,235	345,702	38,244	383,946
Profit received on savings accounts with banks		68,809	29,460	98,269	40,847	17,824	58,671
		287,203	85,301	372,504	386,549	56,068	442,617
Net cash generated from operating activities		229,130	33,405	262,535	318,618	68,180	386,798
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units		-	9,017	9,017	-	476	476
Payment against redemption and conversion of units		-	(63,343)	(63,343)	-	(75,061)	(75,061)
Dividend paid		(324,638)	-	(324,638)	-	-	-
Net cash used in financing activities		(324,638)	(54,326)	(378,964)	-	(74,585)	(74,585)
Net (decrease) / increase in cash and cash equivalents		(95,508)	(20,921)	(116,429)	318,618	(6,405)	312,213
Cash and cash equivalents at the beginning of the period		794,036	271,151	1,065,187	455,453	275,981	731,434
Cash and cash equivalents at the end of the period	4	698,528	250,230	948,758	774,071	269,576	1,043,647

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Growth Fund (The Fund), an Open End Scheme that was initially constituted as a Closed End Fund under the name of PICIC Investment Fund vide a registered Trust Deed 'Initial Trust Deed' dated April 02, 2004, as amended vide First Supplemental Trust Deed dated June 28, 2004. The Fund has been converted into an Open End Scheme through a registered Restated Trust Deed (the Deed) dated April 24, 2018 under the Trusts Act, 1882 entered into and between HBL Asset Management Limited ("the Management Company") and Central Depository Company of Pakistan Limited ("the Trustee"). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under "Sindh Trust Act, 2020" (the Sindh Trust Act). Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the "Sindh Trust Act, 2020".
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.
- 1.5 The Board of the Management Company of the Fund in its meeting held on November 23, 2017 approved the conversion plan of the Fund for the conversion of the Fund into an Open End Scheme, with the approval of the certificate holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the plan was presented to and approved by the certificate holders of the Fund in their general meeting dated January 10, 2018. The plan was also approved by the SECP on February 16, 2018.
- 1.6 The Replacement Trust Deed and Replacement Offering Document were approved by the SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every certificate holder of the closed end fund was entitled to the following for each certificate held:
- One Class-A unit of the Fund was issued to every certificate holders of the Fund for each certificate held representing frozen portfolio and related assets and liabilities.
 - One Class-B unit of the Fund was issued to the every certificate holder of the Fund for each certificate held representing unfrozen portfolio and related assets and liabilities.
- 1.7 The plan also envisages that Class-A units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B units can be redeemed at the redemption price.
- 1.8 VIS Credit Rating Company Limited (VIS) has assigned the Management Quality Rating to 'AM1' (December 31, 2022: 'AM1' dated December 30, 2022) on December 29, 2023 and the outlook on the rating has been assigned as 'Stable' (December 31, 2022: 'Stable').
- 1.9 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have 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 VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 the requirements of the Trust Deed differ from the requirements of IAS 34, 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 the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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.

- 2.2 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the half year ended December 31, 2023.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies applied and the methods of computation of balances used in the preparation of these condensed interim financial statements 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 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the fund for the year ended June 30, 2023.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2023 (Un-audited)			June 30, 2023 (Audited)			
		Class A	Class B	Total	Class A	Class B	Total	
Note		----- (Rupees in '000) -----						
4	BANK BALANCES							
	Savings accounts	4.1	698,528	250,230	948,758	794,036	271,151	1,065,187

4.1 These include balance of Rs. 1.935 million (June 30, 2023: Rs. 1.935 million) with Habib Bank Limited (a related party) that carries profit at the rate ranging from 14.5% to 19.5% (June 30, 2023: 14.5% to 19.5%) per annum, Rs. 474.426 million (June 30, 2023: Rs. 756.903 million) with HBL Microfinance Bank Limited (a related party) that carries profit at the rate of 22.95% (June 30, 2023: 11.25% to 22.25%) and Rs. 142.745 million (June 30, 2023: Rs. 240.726 million) with MCB Bank Limited (a related party) that carries profit at the rate of 18% (June 30, 2023: 8% to 18%). Other saving accounts of the Fund carry profit at the rates ranging from 15.5% to 22.5% (June 30, 2023: 8% to 21.85%) per annum.

5	INVESTMENTS	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			----- (Rupees in '000) -----					
	At fair value through other comprehensive income	5.1.1 & 5.1.4	5,564,327	-	5,564,327	3,427,984	-	3,427,984
	- Quoted equity securities							
	At fair value through profit or loss							
	- Quoted equity securities	5.1.2, 5.1.3 & 5.1.4	-	1,340,812	1,340,812	-	829,835	829,835
			5,564,327	1,340,812	6,905,139	3,427,984	829,835	4,257,819

5.1 Quoted equity securities

5.1.1 Class A - At fair value through other comprehensive income

Name of the Investee Company	As at July 1, 2023	Purchased during the year	Bonus / rights issue	Sold during the year	As at December 31, 2023	Carrying Value as at December 31, 2023	Market value as at December 31, 2023	Unrealized appreciation as at December 31, 2023	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									total market value of investments of Class A	net assets of the Fund of Class A	
(Number of shares)						(Rupees in '000)			(%)		
CLASS A											
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited (5.1.4)	27,364,904	-	-	-	27,364,904	1,307,982	4,835,652	3,527,670	86.90%	77.30%	5.83%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	112,395	728,675	616,280	13.10%	11.65%	1.56%
						1,420,377	5,564,327	4,143,950	100%	89%	
Total as at December 31, 2023						1,420,377	5,564,327	4,143,950			
Total as at June 30, 2023						1,420,377	3,427,984	2,007,607			

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

5.1.1.2 Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through other comprehensive income'

Market value of investments	5.1.1	5,564,327	3,427,984
Less: cost of investments	5.1.1	(1,420,377)	(1,420,377)
		<u>4,143,950</u>	<u>2,007,607</u>
Add: changes in fair value of investments disposed of during the period		-	-
Less: net unrealised appreciation in the fair value of investments at the beginning of the period		2,007,607	3,621,072
Less: amount of appreciation pertaining to disposed of securities		-	-
		<u>2,007,607</u>	<u>3,621,072</u>
		2,136,343	(1,613,465)

5.1.2 Class B - At fair value through profit or loss

Name of the Investee Company	As at July 1, 2023	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2023	Carrying Value as at December 31, 2023	Market value as at December 31, 2023	Unrealized appreciation / (diminution) as at December 31, 2023	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company	
									total market value of investments of Class B	net assets of the Fund of Class B		
						(Rupees in '000)		(%)				
Insurance												
TPL Insurance Limited (note 5.1.4)	386,675	-	-	-	386,675	8,008	5,587	(2,421)	0.42%	0.42%	0.19%	
						8,008	5,587	(2,421)	0.42%	0.42%		
Cement												
Cherat Cement Company Limited	311,000	1,136,334	-	1,322,834	124,500	17,148	20,291	3,143	1.51%	1.52%	0.06%	
D.G. Khan Cement Company Limited	-	5,146,121	-	3,821,121	1,325,000	93,360	102,555	9,195	7.65%	7.70%	0.30%	
Maple Leaf Cement Factory Limited	2,883,000	6,547,152	-	7,365,152	2,065,000	59,509	80,370	20,861	5.99%	6.04%	0.19%	
Fauji Cement Company Limited	-	2,110,000	-	-	2,110,000	43,467	39,921	(3,546)	2.98%	3.00%	0.09%	
Lucky Cement Limited	-	175,582	-	175,582	-	-	-	-	-	-	-	
Pioneer Cement Limited	-	1,173,619	-	830,549	343,070	35,125	39,432	4,307	2.94%	2.96%	0.15%	
						248,609	282,569	33,960	21.07%	21.22%		
Pharmaceuticals												
The Searle Company Limited * (note 5.1.4)	4,907	-	-	-	4,907	188	253	65	0.02%	0.02%	-	
						188	253	65	0.02%	0.02%		
Oil & Gas Exploration Companies												
Oil & Gas Development Company Limited (note 5.1.3)	1,007,500	2,618,000	-	2,809,000	816,500	79,801	91,815	12,014	6.85%	6.90%	0.02%	
Pakistan Petroleum Limited (note 5.1.3)	1,328,000	2,963,106	-	3,526,606	764,500	60,629	87,940	27,311	6.56%	6.61%	0.03%	
						140,430	179,755	39,325	13.41%	13.50%		
Refinery												
Attock Refinery Limited	-	1,960,732	-	1,960,732	-	-	-	-	-	-	-	
National Refinery Limited	-	1,784,381	-	1,536,881	247,500	73,263	79,480	6,217	5.93%	5.97%	0.31%	
						73,263	79,480	6,217	5.93%	5.97%		
Commercial banks												
Faysal Bank Limited * (note 5.1.4)	17,250	175,000	-	175,000	17,250	457	562	105	0.04%	0.04%	-	
MCB Bank Limited	-	356,467	-	356,467	-	-	-	-	-	-	-	
Bank AL Habib Limited	2,500	1,271,500	-	1,274,000	-	-	-	-	-	-	-	
Habib Bank Limited	573,000	3,682,240	-	3,763,740	491,500	48,919	54,478	5,559	4.06%	4.09%	0.03%	
Meezan Bank Limited (note 5.1.3)	-	1,739,124	-	1,529,124	210,000	26,650	33,886	7,236	2.53%	2.55%	0.01%	
BankIslami Pakistan Limited	3,437,000	4,845,767	-	8,282,767	-	-	-	-	-	-	-	
United Bank Limited	305,000	1,029,517	-	820,517	514,000	78,009	91,410	13,401	6.82%	6.87%	0.04%	
						154,035	180,336	26,301	13.45%	13.54%		
Fertilizer												
Engro Corporation Limited	-	25,000	-	25,000	-	-	-	-	-	-	-	
Fauji Fertilizer Company Limited	-	26,000	-	26,000	-	-	-	-	-	-	-	
Engro Fertilizers Limited	1,030,328	80,000	-	1,030,328	80,000	9,057	8,978	(79)	0.67%	0.67%	0.01%	
						9,057	8,978	(79)	0.67%	0.67%		
Technology & communication												
Air Link Communication Limited	-	1,207,500	-	411,000	796,500	48,530	48,395	(135)	3.61%	3.63%	0.20%	
Telecard Limited	-	750,000	-	10,000	740,000	6,641	5,898	(743)	0.44%	0.44%	0.22%	
Systems Limited	40,268	-	-	40,268	-	-	-	-	-	-	-	
TPL Trakker Limited	10,544,000	1,075,500	-	-	11,619,500	101,750	91,445	(10,305)	6.82%	6.87%	6.20%	
						156,921	145,738	(11,183)	10.87%	10.95%		
Textile composite												
Nishat Mills Limited	-	947,936	-	947,936	-	-	-	-	-	-	-	
Gul Ahmed Textile Mills Limited	-	650,000	-	-	650,000	17,133	14,040	(3,093)	1.05%	1.05%	0.09%	
						17,133	14,040	(3,093)	1.05%	1.05%		

Name of the Investee Company	As at July 1, 2023	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2023	Carrying Value as at December 31, 2023	Market value as at December 31, 2023	Unrealized appreciation / (diminution) as at December 31, 2023	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									total market value of investments of Class B	net assets of the Fund of Class B	
(Number of shares)						(Rupees in '000)			(%)		
Power generation & distribution											
The Hub Power Company Limited (note 5.1.3)	910,000	2,295,779	-	2,405,279	800,500	75,751	93,731	17,980	6.99%	7.04%	0.06%
Kot Addu Power Company Limited	-	1,640,000	-	1,640,000	-	-	-	-	-	-	-
Nishat Chunian Power Limited	-	5,066,500	-	5,066,500	-	-	-	-	-	-	-
Nishat Power Limited	-	3,252,900	-	3,252,900	-	-	-	-	-	-	-
Lalpir Power Limited	-	713,000	-	713,000	-	-	-	-	-	-	-
						75,751	93,731	17,980	6.99%	7.04%	
Engineering											
International Steels Limited	-	786,051	-	786,051	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	785,769	400,436	-	1,186,205	-	-	-	-	-	-	-
						-	-	-	-	-	-
Automobile assembler											
Honda Atlas Cars (Pakistan) Limited	-	778,971	-	583,471	195,500	38,069	41,782	3,713	3.12%	3.14%	0.14%
Pak Suzuki Motor Company Limited	-	39,000	-	39,000	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	-	1,108,939	-	776,939	332,000	55,866	59,050	3,184	4.40%	4.44%	0.55%
						93,935	100,832	6,897	7.52%	7.57%	
Oil & gas marketing companies											
Pakistan State Oil Company Limited (note 5.1.3)	634,000	872,628	-	929,628	577,000	67,218	101,962	34,744	7.60%	7.66%	0.12%
Shell Pakistan Limited	-	1,000,310	-	1,000,310	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	1,013,000	5,207,397	-	4,500,897	1,719,500	93,546	126,418	32,872	9.43%	9.50%	0.27%
						160,764	228,380	67,616	17.03%	17.15%	
GLASS & CERAMICS											
Tariq Glass Industries Limited	-	75,000	-	75,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Food & personal care products											
Unity Foods Limited	-	450,000	-	450,000	-	-	-	-	-	-	-
Murree Brewery Company Limited	-	187,200	-	152,500	34,700	12,228	11,641	(587)	0.87%	0.87%	0.13%
						12,228	11,641	(587)	0.87%	0.87%	
Automobile Parts & Accessories											
Baluchistan Wheels Limited	-	2,000	-	-	2,000	379	391	12	0.03%	0.03%	0.01%
						379	391	12	0.03%	0.03%	
Paper & Board											
Century Paper & Board Mills Limited	-	1,433,000	-	1,153,500	279,500	9,739	9,101	(638)	0.68%	0.68%	0.07%
						9,739	9,101	(638)	0.68%	0.68%	
Total as at December 31, 2023						1,160,440	1,340,812	180,372			
Total as at June 30, 2023						851,854	829,835	(22,019)			

* Nil figures due to rounding off

5.1.2.1 All shares have a face value of Rs. 10 each.

5.1.2.2 Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

Note	Class B	
	(Un-audited)	(Audited)
	December 31, 2023	June 30, 2023
	----- Rupees in '000 -----	
Market value of investments	5.1.2 1,340,812	829,835
Less: carrying value of investments	5.1.2 (1,160,440)	(851,854)
	<u>180,372</u>	<u>(22,019)</u>

5.1.3 The above investments in Class B include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particular	(Un-audited)		(Audited)	
	December 31, 2023		June 30, 2023	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Habib Bank Limited	-	-	150,000	10,985
The Hub Power Company Limited	269,000	31,497	33,000	2,296
Oil and Gas Development Company Limited	400,000	44,980	50,000	3,900
Pakistan State Oil Company Limited	120,000	21,205	-	-
TPL Trakker Limited	-	-	40,000	354
United Bank Limited	-	-	202,500	23,802
Meezan Bank Limited	181,000	29,206	-	-
Pakistan Petroleum Limited	200,000	23,006	200,000	11,828
Maple Leaf Cement Factory Limited	-	-	200,000	5,666
Mughal Iron & Steel Industries Limited	-	-	61,000	2,955
	<u>1,170,000</u>	<u>149,894</u>	<u>936,500</u>	<u>61,786</u>

- 5.1.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favor of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ended June 30, 2019, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

As at December 31, 2023, the following bonus shares of sub fund A and sub fund B have been withheld by certain companies at the time of declaration of bonus shares respectively.

