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CORPORATE INFORMATION

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. Umar Farooq

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
MCB Bank Limited
Barclays Bank PLC Pakistan
Faysal Bank Limited
The Bank of Punjab
JS Bank Limited
Standard Chartered Bank (Pakistan) Limited
Habib Metropolitan Bank Limited

Website

www.hblasst.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 STOCK FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2011

		(Un-audited)	(Audited)
	Note	September 30, 2011	June 30, 2010
		————— (Rupees in '000) —————	
Assets			
Bank balances	4	50,259	70,050
Investments	5	1,950,420	1,894,770
Dividend and profit receivable	6	6,349	7,327
Preliminary expenses and floatation costs		208	265
Advances, deposits, prepayments and other receivables	7	21,289	29,352
Total assets		<u>2,028,525</u>	<u>2,001,764</u>
Liabilities			
Payable to HBL Asset Management Limited - Management Company	8	5,826	5,272
Payable to Central Depository Company of Pakistan Limited - Trustee		243	248
Payable to Securities and Exchange Commission of Pakistan - Annual fee		467	1,746
Accrued expenses and other liabilities	9	8,398	8,216
Total liabilities		<u>14,934</u>	<u>15,482</u>
Net assets		<u>2,013,591</u>	<u>1,986,282</u>
Unit holders' fund (as per statement attached)		<u>2,013,591</u>	<u>1,986,282</u>
Number of units			
Number of units in issue		<u>21,183,634</u>	<u>19,117,066</u>
Rupees			
Net asset value per unit		<u>95.0541</u>	<u>103.9008</u>

The annexed notes 1 to 15 form an integral part of this financial report.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

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

		Quarter ended September 30, 2011		2010
	Note	————— (Rupees in '000) —————		
Income				
Dividend income		17,908	21,051	
Profit on bank deposits		725	1,115	
Income from Government Securities		8,596	8,525	
Capital loss on sale of investments - net		(4,714)	(353)	
		22,515	30,338	
Unrealised (diminution) / appreciation in value of investments at fair value through profit or loss - net	5.5	(357)	14,527	
Impairment loss on investments classified as 'available for sale'		(7,316)	-	
		<u>14,842</u>	<u>44,865</u>	
Expenses				
Remuneration of HBL Asset Management Limited - Management company		16,285	12,341	
Remuneration of Central Depository Company Of Pakistan Limited - Trustee		743	663	
Annual fee of the Securities and Exchange Commission of Pakistan		467	391	
Securities transaction cost		150	357	
Legal and professional charges		-	37	
Auditors' remuneration		88	88	
Settlement and bank charges		54	98	
Amortisation of preliminary expenses and floatation costs		57	57	
Other expenses		43	51	
		<u>17,887</u>	<u>14,083</u>	
Net (loss) / income from operating activities		<u>(3,045)</u>	<u>30,782</u>	
Net element of accrued income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		-	3	
Provision for Workers' Welfare Fund	10	-	(619)	
Net (loss) / income for the period		<u>(3,045)</u>	<u>30,166</u>	
OTHER COMPREHENSIVE INCOME				
Net unrealised appreciation during the year in market value of securities classified as 'available for sale'	5.6	30,658	14,892	
Total comprehensive income for the period - net		<u>27,613</u>	<u>45,058</u>	
Earnings Per Unit	11			

The annexed notes 1 to 15 form an integral part of this financial report.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

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

	Quarter ended September 30,	
	2011	2010
	(Rupees in '000)	
Accumulated losses brought forward	(332,185)	(305,947)
Net (loss) / income for the period	(3,045)	30,166
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	(56,885)	(58,438)
Final distribution for the year ended June 30, 2011: Rs 10.15 per unit (Date of Distribution : July 07, 2011) [(2010 : Rs. 10 per unit)]		
- Cash distribution	-	(2,646)
- Bonus units : 2,069,723 units (2010 : 2,120,048 units)	(194,038)	(171,830)
	(194,038)	(174,476)
	(253,968)	(202,748)
Accumulated losses carried forward	(586,153)	(508,695)

The annexed notes 1 to 15 form an integral part of this financial report.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

