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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited.

Board of Directors

Chairman	Mr. R. Zakir Mahmood	(Non-Executive Director)
Chief Executive Officer	Mr. Shahid Ghaffar	(Executive Director)
Directors	Mr. Sohail Malik	(Non-Executive Director)
	Mr. Abid Sattar	(Non-Executive Director)
	Mr. Towfiq Habib Chinoy	(Independent 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. Towfiq 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

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

Internal Auditors

Ford Rhodes Sidat Hyder & Co., Chartered Accountants,
Progressive Plaza, Beaumont Road,
P.O.Box No. 15541, Karachi 75530.

Trustee

Central Depository Company of Pakistan Limtied (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,Block 2,Clifton,Karachi.

Bankers

Habib Bank Limited
NIB Bank Limited
Bank Al-Habib Limited
MCB Bank Limited
JS Bank Limited
Allied Bank Limited
The Bank of Punjab
Standard Chartered Bank (Pakistan) Limited
Arif Habib Bank Limited
Habib Metropolitan Bank Limtied

Website

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.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with first Half Yearly Report of **HBL Income Fund** (the Fund) for the period ended December 31, 2009.

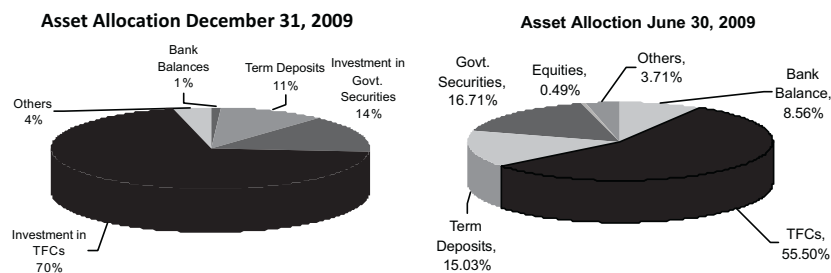
Fund's Performance

During the period under review the total and net income of the Fund was Rs 142.76 million and Rs 96.41 million respectively. The Net Asset Value (NAV) of the Fund increased from Rs 93.96 per unit at the beginning of July 2009 to Rs 98.33 per unit as on December 31, 2009. For the first six months ended on December 31, 2009 the Fund has earned an annualized return of 14.46% after accounting for first interim dividend at Rs 2.25 per unit declared in October 2009. During the same period the banch mark return was 12.53%.

The Fund under management declined from Rs 2,321 million as on June 30, 2009 to Rs 1,636 million as on December 31, 2009. The Income Funds are under redemption pressure for over one and half years as is apparent from the fact that the size of Income Funds declined from Rs 142 billion in June 2008 to Rs 70 billion as on December 31, 2009.

Asset Allocation

The asset allocation of the Fund in various asset classes as on December 31, 2009 was as under:



It would be observed that exposure of the Fund in TFCs increased from 56% of the total assets as on June 30, 2009 to 70% of the total assets as on December 31, 2009 mainly due to redemptions. The exposure of the Fund in TFCs portfolio is well diversified in various sectors. The weighted average credit rating of TFCs portfolio as on December 31, 2009 was "AA-".

Market Review and Future Outlook

During the period under review the State Bank of Pakistan (SBP) reduced the policy rate by 150 bps to 12.5%. The first reduction in the policy rate by 100 bps was made on August 17, 2009 followed by another cut of 50 bps on November 25, 2009. The average one month KIBOR which was 13.35% in June 2009 gradually declined to 12% by July 2009. It, however, increased to 12.80% in October 2009, but declined subsequently to close at 12.44% by December 31, 2009.

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 Securities & Exchange Commission of Pakistan, Central Depository Company of Pakistan as Trustee, the Lahore Stock Exchange and 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

R. Zakir Mahmood

Chairman

Date: February 24, 2010

Place: Karachi

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

The HBL Income Fund (the Fund), an open-end fund was established under a trust deed dated September 06, 2006, executed between HBL Asset Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the period from July 01, 2009 to December 31, 2009 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; and
- (iii) 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.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2009

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL Income Fund as at December 31, 2009, and the related condensed interim comprehensive statement of income, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2009. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed income statement of comprehensive income, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund for the quarter ended December 31, 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2009.

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 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 of and for the half year ended December 31, 2009 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.

