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## CORPORATE INFORMATION

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### Management Company

HBL Asset Management Limited.

### Board of Directors

Chairman	Mr. Tawfiq Habib Chinoy	(Independent Non-Executive Director)
Chief Executive Officer	Mr. Shahid Ghaffar	(Executive Director)
Directors	Mr. Sohail Malik	(Non-Executive Director)
	Mr. Abid Sattar	(Non-Executive Director)
	Ms. Sadia Khan	(Independent Non-Executive Director)

### Audit Committee

Chairperson	Ms. Sadia Khan	(Independent Non-Executive Director)
Members	Mr. Sohail Malik	(Non-Executive Director)
	Mr. Abid Sattar	(Non-Executive Director)

### Human Resource Committee

Chairman	Mr. Tawfiq Habib Chinoy	(Independent Non-Executive Director)
Members	Mr. Shahid Ghaffar	(Chief Executive)
	Mr. Abid Sattar	(Non-Executive Director)

### Company Secretary

Mr. Rehan N. Shaikh

### Chief Financial Officer

Mr. Noman Ahmed Soomro

### Fund Manager

Mr. Muhammad Amir Khan

### External Auditors

KPMG Taseer Hadi & Co. Chartered Accountants,  
Sheikh Sultan Trust Building No. 2  
Beaumont Road, Karachi-75530, Pakistan.

### Internal Auditors

A. F. Ferguson & Co., Chartered Accountants,  
State Life Building No.1-C, I.I Chundrigar Road,  
P.O. Box 4716, Karachi.

### Trustee

Central Depository Company of Pakistan Limited (CDC)  
CDC House, 99-B, Block "B", S.M.C.H.S, Main Shakra-e-Faisal, Karachi

### Legal Advisors

Mandviwalla & Zafar, Advocates and Legal Consultants,  
Mandviwalla Chambers, C-15, Block2, Clifton, Karachi.

### Bankers

Habib Bank Limited  
Bank Al Falah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited

### Website

[www.hblasset.com](http://www.hblasset.com)

### Head Office

8B, 8th Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi.

### Registered Office

8B, 8th Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi.

HBL MONEY MARKET FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2011

	Note	(Un-audited) September 30, 2011	(Audited) June 30, 2011
------(Rupees in '000)-----			
<b>ASSETS</b>			
Bank balances	4	16,257	8,009
Investments	5	5,431,621	3,551,358
Term Deposit Receipts		625,000	565,000
Profit receivable	6	9,028	516
Preliminary expenses and floatation costs		814	868
<b>Total assets</b>		<b>6,082,720</b>	<b>4,125,751</b>
<b>LIABILITIES</b>			
Payable to HBL Asset Management Limited - Management Company	7	7,197	4,495
Payable to Central Depository Company of Pakistan Limited - Trustee		457	318
Payable to Securities and Exchange Commission of Pakistan - Annual fee		1,094	1,653
Accrued expenses and other liabilities	8	1,033,534	6,947
<b>Total liabilities</b>		<b>1,042,282</b>	<b>13,413</b>
<b>NET ASSETS</b>		<b>5,040,438</b>	<b>4,112,338</b>
<b>UNIT HOLDERS' FUND (as per statement attached)</b>			
		<b>5,040,438</b>	<b>4,112,338</b>
<b>Number of units</b>			
Number of units in issue		48,898,040	39,906,075
<b>Rupees</b>			
<b>NET ASSETS VALUE PER UNIT</b>		<b>103.0806</b>	<b>103.0504</b>