Name of the Company	(Un-audited)		(Audited)	
	December 31, 2023		June 30, 2023	
	Bonus shares			
	Number of shares withheld	Rupees in '000	Number of shares withheld	Rupees in '000

Class A

Pakistan State Oil Company Limited	228,041	40,297	228,041	25,315
------------------------------------	---------	--------	---------	--------

Class B

The Searle Company Limited	4,907	253	4,907	188
TPL Insurance Limited	1,637	24	1,637	34
Faysal Bank Limited	17,250	562	17,250	348
	23,794	839	23,794	570

6	DIVIDEND AND PROFIT RECEIVABLE	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			Rupees in '000					
	Dividend receivable		11,687	2,339	14,026	9,977	166	10,143
	Profit receivable on bank balances		10,028	4,165	14,193	14,350	3,939	18,289
			21,715	6,504	28,219	24,327	4,105	28,432

7 ADVANCE, DEPOSITS AND PREPAYMENT

Security deposits with:

- Central Depository Company of Pakistan Limited	-	175	175	-	175	175
- National Clearing Company of Pakistan Limited	100	2,749	2,849	100	2,749	2,849
Prepaid listing fee	313	17	330	-	-	-
Advance tax	1,116	1,204	2,320	1,116	1,204	2,320
	1,529	4,145	5,674	1,216	4,128	5,344

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on dividends and profit on bank deposits amounts to Rs. 2.320 million (June 30, 2023: Rs. 2.320 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on bank deposits has been shown as other receivables as at December 31, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 RECEIVABLE FROM HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

As per SECP's direction No. SCD/PRDD/Direction/18/2016 all AMCs are required to calculate the TER in respect of each CIS to ensure the TER is not in breach of the required maximum percentage. The AMCs are required to adjust the NAV of the CIS on the basis of TER at the end of each Quarter during the financial year for the amount of expenses in excess of the TER limit prescribed in regulation 60(5) of the NBFC Regulations.

During the period ended December 31, 2023, the Fund's Class B was in breach of the TER ratio of maximum 4.5% as prescribed under NBFC Regulations for a CIS categorised as equity scheme. As a result the Fund has recorded receivable from the Management Company to comply with the TER.

9	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			(Rupees in '000)					
	Remuneration payable	9.1	8,361	3,445	11,806	5,156	1,473	6,629
	Sindh Sales Tax payable on remuneration of the Management Company	9.2	1,087	448	1,535	670	191	861
	Allocated expenses relating to registrar services, accounting, operation and valuation services payable	9.3	3,066	689	3,755	1,890	405	2,295
	Selling and marketing expenses payable	9.4	-	987	987	-	2,370	2,370
			<u>12,514</u>	<u>5,569</u>	<u>18,083</u>	<u>7,716</u>	<u>4,439</u>	<u>12,155</u>

9.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the Total Expense Ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged at the rate of 1.5% and ranging from 2% to 3% (June 30, 2023: 1.5% and 2%) of the daily net assets of the Fund for Class A and Class B, respectively during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

9.2 The Sindh Provincial 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.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has currently charged such expenses at the rate of 0.55% for Class A and 0.55% to 0.60% for Class B (June 30, 2023: 0.55% for both Class A and Class B) of the daily net assets of the scheme for allocation of such expenses to the Fund.

9.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of nil (June 30, 2023: nil) for Class A and ranging from 0% to 1.05% (June 30, 2023: 1.05%) for Class B during the period ended December 31, 2023 while keeping in view the overall return and Total Expense Ratio Limit of the Fund as defined under the NBFC Regulations.

9.4.1 As per the instructions of the SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, the Management Company ceased to charge selling and marketing expenses to the certificate holders of Class A with effect from November 01, 2020.

10	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			(Rupees in '000)					
	Remuneration payable to the Trustee	10.1	642	200	842	426	147	573
	Sindh Sales Tax payable on remuneration of the Trustee	10.2	84	26	110	55	19	74
	CDS charges payable		-	198	198	-	19	19
			726	424	1,150	481	185	666

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.20% p.a. of the Net Assets
- From Rs 1,000 million to Rs 5,000 million	Rs. 2.0 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs.1,000 million.

- 10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			(Rupees in '000)					
	Fee payable	11.1	528	109	637	987	189	1,176

- 11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay the SECP fee within three months of the close of accounting year.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			(Rupees in '000)					
	Provision for Federal excise duty	12.1	-	125,303	125,303	-	125,303	125,303
	Securities transaction cost payable		-	5,831	5,831	-	1,538	1,538
	Auditors' remuneration payable		386	79	465	486	91	577
	National Clearing Company Pakistan Limited charges payable		-	135	135	-	16	16
	Withholding tax payable		394	1,381	1,775	249	413	662
	Zakat payable		-	114	114	-	114	114
	Other payables		-	866	866	-	866	866
			780	133,709	134,489	735	128,341	129,076

-
- 12.1 The Finance Act, 2013 enlarged the scope of Federal excise duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 125.303 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund for Class B would have been higher by Rs 1.771 (June 30, 2023: Rs 1.690)

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at December 31, 2023 and as at June 30, 2023.

14 TOTAL EXPENSES RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2023 is 2.51% and 5.10% (December 31, 2022: 2.48% and 5.18%) which includes 0.31% and 0.73% (December 31, 2022: 0.24% and 0.42%) representing government levies on the Fund such as Sales Taxes, annual fee to the SECP etc for Class A and B respectively. This maximum ratio limit as prescribed under the NBFC Regulation for a collective investment scheme categorised as an 'Equity scheme' is 4.5% which is required to be complied on an annual basis by the Fund. As more fully discussed in note 8, TER of the Fund was in breach as prescribed in the regulation. To comply with this breach, the Fund has made the reversal of expense amounting to Rs. 11.157 million (December 31, 2022: Nil).

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

16 EARNINGS / (LOSS) PER UNIT

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

17 TRANSACTION AND BALANCES 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.

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at the terms determined in accordance with market rates. The management considers that the transactions between related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and the NBFC regulations and hence, the transactions are considered to be on an arm's length basis.

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

17.1 Transactions during the period	December 31, 2023 (Un-audited)			December 31, 2022 (Un-audited)		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
HBL Asset Management Limited - Management Company						
Remuneration of the Management Company including Sales Tax thereon	42,251	15,177	57,428	46,094	11,187	57,281
Allocation of expenses related to registrar services, accounting, operation and valuation services	13,710	3,209	16,919	14,957	2,723	17,680
Selling and marketing expense	-	3,658	3,658	-	5,198	5,198
Reimbursement from HBL Asset Management Limited - Management Company	-	11,157	11,157	-	-	-
Habib Bank Limited - Sponsor						
Profit earned on bank deposits	-	173	173	-	131	131
Dividend income	-	3,012	3,012	-	1,083	1,083

**HBL Microfinance Bank Limited
(formerly: The First Microfinance
Bank) - Associate**

Profit earned on bank deposits

December 31, 2023 (Un-audited)			December 31, 2022 (Un-audited)		
Class A	Class B	Total	Class A	Class B	Total

(Rupees in '000)

56,017	31	56,048	20,786	-	20,786
--------	----	--------	--------	---	--------

MCB Bank Limited - Treasury

- connected person due to
holding more than 10% units

Profit earned on bank deposits

-	20,110	20,110	267	11,687	11,954
---	--------	--------	-----	--------	--------

**Central Depository Company of
Pakistan Limited-Trustee**

Trustee remuneration including

Sales Tax thereon

CDC annual listing fee

CDS charges

3,281	756	4,037	3,557	643	4,200
-------	-----	-------	-------	-----	-------

-	136	136	904	76	980
---	-----	-----	-----	----	-----

-	275	275	-	264	264
---	-----	-----	---	-----	-----

17.2 Balances at period / year end

**HBL Asset Management Company
Limited - Management Company**

Remuneration payable to the

Management Company including

Sales Tax thereon

Allocated expenses payable relating

to registrar services, accounting,

operation and valuation services

Selling and marketing expense payable

Receivable from HBL Asset Management

Limited - Management Company

December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
Class A	Class B	Total	Class A	Class B	Total

(Rupees in '000)

9,448	3,893	13,341	5,826	1,664	7,490
-------	-------	--------	-------	-------	-------

3,066	689	3,755	1,890	405	2,295
-------	-----	-------	-------	-----	-------

-	987	987	-	2,370	2,370
---	-----	-----	---	-------	-------

-	11,157	11,157	-	-	-
---	--------	--------	---	---	---

Habib Bank Limited - Sponsor

Bank balances

-	1,935	1,935	-	1,935	1,935
---	-------	-------	---	-------	-------

**HBL Microfinance Bank Limited
(formerly: The First Microfinance
Bank) - Associate**

Bank balances

Profit receivable

474,137	289	474,426	756,645	258	756,903
---------	-----	---------	---------	-----	---------

9,263	-	9,263	12,986	-	12,986
-------	---	-------	--------	---	--------

**Central Depository Company of
Pakistan Limited - Trustee**

Remuneration payable including

Sales Tax thereon

Security deposit with trustee

CDS charges payable

726	226	952	481	166	647
-----	-----	-----	-----	-----	-----

-	175	175	-	175	175
---	-----	-----	---	-----	-----

-	198	198	-	19	19
---	-----	-----	---	----	----

**State Life Insurance Corporation of
Pakistan- Connected person - due to
holding more than 10% units**

Outstanding 12,384,663

(June 30, 2023: 12,384,663) units

-	233,065	233,065	-	151,666	151,666
---	---------	---------	---	---------	---------

Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% units

Outstanding 30,406,721
(June 30, 2023: 30,406,721) units
Outstanding 15,000,000
(June 30, 2023: 15,000,000) units

December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)					
257,849	-	257,849	142,303	-	142,303
-	282,282	282,282	-	183,695	183,695

MCB Bank Limited - Treasury - Connected person due to holding more than 10% units

Bank balances
Profit receivable
Outstanding 43,482,858
(June 30, 2023: 43,482,858) units

4	142,741	142,745	4	240,722	240,726
-	2,137	2,137	-	3,548	3,548
368,735	-	368,735	203,500	-	203,500

CDC - Trustee National Investment (Unit) Trust - Associate

Outstanding 6,466,800
(June 30, 2023: 6,466,800) units

54,838	-	54,838	30,265	-	30,265
--------	---	--------	--------	---	--------

Jubilee General Insurance Company Limited - Associate

Outstanding 146,124
(June 30, 2023: 146,124) units

-	2,750	2,750	-	1,789	1,789
---	-------	-------	---	-------	-------

Directors and Executives of the Management Company

Outstanding 18,000
(June 30, 2023: 18,000) units
Outstanding 18,000
(June 30, 2023: 18,000) units

December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)					
153	-	153	84	-	84
-	339	339	-	220	220

18 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.

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

18.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

		(Un-audited)			
		As at December 31, 2023			
	Note	Level 1	Level 2	Level 3	Total
(Rupees in '000)					
Class A					
At fair value through other comprehensive income					
Quoted equity securities	5.1.1	5,564,327	-	-	5,564,327
Class B					
At fair value through profit or loss					
Quoted equity securities	5.1.2	1,340,812	-	-	1,340,812
		(Audited)			
		As at June 30, 2023			
		Level 1	Level 2	Level 3	Total
(Rupees in '000)					
Class A					
At fair value through other comprehensive income					
Quoted equity securities	5.1.1	3,427,984	-	-	3,427,984
Class B					
At fair value through profit or loss					
Quoted equity securities	5.1.2	829,835	-	-	829,835

19 GENERAL

- 19.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosures.
- 19.2 Figures have been rounded off to the nearest thousand Rupees.
- 19.3 Units have been rounded off to the nearest decimal place.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 16, 2024.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Investment Fund

FUND INFORMATION

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



A.F. FERGUSON & Co.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Investment Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 27, 2024

Karachi

UDIN: RR202310061HWalor16c

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL INVESTMENT FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Investment Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Investment Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As At December 31, 2023

		December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
Note		(Rupees in '000)					
ASSETS							
Bank balances	4	246,377	142,009	388,386	266,918	161,912	428,830
Investments	5	1,991,276	608,004	2,599,280	1,233,972	416,220	1,650,192
Dividend and profit receivable	6	7,583	5,086	12,669	8,476	2,603	11,079
Receivable against sale of investment		-	5,640	5,640	-	23,625	23,625
Advance, deposits and prepayment	7	313	3,836	4,149	111	3,819	3,930
Receivable from HBL Asset Management Limited - Management Company	8	-	3,033	3,033	-	2,654	2,654
Total assets		2,245,549	767,608	3,013,157	1,509,477	610,833	2,120,310
LIABILITIES							
Payable to HBL Asset Management Limited - Management Company	9	4,481	2,541	7,022	2,735	2,240	4,975
Payable to Central Depository Company of Pakistan Limited - Trustee	10	321	179	500	231	94	325
Payable to the Securities and Exchange Commission of Pakistan	11	190	49	239	354	103	457
Payable against purchase of investment		-	10,013	10,013	-	13,630	13,630
Accrued expenses and other liabilities	12	508	60,535	61,043	407	58,246	58,653
Dividend payable		12,104	-	12,104	113,650	-	113,650
Unclaimed dividend		-	85,170	85,170	-	85,285	85,285
Total liabilities		17,604	158,487	176,091	117,377	159,598	276,975
NET ASSETS		2,227,945	609,121	2,837,066	1,392,100	451,235	1,843,335
UNIT HOLDERS' FUND		2,227,945	609,121	2,837,066	1,392,100	451,235	1,843,335
(AS PER STATEMENT ATTACHED)							
CONTINGENCIES AND COMMITMENTS							
	13	----- Number of units -----			----- Number of units -----		
NUMBER OF UNITS IN ISSUE		284,125,000	66,300,463		284,125,000	74,365,497	
		----- (Rupees) -----			----- (Rupees) -----		
NET ASSET VALUE PER UNIT		7.8414	9.1873		4.8996	6.0678	

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund

Condensed Interim Income Statement (Un-Audited)

For The Half Year And Quarter Ended December 31, 2023

		Half year ended December 31, 2023			Half year ended December 31, 2022			Quarter ended December 31, 2023			Quarter ended December 31, 2022		
		Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	Note	(Rupees in '000)											
INCOME													
Dividend income		80,483	25,072	105,555	120,994	21,094	142,088	76,751	16,217	92,968	108,554	11,005	119,559
Profit on savings accounts with banks		21,027	17,740	38,767	11,550	9,631	21,181	9,161	9,188	18,349	9,615	4,241	13,856
Income on government securities - Market Treasury Bill		-	-	-	3,504	-	3,504	-	-	-	-	-	-
Gain / (loss) on sale of investments - net		-	116,400	116,400	(30)	(10,255)	(10,285)	-	76,642	76,642	6	(6,267)	(6,261)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial asset at fair value through profit or loss '	5.1.2.2	-	75,838	75,838	-	(40,133)	(40,133)	-	79,072	79,072	-	(32,801)	(32,801)
		-	192,238	192,238	(30)	(50,388)	(50,418)	-	155,714	155,714	6	(39,068)	(39,062)
Total income / (loss)		101,510	235,050	336,560	136,018	(19,663)	116,355	85,912	181,119	267,031	118,175	(23,822)	94,353
EXPENSES													
Remuneration of HBL Asset Management Limited - Management Company	9.1 & 9.2	15,087	7,220	22,307	16,655	6,564	23,219	8,549	4,389	12,938	7,975	2,776	10,751
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	4,895	1,534	6,429	5,404	1,598	7,002	2,774	845	3,619	2,588	676	3,264
Selling & marketing expense	9.4	-	1,793	1,793	-	3,050	3,050	-	478	478	-	1,290	1,290
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 & 10.2	1,440	457	1,897	1,543	435	1,978	788	244	1,032	731	190	921
Fee to the Securities and Exchange Commission of Pakistan	11.1	844	256	1,100	197	58	255	477	137	614	95	24	119
Securities transaction costs		-	4,772	4,772	904	2,602	3,506	-	2,449	2,449	904	1,314	2,218
Auditors' remuneration		407	105	512	194	119	313	265	62	327	98	59	157
Printing charges		58	19	77	53	15	68	58	19	77	44	15	59
Fee and subscription charges		236	313	549	-	345	345	116	162	278	-	317	317
Settlement & bank charges		2	131	133	9	169	178	2	31	33	6	169	175
Reimbursement from HBL Asset Management Limited - Management Company	8	-	(3,033)	(3,033)	-	-	-	-	(3,033)	(3,033)	-	-	-
Total operating expenses		22,969	13,567	36,536	24,959	14,955	39,914	13,029	5,783	18,812	12,441	6,830	19,271
Net operating income / (loss) for the period		78,541	221,483	300,024	111,059	(34,618)	76,441	72,883	175,336	248,219	105,734	(30,652)	75,082
Net income / (loss) for the period before taxation		78,541	221,483	300,024	111,059	(34,618)	76,441	72,883	175,336	248,219	105,734	(30,652)	75,082
Taxation	16	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation		78,541	221,483	300,024	111,059	(34,618)	76,441	72,883	175,336	248,219	105,734	(30,652)	75,082
Earnings / (loss) per unit	14												
Allocation of net income for the period:													
Net income for the period after taxation		78,541	221,483		111,059	-							
Income already paid on redemption of units		-	(14,820)		-	-							
		78,541	206,663		111,059	-							
Accounting income available for distribution:													
- Relating to capital gains		-	180,217		-	-							
- Excluding capital gains		78,541	26,446		111,059	-							
		78,541	206,663		111,059	-							