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

	Note	Quarter ended September 30,	
		2011	2010
		(Rupees in '000)	
Net assets at the beginning of the period		1,986,282	1,588,534
Issue of 23,324 units (2010: 2,735 units)		2,169	230
Redemption of 26,479 units (2010: 482 units)		(2,473)	(42)
		(304)	188
Element of (income) / losses and capital (gains) / losses included in prices of units issued less those in units redeemed			
- amount representing accrued (income)/ losses and capital (gains) / losses - transferred to income statement		-	(3)
- amount representing (income) / losses that form part of the Unit holder's fund - transferred to distribution statement		56,885	58,438
		56,885	58,435
Net unrealised appreciation during the period in market value of securities classified as 'available for sale'	5.6	30,658	14,892
Capital loss on sale of investments		(4,714)	(353)
Net unrealised (diminution) / appreciation in value of investments 'at fair value through profit or loss'	5.5	(357)	14,527
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		(56,885)	(58,438)
Other net income for the period less distribution		(192,012)	(158,484)
		(253,968)	(202,748)
Issuance of 2,069,723 bonus units for the year ended June 30, 2011 (2010 : 2,120,048)		194,038	171,830
Net assets as at the end of the period		2,013,591	1,631,131

The annexed notes 1 to 15 form an integral part of this financial report.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

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

	Quarter ended September 30,	
	2011	2010
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	(3,045)	30,166
Adjustments for non-cash and other items:		
Amortisation of preliminary expenses and floatation costs	57	57
Impairment loss on investments classified as 'available for sale'	7,316	-
Unrealised (diminution) / appreciation in value of investments at fair value through profit or loss - net	357	(14,527)
Element of accrued (income) / losses and capital (gains) / losses included in prices of units issued less those in units redeemed	-	(3)
	4,685	15,693
(Increase) / Decrease in assets		
Investments - net	(32,665)	(99,796)
Dividend and profit receivable	978	(12,010)
Advances, deposits and prepayments	8,063	(227)
	(23,624)	(112,033)
Increase/ (Decrease) in liabilities		
Payable to HBL Asset Management Limited - Management Company	554	(1,858)
Payable to Central Depository Company of Pakistan Limited - Trustee	(5)	(4,270)
Payable to Securities and Exchange Commission of Pakistan	(1,279)	(226)
Accrued expenses and other liabilities	182	(1,201)
	(548)	(7,555)
Net cash used in operating activities	(19,487)	(103,895)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net payments against redemption of units	(304)	188
Distributions paid	-	(2,646)
Net cash outflow on financing activities	(304)	(2,458)
Net decrease in cash and cash equivalents during the period	(19,791)	(106,353)
Cash and cash equivalents at beginning of the period	70,050	117,064
Cash and cash equivalents at the end of the period	50,259	10,711

The annexed notes 1 to 15 form an integral part of this financial report.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

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

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 end 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 August 29, 2007 to August 31, 2007.

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM3+' to the Management Company and has assigned one year Fund Performance Ranking at MFR 4-Star, two year Fund Performance Ranking at MFR-3 Star and three year Fund Performance Ranking at MFR-4-Star to the Fund based on financial information of the period ended June 30, 2011.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This financial report has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Financing Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, NBFC Regulations or the said directives differ with the requirements of IAS 34, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.

2.2 This financial report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2011.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this financial report 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	June 30,
		30, 2011	2011
(Rupees in '000)			
4 BALANCES WITH BANK			
Savings accounts		50,259	70,050
5 INVESTMENTS			
At fair value through profit or loss			
- Listed equity securities	5.1	163,902	234,781
Available for sale			
- Listed equity securities	5.2	1,524,566	1,466,798
- Government securities	5.3	261,952	193,191
		1,950,420	1,894,770