The annexed notes 1 to 13 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Note	For the Quarter ended September 30, 2011	From May 28, 2010 to September 30, 2010
------(Rupees in '000)-----			
<b>Income</b>			
Profit on bank deposits		15,475	180
Income from Government Securities		178,962	15,551
Capital (loss) / gain on sale of investments - net		(71)	190
Income from reverse repurchase transactions		-	3,885
		<b>194,366</b>	<b>19,806</b>
<b>Expenses</b>			
Remuneration of HBL Asset Management Limited - Management Company		16,265	1,634
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,282	245
Annual fee of Securities and Exchange Commission of Pakistan		1,094	123
Securities transaction cost		-	9
Settlement and bank charges		39	22
Auditors' remuneration		88	75
Amortisation of preliminary expenses and floatation costs		54	46
Other expenses		49	42
		<b>18,871</b>	<b>2,196</b>
<b>Net income from operating activities</b>		<b>175,495</b>	<b>17,610</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		(24,507)	164
Provision for Workers' Welfare Fund	10	3,037	356
<b>Net income for the period before taxation</b>		<b>147,951</b>	<b>17,418</b>
<b>Taxation</b>		-	-
<b>Net income for the period after taxation</b>		<b>147,951</b>	<b>17,418</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Net unrealised diminution arising during the period on re-measurement of investments classified as available-for-sale	5.2	3,186	16
<b>Total comprehensive income for the period - net</b>		<b>151,137</b>	<b>17,434</b>
<b>Earnings Per Unit</b>	9		

The annexed notes 1 to 13 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND  
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	For the Quarter ended September 30, 2011	From May 28, 2010 to September 30, 2010
	----- (Rupees in '000) -----	
Accumulated profit brought forward	121,970	-
Net income for the period	147,951	17,418
Element of income / (losses) and capital gains / (losses) included in the price of units issued less those in units redeemed, amount representing income / (losses) that form part of the unit holders' fund	58	-
Final distribution for the period ended June 30, 2011: Rs 3.05 per unit (June 30, 2010 : nil) (Date of distribution: July 07, 2011)		
- Cash distribution	(17,868)	-
Bonus units: 1,038,450	(103,845)	-
	(121,713)	-
Net income for the period less distribution	26,296	17,418
Undistributed income carried forward - realised	148,266	17,418

The annexed notes 1 to 13 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	For the Quarter ended September 30, 2011	From May 28, 2010 to September 30, 2010
	----- (Rupees in '000) -----	
Net assets at the beginning of the period	4,112,338	-
Issue of 39,736,063 units (2010 : 12,490,215 units)	4,034,124	1,255,087
Redemption of 31,782,548 units (2010 : 4,864,079 units)	(3,263,800)	(492,351)
Element of (income) / losses and capital (gains) / losses included in prices of units issued less those in units redeemed	770,324	762,736
- amount representing accrued (income) / losses and capital (gains) / losses - transferred to Income Statement	24,507	(164)
- amount representing (income) / losses that form part of the Unit holder's fund - transferred to Distribution Statement	(58)	-
	24,449	(164)
Net unrealised diminution arising during the period on re-measurement of investments classified as 'available-for-sale' - from other comprehensive income	5.2	3,186
Loss / gain on sale of investments - net	(71)	190
Other net income for the period after taxation	148,022	17,228
Final distribution for the period ended June 30, 2011: Rs 3.05 per unit (June 30, 2010 : nil) (Date of distribution: July 07, 2011)		
- Cash distribution	(17,868)	-
- 1,038,450 bonus units	(103,845)	-
	(121,713)	-
Net income for the period less distribution	26,238	17,418
Distribution of bonus units: 1,038,450 units	103,845	-
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (loss) that form part of unit holders' fund	58	-
Net assets at the end of the period	5,040,438	780,006

The annexed notes 1 to 13 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Note	For the Quarter ended September 30, 2011 (Rupees in '000)	From May 28, 2010 to September 30, 2010 (Rupees in '000)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		147,951	17,418
<b>Adjustments for non-cash and other items</b> :			
Amortisation of preliminary expenses and floatation costs		54	46
Element of (income) / loss and capital (gains) / losses included prices of units issued less those in units redeemed		24,507	(164)
		<u>172,512</u>	<u>17,300</u>
<b>(Increase) / decrease in assets</b>			
Investments - net		(1,877,077)	(773,990)
Profit receivable		(8,512)	(10)
Advances, deposits, prepayments and other receivables		-	(1,228)
		<u>(1,885,589)</u>	<u>(775,228)</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to HBL Asset Management Limited - Management Company		2,702	1,977
Payable to Central Depository Company of Pakistan Limited - Trustee		139	106
Payable to Securities and Exchange Commission of Pakistan - Annual Fee		(559)	123
Accrued expenses and other liabilities		<u>1,026,587</u>	<u>729</u>
		<u>1,028,869</u>	<u>2,935</u>
<b>Net cash used in operating activities</b>		<u>(684,208)</u>	<u>(754,993)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net receipts from issue of units		770,324	762,736
Dividend paid		(17,868)	-
<b>Net cash generated from financing activities</b>		<u>752,456</u>	<u>762,736</u>
<b>Net increase in cash and cash equivalents during the period</b>		<u>68,248</u>	<u>7,743</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>573,009</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the period</b>	4.1	<u><u>641,257</u></u>	<u><u>7,743</u></u>

The annexed notes 1 to 13 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Executive

Director

HBL MONEY MARKET FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 8B - 8th Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi, Pakistan.