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Statement Of Comprehensive Income (Un-Audited)
For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022			Quarter ended December 31, 2023			Quarter ended December 31, 2022			
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	
Note	(Rupees in '000)												
Net income / (loss) for the period after taxation	78,541	221,483	300,024	111,059	(34,618)	76,441	72,883	175,336	248,219	105,734	(30,652)	75,082	
Items that will not be reclassified to income statement													
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through													
other comprehensive income	5.1.1.2	757,304	-	757,304	(276,692)	-	(276,692)	618,332	-	618,332	(178,927)	-	(178,927)
Total comprehensive income / (loss) for the period		835,845	221,483	1,057,328	(165,633)	(34,618)	(200,251)	691,215	175,336	866,551	(73,193)	(30,652)	(103,845)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Statement Of Movement In Unitholders' Fund (Un-audited)
For The Half Year Ended December 31, 2023

For the half year ended December 31, 2023							
Class A				Class B			
Capital value	Accumulated loss	Unrealised income on investment	Total	Capital value	Accumulated loss	Total	
(Rupees in '000)							
Net assets at the beginning of the period (audited)	2,841,250	(2,165,630)	716,480	1,392,100	1,080,220	(628,985)	451,235
Issuance of Class A: Nil units (2022: Nil units) and Class B: 502,187 units (2022: 104,172 units)							
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	3,047	-	3,047
- Element of income	-	-	-	-	1,275	-	1,275
Total proceeds on issuance of units	-	-	-	-	4,322	-	4,322
Redemption of Class A: Nil units (2022: Nil units) and Class B: 8,567,221 units (2022: 33,469,128 units)							
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	(51,984)	-	(51,984)
- Element of loss	-	-	-	-	(1,115)	(14,820)	(15,935)
Total payment on redemption of units	-	-	-	-	(53,099)	(14,820)	(67,919)
Total comprehensive income for the period	-	78,541	757,304	835,845	-	221,483	221,483
Net assets at the end of the period (un-audited)	2,841,250	(2,087,089)	1,473,784	2,227,945	1,031,443	(422,322)	609,121
Accumulated loss brought forward comprising of:							
- Realised loss	(2,165,630)				(621,261)		
- Unrealised loss	-				(7,724)		
	(2,165,630)				(628,985)		
Accounting income available for distribution							
- Relating to capital gains	-				180,217		
- Excluding capital gains	78,541				26,446		
	78,541				206,663		
Accumulated loss carried forward	(2,087,089)				(422,322)		
Accumulated loss carried forward comprising of:							
- Realised loss	(2,087,089)				(498,160)		
- Unrealised income	-				75,838		
	(2,087,089)				(422,322)		
	(Rupees)				(Rupees)		
Net asset value per unit at the beginning of the period	4.8996				6.0678		
Net asset value per unit at the end of the period	7.8414				9.1873		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Statement Of Movement In Unitholders' Fund (Un-audited)
For The Half Year Ended December 31, 2023

	For the half year ended December 31, 2022						
	Class A				Class B		
	Capital value	Accumulated loss	Unrealised income on investment	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)						
Net assets at the beginning of the period (audited)	2,841,250	(2,169,291)	1,326,143	1,998,102	1,311,779	(598,490)	713,289
Issuance of Class A: Nil units (2021: Nil units) and Class B: 104,172 units (2021: 4,111,920 units)							
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	674	-	674
- Element of loss	-	-	-	-	(3)	-	(3)
Total proceeds on issuance of units	-	-	-	-	671	-	671
Redemption of Class A: Nil units (2021: Nil units)							
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	(216,431)	-	(216,431)
- Element of loss	-	-	-	-	(435)	-	(435)
Total payment on redemption of units	-	-	-	-	(216,866)	-	(216,866)
Total comprehensive income / (loss) for the period	-	111,059	(276,692)	(165,632)	-	(34,618)	(34,618)
Net assets at the end of the period (un-audited)	<u>2,841,250</u>	<u>(2,058,232)</u>	<u>1,049,451</u>	<u>1,832,470</u>	<u>1,095,584</u>	<u>(633,108)</u>	<u>462,476</u>
Accumulated loss brought forward comprising of:							
- Realised loss		(2,169,291)				(303,315)	
- Unrealised loss		-				(295,175)	
		<u>(2,169,291)</u>				<u>(598,490)</u>	
Accounting income available for distribution							
- Relating to capital gains	-				-		
- Excluding capital gains	<u>111,059</u>				<u>-</u>		
	111,059				-		
Net loss for the period after taxation		-				(34,618)	
Accumulated loss carried forward		<u><u>(2,058,232)</u></u>				<u><u>(633,108)</u></u>	
Accumulated loss carried forward comprising of:							
- Realised loss		(2,058,232)				(633,108)	
- Unrealised loss		-				-	
		<u><u>(2,058,232)</u></u>				<u><u>(633,108)</u></u>	
		(Rupees)				(Rupees)	
Net asset value per unit at the beginning of the period	<u>7.0325</u>				<u>6.4666</u>		
Net asset value per unit at the end of the period	<u>6.4495</u>				<u>6.0110</u>		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
For The Half Year Ended December 31, 2023

	Note	Half year ended December 31, 2023			Half year ended December 31, 2022		
		Class A	Class B	Total	Class A	Class B	Total
		----- (Rupees in '000) -----					
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income / (loss) for the period before taxation		78,541	221,483	300,024	111,059	(34,618)	76,441
Adjustments for:							
Dividend income		(80,483)	(25,072)	(105,555)	(120,994)	(21,094)	(142,088)
Profit on savings accounts with banks		(21,027)	(17,740)	(38,767)	(11,550)	(9,631)	(21,181)
Income from government securities - Market Treasury Bill		-	-	-	(3,504)	-	(3,504)
(Gain) / loss on sale of investments - net		-	(116,400)	(116,400)	30	10,255	10,285
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	5.1.2.2	-	(75,838)	(75,838)	-	40,133	40,133
		(22,969)	(13,567)	(36,536)	(24,959)	(14,955)	(39,914)
(Increase) / decrease in assets							
Investments - net		-	14,822	14,822	3,474	205,676	209,150
Receivable from HBL Asset Management Limited - Management Company		-	(379)	(379)	-	(515)	(515)
Advance, deposits and prepayment		(202)	(17)	(219)	(640)	-	(640)
		(202)	14,426	14,224	2,834	205,161	207,995
Increase / (decrease) in liabilities							
Payable to the HBL Asset Management Limited - Management Company		1,746	301	2,047	(142)	(4,290)	(4,432)
Payable to Central Depository Company of Pakistan Limited - Trustee		90	85	175	(3)	(62)	(65)
Payable to the Securities and Exchange Commission of Pakistan		(164)	(54)	(218)	(232)	(169)	(401)
Unclaimed dividend		-	(115)	(115)	-	(12)	(12)
Accrued expenses and other liabilities		101	2,289	2,390	338	735	1,073
		1,773	2,506	4,279	(39)	(3,798)	(3,837)
Dividend received		79,843	22,507	102,350	120,141	23,193	143,334
Profit received on bank balances		22,560	17,822	40,382	10,041	10,816	20,857
		102,403	40,329	142,732	130,182	34,009	164,191
Net cash generated from operating activities		81,005	43,694	124,699	108,018	220,417	328,435
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units		-	4,322	4,322	-	671	671
Payment against redemption and conversion of units		-	(67,919)	(67,919)	-	(216,866)	(216,866)
Dividend paid		(101,546)	-	(101,546)	-	-	-
Net cash used in financing activities		(101,546)	(63,597)	(165,143)	-	(216,195)	(216,195)
Net (decrease) / increase in cash and cash equivalents		(20,541)	(19,903)	(40,444)	108,018	4,222	112,240
Cash and cash equivalents at the beginning of the period		266,918	161,912	428,830	154,016	148,160	302,176
Cash and cash equivalents at the end of the period	4	246,377	142,009	388,386	262,034	152,382	414,416

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund

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

For The Half Year Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Investment Fund (The Fund), an Open End Scheme that was initially constituted as a Closed End Fund under the name of PICIC Investment Fund vide a registered Trust Deed 'Initial Trust Deed' dated April 02, 2004, as amended vide First Supplemental Trust Deed dated June 28, 2004. The Fund has been converted into an Open End Scheme through a registered Restated Trust Deed (the Deed) dated April 24, 2018 under the Trusts Act, 1882 entered into and between HBL Asset Management Limited ("the Management Company") and Central Depository Company of Pakistan Limited ("the Trustee"). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the "Sindh Trust Act 2020". Accordingly, on 17 August 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act 2020.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan. (SECP) to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to convert into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has frozen portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.
- 1.5** The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the conversion plan of the Fund for the conversion into an open end scheme, with the approval of the certificate holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the plan was presented to and approved by the certificate holders of the Fund in its general meeting dated January 10, 2018. The Plan was also approved by the Securities and Exchange Commission of Pakistan (SECP) on February 16, 2018.
- 1.6** The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every certificate holder of the closed end fund was entitled to the following for each certificate held:
- One Class-A unit of the Fund was issued to every certificate holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
 - One Class-B unit of the Fund was issued to the every certificate holder of Fund for each certificate held representing unfrozen portfolio and related assets and liabilities.
- 1.7** The plan also envisages that Class-A units would not be redeemable and would be traded on the Pakistan Stock Exchange Limited. Whereas Class-B units can be redeemed at the redemption price.
- 1.8** VIS Credit Rating Company Limited (VIS) has assigned the Management Quality Rating to 'AM1' (December 31, 2022: 'AM1' dated December 30, 2022) dated December 29, 2023 and the outlook on the rating has assigned as 'Stable' (December 31, 2022: 'Stable').
- 1.9** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have 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 VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 the requirements of the Trust Deed differ from the requirements of IAS 34, 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 the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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.

- 2.2** These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the half year ended December 31, 2023.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements 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** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments 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 recognized prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2023.

- 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and therefore, have not been detailed in these condensed interim financial statements.

		Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
4	BANK BALANCES		----- (Rupees in '000) -----					
	Balances with banks in:							
	Savings accounts	4.1	246,377	142,009	388,386	266,918	161,912	428,830

4.1 These include balance of Rs. 0.580 million (June 30, 2023: 0.580 million) with Habib Bank Limited (a related party) carries profit at the rates ranging from 14.50% to 19.50% (June 30, 2023: 14.50% to 19.50%) per annum, Rs. 180.421 million (June 30, 2023: Rs. 44.305 million) with HBL Microfinance Bank Limited (a related party) carries profit at the rates ranging from 22.25% to 22.95% (June 30, 2023: 16.25% to 22.25%) and Rs. 92.315 million (June 30, 2023: Rs. 152.726 million) with MCB Bank Limited (a related party) carries profit at the rate of 18% (June 30, 2023: 8% to 18%). Other saving accounts of the Fund carry profit at the rates ranging from 15.50% to 22.50% (June 30, 2023: 14.75% to 21.85%) per annum.

5	INVESTMENTS	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			----- (Rupees in '000) -----					
	At fair value through other comprehensive income							
	- Quoted equity securities	5.1.1 & 5.1.4	1,991,276	-	1,991,276	1,233,972	-	1,233,972
	At fair value through profit or loss							
	- Quoted equity securities	5.1.2, 5.1.3 & 5.1.4	-	608,004	608,004	-	416,220	416,220
			1,991,276	608,004	2,599,280	1,233,972	416,220	1,650,192

5.1 Quoted equity securities

5.1.1 Class A - At fair value through other comprehensive income

Name of investee company	As at July 1, 2023	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation as at December 31,2023	Market value as a percentage of		Par value as a percentage of issued capital of the investee	
									total market value of investments	net assets of the Fund		
						(Number of shares)			(Rupees in '000)			(%)
Class A												
Oil and Gas Marketing Companies												
Pakistan State Oil Company Limited (note 5.1.4)	10,233,471	-	-	-	10,233,471	484,438	1,808,357	1,323,919	90.81%	81.17%	2.18%	
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	33,053	182,919	149,866	9.19%	8.21%	0.39%	
Total as at December 31, 2023						517,491	1,991,276	1,473,785				
Total as at June 30, 2023						517,491	1,233,972	716,481				

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

		Class A	
		(Unaudited)	(Audited)
		December 31, 2023	June 30, 2023
		----- Rupees in '000 -----	
5.1.1.2	Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial asset at fair value through other comprehensive income'	Note	
	Market value of investments	5.1.1	1,991,276
	Less: cost of investments	5.1.1	(517,491)
			1,473,785
	Add: changes in fair value of investments disposed of during the year		-
	Less: net unrealised appreciation in the fair value of investments at the beginning of the year		716,481
	Less: amount of appreciation pertaining to disposed of securities		-
			716,481
			757,304
			1,233,972
			(517,491)
			716,481
			1,326,144
			-
			(609,663)