5.1 Listed equity securities - at fair value through profit or loss

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

Name of the investee company	Number of Shares					Market Value at September 30, 2011	Market Value as a percentage of		
	As at July 01, 2011	Purchases during the period	Bonus/ Rights issue	Sales during the period	As at September 30, 2011		total investment	Net assets	Paid up capital of the investee company
(Rupees in '000)									
Banks									
MCB Bank Limited	179,584	17,000	-	-	196,584	34,062	1.75%	1.69%	0.03%
National Bank of Pakistan	325,219	-	-	40,000	285,219	13,063	0.67%	0.65%	0.02%
United Bank Limited	215,100	5,000	-	5,000	215,100	12,936	0.66%	0.64%	0.02%
	719,903	22,000	-	45,000	696,903	60,061	3.08%	2.98%	
Non-Life Insurance									
Adamjee Insurance Company Limited	59,285	-	-	32,945	26,340	1,410	0.07%	0.07%	0.02%
	59,285	-	-	32,945	26,340	1,410	0.07%	0.07%	
Personal Goods									
Nishat Mills Limited	333,500	-	-	15,000	318,500	15,317	0.79%	0.76%	0.13%
	333,500	-	-	15,000	318,500	15,317	0.79%	0.76%	
Construction and Materials									
Lucky Cement Limited	40,000	2,000	-	42,000	-	-	-	-	-
	40,000	2,000	-	42,000	-	-	-	-	
Electricity									
The Hub Power Company Limited	617,048	-	-	-	617,048	25,606	1.31%	1.27%	0.05%
Kot Addu Power Company Limited	25,000	-	-	-	25,000	1,128	0.06%	0.06%	0.00%
Nishat Chunian Power Limited	211,151	-	-	14,530	196,621	2,806	0.14%	0.14%	0.05%
	853,199	-	-	14,530	838,669	29,540	1.51%	1.47%	
Oil and Gas									
Attock Refinery Limited	-	34,500	-	19,500	15,000	1,667	0.09%	0.08%	0.02%
Pakistan Oilfields Limited	-	17,500	-	10,000	7,500	2,763	0.14%	0.14%	0.00%
Pakistan Petroleum Limited	68,241	-	5,774	30,500	43,515	8,249	0.42%	0.41%	0.00%
Pakistan State Oil Company Limited	231,790	-	-	94,000	137,790	35,079	1.80%	1.74%	0.08%
	300,031	52,000	5,774	154,000	203,805	47,758	2.45%	2.37%	
Chemicals									
Engro Corporation Limited	217,436	-	-	180,000	37,436	5,368	0.28%	0.27%	0.01%
Fauji Fertilizer Bin Qasim Limited	-	11,642	-	11,642	-	-	-	-	-
Lotte Pakistan PTA Limited	560,000	45,126	-	230,000	375,126	4,448	0.23%	0.22%	0.00%
	777,436	56,768	-	421,642	412,562	9,816	0.50%	0.49%	
	3,083,354	132,768	5,774	725,117	2,496,779	163,902	8.40%	8.14%	
Cost of investment at September 30, 2011						181,146			

5.2 Listed equity securities - available for sale

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

Name of the investee company	Number of Shares					Market Value at September 30, 2011	Market Value as a percentage of		
	As at July 01, 2011	Purchases during the period	Bonus/ Rights issue	Sales during the period	As at September 30, 2011		total investment	Net assets	Paid up capital of the investee company
(Rupees in '000)									
Financial Services									
Orix Leasing Pakistan Limited	217,810	-	-	80,000	137,810	910	0.05%	0.05%	0.00%
	217,810	-	-	80,000	137,810	910	0.05%	0.05%	
Banks									
Allied Bank Limited	135,672	15,000	-	-	150,672	9,116	0.47%	0.45%	0.02%
Bank Al-Falah Limited	21,034	-	-	21,034	-	-	-	-	-
Bank Al-Habib Limited	347,316	10,000	-	-	357,316	10,673	0.55%	0.53%	0.05%
Habib Bank Limited	952,689	-	-	-	952,689	113,713	5.83%	5.65%	0.10%
Habib Metropolitan Bank Limited	265,483	-	-	-	265,483	4,858	0.25%	0.24%	0.03%
MCB Bank Limited	319,203	45,000	-	-	364,203	63,104	3.24%	3.13%	0.05%
National Bank of Pakistan	94,531	25,000	-	-	119,531	5,475	0.28%	0.27%	0.01%
Samba Bank of Pakistan	700,535	60,061	-	-	760,596	1,179	0.06%	0.06%	0.09%
United Bank Limited	678,744	63,088	-	-	741,832	44,614	2.29%	2.22%	0.06%
	3,515,207	218,149	-	21,034	3,712,322	252,732	12.96%	12.55%	
Non-Life Insurance									
Adamjee Insurance Company Limited	46,500	-	-	-	46,500	2,489	0.13%	0.12%	0.04%
TPL Direct Insurance Company Limited	46,500	100,000	-	100,000	46,500	2,489	0.13%	0.12%	-
	46,500	100,000	-	100,000	46,500	2,489	0.13%	0.12%	
Personal Goods									
Nishat Mills Limited	986,750	40,000	-	-	1,026,750	49,376	2.53%	2.45%	0.42%
	986,750	40,000	-	-	1,026,750	49,376	2.53%	2.45%	
Life Insurance									
New Jubilee Life Insurance Company Limited	122,500	-	-	-	122,500	7,620	0.39%	0.38%	0.20%
	122,500	-	-	-	122,500	7,620	0.39%	0.38%	