Chartered Accountants

Date: February 24, 2010

Place: Karachi

**HBL INCOME FUND
CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2009**

	Note	(Unaudited) December 31, 2009 (Rupees in '000)	(Audited) June 30, 2009 (Rupees in '000)
Assets			
Bank balances		192,384	549,446
Investments	4	1,399,610	1,693,501
Income receivable	5	47,503	55,644
Preliminary expenses and floatation costs		506	621
Advances, deposits, prepayments and other receivables	6	2,691	30,142
Total assets		<u>1,642,694</u>	<u>2,329,354</u>
Liabilities			
Payable to HBL Asset Management Limited - Management Company	7	3,961	4,476
Payable to Central Depository Company of Pakistan Limited - Trustee		265	296
Payable to Securities and Exchange Commission of Pakistan		934	2,950
Accrued expenses and other liabilities	8	1,393	959
Total liabilities		<u>6,553</u>	<u>8,681</u>
Net Assets		<u>1,636,141</u>	<u>2,320,673</u>
Unit holders' funds (as per statement attached)		<u>1,636,141</u>	<u>2,320,673</u>
Contingencies and commitments	10		
		Number of units	
Number of units in issue		<u>16,639,336</u>	<u>24,059,546</u>
		Rupees	
Net assets value per unit		<u>98.33</u>	<u>96.46</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**HBL INCOME FUND
CONDENSED INTERIM INCOME
STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2009	2008	2009	2008
------(Rupees in '000)-----					
INCOME					
Profit on bank deposits		18,004	73,530	5,572	30,666
Income from Continuous Funding System (CFS) transactions		-	54,601	-	16,684
Income from Term Finance Certificates		90,597	137,332	41,112	71,118
Income from spread transactions		-	30	-	-
Capital loss on sale of investments - net		(21,245)	(58)	(4,051)	(112)
Income from Certificates of Investment, clean placements and Commercial papers		-	20,257	-	3,593
Income from Government Securities		55,249	-	33,546	-
Dividend income		159	-	24	-
Other income		-	368	-	343
Total income		142,764	286,060	76,203	122,292
Unrealised appreciation/(diminution) in value of investments at fair value through profit or loss - net	4.3.8	4,691	(3,122)	86	(3,122)
Provision against non-performing Term Finance Certificates and Sukuks		(16,182)	(28,583)	(10,182)	(28,583)
		<u>131,273</u>	<u>254,355</u>	<u>66,107</u>	<u>90,587</u>
EXPENSES					
Remuneration of HBL Asset Management Limited - Management Company		18,671	30,548	9,480	11,499
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,749	2,540	884	1,018
Annual fee to Securities and Exchange Commission of Pakistan		934	1,959	474	689
Securities transaction cost		24	144	7	(852)
Settlement and bank charges		182	3,432	121	1,270
Auditors' remuneration		226	274	113	198
Amortisation of preliminary expenses and floatation costs		114	114	57	57
Other expenses		132	578	107	318
Total operating expense		22,032	39,589	11,243	14,197
Net income from operating activities		109,241	214,766	54,864	76,390
Net element of accrued (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		(12,834)	(67,608)	(9,431)	(50,750)
Net income for the period before taxation		96,407	147,158	45,433	25,640
Taxation	9				
Net income for the period after taxation		96,407	147,158	45,433	25,640
OTHER COMPREHENSIVE INCOME					
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed amount representing (loss) / income that form part of unit holders' fund		(34,479)	22,146	(33,356)	20,395
Net unrealised appreciation / (diminution) during the period in market value of securities classified as available for sale	4.3.9	61,732	(229,246)	32,926	(229,246)
Total comprehensive income / (loss) for the period - net		123,660	(59,942)	45,003	(183,211)
Earnings per unit	11				

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**HBL INCOME FUND
CONDENSED INTERIM DISTRIBUTION
STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009**