5.1.2 Class B - At fair value through profit or loss

Name of the Investee Company	As at July 01, 2023	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution) as at December 31,	Market value as a percentage of	
									total market value of investments	net assets of the Fund of Class
(Number of shares)						(Rupees in '000)			(%)	
Insurance										
Adamjee Insurance Company Limited *	-	178,000	-	176,500	1,500	49	51	2	0.01%	0.01%
TPL Insurance Limited (note 5.1.4)	225,480	-	-	-	225,480	4,670	3,258	(1,412)	0.54%	0.53%
						4,719	3,309	(1,410)	0.55%	0.54%
Textile Spinning										
Sunshine Cotton Mills Limited	50,000	-	-	-	50,000	-	-	-	-	-
						-	-	-	-	-
Textile Weaving										
Mohib Exports Limited *	40,820	-	-	-	40,820	6	6	-	-	-
						6	6	-	-	-
Cement										
D.G. Khan Cement Company Limited *	217,531	876,600	-	1,093,321	810	40	63	23	0.01%	0.01%
Lucky Cement Limited	80,800	109,104	-	189,904	-	-	-	-	-	-
Maple Leaf Cement Factory Limited (note 5.1.3)	713,000	957,958	-	847,467	823,491	25,832	32,050	6,218	5.27%	5.26%
Fauji Cement Company Limited	-	876,500	-	876,500	-	-	-	-	-	-
Pioneer Cement Limited	-	441,000	-	157,510	283,490	29,633	32,584	2,951	5.36%	5.35%
Kohat Cement Company Limited	-	32,600	-	-	32,600	7,519	7,636	117	1.26%	1.25%
Cherat Cement Company Limited *	132,916	136,500	-	267,440	1,976	274	322	48	0.05%	0.05%
Gharibwal Cement Limited	-	236,500	-	236,500	-	-	-	-	-	-
						63,298	72,655	9,357	11.95%	11.92%
Power generation & Distribution										
The Hub Power Company Limited (note 5.1.3)	387,813	276,406	-	519,750	144,469	13,613	16,916	3,303	2.78%	2.78%
Nishat Power Limited	-	776,702	-	776,702	-	-	-	-	-	-
						13,613	16,916	3,303	2.78%	2.78%
Engineering										
International Steels Limited	-	239,500	-	239,500	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	390,000	-	390,000	-	-	-	-	-	-
						-	-	-	-	-
Automobile Assembler										
Indus Motor Company Limited	-	18,000	-	2,465	15,535	17,226	18,641	1,415	3.07%	3.06%
Pak Suzuki Motor Company Limited	-	13,500	-	13,500	-	-	-	-	-	-
Sazgar Engineering Works Limited	-	210,801	-	169,685	41,116	6,837	7,313	476	1.20%	1.20%
						24,063	25,954	1,891	4.27%	4.26%
Pharmaceuticals										
The Searle Company Limited * (note 5.1.4)	2,376	246,000	-	245,670	2,706	160	139	(21)	0.02%	0.02%
Ferozsons Laboratories Limited	-	125,400	-	75,000	50,400	10,307	11,120	813	1.83%	1.83%
AGP Limited *	-	453,800	-	453,613	187	11	13	2	-	-
Highnoon Laboratories Limited	-	19,600	-	-	19,600	8,223	9,889	1,666	1.63%	1.62%
						18,701	21,161	2,460	3.48%	3.47%
Paper & Board										
Century Paper & Board Mills Limited	-	673,000	-	-	673,000	23,623	21,913	(1,710)	3.60%	3.60%
						23,623	21,913	(1,710)	3.60%	3.60%
Glass & Ceramics										
Tariq Glass Industries Limited	120,000	363,000	-	483,000	-	-	-	-	-	-
Ghani Glass Limited	-	538,000	-	538,000	-	-	-	-	-	-
						-	-	-	-	-
Miscellaneous										
Pakistan Aluminium Beverage Cans Limited	-	294,000	-	294,000	-	-	-	-	-	-
Pakistan Hotels Developers Limited	-	10,500	-	10,500	-	-	-	-	-	-
						-	-	-	-	-
Balance carried forward						105,699	118,840	13,141		

Name of the Investee Company	As at July 01, 2023	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution) as at December 31,	Market value as a percentage of		Par value as a percentage of issued capital of the investee
									total market value of investments	net assets of the Fund of Class	
(Number of shares)						(Rupees in '000)			(%)		
Balance brought forward						105,699	118,840	13,141			
Oil & gas exploration companies											
Oil & Gas Development Company Limited (note 5.1.3)	438,535	431,000	-	535,800	333,735	31,189	37,529	6,340	6.17%	6.16%	0.01%
Pakistan Petroleum Limited (note 5.1.3)	478,366	623,500	-	652,061	449,805	32,417	51,741	19,324	8.51%	8.49%	0.02%
Mari Petroleum Company Limited (note 5.1.3)	14,286	9,440	-	13,750	9,976	16,150	20,911	4,761	3.44%	3.43%	0.01%
						79,756	110,181	30,425	18.12%	18.08%	
Oil & gas marketing companies											
Pakistan State Oil Company Limited	-	349,391	-	209,500	139,891	17,275	24,720	7,445	4.07%	4.06%	0.03%
Shell Pakistan Limited *	-	112,000	-	110,000	2,000	313	301	(12)	0.05%	0.05%	-
Sui Northern Gas Pipelines Limited	433,582	842,000	-	846,716	428,866	19,486	31,530	12,044	5.19%	5.18%	0.07%
Attock Petroleum Limited *	-	35,024	-	34,997	27	9	10	1	-	-	-
						37,083	56,561	19,478	9.31%	9.29%	
Refinery											
Attock Refinery Limited *	73,426	51,500	-	123,926	1,000	295	328	33	0.05%	0.05%	-
Pakistan Refinery Limited	-	300,000	-	300,000	-	-	-	-	-	-	-
						295	328	33	0.05%	0.05%	
Commercial banks											
National Bank of Pakistan Limited	-	614,000	-	614,000	-	-	-	-	-	-	-
Askari Bank Limited	-	502,000	-	-	502,000	12,077	12,410	333	2.04%	2.04%	0.03%
Bank Al-Falah Limited *	-	230,419	-	230,000	419	17	20	3	-	-	-
Faysal Bank Limited * (note 5.1.4)	8,764	740,000	-	740,000	8,764	219	286	67	0.05%	0.05%	-
MCB Bank Limited *	-	399,463	-	398,463	1,000	127	173	46	0.03%	0.03%	-
United Bank Limited (note 5.1.3)	283,932	488,610	-	529,464	243,078	35,473	43,229	7,756	7.11%	7.10%	0.02%
Bank Al-Habib Limited	362,000	878,471	-	846,250	394,221	29,416	31,751	2,335	5.22%	5.21%	0.04%
Meezan Bank Limited * (note 5.1.3)	270,951	162,500	-	345,000	88,451	10,284	14,273	3,989	2.35%	2.34%	-
BankIslami Pakistan Limited	241,000	2,063,000	-	2,017,500	286,500	5,678	6,360	682	1.05%	1.04%	0.03%
Habib Bank Limited	161,108	939,000	-	1,022,936	77,172	8,537	8,554	17	1.41%	1.40%	0.01%
						101,828	117,056	15,228	19.26%	19.21%	
Fertilizer											
Engro Corporation Limited	34,173	234,116	-	238,673	29,616	8,292	8,734	442	1.44%	1.43%	0.01%
Fauji Fertilizer Bin Qasim Limited	-	348,727	-	-	348,727	10,286	11,124	838	1.83%	1.83%	0.03%
Fauji Fertilizer Company Limited	-	268,000	-	50,000	218,000	24,676	24,675	(1)	4.06%	4.05%	0.02%
Engro Fertilizers Limited	106,777	754,649	-	759,877	101,549	10,929	11,397	468	1.87%	1.87%	0.01%
						54,183	55,930	1,747	9.20%	9.18%	
Automobile Parts & Accessories											
Panther Tyres Limited	-	287,500	-	287,500	-	-	-	-	-	-	-
						-	-	-	-	-	
Technology & communication											
Systems Limited (note 5.1.3)	42,933	171,561	-	124,729	89,765	39,687	38,021	(1,666)	6.25%	6.24%	0.03%
TPL Trakker Limited (note 5.1.3)	5,574,000	200,000	-	-	5,774,000	50,849	45,441	(5,408)	7.47%	7.46%	3.08%
Air Link Communication Limited	-	594,499	-	222,999	371,500	20,462	22,572	2,110	3.71%	3.71%	0.09%
						110,998	106,034	(4,964)	17.43%	17.41%	
Foods & personal care products											
Unity Foods Limited	-	534,000	-	534,000	-	-	-	-	-	-	-
						-	-	-	-	-	
Total as at December 31, 2023						532,166	608,004	75,838			
Total as at June 30, 2023						423,944	416,220	(7,724)			

* Nil figures due to rounding off

5.1.2.1 All shares have a face value of Rs. 10 each.

5.1.2.2 Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss'

Note

Class B	
(Unaudited)	(Audited)
December 31, 2023	June 30, 2023

----- Rupees in '000 -----

Market value of investments	5.1.2	608,004	416,220
Less: carrying value of investments	5.1.2	(532,166)	(423,944)
		<u>75,838</u>	<u>(7,724)</u>

5.1.3 The above investments in Class B include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particular	(Un-audited)		(Audited)	
	December 31, 2023		June 30, 2023	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Engro Fertilizers Limited	-	-	10,000	825
Habib Bank Limited	-	-	63,000	4,613
United Bank Limited	15,000	2,668	100,000	11,754
TPL Trakker Limited	100,000	787	100,000	884
Oil & Gas Development Company Limited	193,000	21,703	140,000	10,920
Pakistan Petroleum Limited	176,000	20,245	76,000	4,495
Lucky Cement Limited	-	-	4,000	2,088
Mari Petroleum Company Limited	3,000	6,288	3,000	4,544
Meezan Bank Limited	950	153	49,000	4,232
Maple Leaf Cement Factory Limited	40,000	1,557	40,000	1,133
Systems Limited	2,000	847	-	-
The Hub Power Company Limited	20,000	2,342	-	-
	549,950	56,590	585,000	45,488

5.1.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favor of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at December 31, 2023, the following bonus shares of Class A and Class B have been withheld by certain companies at the time of declaration of bonus shares respectively.

Name of the Investee Company	(Un-audited)		(Audited)	
	December 31, 2023		June 30, 2023	
	Bonus shares			
	Number of shares	Rupees in '000	Number of shares	Rupees in '000

Class A

Pakistan State Oil Company Limited

85,273	15,069	85,273	9,466
--------	--------	--------	-------

Class B

The Searle Company Limited

Faysal Bank Limited

TPL Insurance Limited

2,376	122	2,376	91
8,764	286	8,764	177
768	11	768	16
11,908	419	11,908	284

December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----					

6 DIVIDEND AND PROFIT RECEIVABLE

Profit receivable on bank balances

Dividend receivable

3,213	2,425	5,638	4,746	2,507	7,253
4,370	2,661	7,031	3,730	96	3,826
7,583	5,086	12,669	8,476	2,603	11,079

7 ADVANCE, DEPOSITS & PREPAYMENT

Security deposits with:

- National Clearing Company of Pakistan Limited

- Central Depository Company of Pakistan Limited

Advance tax

Prepayment of KSE listing fee

-	2,500	2,500	-	2,500	2,500
100	200	300	100	200	300
11	1,119	1,130	11	1,119	1,130
202	17	219	-	-	-
313	3,836	4,149	111	3,819	3,930

8 RECEIVABLE FROM HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

As per SECP's direction No. SCD/PRDD/Direction/18/2016 all AMCs are required to calculate the TER in respect of each CIS to ensure the TER is not in breach of the required maximum percentage. The AMCs are required to adjust the NAV of the CIS on the basis of TER at the end of each Quarter during the financial year for the amount of expenses in excess of the TER limit prescribed in regulation 60(5) of the NBFC Regulations.

During the period ended December 31, 2023, the Fund was in breach of the TER ratio of maximum 4.5% as prescribed under NBFC Regulations for a CIS categorised as an equity scheme. As a result the Fund has recorded receivable from the Management Company to comply with the TER.

9	PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			----- (Rupees in '000) -----					
	Remuneration Payable	9.1	2,994	1,551	4,545	1,827	740	2,567
	Sindh Sales Tax payable on remuneration of the Management Company	9.2	389	202	591	238	96	334
	Allocated expenses relating to registrar services, accounting, operation and valuation services payable	9.3	1,098	310	1,408	670	204	874
	Selling & marketing expense payable	9.4	-	478	478	-	1,200	1,200
			4,481	2,541	7,022	2,735	2,240	4,975

9.1 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 3% of the daily net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. As per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, it was advised to HBL AMC to take up the matter at its Board level for lowering the rate of the management fee keeping in view the passive nature of the investments in Class A units of HBL Investment Fund and in the best interest of the certificate holders. Subsequently, management of HBL AMC in their 83rd Board meeting held on February 10, 2021 had approved the reduction in rate of Class A from 2% to 1.5% effective from February 10, 2021. Currently, the management fee is charged at the rate of 1.5% for Class A and 2% to 3% for Class B (June 30, 2023: 1.5% and 2%) of the daily net assets of the Fund for Class A and Class B, respectively.

9.2 The Sindh Provincial 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.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged 0.55% of the daily net assets of the Fund for Class A and 0.55% to 0.60% for Class B during the period ended December 31, 2023 (June 30, 2023: 0.55% for Class A and 0.55% for Class B).

9.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company has charged selling and marketing expenses based on its discretion while keeping in view the overall return, the annual plan and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008, at the rates Nil (June 30, 2023: Nil) for Class A and ranging from 0% to 1.05% (June 30, 2023: 1.05%) for Class B.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			----- (Rupees in '000) -----					
	Remuneration payable to the Trustee	10.1	284	104	388	204	74	278
	Sindh Sales Tax payable on remuneration of the Trustee	10.2	37	13	50	27	10	37
	CDS charges payable		-	62	62	-	10	10
			321	179	500	231	94	325

- 10.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the tariff structure is as follows:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.20% of the net assets
- From Rs 1,000 million to Rs 5,000 million	Rs. 2.0 million plus 0.10% exceeding Rs. 1,000 million

Accordingly the Fund has charged trustee fee at the above rates during the period.

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

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			----- (Rupees in '000) -----					
	Fee payable	11.1	190	49	239	354	103	457

- 11.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay the SECP fee within three months of the close of accounting year.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
			Class A	Class B	Total	Class A	Class B	Total
			----- (Rupees in '000) -----					
	Provision for federal excise duty	12.1	-	55,961	55,961	-	55,961	55,961
	Auditors' remuneration payable		368	98	466	402	137	539
	Security transaction costs payable		-	42	42	-	43	43
	Brokerage payable		-	2,915	2,915	-	706	706
	Withholding tax payable		140	409	549	5	289	294
	Zakat payable		-	47	47	-	47	47
	Other payables		-	1,063	1,063	-	1,063	1,063
			508	60,535	61,043	407	58,246	58,653

- 12.1** The Finance Act, 2013 enlarged the scope of federal excise duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 55.961 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.84 (June 30, 2023: Re. 0.75)

13 CONTINGENCIES & COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

14 EARNINGS / (LOSS) PER UNIT

Earnings / (loss) per unit has not been disclosed in these condensed interim financial statements as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

15 TOTAL EXPENSES RATIO

The annualized total expense ratio (TER) of the Fund as at December 31, 2023 based on current period results is 2.58% and 5.04% (December 31, 2022: 2.66% and 5.20%) which includes 0.48% and 0.63% (December 31, 2022: 0.24% and 0.42%) representing government levies on the Fund and annual fee to SECP of Class A and Class B respectively. The maximum ratio limit as prescribed under the NBFC Regulation for a collective Investment Scheme categorized as an 'Equity Scheme' is 4.5% which is required to be complied on an annual basis by the Fund. As more fully discussed in note 8, TER of the Fund was in breach as prescribed in the regulation. To comply with this breach, the Fund has made the reversal of expense amounting to Rs. 3.033 million (December 31, 2022: Nil).