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

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM3+' to the Management Company and assigned Fund stability rating of 'AA+(f)' to the Fund.

**1.1** Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

**2 BANK OF PREPARATION**

**2.1 Statement of compliance**

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

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2011.

	Note	September 30, 2011 (Rupees in '000)
<b>4 BANK BALANCES</b>		
Savings accounts		<u>16,257</u>
<b>5 INVESTMENTS</b>		
Available-for-sale		
- Government Securities	5.1	<u><u>5,431,621</u></u>

5.1 Investment in government securities - Available-for-sale

Issue Date	Tenor	Face value				Market Value as at September 30, 2011	Market Value as a percentage of total investment	Market Value as a percentage of net assets
		As at July 01, 2011	Purchases during the period	Sales / Matured during the period	As at September 30, 2011			
<b>Treasury bill</b>								
January 26, 2011	6 months	-	605,000	605,000	-	-	-	-
February 10, 2011	6 months	-	270,000	270,000	-	-	-	-
March 10, 2011	6 months	510,000	125,000	635,000	-	-	-	-
March 24, 2011	6 months	935,000	-	935,000	-	-	-	-
April 07, 2011	6 months	-	460,000	420,000	40,000	39,928	0.74%	0.79%
April 21, 2011	3 months	78,000	25,000	103,000	-	-	-	-
April 21, 2011	6 months	340,000	365,000	330,000	375,000	372,393	6.86%	7.39%
May 05, 2011	3 months	70,000	155,000	225,000	-	-	-	-
May 05, 2011	6 months	300,000	340,000	-	640,000	632,349	11.64%	12.55%
May 19, 2011	3 months	40,000	500,000	540,000	-	-	-	-
May 19, 2011	6 months	375,000	45,000	-	420,000	412,939	7.60%	8.19%
June 02, 2011	3 months	637,500	190,000	827,500	-	-	-	-
June 02, 2011	6 months	-	404,000	-	404,000	395,226	7.28%	7.84%
June 16, 2011	3 months	375,000	-	375,000	-	-	-	-
June 16, 2011	6 months	-	225,000	-	225,000	219,063	4.03%	4.35%
June 30, 2011	6 months	-	310,000	35,000	275,000	266,473	4.91%	5.29%
July 14, 2011	3 months	-	220,000	130,000	90,000	89,838	1.65%	1.78%
July 14, 2011	6 months	-	405,000	-	405,000	390,587	7.19%	7.75%
July 28, 2011	6 months	-	815,000	-	815,000	782,300	14.40%	15.52%
August 11, 2011	3 months	-	425,000	-	425,000	419,919	7.73%	8.33%
August 11, 2011	6 months	-	735,000	-	735,000	702,140	12.93%	13.93%
August 25, 2011	6 months	-	50,000	-	50,000	47,538	0.88%	0.94%
September 08, 2011	6 months	-	375,000	-	375,000	354,845	6.53%	7.04%
September 22, 2011	6 months	-	325,000	-	325,000	306,083	5.64%	6.07%
		<b>3,660,500</b>	<b>7,369,000</b>	<b>5,430,500</b>	<b>5,599,000</b>	<b>5,431,621</b>	<b>100.00%</b>	<b>107.76%</b>

Cost of investments at September 30, 2011

**5,429,364**

5.2 Unrealised diminution on re-measurement of investments classified as 'available-for-sale'-net

	Note	September 30, 2011	September 30, 2010
		(Rupees in '000)	
Market value of investments	5.1	5,431,621	774,006
Less: Cost of Investments		(5,429,364)	(773,990)
		2,257	16
Less: Net unrealised (diminution) in the fair value of investments classified as 'available for sale' at the beginning of the period		(929)	-
		<b>3,186</b>	<b>16</b>