	Half year ended December 31, 2009		Quarter ended December 31, 2008	
	----- (Rupees in '000) -----			
Undistributed income brought forward	61,669	136,392	51,371	124,641
Net income for the period	96,407	147,158	45,433	25,640
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed - amount representing (loss) / income that form part of unit holders' fund	(34,479)	22,146	(33,356)	20,395
Final distribution for the year ended June 30, 2009: Rs. 2.5 per unit (Date of Distribution: July 7, 2009) [(2008: Rs. 2.4 per unit) (Date of Distribution: July 5, 2008)				
- Cash distribution	(24,448)	(31,428)	-	-
- 379,961 bonus units (2008: 1,034,164 bonus units)	(35,701)	(103,592)	-	-
	(60,149)	(135,020)	-	-
First interim distribution for the year ending June 30, 2010				
- Cash distribution	(10,964)	(37,183)	(10,964)	(37,183)
- 534,214 bonus units (2008: 446,892 bonus units)	(51,290)	(45,114)	(51,290)	(45,114)
	(62,254)	(82,297)	(62,254)	(82,297)
Net income for the period less distribution	(60,475)	(48,013)	(50,177)	(36,262)
Undistributed income carried forward	1,194	88,379	1,194	88,379

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**HBL INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009**

Note	Half year ended December 31, 2009 2008		Quarter ended December 31, 2009 2008	
	------(Rupees in '000)-----			
Net assets at the beginning of the period	2,320,673	5,770,263	2,313,066	4,467,705
Issue of 14,868,471 units (2008 :11,231,802 units) and 6,843,695 units (2008: 6,388,990 units) for the half year and quarter respectively	1,439,820	1,148,010	782,812	574,491
Redemption of 23,202,857 units (2008 : 41,197,969 units) and 7,501,576 units (2008: 20,233,663 units) for the half year and quarter respectively	(2,259,913)	(4,195,504)	(1,536,563)	(2,220,056)
	(820,093)	(3,047,494)	(753,751)	(1,645,565)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed				
- amount representing accrued losses and capital losses - transferred to Comprehensive Statement of Income	12,834	67,608	9,431	50,750
- amount representing losses / (income) that form part of the statement of unit holders' fund - transferred to Distribution Statement	34,479	(22,146)	33,356	(20,395)
	47,313	45,462	42,787	30,355
Net unrealised appreciation / (diminution) during the period in market value of securities classified as available for sale	4.3.9	61,732	(229,246)	32,926
		(229,246)		(221,669)
Capital loss on sale of investments - net	(21,245)	(58)	(4,051)	(112)
Net unrealised appreciation / (diminution) in value of investments at fair value through profit or loss - net	4,691	(3,122)	86	36,262
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing (loss) / income that form part of unit holder's fund	(34,479)	22,146	(33,356)	20,395
Other net income for the period	112,961	150,338	49,398	(10,510)
	61,928	169,304	12,077	46,035
Final distribution for the year ended June 30, 2009: Rs. 2.50 per unit (2008: Rs. 2.40 per unit)				
Cash distribution	(24,448)	(31,428)	-	-
Bonus distribution : 379,961 bonus units (2008: 1,034,164 units)	(35,701)	(103,592)	-	-
	(60,149)	(135,020)	-	-
First interim distribution of Rs. 2.25 per unit (2009: Rs. 2.75 per unit)				
Cash distribution	(10,964)	(37,183)	(10,964)	(37,183)
Bonus distribution : 534,214 bonus units (2008: 446,892 units)	(51,290)	(45,114)	(51,290)	(45,114)
	(62,254)	(82,297)	(62,254)	(82,297)
Final distribution for the year ended June 30, 2009: 379,961 bonus units (2008: 1,034,164 bonus units)	35,701	103,592	-	-
First interim distribution of 534,214 bonus units (2009: 446,892 bonus units)	51,290	45,114	51,290	45,114
Net assets at the end of the period	<u>1,636,141</u>	<u>2,639,678</u>	<u>1,636,141</u>	<u>2,639,678</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**HBL INCOME FUND
CONDENSED INTERIM CASH FLOW
STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009**