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

17 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

17.1 Transactions during the period

	December 31, 2023 (Un-audited)			December 31, 2022 (Un-audited)		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
HBL Asset Management Limited						
Remuneration of Management Company	13,351	6,389	19,740	14,739	5,809	20,548
Sindh Sales Tax on remuneration of Management Company	1,736	831	2,567	1,916	755	2,671
Allocation of expenses related to registrar services, accounting, operation and valuation services	4,895	1,534	6,429	5,404	1,598	7,002
Selling and marketing expense	-	1,793	1,793	-	3,050	3,050
Reimbursement from HBL Asset Management Limited - Management Company	-	3,033	3,033	-	-	-
Habib Bank Limited - Sponsor						
Dividend income	-	1,472	1,472	-	787	787
Bank profit	-	52	52	-	29	29
Sale of 20,599,500 (December 31, 2022: Nil) units	71,068	-	71,068	-	-	-
Redemption of Nil units	-	-	-	-	203,605	203,605
----- (Rupees in '000) -----						
	December 31, 2023 (Un-audited)			December 31, 2022 (Un-audited)		
	Class A	Class B	Total	Class A	Class B	Total
MCB Bank Limited						
Connected Person (Due to holding more than 10% units)						
Dividend Income	-	1,187	1,187	-	1,281	1,281
Bank profit	19	12,618	12,637	8	7,412	7,420
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee	1,274	404	1,678	1,365	385	1,750
Sindh Sales Tax payable on Trustee fee	166	53	219	178	50	228
CDC connection charges	-	126	126	904	162	1,066
HBL Micro Finance Bank - Associate						
Bank profit	16,773	2,659	19,432	6,568	-	6,568

17.2 Balances at period / year end
HBL Asset Management Limited

Payable to the Management Company
Sindh Sales Tax payable on remuneration

to management company

Allocation of expenses related to

registrar services, accounting,

operation and valuation services

Selling and marketing expense

Receivable from HBL Asset Management
Limited - Management Company

Central Depository Company of
Pakistan Limited - Trustee

Trustee fee payable

Sindh Sales Tax payable on Trustee Fee

Security deposit held

CDS charges payable

MCB Bank Limited
Connected Person (Due to holding
more than 10% units)

Bank balance

Profit receivable

Outstanding: 66,090,021

(June 30, 2023: 66,090,021) units

Habib Bank Limited - Sponsor

Bank balance

Outstanding: 28,062,661

(June 30, 2023: 48,662,161) units

Outstanding: 373

(June 30, 2023: 373) units

Jubilee General Insurance Company
Limited - Associate

Outstanding: 103,333

(June 30, 2023: 103,333) units

Jubilee General Insurance Company Limited
Staff Provident Fund Trust - Associate

Outstanding: 118,454

(June 30, 2023: 118,454) units

Outstanding: 121,940

(June 30, 2023: 121,940) units

December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)					
2,994	1,551	4,545	1,827	740	2,567
389	202	591	238	96	334
1,098	310	1,408	670	204	874
-	478	478	-	1,200	1,200
-	3,033	3,033	-	2,654	2,654
284	104	388	204	74	278
37	13	50	270	10	36
100	200	300	100	200	300
-	62	62	-	10	10
194	92,121	92,315	175	152,550	152,726
-	1,378	1,378	-	2,247	2,247
228,011	-	228,011	102,440	-	102,440
-	580	580	-	580	580
96,816	-	96,816	75,426	-	75,426
-	3	3	-	2	2
-	949	949	-	627	627
409	-	409	184	-	184
-	1,120	1,120	-	740	740

	December 31, 2023 (Un-audited)			June 30, 2023 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
Jubilee General Insurance Company Limited						
Gratuity Fund Trust - Associate						
Outstanding: 224,000						
(June 30, 2023: 224,000) units	773	-	773	347	-	347
Outstanding: 230,592						
(June 30, 2023: 230,592) units	-	2,119	2,119	-	1,399	1,399
Aga Khan University Employees Provident Fund Trust						
Outstanding: 588,000						
(June 30, 2023: 588,000) units	2,029	-	2,029	911	-	911
Aga Khan University Employees Gratuity Fund Trust						
Outstanding: 138,000						
(June 30, 2023: 138,000) units	476	-	476	214	-	214
National Investment Trust Limited						
- Administration Fund						
Outstanding: 60,720						
(June 30, 2023: 60,720) units	209	-	209	94	-	94
Outstanding: 62,507						
(June 30, 2023: 62,507) units	-	574	574	-	379	379
Humera Iqbal						
- Connected Person (Due to holding more than 10% units)						
Outstanding: 9,679,667						
(June 30, 2023: 9,679,667) units	-	88,930	88,930	-	58,734	58,734
Directors and Executives of the Management Company						
Outstanding: 26,195						
(June 30, 2023: 26,195) units	90	-	90	41	-	41
Outstanding units: 26,813						
(June 30, 2023: 26,813) units	-	246	246	-	163	163
HLB Micro Finance Bank - Associate						
Bank balance	150,784	29,637	180,421	43,610	695	44,305
Profit receivable	2,869	571	3,440	3,219	105	3,324
CDC - Trustee National Investment (Unit) Trust						
Outstanding: 10,108,128						
(June 30, 2023: 10,108,128) units	34,873	-	34,873	15,668	-	15,668

18 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.

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

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

Financial assets ' at fair value through other comprehensive income'

- Quoted equity securities

----- (Un-audited) -----			
----- As at December 31, 2023 -----			
Class A			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
1,991,276	-	-	1,991,276

Financial assets ' at fair value through profit or loss'

- Quoted equity securities

----- (Un-audited) -----			
----- As at December 31, 2023 -----			
Class B			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
608,004	-	-	608,004

Financial assets ' at fair value through other comprehensive income'

- Quoted equity securities

----- (Audited) -----			
----- As at June 30, 2023 -----			
Class A			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
1,233,972	-	-	1,233,972

Financial assets ' at fair value through profit or loss'

- Quoted equity securities

----- (Audited) -----			
----- As at June 30, 2023 -----			
Class B			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
416,220	-	-	416,220

19 GENERAL

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

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

19.3 Units have been rounded off to the nearest decimal place.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 16, 2024 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

FINANCIAL SECTOR INCOME FUND

FUND INFORMATION

Name of Fund	HBL FINANCIAL SECTOR INCOME FUND
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Soneri Bank Limited Allied Bank Limited HBL Micro Finance Bank U Micro Finance Bank Bank Al falah Limited Khushhali Micro Finance Bank Mobilink Micro Finance Bank Finca Micro Finance Bank Meezan bank Limited National bank of Pakistan Dubai Islami bank Pakistan Limited

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF HBL FINANCIAL SECTOR INCOME FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL FINANCIAL SECTOR INCOME FUND ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and a summary of significant accounting policies and other explanatory notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "interim financial statements"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the half year ended December 31, 2023 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial statements of the Fund for the year ended June 30, 2023 and condensed interim financial statements of the Fund for the half year ended December 31, 2022 were audited and reviewed by another firm of Chartered Accountants who have expressed an unmodified opinion and unmodified conclusion thereon vide their reports dated September 25, 2023 and February 24, 2023 respectively.


The figures for the quarter ended December 31, 2023 and December 31, 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 26 FEB 2024

UDIN:RR2023101661rVsxoDUJ


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL FINANCIAL SECTOR INCOME FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Financial Sector Income Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



Financial Sector Income Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2023

		December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	21,123,671	21,368,472
Investments	5	12,353,041	5,034,081
Receivable against margin trading system		2,419,939	705,005
Profit / markup receivable	6	869,243	475,127
Advance, deposits and prepayments	7	33,905	5,020
Total Assets		36,799,799	27,587,705
LIABILITIES			
Payable to the Management Company	8	59,616	36,617
Payable to the Trustee	9	2,590	1,828
Payable to Securities and Exchange Commission of Pakistan	10	2,286	5,639
Payable against purchase of investments		-	895
Accrued expenses and other liabilities	11	153,430	108,246
Total Liabilities		217,922	153,225
NET ASSETS		36,581,877	27,434,480
UNIT HOLDERS' FUND (AS PER STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)		36,581,877	27,434,480
CONTINGENCIES & COMMITMENTS	12	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		358,072,936	271,980,769
		----- (Rupees)-----	
NET ASSETS VALUE PER UNIT		102.1632	100.8692

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

For HBL Asset Management Limited
(Management Company)

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

Financial Sector Income Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

		Half year period ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
Note		(Rupees in '000)			
INCOME					

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Financial Sector Income Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half year period ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income for the period	3,429,208	2,379,302	1,828,210	1,165,059
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>3,429,208</u>	<u>2,379,302</u>	<u>1,828,210</u>	<u>1,165,059</u>

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

For HBL Asset Management Limited
(Management Company)

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

Financial Sector Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-Audited)
FOR THE HALF YEAR PERIOD ENDED DECEMBER 31, 2023

Half year ended December 31,

2023			2022		
Capital value	Undistributed income / (loss)	Total	Capital value	Undistributed income	Total

(Rupees in '000)

Net assets at beginning of the period (Audited)	27,230,280	204,200	27,434,480	45,819,471	10,612	45,830,083
Issue of 830,081,740 units (Dec 2022: 878,259,112 units)						

Capital value	83,729,886	-	83,729,886	88,589,294	-	88,589,294
Element of income / loss	1,178,842	-	1,178,842	(37,094,241)	-	(37,094,241)
Total proceeds on issue of units	84,908,728	-	84,908,728	51,495,053	-	51,495,053

Redemption of 743,991,607 units
(Dec 2022: 1,043,444,055 units)

Capital value	(75,045,838)	-	(75,045,838)	(105,251,367)	-	(105,251,367)
Income already paid on redemption of units	-	(1,111,286)	(1,111,286)	-	(324,042)	-
Element of loss / income	(131,289)	-	(131,289)	37,446,852	-	37,122,810
Total payments on redemption of units	(75,177,127)	(1,111,286)	(76,288,413)	(67,804,515)	(324,042)	(68,128,557)

Total comprehensive income for the period	-	3,429,208	3,429,208	-	2,379,302	2,379,302
Distribution during the period	-	(1,872,640)	(1,872,640)	-	(1,652,839)	(1,652,839)
Refund of capital	(1,029,486)	-	(1,029,486)	(262,920)	-	(262,920)
	(1,029,486)	1,556,568	527,082	(262,920)	726,463	463,543

Net assets at end of the period (Un- Audited)	35,932,395	649,482	36,581,877	29,247,089	413,033	29,660,122
---	------------	---------	------------	------------	---------	------------

Undistributed income brought forward

Realised income	156,991	10,183
Unrealised income	47,209	429
	204,200	10,612

Accounting income available for distribution

Relating to capital gains	47,379	-
Excluding capital gains	2,270,543	2,055,260
	2,317,922	2,055,260
Distribution during the period	(1,872,640)	(1,652,839)
Undistributed income carried forward	649,482	413,033

Undistributed income carried forward

Realised income	618,409	391,406
Unrealised income	31,073	21,627
	649,482	413,033

Rupees

Rupees

Net assets value per unit at beginning of the period	100.8692	100.0454
--	----------	----------

Net assets value per unit at end of the period	102.1632	101.2609
--	----------	----------

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Financial Sector Income Fund
Condensed Interim Statement of Cash Flows (Un-Audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31,	
	2023	2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	3,429,208	2,379,302
Adjustments for:		
Capital loss / gain on sale of investments - net	(39,022)	24,972
Markup income on government securities	(465,001)	(180,396)
Markup from corporate sukuk bonds	(175,324)	(58,288)
Markup from commercial papers and term deposit receipts	(313,729)	(85,380)
Markup from margin trading system	(189,800)	(63,873)
Profit on bank deposit	(2,416,864)	(2,175,110)
Unrealised gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(31,073)	(21,627)
	(201,605)	(180,400)
Increase in assets		
Investments - net	(7,248,865)	(3,903,582)
Receivable against margin trading system	(1,714,934)	(188,037)
Deposits and prepayments	(28,885)	(42,953)
	(8,992,684)	(4,134,572)
Increase / (decrease) in liabilities		
Payable to the Management Company	22,999	3,668
Payable to the Trustee	762	(867)
Payable to the Securities and Exchange Commission of Pakistan	(3,353)	391
Payable against purchase of investment	(895)	2,512,965
Accrued expenses and other liabilities	45,184	(5,993)
	64,697	2,510,164
Cash used from operations	(9,129,592)	(1,804,808)
Income received from market treasury bills	184,450	86,137
Income received from corporate sukuk bonds	174,536	77,805
Income received from commercial papers and term deposit receipts	313,729	85,380
Income received from margin trading system	121,733	60,444
Profit received on bank deposits	2,372,154	2,007,508
	3,166,602	2,317,274
Net cash generated from operating activities	(5,962,990)	512,466
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	84,908,728	51,495,053
Payment against redemption of units	(76,288,413)	(68,128,557)
Dividend paid	(2,902,126)	(1,915,759)
Net cash used in financing activities	5,718,189	(18,549,263)
Net decrease in cash and cash equivalents	(244,801)	(18,036,796)
Cash and cash equivalents at beginning of the period (Audited)	21,368,472	43,918,633
Cash and cash equivalents at end of the period (Un-Audited)	21,123,671	25,881,837

4

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Financial Sector Income Fund

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

FOR THE HALF YEAR PERIOD ENDED DECEMBER 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Financial Sector Income Fund Plan 1 ("the Fund") was established under a Trust Deed, dated November 16, 2021, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on December 14, 2021. The Fund is registered on December 06, 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. The fund commenced operations from January 18, 2022.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4** The Fund has been categorised as a Compliant Income Scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. The units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5** The objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs / Sukuks, bank deposits and short-term money market instruments.
- 1.6** Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.
- 1.7** VIS Credit Rating Company has assigned a management quality rating of AM1 (Stable Outlook) to the Management Company on December 29, 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These condensed interim financial statements of the Fund 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 Standard 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
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

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

- 2.1.2** These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the audited financial statements of the Fund for the year ended June 30, 2023.

2.1.3 These condensed interim financial statements is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2023 have not been reviewed.

2.1.4 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2023.

2.1.5 These condensed interim financial statements 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 these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the period ended June 30, 2023, unless otherwise stated.

3.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan 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 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 audited financial statements as at and for the year ended June 30, 2023.

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

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

		December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	

4 BANK BALANCES

Savings accounts	4.1 & 4.2	<u>21,123,671</u>	<u>21,368,472</u>
------------------	-----------	-------------------	-------------------

4.1 These carry profits at the rates ranging between 19.51% to 22.95% (June 30, 2023: 13.50% to 22.65%) per annum.

4.2 These balances include Rs.171.295 million (June 30, 2023: 149.464 million) and Rs.18,268.843 million (June 30, 2023: 19,900.491 million) maintained with Habib Bank Limited and HBL Micro Finance Bank Limited a related party which carries profit at the rates ranging between 22.50% to 22.95% (June 30, 2023: 13.50% to 19.50%).

		December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
5	INVESTMENTS	Note	
	Financial asset at fair value through profit or loss	5.1	9,629,429
	Financial asset at amortised cost	5.3	2,723,612
			<u>12,353,041</u>
			<u>5,034,081</u>

5.1 Financial assets at fair value through profit or loss

Corporate Sukuk Bonds	5.1.1	495,880	500,000
Term Finance Certificates (TFCs)	5.1.2	1,029,866	900,469
GoP Ijara Sukuk Certificates	5.1.3	75,263	-
Pakistan Investments Bonds (PIBs)	5.1.4	5,828,816	357,713
Market Treasury Bills	5.1.5	1,821,201	95,969
Investments in Mutual Fund	5.1.6	378,403	449,401
		<u>9,629,429</u>	<u>2,303,552</u>

5.1.1 Corporate sukuk bond (FVTPL)

Name of the investee company	As at July 01, 2023	Purchases during the period	Sales during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Un-realised gain / (loss)	Market value as a percentage of	
								Total investments	Net assets
Corporate sukuk bond - listed									
K-electric Limited	5,000	-	100	4,900	490,037	495,880	5,843	3.97%	1.34%
Total - as at December 31, 2023	5,000	-	100	4,900	490,037	495,880	5,843	3.97%	1.34%
Total - as at June 30, 2023	-	5,000	-	5,000	500,000	500,037	37	9.93%	1.82%

5.1.1.1 These corporate sukuk bonds carry profit ranging between 24.84% to 22.61% (June 30, 2023: 11.65% to 23.83%) per annum.