Name of the investee company	Number of Shares					Market Value at September 30, 2011	Market Value as a percentage of		
	As at July 01, 2011	Purchases during the period	Bonus/ Rights issue	Sales during the period	As at September 30, 2011		total investment	Net assets	Paid up capital of the investee company
(Rupees in '000)									
Construction and Materials									
Attock Cement Pakistan Limited	45,384	-	-	-	45,384	2,452	0.13%	0.12%	0.05%
D. G. Khan Cement Company Limited	693,001	-	-	15,000	678,001	13,946	0.72%	0.69%	0.22%
Lucky Cement Limited	179,260	43,364	-	-	222,624	16,813	0.86%	0.83%	0.07%
	917,645	43,364	-	15,000	946,009	33,211	1.70%	1.65%	
Electricity									
The Hub Power Company Limited	3,007,045	-	-	-	3,007,045	124,792	6.40%	6.20%	0.26%
Kot Addu Power Company Limited	640,089	235,000	-	-	875,089	39,467	2.02%	1.96%	0.10%
Nishat Chunian Power Limited	2,299,566	50,000	-	-	2,349,566	33,528	1.72%	1.67%	0.64%
Nishat Power Limited	763,599	227,998	-	30,000	961,597	14,530	0.74%	0.72%	0.00%
Pak Gen Power Limited	-	111,643	-	-	111,643	1,596	0.08%	0.08%	2.22%
	6,710,299	624,641	-	30,000	7,304,940	213,913	10.97%	10.62%	
Oil and Gas									
Attock Petroleum Limited	244,582	5,408	-	7,945	242,045	96,298	4.94%	4.78%	0.42%
Attock Refinery Limited	146,700	7,500	-	-	154,200	17,132	0.88%	0.85%	0.18%
National Refinery Limited	64,145	-	-	-	64,145	23,550	1.21%	1.17%	0.08%
Oil and Gas Development Company Limited	105,976	13,500	-	-	119,476	15,788	0.81%	0.78%	0.00%
Pakistan Oilfields Limited	519,003	8,000	-	-	527,003	194,127	9.95%	9.64%	0.22%
Pakistan Petroleum Limited	867,604	-	86,760	-	954,364	180,919	9.28%	9.88%	0.10%
Pakistan State Oil Company Limited	146,524	5,000	-	-	151,524	38,575	1.98%	1.92%	0.09%
	2,094,534	39,408	86,760	7,945	2,212,757	566,389	29.04%	28.13%	
Automobile and Parts									
Indus Motor Company Limited	17,000	-	-	-	17,000	3,281	0.17%	0.16%	0.02%
Pak Suzuki Motor Company Limited	118,294	-	-	22,640	95,654	6,557	0.34%	0.33%	0.12%
	135,294	-	-	22,640	112,654	9,838	0.50%	0.49%	
Fixed Line Telecommunication									
Fixed Line Telecommunication Company Limited A	627,831	-	-	-	627,831	7,295	0.37%	0.36%	0.02%
	627,831	-	-	-	627,831	7,295	0.37%	0.36%	
Pharma and Bio Tech									
Albot Laboratories Pakistan Limited	42,117	-	-	-	42,117	4,220	0.22%	0.21%	0.04%
Glaxo Smithkline Pakistan Limited	189,311	-	-	2,000	187,311	13,387	0.69%	0.66%	0.11%
	231,428	-	-	2,000	229,428	17,607	0.90%	0.87%	
Chemicals									
BOC Pakistan Limited	29,999	-	-	7,906	22,093	2,308	0.12%	0.11%	0.09%
Dawood Hercules	42,000	-	-	-	42,000	2,074	0.11%	0.10%	0.03%
Engro Corporation Limited	616,871	10,000	-	-	626,871	89,887	4.61%	4.46%	0.19%
Fatima Fertilizers Limited	-	69,031	-	-	69,031	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	1,376,000	-	-	148,358	1,227,642	72,038	3.69%	3.58%	0.13%
Fauji Fertilizer Company Limited	1,170,794	-	-	40,000	1,130,794	183,076	9.39%	9.09%	0.06%
Lotte Pakistan PTA Limited	25,000	-	-	20,000	5,000	59	0.00%	0.00%	0.00%
	3,260,664	79,031	-	285,295	3,054,400	349,442	17.92%	17.35%	
General Industrials									
Packages Limited	110,604	-	-	-	110,604	11,281	0.58%	0.56%	0.13%
	110,604	-	-	-	110,604	11,281	0.58%	0.56%	
Food Producers									
Engro Foods Limited	-	100,000	-	-	100,000	2,463	0.13%	0.12%	0.00%
	-	100,000	-	-	100,000	2,463	0.13%	0.12%	
	18,977,066	1,244,593	86,760	563,914	19,744,505	1,524,566	78.17%	75.71%	
Cost of investment at September 30, 2011						1,245,517			