	Half year ended December 31, 2009 2008		Quarter ended December 31, 2009 2008	
	------(Rupees in '000)-----			
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period	96,407	147,158	45,433	25,640
Adjustments for non-cash items:				
Unrealised (appreciation) / diminution in value of investments at fair value through profit or loss - net	(4,691)	3,122	(86)	3,122
Amortisation of preliminary expenses and floatation costs	114	114	57	58
Provision against non-performing Term Finance Certificates and Sukuk Bonds	16,182	-	10,182	-
Element of loss and capital losses included in prices of units issued less those in units redeemed - transferred to Comprehensive Statement of Income	12,834	67,608	9,431	50,750
	<u>120,846</u>	<u>218,002</u>	<u>65,017</u>	<u>79,570</u>
Decrease / (Increase) in assets				
Receivables against Continuous Funding System (CFS) transactions	-	1,111,540	-	540,563
Investments - net	344,132	(88,572)	638,837	(198,688)
Loans and receivables	-	1,458,375	-	497,503
Income receivable	8,141	19,757	(3,178)	17,027
Advances, deposits, prepayments and other receivables	27,451	124,649	4,150	135,730
	<u>379,724</u>	<u>2,625,749</u>	<u>639,809</u>	<u>992,135</u>
(Decrease) / Increase in liabilities				
Payable to HBL Asset Management Limited - Management Company	(515)	(3,937)	(86)	(2,098)
Payable to Central Depository Company of Pakistan Limited-Trustee	(31)	(260)	(3)	(138)
Payable to Securities and Exchange Commission of Pakistan	(2,016)	(4,479)	474	(5,749)
Accrued expenses and other liabilities	(40)	(4,234)	(218)	46,428
	<u>(2,602)</u>	<u>(12,910)</u>	<u>167</u>	<u>38,443</u>
Net cash generated from operating activities	<u>497,968</u>	<u>2,830,841</u>	<u>704,993</u>	<u>1,110,148</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Net payments against redemption of units	(819,618)	(3,002,691)	(752,975)	(1,645,565)
Distributions paid	(35,412)	(68,611)	(10,964)	(37,183)
Net cash outflow on financing activities	<u>(855,030)</u>	<u>(3,071,302)</u>	<u>(763,939)</u>	<u>(1,682,748)</u>
Net (decrease) in cash and cash equivalents	<u>(357,062)</u>	<u>(240,461)</u>	<u>(58,946)</u>	<u>(572,600)</u>
Cash and cash equivalents at beginning of the period	549,446	963,571	251,330	1,295,710
Cash and cash equivalents at the end of the period	<u>192,384</u>	<u>723,110</u>	<u>192,384</u>	<u>723,110</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**HBL INCOME FUND
CONDENSED INTERIM NOTES TO THE
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009**

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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 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 March 15, 2007 to March 17, 2007.

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

JCR-VIS Credit Rating Agency has assigned an asset manager rating of 'AM3' to the Management Company and fund stability rating of A(f) to the Fund.

2 STATEMENT OF COMPLIANCE

2.1 These condensed interim 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 provisions of 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 the 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 the 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. 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'.

2.2 These condensed interim financial statements are unaudited. However, limited scope review has been performed by the external auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance.

2.3 The directors of the asset management company declare that these condensed interim financial statements give a true and fair view of the Fund.

3 SIGNIFICANT ACCOUNTING POLICIES

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 annual published financial statements of the Fund for the year ended June 30, 2009 except for the changes mentioned below:

IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement (referred to as the statement of assets and liabilities in these condensed interim financial statements) as at the beginning comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and the comparative period.

The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present one performance statement. As a result the non-owner changes in equity which were previously credited directly in the statement of movement in unit holders' fund and the distribution statement are now shown as other comprehensive income in the performance statement (referred to as income statement in these condensed interim financial statements). The change in presentation has not affected the values of the net assets of the Fund for either the current or any of the prior periods and hence a restated statement of assets and liabilities has not been presented.

3.2 In addition, during the period the Fund has revised the methodology for recognition of element of income and capital gains included in the prices of units issued less those in units redeemed in the financial statements. As per the revised methodology element of income and capital gains included in the prices of units issued less those in units redeemed to the extent that it is represented by distributable income earned during the period is recognised in the income statement and the element of income and capital gains represented by distributable income carried forward from prior periods is included in the distribution statement. Previously, the Fund also used to recognise element of income and capital gains represented by unrealised appreciation in the value of available for sale securities in the distribution statement. The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) and the net income of the Fund. The effect of the change on the distributable income has been incorporated in the current period. Had the methodology not been changed, the distributable income as at December 31, 2009 would have been higher by Rs. 11.415 million.

3.3 The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2009:

IAS 39 (amendment), 'Financial instruments: Recognition and measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have a significant impact on the Fund's financial statements.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures, which would be detailed in the financial statements for the year ending June 30, 2010, but does not have an impact on the Fund's financial position or performance.

IAS 32 (amendment), 'Financial instruments: Presentation', and IAS 1 (amendment), 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'. The amended standards require entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. One of the particular features is that apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity. In this connection, Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 mandate the payment of 90% of the Fund's profits for the year as dividends, therefore the amendment has not change the classification of units.