6 PROFIT RECEIVABLE

Profit receivable on saving accounts	539	301
Profit receivable on Term Deposit Receipts	8,489	215
	<b>9,028</b>	<b>516</b>

7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee	6,122	3,420
Preliminary expenses and floatation costs incurred on behalf of the Fund	1,075	1,075
	<b>7,197</b>	<b>4,495</b>

8 ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2011	June 30, 2011
	(Rupees in '000)	
Auditors' remuneration	301	212
Brokerage payable	156	28
Withholding tax payable	1,981	-
Payable to unitholders against redemption	1,021,303	-
Provision for Workers' Welfare Fund	9,744	6,707
Other Payable	49	-
	<b>1,033,534</b>	<b>6,947</b>

9 EARNINGS PER UNIT

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

10 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010 the Ministry filed its response against the Constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

Subsequent to the year ended June 30, 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, has made the provision for WWF amounting to Rs. 9.744 million in these financial statements.

11 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

	For the quarter ended September 30, 2011	For the period from May 28, 2010 to September 30, 2010
	(Rupees in '000)	
<b>11.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee	16,265	1,634
Units issued 730,544 units (2010 : 648,668 units)	73,750	65,000
Units Redeemed 648,668 units (2010 : nil units)	65,446	-
Bonus units issued 21,400 units (2010 : nil units)	2,140	-

	For the quarter ended September 30, 2011 (Rupees in '000)	For the period from May 28, 2010 to September 30, 2010 (Rupees in '000)
<b>Habib Bank Limited - Sponsor</b>		
Units issued nil units (2010 : 1,014,138 units)	-	100,000
Bonus units issued 33,457 (2010 : nil units)	3,346	-
Bank charges paid	36	21
Profit on bank deposits earned	587	61
Profit on bank deposits received	288	60
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	1,282	245
<b>Directors and Executives of the Management Company and their relatives</b>		
<b>Directors and their relatives</b>		
Units issued : nil units (2010 : 89,329 units)	-	9,105
Bonus units issued : 957 units (2010 : nil units)	-	95
<b>Executives and their relatives</b>		
Units issued: 13,002 units (2010 : 10,003 units)	1,319	1,000
Bonus units issued 441 units : (2010 : nil units)	44	-
Units redeemed : 4,308 units (2010 : nil units)	440	-
<b>Associated companies</b>		
<b>IGI Investment Bank Limited</b>		
Units issued : nil units (2010 :100,029 units)	-	10,000
Units redeemed : nil units (2010 : 100,029 units)	-	10,185
<b>New Jubilee Insurance Company Limited</b>		
Units issued : 5,352,506 units (2010 : 500,300 units)	550,249	50,000
Bonus units issued : 133,279 units (2010 : nil units)	13,328	-
Units redeemed : 4,999,320 (2010 : nil units)	514,069	-

#### 11.2 Balances outstanding as at period end

	September 30, 2011 (Rupees in '000)	June 30, 2011
<b>HBL Asset Management Limited - Management Company</b>		
Management Fee	6,122	3,420
Preliminary expenses and floatation costs incurred on behalf of the Fund	1,075	1,075
Investment held in the Fund : 804,924 units (June 30, 2011 : 701,648 units)	82,973	72,305
<b>Habib Bank Limited - Sponsor</b>		
Investment held in the Fund : 1,130,424 units (June 30, 2011 : 1,096,967 units)	116,525	113,043
Bank balances	13,807	6,640
Profit receivable on bank deposits	474	175
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	457	318
<b>Directors and Executives of the Management Company and their relatives</b>		
<b>Directors and their relatives</b>		
Investment held in the Fund : 32,319 units (June 30, 2011 : 31,362 units)	3,331	3,232

	September 30, 2011 (Rupees in '000)	June 30, 2011
<b>Executives and their relatives</b>		
Investment held in the Fund : 23,581 units (June 30, 2011 : 14,446 units)	2,431	1,489
<b>Associated companies</b>		
<b>New Jubilee Insurance Company Limited</b>		
Investment held in the Fund : 4,856,274 units (June 30, 2011 : 4,369,810 units)	500,588	450,311

#### 12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 11, 2011.

#### 13 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited  
(Management Company)

Chief Executive

Director