5.3 Government Securities - Available for Sale

Issue date	Tenor	As at July 01, 2011	Face Value		As at September 30, 2011	Market Value at September 30, 2011	Market Value as a percentage of	
			Purchases during the period	Sales / Maturity during the period			total investment	Net assets
(Rupees in '000)								
Treasury Bill								
April 21, 2011	3 months	20,000	-	20,000	-	-	-	-
May 05, 2011	3 months	175,000	-	175,000	-	-	-	-
June 02, 2011	3 months	-	25,000	25,000	-	-	-	-
June 16, 2011	3 months	-	65,000	65,000	-	-	-	-
July 14, 2011	3 months	-	20,000	20,000	-	-	-	-
July 28, 2011	3 months	-	175,000	-	175,000	173,784	8.91%	8.63%
August 25, 2011	3 months	-	25,000	-	25,000	24,580	1.26%	1.22%
September 08, 2011	3 months	-	65,000	-	65,000	63,588	3.26%	3.16%
		195,000	375,000	305,000	265,000	261,952	13.43%	13.01%
Cost of investment at September 30, 2011						262,002		

	September 30, 2011	September 30, 2010
	(Rupees in '000)	
5.5 Net unrealised appreciation / (diminution) in the value of investments at fair value through 'profit or loss'		
Market value of investments	163,902	76,343
Less: Cost of investments	181,146	83,077
	(17,244)	(6,734)
Add: Net unrealised diminution in the fair value of investments at fair value through profit or loss at the beginning of the period	16,887	(21,261)
	(357)	14,527
5.6 Net unrealised appreciation in value of investments classified as 'available for sale'		
Market value of investments	1,786,518	1,534,601
Less: Cost of investments	1,507,519	1,555,622
Less: Impairment loss on investment	(171,562)	(207,152)
	1,335,957	1,348,470
Less: Net unrealised appreciation in the fair value of investments classified as 'available for sale' at the beginning of the period	450,561	186,131
	419,903	171,239
	30,658	14,892
6 DIVIDEND AND PROFIT RECEIVABLE		
Profit receivable on bank deposits	429	319
Dividend receivable	5,920	7,008
	6,349	7,327
7 ADVANCES, DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES		
Advance against subscription towards issue of Term Finance Certificates (TFCs)	25,000	25,000
Advance against subscription towards issue of equity shares	-	2,050
Security deposits with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposits with Central Depository Company of Pakistan Limited	100	100
Receivable against sale of shares	18,686	24,699
Other receivables	3	3
	46,289	54,352
Less: Provision in respect of advance against subscription of Term finance certificates	(25,000)	(25,000)
	21,289	29,352
7.1		
The Fund has 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 September 30, 2011. In addition, profit on the advance against subscription, due after 6 months from the date of subscription, has also not been received by the Fund. As at September 30, 2011, the advance against subscription had been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Company.		
8 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Management fee	5,597	4,987
Preliminary expenses and floatation costs incurred on behalf of the Fund	227	283
Sales load payable to Management Company	2	2
	5,826	5,272