3.4 There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2009 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

	Note	December 31, 2009 (Un-audited)	June 30, 2009 (Audited)
4 INVESTMENTS			
		(Rupees in '000)	
At fair value through profit or loss			
- Equity securities acquired under CFS MK II square up program (See Note 4.1)	4.2	1,728	11,301
Available for sale			
- Term Finance Certificates - Listed	4.3.1	652,065	712,785
- Term Finance Certificates and Sukuk bonds - Unlisted	4.3.2	504,733	580,117
- Government Securities	4.3.7	241,084	389,298
		<u>1,399,610</u>	<u>1,693,501</u>

4.1 In respect of the shares acquired under the Voluntary Continuous Funding System Mark - II Square Up Program, the SECP has granted extension in holding period for shares taken up under the program upto March 05, 2010 through its letter no. SCD/NBFC-II/DD/HBLIF/18/2009.

4.2 Investments at fair value through profit or loss

Equity securities acquired under CFS MK II square up program

Name of the Investee Company	-----Number of shares-----					Market Value as at December 31, 2009	Market Value as a percentage of		
	As at July 1, 2009	Purchases during the period	Bonus / rights issue	Sales during the period	As at December 31, 2009		Total Investment	Net Asset	Paid up capital of investee company

----Rupees in '000----

SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise

Investment Banks / Companies / Securities

Arif Habib Securities Limited	183,210	-	-	183,210	-	-	-	-	-
Jahangir Siddiqui & Company Limited	24,356	-	-	56	24,300	731	0.05%	0.04%	0.01%
JS Investments Limited	672	-	-	672	-	-	0.00%	-	-
	<u>208,238</u>	-	-	<u>183,938</u>	<u>24,300</u>	<u>731</u>	<u>0.05%</u>	<u>0.04%</u>	<u>0.01%</u>

Commercial Banks

Bank Alfalah Limited	142,222	-	-	74,891	67,331	927	0.07%	0.06%	0.01%
	<u>142,222</u>	-	-	<u>74,891</u>	<u>67,331</u>	<u>927</u>	<u>0.07%</u>	<u>0.06%</u>	<u>0.01%</u>

Insurance

Adamjee Insurance Company Limited	26,557	-	-	26,557	-	-	-	-	-
	<u>26,557</u>	-	-	<u>26,557</u>	-	-	-	-	-

Textile Spinning

D.S. Industries Limited	6,441	-	-	6,441	-	-	-	-	-
	<u>6,441</u>	-	-	<u>6,441</u>	-	-	-	-	-

Cement

Pioneer Cement Limited	1,754	-	-	1,754	-	-	-	-	-
	<u>1,754</u>	-	-	<u>1,754</u>	-	-	-	-	-

Technology and Communication

Netsol Technologies Limited	3,564	-	-	3,564	-	-	-	-	-
Pakistan Telecommunication Limited	100,084	-	-	100,084	-	-	-	-	-
	<u>103,648</u>	-	-	<u>103,648</u>	-	-	-	-	-

Miscellaneous

PACE (Pakistan) Limited	17,314	-	-	5,314	12,000	70	0.01%	0.00%	0.00%
	<u>17,314</u>	-	-	<u>5,314</u>	<u>12,000</u>	<u>70</u>	<u>0.01%</u>	<u>0.00%</u>	<u>0.00%</u>

Total

	<u>506,174</u>	-	-	<u>402,543</u>	<u>103,631</u>	<u>1,728</u>	<u>0.12%</u>	<u>0.11%</u>	<u>0.02%</u>
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Cost as at December 31, 2009

4.3 Available for sale investments

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

Name of the Investee Company	-----Number of certificates-----				Market Value as at December 31, 2009	Market Value as a percentage of		
	As at July 1, 2009	Purchases during the period	Sales during the period	As at December 31, 2009		Total investment	Net asset	Issue size

4.3.1 Term Finance Certificates - Listed

Leasing Companies

Orix Leasing Pakistan Limited	28,300	-	-	28,300	117,244	8.38%	7.17%	5.66%
Saudi Pak Leasing Company Limited	2,000	-	-	2,000	7,735	0.55%	0.47%	1.33%
	<u>30,300</u>	-	-	<u>30,300</u>	<u>124,979</u>	<u>8.93%</u>	<u>7.64%</u>	<u>5.66%</u>