5.1.2 Term finance certificates

Name of the investee company	As at July 01, 2023	Purchases during the period	Sales during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Un-realised gain / (loss)	Market value as a percentage of	
								Total investments	Net assets
Askari Bank Limited	-	120	-	120	114,600	119,400	4,800	0.93%	0.31%
Bank Al-Habib Limited	100,000	-	-	100,000	508,585	510,706	2,121	4.12%	1.39%
Soneri Bank Limited	4,000	-	-	4,000	391,703	399,760	8,057	3.17%	1.07%
Total - as at December 31, 2023	104,000	120	-	104,120	1,014,888	1,029,866	14,978	8.22%	2.77%
Total - as at June 30, 2023	-	105,000	1,000	104,000	899,820	900,469	649	17.89%	3.28%

5.1.2.1 Significant terms and conditions of corporate sukuk bonds and term finance certificates as at December 31, 2023 is as follows:

	Payment term	Remaining principal (per sukuk bond)	Profit rate	Issue date	Maturity date
Corporate sukuk bond - listed					
K-electric Limited	(Quarterly)	100,000	3M K + 1.7%	November 23, 2022	November 23, 2029
TFCs - Commercial Banks - unlisted					
Askari Bank Limited	(Quarterly)	1,000,000	3M K + 1.2%	March 17, 2020	March 17, 2030
Bank Al-Habib Limited	(Semi annually)	4,998	6M K + 1.35%	December 23, 2022	December 23, 2032
Soneri Bank Limited	(Semi annually)	99,960	6M K + 1.70%	December 26, 2022	December 26, 2032

5.1.3 GoP Ijarah Sukuk Certificates

Particulars	Issue Date	Face Value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Un-realised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 01, 2023	Purchases during the period	Sales during the period	As at December 31, 2023					
(Rupees in '000)										
GOP Ijarah Sukuk -26	17-Apr-24	-	4,435,000	4,435,000	-	-	-	-	0.0%	0.0%
GOP Ijarah Sukuk -26	22-May-24	-	245,000	245,000	-	-	-	-	0.0%	0.0%
GOP Ijarah Sukuk -26	07-Aug-24	-	60,000	60,000	-	-	-	-	0.0%	0.0%
GOP Ijarah Sukuk -26	04-Dec-26	-	75,000	-	75,000	75,000	75,263	263	0.6%	0.2%
GOP Ijarah Sukuk -26	04-Dec-28	-	100,000	100,000	-	-	-	-	0.0%	0.0%
Total - as at December 31, 2023		-	4,915,000	4,840,000	75,000	75,000	75,263	263	0.6%	0.2%
Total - as at June 30, 2023		-	29,740,500	29,740,500	-	-	-	-	0.0%	0.0%

5.1.4 Pakistan Investments Bonds (PIBs)

Particulars	Tenor	Issue date	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Un-realised gain / (loss)	Market value as a percentag of:	
			As at July 01, 2023	Purchases during the period	Sales during the period	As at December 31, 2023				Total investments	Net assets
(Rupees in '000)									%		
Pakistan Investment Bond	2Y	06-Apr-23	-	3,990,000	3,990,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond	3Y	04-Jul-23	-	850,000	600,000	250,000	226,675	223,893	(2,782)	1.83%	0.62%
Pakistan Investment Bond	3Y	19-Oct-23	-	900,000	400,000	500,000	488,423	490,550	2,127	3.95%	1.34%
Pakistan Investment Bond	5Y	13-Oct-22	-	200,000	-	200,000	169,278	168,543	(735)	1.37%	0.46%
Pakistan Investment Bond	5Y	19-Oct-23	-	4,100,000	-	4,100,000	3,949,323	3,974,130	24,808	31.97%	10.80%
Pakistan Investment Bond	5Y	21-Sep-23	-	1,000,000	-	1,000,000	968,190	971,700	3,510	7.84%	2.65%
Pakistan Investment Bond	10Y	22-Aug-19	375,000	-	375,000	-	-	-	-	0.00%	0.00%
Total - as at December 31, 2023			375,000	11,040,000	5,365,000	6,050,000	5,801,889	5,828,816	26,927	46.97%	15.86%
Total - as at June 30, 2023			-	154,507,000	154,132,000	375,000	362,853	357,713	5,140	7.11%	1.30%

5.1.5 Market treasury bills

Particulars		Face value				Balance as at December 31, 2023				Market value as a percentage of:	
		As at July 01, 2023	Purchased during the period	Sale / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Un-realised gain / (loss)	Total investments	Net assets	
----- (Rupees in '000) -----											
----- (%) -----											
Market Treasury Bills - 3 months											
Market treasury bills	15-Jun-23	100,000	320,000	420,000	-	-	-	-	-	-	
Market treasury bills	10-Aug-23	-	300,000	300,000	-	-	-	-	-	-	
Market treasury bills	19-Oct-23	-	500,000	500,000	-	-	-	-	-	-	
Market treasury bills	16-Nov-23	-	500,000	500,000	-	-	-	-	-	-	
Market Treasury Bills - 6 months											
Market treasury bills	19-Oct-23	-	500,000	500,000	-	-	-	-	-	-	
Market treasury bills	02-Nov-23	-	500,000	-	500,000	467,082	466,723	(359)	3.78%	1.28%	
Market treasury bills	16-Nov-23	-	500,000	500,000	-	-	-	-	-	-	
Market treasury bills	30-Nov-23	-	500,000		500,000	460,396	459,669	(727)	3.72%	1.26%	
Market Treasury Bills - 12 months											
Market treasury bills	19-Oct-23	-	550,000	-	550,000	471,131	470,266	(865)	3.81%	1.29%	
Market treasury bills	02-Nov-23	-	500,000	-	500,000	425,119	424,543	(576)	3.44%	1.16%	
Market treasury bills	16-Nov-23	-	2,500,000	2,500,000	-	-	-	-	-	-	
Market treasury bills	30-Nov-23	-	500,000	500,000	-	-	-	-	-	-	
Total as at December 31, 2023		100,000	7,670,000	5,720,000	2,050,000	1,823,728	1,821,201	(2,527)	14.74%	4.98%	
Total as at June 30, 2023		450,000	12,985,000	13,335,000	100,000	96,099	95,969	(130)	1.91%	0.35%	

5.1.6 Investments in Mutual Fund

Sectors / Companies	As at July 01, 2023	Purchases during the Period	Disposal during the Period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Un-realised gain / (loss)	Market value as a percentage of:		Paid up value of shares held as a percentage of total paid up capital of the Investee Company
								Total investments	Net assets	
		(Number of units)			(Rupees in '000)			%		
Mutual Funds										
HBL Total Treasury Exchange Traded Fund	39,249,000	22,666,350	58,515,500	3,399,850	392,814	378,403	(14,411)	3.06%	1.03%	0.08%
Total as at December 31, 2023	39,249,000	22,666,350	58,515,500	3,399,850	392,814	378,403	(14,411)	3.06%	1.03%	0.08%
Total as June 30, 2023	-	52,501,000	13,252,000	39,249,000	397,608	449,401	51,793	7.90%	1.64%	0.09%

5.2 Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net

Note

December 31,
2023
December 31,
2022
(Rupees in '000)

Market value of investments	9,629,429	5,380,236
Carrying value of investments	(9,598,356)	(5,358,609)
	31,073	21,627

5.3 Financial assets at amortised cost

Letter of placement (Short term)

Name of investee company	Issue date	As at July 01, 2023	Placement made during the period	Income accrued	Sales/matured during the period	As at December 31, 2023	Percentage of total of investments	Percentage of net assets
		(Rupees '000')					%	
Pak Libya Holding Company Limited	December 18, 2023	2,730,492	2,700,000	77,937	2,784,817	2,723,612	22.05%	7.45%
Total as at December 31, 2023		2,730,492	2,700,000	77,937	2,784,817	2,723,612	22.05%	7.45%
Total as at June 30, 2023		-	2,700,000	30,492	-	2,730,492	54.24%	9.95%

5.3.1 This letter of placment carry markup at the rate 22.90% per annum (June 30, 2023: 22.90%)

December 31,
2023
(Un-Audited)
June 30,
2023
(Audited)
Note (Rupees in '000)

6 PROFIT / MARK UP RECEIVABLE

Profit receivable on:

Bank deposits	6.1	472,901	428,191
Margin trading system income		77,031	8,964
Corporate sukuk bonds		17,468	16,680
GOP Ijara		975	-
Pakistan investment bonds		300,868	21,292
		869,243	475,127

6.1 These balances includes Rs. 417.998 million (June 30, 2023: Rs. 396.18 million) and Rs. 7.532 million (June 30, 2023: Rs. 6.06 million) receivable from HBL Micro-finance Bank Limited and Habib Bank Limited respectively, which are related parties.

7 ADVANCE, DEPOSITS AND PREPAYMENTS

Security deposits with:

Central Depository Company of Pakistan Limited	100	100
National Clearing Company of Pakistan Limited	6,600	4,100
Margin trading system security deposit	250	250
	<u>6,950</u>	<u>4,450</u>
Preliminary cost	489	570
Prepaid margin trading system fee	45	-
Advance tax	<u>26,421</u>	<u>-</u>
	<u><u>33,905</u></u>	<u><u>5,020</u></u>

8 PAYABLE TO THE MANAGEMENT COMPANY (AMC)

Remuneration payable to the Management Company	8.1	30,430	18,030
Sindh Sales Tax payable on Management Company's remuneration	8.2	3,956	2,344
Sales load payable		3,007	440
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	15,472	3,021
Selling and marketing expense payable	8.4	<u>6,751</u>	<u>12,782</u>
		<u><u>59,616</u></u>	<u><u>36,617</u></u>

- 8.1** As per Regulation 61 of the amended NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the period, the fee is being charged at the rate ranging from 0.75% to 1.05% of the daily net assets accordingly. The fee is payable monthly in arrears.
- 8.2** The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 8.3** As per Regulation 60(3)(s) of the amended NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. During the period, the fee is being charged at the rate ranging from 0.24% to 0.55% of the average annual net assets accordingly.
- 8.4** As per Regulation 60(3)(v) of the amended NBFC Regulations, selling and marketing expenses is allowed on all categories of open end mutual funds, except fund of funds. During the period, the fee is being charged at the rate ranging from 0.24% to 0.32% of the average annual net assets accordingly.

		December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
9 PAYABLE TO THE TRUSTEE			
Trustee fee payable	9.1	2,292	1,618
Sindh Sales Tax payable on remuneration of the Trustee	9.2	<u>298</u>	<u>210</u>
		<u><u>2,590</u></u>	<u><u>1,828</u></u>

9.1 As per CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, Trustee fee shall be charged at the rate of 0.075% of the average annual net assets of the Fund. During the period, Management Company has charged the Trustee fee accordingly.

9.2 The Sindh Sales Tax at the rate of 13% is applicable on Trustee fee as per Sindh Sales Tax on Services Act, 2011.

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

Annual fee payable to SECP	10.1	<u>2,286</u>	<u>5,639</u>
----------------------------	------	--------------	--------------

10.1 As per Regulation 62 of NBFC Regulations, An Asset Management Company managing a CIS shall pay SECP an annual fee of 0.075% of the average annual net assets. The fee is payable annually in arrears.

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis.

	December 31,	June 30,
	2023	2023
	(Un-Audited)	(Audited)
Note	----- (Rupees in '000) -----	

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Withholding tax payable	128,160	104,476
Auditor's remuneration	281	310
Brokerage payable	824	317
Margin trading system charges payable	522	2,291
Capital gain tax payable	20,546	-
Legal fee	505	-
Listing fee payable	3	-
Other payables	<u>2,589</u>	<u>852</u>
	<u>153,430</u>	<u>108,246</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2023 and June 30, 2023.

13 TAXATION

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

14 EARNINGS PER UNIT

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

15 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 / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

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

Details of the transactions with connected persons / related parties and balances with them, are as follows:

		Half year ended December 31,	
		2023	2022
		(Un-Audited)	(Un-Audited)
		----- (Rupees in '000) -----	
15.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Remuneration of Management Company	133,099	77,142
	Sindh Sales Tax on remuneration of Management Company	17,303	10,028
	Allocation of expenses related to registrar services, accounting, operation and valuation services	51,186	34,891
	Selling and Marketing expenses	25,268	34,891
	HBL Asset Management Limited - Management Company		
	Issue of 346,171 units	35,000	165,000
	Redemption of 293,892 units	30,000	245,000
	Dividend paid 53,181 units	5,364	6,883
	Refund of capital 813 units	82	991
	Habib Bank Limited - Sponsors		
	Bank Charges	368	361
	Profit on bank deposit earned	2,204,125	1,121,383
	Sale of market treasury bill 12 months	711,168	-
	HBL Micro Finance Bank		
	Sale of market treasury bill 3 months	514,829	-
	Profit on bank deposit earned	2,162,415	-
	HBL IPF Debt sub Fund		
	Purchase of GOP Ijara bond	106,995	-
	HBL IPF Money market sub Fund		
	Purchase of GOP Ijara bond	216,555	-

Half year ended December 31,		
	2023	2022
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
HBL Islamic Asset Allocation Fund		
Sale of GOP Ijara bond	5,467	-
HBL Islamic Income Fund		
Purchase of GOP Ijara bond	492,737	-
HBL PF Debt sub Fund		
Purchase of market treasury bill 12 months	42,001	-
Half year ended December 31,		
	2023	2022
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
Directors and Executives of the Management Company		
Issue of 1,167,138 units	118,971	56,845
Redemption of 888,806 units	90,856	56,248
Dividend paid 32,958 units	3,323	489
Refund of capital 12,693 units	1,280	499
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	11,748	11,876
Sindh Sales Tax payable on the Trustee fee	1,527	1,544
HBL Asset Management Limited - Employees Gratuity Fund		
Issue of nil units	-	5,200
Redemption of nil units	-	100
Dividend paid 69 units	580	6,872
Refund of capital nil units	-	54
HBL Asset Management Limited - Employees Provident Fund		
Issue of nil units	-	16,500
Dividend paid 18,609 units	1,877	21,807
Refund of capital nil units	-	170
Ibrahim Holdings (Private) Limited		
Connected person due to holding more than 10%		
Issue of 7,254,914 units	741,261	5,061,002
Redemption of 19,792,300 units	2,000,000	-
Dividend paid 7,743,919 units	781,123	393,487
Refund of capital 93,816 units	9,463	23,711
Riaz Textile Mills (Private) Limited		
Connected person due to holding more than 10%		
Issue of nil units	-	4,200,970
Redemption of nil units	-	7,212,380
Dividend paid nil units	-	349,673
Refund of capital nil units	-	28,578

		Half year ended December 31,	
		2023 (Un-Audited)	2022 (Un-Audited)
		----- (Rupees in '000) -----	
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan			
Issue of 202,867 units		20,780	-
Redemption of 202,867 units		20,836	-
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan			
Issue of 11,259 units		1,150	-
Redemption of 11,259 units		1156.398	-
		December 31,	June 30,
		2023	2023
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
15.2	Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company			
Remuneration of the Management Company		30,430	18,030
Sindh Sales Tax payable on remuneration of the Management Company		3956	2,344
Sales load payable		3,007	440
Allocation of expenses related to registrar services, accounting, operation and valuation services		15,472	3,021
Selling and marketing expenses		6,751	12,782
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable		2,292	1,618
Sindh Sales Tax payable on remuneration of the trustee		298	210
Security deposit		100	100
Habib Bank Limited - Sponsor			
Bank balances		171,295	149,464
Profit Receivable		7,532	-
HBL Micro Finance Bank			
Bank Balances		18,268,843	19,900,492
Profit Receivable		417,998	-
HBL Asset Management Limited			
Units held: 677,592 (June 30, 2023: 572,132) units		69,225	57,710
HBL Asset Management Limited Employees Provident Fund Associate			
Units held: 200,308 (June 30, 2023: 181,700) units		20,464	18,328

	December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
HBL Asset Management Limited Employees Gratuity Fund Associate		
Units held: 61,927 (June 30, 2023: 56,174) units	6,327	5,666
Ibrahim Fibres Limited		
Connected person due to holding more than 10%		
Units held: 96,142,494 (June 30, 2023: 100,935,961)	9,822,225	10,181,330
	December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
Directors and executives of the Management Company		
Connected person due to holding more than 10%		
Units held: 424,774 (June 30, 2023: 93,037) units	43,396	9,388
Rafiuddin Zakir		
Connected person due to holding more than 10%		
Units held: Nil (June 30, 2023: 464,208 units)	-	46,824

16 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.