	Note	September 30, 2011	September 30, 2010
		(Rupees in '000)	
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		354	266
Payable to unit holders		26	1
Provision for Workers' Welfare Fund	10	7,915	7,915
Others		103	34
		8,398	8,216
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 (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.			
Subsequent to the year ended June 30, 2010, 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. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.			
On December 14, 2010, the Ministry has 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 the Court.			
As the matter relating to levy of WWF is currently pending in the court, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 7.915 million in this condensed interim financial report.			
11 EARNINGS PER UNIT (EPU)			
Earnings 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.			
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.			
Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market norms.			
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 else where in this condensed interim financial report are as follows:			
12.1 Transactions during the period			
HBL Asset Management Limited - Management Company			
Management Fee		16,285	12,341

	September 30, 2011	September 30, 2010
	Rupees in '000	
Habib Bank Limited - Sponsor		
Issue of 1,706,755 bonus units (2010: 1,731,411 bonus units)	160,010	140,331
Bank charges paid	-	40
Profit on bank deposits earned	77	108
Profit on bank deposits received	17	117
Sale of nil ordinary shares (2010: 40,522 ordinary shares)	-	3,974
Loss on sale of shares	-	(2,572)
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Issue of 349 bonus units (2010: 8,092 bonus units)	33	656
Redemption of 1,052 units (2010 : nil units)	100	-
Executives and their relatives		
Issue of 64 bonus units (2010: 66 bonus units)	6	5
Issue of 283 units (2010 : nil units)	25	-
Associated Companies		
HBL Employees Provident Fund		
Issue of 322,703 bonus units (2010: 327,365 bonus units)	30,254	26,533
BOC Pakistan Limited		
Sale of 7,906 ordinary shares (2010: 25,100 shares)	828	1,868
Loss on sale of shares	(562)	(2,547)
Packages Limited		
Purchase of nil ordinary shares (2010: 142 shares)	-	18
Sale of nil ordinary shares (2010: 15,000 shares)	-	1,648
Loss on sale of shares	-	(1,267)
Central Depository Company of Pakistan Limited		
Remuneration	743	663
Central Depository Services charges	5	13
	September 30, 2011	June 30, 2011
	Rupees in '000	
12.2 Amount outstanding as at period end		
HBL Asset Management Limited - Management Company		
Management Fee	5,597	4,987
Preliminary expenses and floatation cost payable	227	283
Security Deposit paid by Management Company on behalf of the fund to Central Depository Company of Pakistan - payable		
Sales load payable to Management Company	2	2
Habib Bank Limited - Sponsor		
Investment held in the Fund: 17,471,257 units (June 30, 2011: 15,764,501 units)	1,660,715	1,637,944
Bank balances	913	17,064
Profit receivable on bank deposits	69	9
Shares held: 952,689 ordinary shares (June 30, 2011: 952,689 shares)	113,713	110,569
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Investment held in the Fund: 2,521 units (June 30, 2011: 73,920 units)	240	7,680
Executives and their relatives		
Investment held in the Fund: 945 units (June 30, 2011: 598 units)	90	62

	September 30, 2011	June 30, 2011
	Rupees in '000	
Associated Companies		
HBL Employees Provident Fund		
Investment held in the Fund: 3,303,358 units (June 30, 2011: 2,980,265 units)	313,998	309,692
BOC Pakistan Limited		
Shares held: 22,093 ordinary shares (June 30, 2011: 29,999 shares)	2,308	2,877
New Jubilee Life Insurance Company (Pakistan) Limited		
Shares held: 122,500 ordinary shares (June 30, 2011: 122,500 shares)	7,620	7,092
Packages Limited		
Shares held: 110,604 ordinary shares (June 30, 2011: 110,604 shares)	11,281	12,167
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	243	248

13 DISCLOSURE UNDER CIRCULAR NO. 16 OF 2010 ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - CATEGORIZATION OF OPEN END SCHEME

The Securities and Exchange Commission of Pakistan vide Circular no. 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 'Equity Scheme' in accordance with the said circular. As at September 30, 2011, 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-Compliant Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
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(Rupees in '000)

Dewan Cement Limited	TFC	25,000	25,000	-	-	-
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14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue by the Board of the Directors of the Management Company on October 11, 2011.

15 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director