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

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

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

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

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

December 31, 2023 (Un-Audited)

Particulars	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

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

Financial assets measured at fair value

16.1

Corporate sukuk bonds	495,880	-	495,880	-	495,880	-	495,880
Term finance certificates (TFCs)	1,029,866	-	1,029,866	-	1,029,866	-	1,029,866
GoP Ijara sukuk certificates	75,263	-	75,263	-	75,263	-	75,263
Pakistan Investments Bonds	5,828,816	-	5,828,816	-	5,828,816	-	5,828,816
Investments in ETF	378,403	-	378,403	378,403	-	-	378,403
Market treasury bills	1,821,201	-	1,821,201	-	1,821,201	-	1,821,201
	<u>7,808,228</u>	<u>-</u>	<u>9,629,429</u>	<u>378,403</u>	<u>1,601,009</u>	<u>-</u>	<u>9,629,429</u>

Financial assets not measured at fair value

16.2

Bank balance	-	21,123,671	21,123,671
Letter of placement	-	2,723,612	2,723,612
Profit / markup receivable	-	869,243	869,243
Receivable against margin trading system	-	2,419,939	2,419,939
Deposits	-	6,950	6,950
	<u>-</u>	<u>27,143,415</u>	<u>27,143,415</u>

Financial liabilities not measured at fair value

16.1

Payable to the Management Company	-	59,616	59,616
Payable to the Trustee	-	2,590	2,590
Accrued expenses and other liabilities	-	4,724	4,724
	<u>-</u>	<u>66,930</u>	<u>66,930</u>

June 30, 2023 (Audited)

Particulars	Carrying amount			Fair Value			
	At fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total

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

Financial assets measured at fair value:

Corporate sukuk bonds	1,400,506	-	1,400,506	-	1,400,506	-	1,400,506
Market treasury bills	95,969	-	95,969	-	95,969	-	95,969
Listed equity securities	449,401	-	449,401	449,401	-	-	449,401
Pakistan Investment Bonds	357,713	-	357,713	357,713	-	-	357,713
	<u>2,303,589</u>	<u>-</u>	<u>2,303,589</u>	<u>807,114</u>	<u>1,496,475</u>	<u>-</u>	<u>2,303,589</u>

Financial assets not measured at fair value:

Bank balance	-	21,368,472	21,368,472
Letter of placement	-	2,730,492	2,730,492
Profit / markup receivable	-	475,127	475,127
Receivable against margin trading system	-	705,005	705,005
Deposits	-	4,450	4,450
	<u>-</u>	<u>25,283,546</u>	<u>25,283,546</u>

Financial liabilities not measured at fair value:

Payable to the Management Company	-	34,273	34,273
Payable to the Trustee	-	1,618	1,618
Payable against purchase of investment	-	895	895
Accrued expenses and other liabilities	-	3,770	3,770
	<u>-</u>	<u>40,557</u>	<u>40,557</u>

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

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

17 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the six months period ended December 31, 2023 is 1.64% which includes 0.19% representing Government levy, Sindh Worker's Welfare Fund and SECP fee.

18 GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

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

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue by the Board of Directors of the Management Management Company on February 16, 2024.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Total Treasury Exchange Traded Fund

FUND INFORMATION

Name of Fund	HBL Total Treasury Exchange Traded Fund
Name of Auditor	Yousuf Adil & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Soneri Bank Limited

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of HBL Total Treasury Exchange Traded Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Total Treasury Exchange Traded Fund** (the "Fund") as at December 31, 2023, and the related condensed interim income statement, the condensed interim statement of comprehensive income, the condensed interim statement of movement in unit holders' fund, and the condensed interim statement of cash flows and notes to the condensed interim financial information (herein-after referred to as the 'condensed interim financial information') for the half year then ended. The Board of HBL Asset Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2023 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2023.

The engagement partner on the engagement resulting in this independent auditor's review report is **Hena Sadiq**.


Chartered Accountants

Place: Karachi

Date: February 26, 2024

UDIN: RR202310057vIGbMoJXn

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL TOTAL TREASURY EXCHANGE TRADED FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Total Treasury Exchange Traded Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



HBL Total Treasury Exchange Traded Fund
Condensed Interim Statement of Assets and Liabilities
As at December 31, 2023

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	1,786	2,306
Investments	5	552,118	567,830
Advance tax		2,056	2,056
Profit / markup receivable		667	55
Deposits and prepayments		871	474
TOTAL ASSETS		557,498	572,721
LIABILITIES			
Payable to the Management Company	6	915	911
Payable to the Trustee		53	53
Payable to Securities and Exchange Commission of Pakistan	7	44	85
Dividend payable		46	70,000
Accrued expenses and other liabilities	8	471	348
TOTAL LIABILITIES		1,529	71,397
NET ASSETS		555,969	501,324
UNIT HOLDERS' FUND (AS PER STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)		555,969	501,324
Contingencies and commitments			
	9	(Number of units)	
Number of units in issue	10	5,000,000	50,000,000
----- (Rupees) -----			
Net assets value per unit		111.1936	10.0265

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 Total Treasury Exchange Traded Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023	For the period from September 12,2022 to December 31,2022	For the Quarter ended December 31, 2023	For the Quarter ended December 31, 2022
Note	----- (Rupees in '000) -----			
INCOME				
Capital (loss) / gain on sale of investments - net	73	(67)	84	(83)
Markup income on government securities	44,298	23,239	25,356	19,295
Profit on bank deposit	14,680	844	4,305	797
	59,051	24,016	29,745	20,009
Unrealised (loss) / gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(821)	196	(892)	55
Total income	58,230	24,212	28,853	20,064
EXPENSES				
Remuneration of the Management Company	1,341	777	686	646
Sindh Sales Tax on remuneration of the Management Company	174	101	89	84
Remuneration of the Trustee	268	156	137	129
Sindh Sales Tax on remuneration of the Trustee	35	20	18	17
Annual fee to Securities and Exchange Commission of Pakistan	254	31	130	26
Allocation of expenses related to registrar services, accounting, operation and valuation services	536	311	278	259
Brokerage and transaction charges	39	16	31	15
Printing & stationery	109	28	104	28
Auditor's remuneration	348	198	238	172
Bank charges	28	43	28	41
Consolidation fee	409	-	409	-
Fee and subscription	-	45	-	45
Formation cost	44	27	22	21
Total expenses	3,585	1,753	2,170	1,483
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-
Net income for the period before taxation	54,645	22,459	26,683	18,581
Taxation	11 -	-	-	-
Net income for the period after taxation	54,645	22,459	26,683	18,581
Allocation of net income for the period				
Accounting income available for distribution:				
Relating to capital gains	-	129	-	-
Excluding capital gains	54,645	22,330	26,683	18,581
	54,645	22,459	26,683	18,581
	54,645	22,459	26,683	18,581
Earnings per unit	12			

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Total Treasury Exchange Traded Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023	For the period from September 12,2022 to December 31,2022	For the Quarter ended December 31, 2023	For the Quarter ended December 31, 2022
	----- (Rupees '000) -----			
Net income for the period after taxation	54,645	22,459	26,683	18,581
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	54,645	22,459	26,683	18,581

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 Total Treasury Exchange Traded Fund
Condensed Interim Cash Flow Statement (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023	For the period from September 12,2022 to December 31,2022
----- (Rupees in '000) -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	54,645	22,459
Adjustments for:		
Capital (loss) / gain on sale of investments - net	(73)	67
Markup income on government securities	(44,298)	(23,239)
Profit on bank deposit	(14,680)	(844)
Unrealised gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	821	(196)
	(3,585)	(1,753)
Decrease / (Increase) in assets		
Investments - net	59,262	(494,634)
Deposits and prepayments	(397)	(518)
	58,865	(495,152)
(Decrease) / Increase in liabilities		
Payable to the Management Company	4	892
Payable to the Trustee	-	50
Payable to the Securities and Exchange Commission of Pakistan	(41)	31
Dividend payable	(69,954)	-
Accrued expenses and other liabilities	123	283
	(69,868)	1,256
Cash used in operations	(14,588)	(495,649)
Markup income received on government securities	-	23,239
Profit received on bank deposits	14,068	539
	14,068	23,778
Net cash used in operating activities	(520)	(471,871)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	-	500,000
Net cash generated from financing activities	-	500,000
Net increase / (decrease) in cash and cash equivalents	(520)	28,129
Cash and cash equivalents at beginning of the period	2,306	-
Cash and cash equivalents at end of the period	1,786	28,129

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 Total Treasury Exchange Traded Fund
Condensed Interim Statement of Movement In Unitholders' Fund (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	For half year ended December 31,2023			For the period from September 12, to December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	500,000	1,324	501,324	-	-	-
Issue of Nil (2022: 50,000,000) units						
Capital value (at net asset value per unit at the beginning of the period)	-	-	-	500,000	-	500,000
Element of income	-	-	-	-	-	-
Total proceeds on issue of units	-	-	-	500,000	-	500,000
Total comprehensive income for the period	-	54,645	54,645	-	22,459	22,459
Distribution during the period	-	-	-	-	-	-
	-	54,645	54,645	-	22,459	22,459
Net assets at end of the period	500,000	55,969	555,969	500,000	22,459	522,459
Undistributed income brought forward						
Realised gain		1,536			-	
Unrealised loss		(212)			-	
		1,324			-	
Accounting income available for distribution						
Relating to capital gain		-			129	
Excluding capital gain		54,645			22,330	
		54,645			22,459	
Distribution during the period		-			-	
		54,645			22,459	
Undistributed income carried forward						
Realised gain		55,466			22,263	
Unrealised (loss) / gain		(821)			196	
		54,645			22,459	
		Rupees			Rupees	
Net assets value per unit at beginning of the period		10.0265			-	
Net assets value per unit at end of the period		111.1936			10.4492	

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 Total Treasury Exchange Traded Fund

Notes to the condensed interim financial information (Un-Audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Total Treasury Exchange Traded Fund (the Fund) was established under a Trust Deed, dated August 16, 2021, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on November 30, 2021. The Fund is registered on December 06, 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12A of the Sindh Trusts Act, 2020.

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

- 1.2 The Fund is a hybrid fund having features of both open and closed end fund. A new concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contract with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either hold units or trade them in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit.

- 1.3 The Fund has been categorised as Exchange Traded Fund as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited.

- 1.4 The objective of the Fund is to invest in a particular basket of Government Securities to track the performance of component securities of the Benchmark Index which is constituted and managed by the Management Company.

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

VIS Credit Rating Company has assigned a management quality rating of AM1 (Stable Outlook) to the Management Company on December 31, 2023, while the fund is currently not rated.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information of the Fund 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 Standard 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 requirement of trust deed.

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

-
-
- 2.1.2 This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2023.
- 2.1.3 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed.
- 2.1.4 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 December 31, 2023.
- 2.1.5 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the audited financial statements of the Fund for the period ended June 30, 2023. The comparative figures included in the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim statement of cash flows is for the period from September 12, 2022 to December 31, 2022 and are therefore, not comparable.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost basis, unless stated otherwise.

2.3 Functional and presentation currency

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

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

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2023, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, standards effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. These standards, interpretations and amendments are either not relevant to the Fund's operations or did not have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2023.
- 3.6 The accounting policies applied in this 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.

			(Un-Audited) December 31, 2023 (Rupees in '000)	(Audited) June 30, 2023 (Rupees in '000)
4	BANK BALANCES	Note		
	Savings account	4.1	<u>1,786</u>	<u>2,306</u>

4.1 This carries profit at the rates ranging between 20.3% to 22.5% (June 30, 2023: 14.75% to 22%)

5 INVESTMENTS

Financial asset at fair value through profit or loss	5.1	<u>552,118</u>	<u>567,830</u>
--	-----	----------------	----------------

5.1 Market treasury bills

Particulars	Issue Date	Face value				Balance as at Dec 31, 2023			Market value as a percentage of	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised gain / (loss)	Total Investments	Net Assets
----- (Rupees'000') -----								----- % -----		
Market Treasury Bills - 3M										
Market treasury bills	April 20, 2023	572,000	-	572,000	-	-	-	-	-	-
Market treasury bills	June 22, 2023	-	524,000	524,000	-	-	-	-	-	-
Market treasury bills	August 10, 2023	-	539,000	539,000	-	-	-	-	-	-
Market treasury bills	September 21, 2023	-	109,500	109,500	-	-	-	-	-	-
Market treasury bills	October 19, 2023	-	112,000	112,000	-	-	-	-	-	-
Market Treasury Bills - 6M										
Market treasury bills	October 19, 2023		89,000	40,000	49,000	46,080	46,094	14	8	0.0830
Market Treasury Bills - 12M										
Market treasury bills	October 19, 2023		98,000	-	98,000	83,915	83,795	(120)	15	0.1510
Market treasury bills	November 2, 2023		100,000	-	100,000	85,024	84,913	(111)	15	0.1530
Market treasury bills	November 16, 2023		400,000	-	400,000	337,919	337,316	(604)	61	0.6070
Total as at December 31, 2023		572,000	1,971,500	1,896,500	647,000	552,938	552,118	(821)	100	99.40%
Total as at June 30, 2023		-	5,183,000	4,611,000	572,000	568,042	567,830	(212)	100.00%	113.27%

5.1.1 These market treasury bills carry profit at the rate ranging from 21.43% to 22.78% (June 30, 2023: 15.20% to 21.9%) per annum.

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023	
		----- (Rupees in '000) -----		
6	PAYABLE TO THE MANAGEMENT COMPANY			
	Remuneration payable to the Management Company	6.1	235	233
	Sindh Sales Tax payable on Management Company's remuneration	6.2	31	30
	Formation cost payable		555	555
	Allocation of expenses	6.3	94	93
			915	911

- 6.1 As per Regulation 61 of the amended NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the period, the fee is being charged at the rate 0.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.
- 6.2 The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. During the period, the fee is being charged at the rate ranging 0.2% of the average annual net assets accordingly.

7 Payable to Securities and Exchange Commission of Pakistan

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

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.095% and introduced a shift in payment frequency, from annual to monthly basis.

	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
8 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditor's remuneration	340	344
Brokerage payable	3	3
Printing & Stationery payable	32	-
Withholding tax payable - Others	95	-
Other payables	1	1
	471	348

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2023 and June 30, 2023

10 CONSOLIDATION FEES

The HBL Asset Management Limited (The Management Company) effected the consolidation of units of the Fund in the ratio of 10 unit for every 100 units of the Fund held by the unitholders. The Management Company announced the book closure of the Fund from December 19, 2023 to December 21, 2023 to give effect to the change in face value in the units of the Fund. The trading in the units of the Fund was suspended w.e.f December 15, 2023.

Trading in the units of the Fund resumed from December 22, 2023 and the opening price of the units of the Fund was 10x (ten times) of the closing price of its units on the last trading day i.e. December 14, 2023. The matter of consolidation was appropriately disclosed to the market participants via announcement through PSX.

11 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the accumulated losses and 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% of the Fund's accounting income as reduced by accumulated losses and capital gains (whether realised or unrealised) for the year ending June 30, 2024 to its unit holders.

12 EARNINGS PER UNIT

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

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

	Half year ended	
	December 31,	
	2023	2022
	(Un-Audited)	(Un-Audited)
	----- (Rupees in '000) -----	
13.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	1,341	777
Sindh Sales Tax on remuneration of Management Company	174	101
Allocation of expenses related to registrar services, accounting, operation and valuation services	536	311
Habib Bank Limited - Authorised Participant		
Issue of Nil (2022: 50,000,000) units	-	500,000
Dividend paid	2,633	-

		Half year ended December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----		2022 (Un-Audited)	
CDC Trustee HBL Financial Sector Income Fund Plan 1 - Associate					
	Dividend paid	54,933		-	
CDC Trustee HBL Money Market Fund - Associate					
	Sale of Market Treasury Bills	570,968		-	
Central Depository Company of Pakistan Limited - Trustee					
	Trustee remuneration	268		156	
	Sindh Sales Tax payable on the Trustee fee	35		20	
		Half Year ended December 31, 2023 (Un-Audited) ----- (Rupees in '000) -----		Year ended June 30, 2023 (Audited)	
13.2	Balances outstanding as at period / year end				
HBL Asset Management Limited - Management Company					
	Remuneration of the Management Company	235		233	
	Sindh Sales Tax payable on remuneration of the Management Company	31		30	
	Allocation of expenses related to registrar services, accounting, operation and valuation services	94		93	
	Preliminary cost payable	555		555	
Central Depository Company of Pakistan Limited - Trustee					
	Trustee Fee payable	47		47	
	Sindh Sales Tax payable on the Trustee fee	6		6	
Habib Bank Limited - Authorised Participant					
	Investment held in fund: 212,200 units (June 30, 2023: 1,412,000 units)	23,595		14,157	
CDC Trustee HBL Financial Sector Income Fund Plan 1 - Associate *					
	Investment held in fund: 3,391,750 units (June 30, 2023: 3,391,750 units)	377,141		392,627	

* The movement of units not shown in related party transaction as the trade of the units carried in secondary market, i.e: PSX. Therefore, it is not connected with the fund.

14 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.

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

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

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

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

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

December 31, 2023 (Un-Audited)

Particulars	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

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

Financial assets measured at fair value

Market treasury bills	552,118	-	552,118	-	552,118	-	552,118
	552,118	-	552,118	-	552,118	-	552,118

Financial assets not measured at fair value

Bank balance	-	1,786	1,786
Profit / markup receivable	-	667	667
Deposits		430	430
	-	2,883	2,883

Financial liabilities not measured at fair value

Payable to the Management Company	-	884	884
Payable to the Trustee	-	47	47
Accrued expenses and other liabilities	-	471	471
	-	1,402	1,402

June 30, 2023 (Audited)

Particulars	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
Financial assets measured at fair value							
Market treasury bills	567,830	-	567,830	-	567,830	-	567,830
	567,830	-	567,830	-	567,830	-	567,830
Financial assets not measured at fair value							
Bank balance	-	2,306	2,306				
Profit / markup receivable	-	55	55				
Deposits	-	100	100				
	-	2,461	2,461				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	851	851				
Payable to the Trustee	-	47	47				
Dividend payable	-	70,000	70,000				
Accrued expenses and other liabilities	-	348	348				
	-	71,246	71,246				

During the year ended June 30, 2023, there were no transfers between levels fair value measurements, and no transfer into / out of level 3.

15 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the six months period ended December 31, 2023 is 1.34% which includes 0.17% representing Government levy, and SECP fee.

16 GENERAL

16.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Management Company on February 16, 2024.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Mehfooz Munafa Fund

FUND INFORMATION

Name of Fund	HBL Mehfooz Munafa Fund
Name of Auditor	BDO Ebrahim & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al Habib Limited

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF HBL MEHFOOZ MUNAFA FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL MEHFOOZ MUNAFA FUND ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and a summary of significant accounting policies and other explanatory notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "interim financial statements"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

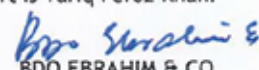
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the half year ended December 31, 2023 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 26 FEB 2024

UDIN: RR202310166KzWJSBFC


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MEHFOOZ MUNAFA FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Mehfooz Munafa Fund (the Fund) are of the opinion that HBL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund for the period from July 1, 2023 till August 9, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024

HBL Mehfooz Munafa Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
AS AT DECEMBER 31, 2023

		December 31 2023 (Unaudited) -- Rupees in '000' --	June 30 2023 (Audited) -- Rupees in '000' --
ASSETS			
Bank balances	4	511	6,513
Investments	5	-	2,925,325
Preliminary expenses and flotation costs	6	-	96
Profit / Mark-up receivable		-	139
TOTAL ASSETS		511	2,932,072
LIABILITIES			
Payable to the Management Company	7	204	4,157
Payable to the Trustee	8	-	298
Payable to Securities and Exchange Commission of Pakistan	9	-	70
Accrued expenses and other liabilities	10	307	13,593
TOTAL LIABILITIES		511	18,119
NET ASSETS		-	2,913,953
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		-	2,913,953
CONTINGENCIES AND COMMITMENTS	11	--Number of units--	--Number of units--
Number of units in issue	12	-	29,075,261
		-----Rupees-----	-----Rupees-----
Net assets value per unit		-	100.2211

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Mehfooz Munafa Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

		For the Half Year Ended December 31, 2023 (Unaudited)
	Note	-- Rupees in '000 --
Income		
Income from Government securities		68,675
Profit / mark-up on bank deposits		398
		<u>69,073</u>
Expenses		
Remuneration of the Management Company	7.1	2,349
Sindh Sales Tax on remuneration of the management company	7.2	305
Remuneration of the Trustee	8.1	107
Sindh Sales Tax on remuneration of the Trustee	8.3	14
Annual fee to Securities and Exchange Commission of Pakistan	9.1	242
Allocation of fee and expenses related to registrar services, accounting, operation and valuation services	7.3	339
Selling and marketing expense	7.4	982
Auditors' remuneration		249
Amortisation of preliminary expenses and flotation costs		96
Bank charges		22
Printing and stationary charges		85
		<u>4,790</u>
Net income for the period before taxation		<u>64,283</u>
Taxation	13	-
Net income for the period after taxation		<u>64,283</u>
Allocation of net income for the year		
Income already paid on redemption of units		29
Accounting income available for distribution:		
Relating to capital gain		-
Excluding capital gain		64,254
		<u>64,254</u>
		<u>64,283</u>
Earnings per unit	14	

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Mehfooz Munafa Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)*****FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023***

	For the Half Year Ended December 31, 2023 (Unaudited) -- Rupees in '000 --
Net income for the period	64,283
Other comprehensive income	-
Total comprehensive income for the period	<u>64,283</u>

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

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

<u>Chief Financial Officer</u>	<u>Chief Executive Officer</u>	<u>Director</u>
--------------------------------	--------------------------------	-----------------

HBL Mehfooz Munafa Fund
Condensed Interim Cash Flow Statement (Unaudited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	For the Half Year Ended December 31, 2023 (Unaudited)	Note	-- Rupees in '000 --
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation	64,283		
Adjustments for:			
Income from Government securities	(68,675)		
Profit / mark-up on bank deposits	(398)		
Amortisation of preliminary expenses and flotation costs	96		
	(4,694)		
Increase in assets			
Investments - net	2,994,000		
	2,994,000		
Increase in liabilities			
Payable to the Management Company	(3,953)		
Payable to the Trustee	(298)		
Payable to Securities and Exchange Commission of Pakistan	(70)		
Accrued expenses and other liabilities	(13,286)		
	(17,607)		
Net cash generated from operating activities	2,971,699		
Profit received on bank deposits	535		
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units	132,189		
Payment against redemption of units	(3,048,916)		
Dividend paid	(61,509)		
Net cash used in financing activities	(2,978,236)		
Net decrease in cash and cash equivalents	(6,002)		
Cash and cash equivalents at beginning of the period	6,513		
Cash and cash equivalents at end of the period	511	4	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Mehfooz Munafa Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

December 31, 2023			
	Capital value	Undistributed income	Total
-----Rupees in '000-----			
Net assets at beginning of the year (Audited)	2,907,526	6,427	2,913,953
Issuance of 1,321,895 units			
Capital value (at net asset value per unit at the beginning of the year)	132,482	-	132,482
Element of loss	(292)	-	(292)
Total proceeds on issuance of units	132,189	-	132,189
Redemption of 30,396,732 units			
Capital value (at net asset value per unit at the beginning of the year)	(2,984,792)	-	(2,984,792)
Income already paid on redemption of units	-	(29)	(29)
Element of loss	(64,095)	-	(64,095)
Total payments on redemption of units	(3,048,887)	(29)	(3,048,916)
Total comprehensive income for the period	-	64,283	64,283
Interim distribution			
Distribution during the period	-	(61,509)	(61,509)
Rs 2.431 per unit declared on August 09, 2023 as cash dividend	-	-	-
Refund of capital	-	-	-
Distribution during the year	-	-	-
	-	2,774	2,774
Net assets at end of the year (Unaudited)	(9,172)	9,172	-
Undistributed income brought forward			
Realised income		6,427	
Unrealised income		-	
		6,427	
Accounting income available for distribution			
Undistributed income at the beginning of the year		6,427	
Relating to capital (loss) / gain		-	
Excluding capital gain		64,254	
		70,681	
Distributions during the year:			
Interim distribution of Rs 2.431 per unit declared on August 09, 2023 as cash dividend		(61,509)	
		(61,509)	
Undistributed income carried forward		9,172	
Undistributed income carried forward			
Realised income		9,172	
Unrealised income		-	
		9,172	
			(Rupees)
Net assets value per unit at beginning of the year			100.2211
Net assets value per unit at end of the year			-

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Mehfooz Munafa Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Mehfooz Munafa Fund (the Fund) was established under a Trust Deed executed between HBL Asset Management Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/HBL-MEMF/298/2022 dated April 05, 2022 and the Trust Deed was executed on May 24, 2022.

The fund has commenced its operations from April 14, 2023 with the launch of MEMF Plan II. Hence, the comparative figures for the quarter and half year ended 31 December 2022 are not being presented in the financial statements.

The MEMF Plan II has ceased to operate on 9th August, 2023. Hence, the figures for the quarter ended 31st December, 2023 are not being presented in these condensed interim financial statements.

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

The Fund is an Open-End Fixed Rate/Return Scheme. The Management Company have the intention of launching 6 fixed return plans having maturity upto thirty six months from the date of closure of the IPO. The Allocation Plans shall be closed for new subscriptions after the close of the subscription period. Currently, HBL Mehfooz Munafa Fund Plan-II is inactive and was matured on 9th August, 2023. The Units of which were initially offered for public subscription at a par value of Rs.100 per unit from April 26, 2023 to May 17, 2023.

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

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

VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company as at December 30, 2023 while the fund is currently not rated.

Title to the assets of the Fund is 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 These condensed interim financial statements have 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,
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), directives issued by the SECP and requirements of the Trust Deed.

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

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost basis, unless otherwise stated.

2.3 Functional and presentation currency

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

2.4 Use of judgments and estimates

The preparation of these condensed interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets and liabilities and Income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying accounting policies and the key sources of estimation uncertainty were the same as those applied to the Financial Statements as at and for the year ended June 30, 2023

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

		December 31, 2023	June 30, 2023
Note		----- Rupees in '000 -----	
4	BANK BALANCES		
	Cash at bank		
	In savings accounts	4.1 511	6,513

- 4.1 These bank accounts carry mark-up at rates ranging between 13.83% to 19.51% per annum. This includes an amount held by a related party, (Habib Bank Limited) amounting to Rs. 489,126 which carries mark-up rates ranging between 16.58% to 20.51% per annum.

5 INVESTMENTS

Financial assets - at amortised cost
Market treasury bills (MTB's)

-	2,925,325
-	2,925,325

5.1 Financial assets at amortised cost - Market Treasury Bills (MTB's)

Issue date	Tenure	Maturity Date	As at 30 June, 2023	Placement made during the period	Income accrued	Sales / Matured during the period	As at Dec 31, 2023	Percentage of net assets	Percentage of total of investments
----- Rupees in '000 -----									
May 18, 2023	3 Months	10-Aug-2023	2,925,325	-	68,675	2,994,000	-	-	100.00%
Total - as at December 31, 2023				-	68,675	2,994,000	-	0	100.00%

5.1.1 As at June 30, 2023, Market Treasury Bills has a face value of Rs. 2,994 million, carrying effective yield of 21.98% per annum.

		Unaudited	Audited
		December 31, 2023	June 30, 2023
Note		----- Rupees in '000 -----	
6	PRELIMINARY EXPENSES AND FLOTATION COSTS		
	Opening Balance	96	-
	Add: Incurred during the period	-	204
	Less: Amortised during the period	96	(108)
	Closing balance	-	96

	Profit / mark-up receivable on:		
7	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration payable to the Management company	7.1	-
			2,302
	Sindh Sales Tax on Management Company's remuneration	7.2	-
			299
	Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	-
			282
	Selling and marketing expense payable	7.4	-
			1,070
	Formation cost payable		204
			204
			4,157

7.1 As per the Regulation 61 of the NBFC Regulations, 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. The maximum limit disclosed in the Offering Document is 1.5% per annum of average annual net assets. During the period, the fee is being charged at the rate of the average annual net assets. The fee is payable monthly in arrears.

7.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7.3 As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the CIS. During the year, the fee is being charged at the rate of 0.092% of the average annual net assets.

7.4 As per Regulation 60(3)(v) of NBFC Regulations, selling and marketing expense may be charged for all categories of funds except fund of funds. During the period, the fee is being charged at the rate 0.304% of the average annual net assets.

		Unaudited	Audited
		December 31, 2023	June 30, 2023
Note		----- Rupees in '000 -----	
8	PAYABLE TO THE TRUSTEE		
	Trustee fee payable	8.1	-
			264
	Sindh Sales Tax on remuneration of the Trustee	8.3	-
			34
			-
			298

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

8.2 As per the trust deed and offering document, the trustee remuneration shall consist of reimbursement of actual custodian expenses plus trustee tariff of 0.055% p.a. of net assets.

8.3 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	9.1	-	70
--------------------	-----	---	----

9.1 As per Regulation 62 of NBFC Regulations, An Asset Management Company managing a CIS shall pay SECP an annual fee of 0.075% of the average annual net assets. The fee is payable annually in arrears.

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

Withholding tax payable	-	9,340
Pre-IPO profit payable	-	3,902
Auditors' remuneration	236	280
Printing charges	71	62
Others	-	8
	307	13,593

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at Dec 31, 2023. (June 30, 2023 : Nil).

	Unaudited December 31, 2023	Audited June 30, 2023
	---Number of Units---	
12 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the period	29,075,261	-
Add: Units issued	1,321,471	29,757,713
Less: Units redeemed	(30,396,732)	(682,452)
Total units in issue at the end of the period	-	29,075,261

13 TAXATION

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

14 EARNINGS PER UNIT

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

15 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, 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 are as follows:

**December 31,
2023
- Rupees in '000 -**

15.1 Transactions during the period**HBL Asset Management Limited - Management Company**

Remuneration of Management Company	2,349
Sindh Sales Tax on remuneration of the Management company	305
Allocation of expenses related to registrar services, accounting, operation and valuation services	339
Selling and marketing expense	982
Formation cost payable	204

Central Depository Company of Pakistan Limited - Trustee

Remuneration	107
Sindh Sales Tax on remuneration of the Trustee	14

Habib Bank Limited - Sponsor

Bank charges paid	22
Profit / mark-up on deposits accounts	398

15.2 Balance outstanding as at the period end**HBL Asset Management Limited - Management Company**

Remuneration payable to the Management Company	-
Sindh Sales Tax payable on Management Company's remuneration	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	-
Selling and marketing expense payable	-
Formation cost payable	204

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	-
Sindh Sales Tax payable on Trustee Remuneration	-

Habib Bank Limited - Sponsor

Profit / mark-up receivable	489
	-

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the period is 0.162% which includes 0.019% representing Government levy and SECP fee.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 16, 2024 by the Board of Directors of the Management Company.

18 GENERAL

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

18.2 The HBL Mehfooz Munafa Fund has been launched in current year. Therefore, comparatives have not been presented.

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

Chief Financial Officer

Chief Executive Officer








Director










Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

Head Office Karachi:
7th Floor, Emerald Tower, Clifton,
Karachi.
UAN:111 HBL AMC (111-425-262)
Fax: 021-35168455
info@hblasst.com

Lahore:
102-103, Upper Mall, Lahore
Tel: 042-36281600
042-36281640-3
042-36281610
Fax: 042-36281686

Islamabad:
HBL Corporate Center,
HBL building, Jinnah Avenue,
Islamabad
Tel: 051-2821183
Fax: 051-2822206