Investment Banks / Companies / Securities

Jahangir Siddiqui & Company Limited	2,000	-	-	2,000	10,093	0.72%	0.62%	0.91%
	<u>2,000</u>	-	-	<u>2,000</u>	<u>10,093</u>	<u>0.72%</u>	<u>0.62%</u>	<u>0.91%</u>

Commercial Banks

Bank Alfalah Limited-II	4,000	-	-	4,000	19,519	1.39%	1.19%	1.60%
Bank Al Habib Limited	5,000	-	-	5,000	24,975	1.78%	1.53%	1.67%
Faysal Bank Limited	12,758	-	-	12,758	60,921	4.35%	3.72%	5.10%
NIB Bank Limited	33,000	-	-	33,000	151,342	10.81%	9.25%	4.13%
United Bank Limited	34,000	-	-	34,000	149,807	10.70%	9.16%	4.25%
	<u>88,758</u>	-	-	<u>88,758</u>	<u>406,564</u>	<u>29.05%</u>	<u>24.85%</u>	<u>16.74%</u>

Technology and Communication

World Call Telecom Limited	35,000	-	11,250	23,750	110,429	7.89%	6.75%	3.59%
	<u>35,000</u>	-	<u>11,250</u>	<u>23,750</u>	<u>110,429</u>	<u>7.89%</u>	<u>6.75%</u>	<u>3.59%</u>

	<u>156,058</u>	-	<u>11,250</u>	<u>144,808</u>	<u>652,065</u>	<u>46.59%</u>	<u>39.85%</u>	<u>26.91%</u>
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Cost as at December 31, 2009

701,745

Name of the Investee Company	-----Number of certificates-----				Market Value as at December 31, 2009	Market Value as a percentage of		
	As at July 1, 2009	Purchases during the period	Sales during the period	As at December 31, 2009		Total investment	Net asset	Issue size

4.3.2 Term Finance Certificates and Sukuk bonds - Unlisted

Sugar and Allied Industries								
Al-Abbas Sugar Mills Limited	7,000	-	-	7,000	26,880	1.92%	1.64%	4.67%
	7,000	-	-	7,000	26,880	1.92%	1.64%	4.67%
Technology and Communication								
Pakistan Mobile Communication Limited	42,000	-	4,000	38,000	177,558	12.69%	10.85%	5.43%
	42,000	-	4,000	38,000	177,558	12.69%	10.85%	5.43%
Investment Banks / Companies / Securities								
KASB Securities Limited	4,000	-	4,000	-	-	-	-	-
	4,000	-	4,000	-	-	-	-	-
Fertilizer								
Engro Chemicals Limited - Perpetual I	41,600	-	-	41,600	195,070	13.94%	11.92%	3.95%
Engro Chemicals Limited - Perpetual II	17,000	-	10,000	7,000	32,109	2.29%	1.96%	4.25%
Pak American Fertilizers Limited	2,000	-	-	2,000	9,800	0.70%	0.60%	0.67%
	60,600	-	10,000	50,600	236,979	16.93%	14.48%	8.87%
Cement								
Maple Leaf Cement Factory Limited -Sukuk - note 4.3.3	7,000	-	-	7,000	26,250	1.88%	1.60%	0.44%
	7,000	-	-	7,000	26,250	1.88%	1.60%	0.44%
Oil and Gas Marketing Companies								
Sui Southern Gas Company Limited- Sukuk	3,000	-	-	3,000	14,571	1.04%	0.89%	0.25%
	3,000	-	-	3,000	14,571	1.04%	0.89%	0.25%
Others								
New Allied Electronics Industries (Pvt) Limited - note 4.3.4	9,000	-	-	9,000	-	-	-	-
New Allied Electronics Industries (Pvt) Limited - Sukuk - note 4.3.4	9,000	-	-	9,000	-	-	-	-
Kashif Foundation - related party	6,000	-	-	6,000	12,608	0.90%	0.77%	4.17%
Eden Housing Limited - note 4.3.5	4,000	-	-	4,000	9,887	0.71%	0.60%	1.00%
	28,000	-	-	28,000	22,495	1.61%	1.37%	5.17%
	151,600	-	18,000	133,600	504,733	36.06%	30.85%	24.82%

Cost as at December 31, 2009

617,894

4.3.3 During the current period, Maple Leaf Cement Factory Limited has defaulted in payment of the fourth coupon of mark-up due on December 3, 2009. In accordance with the requirements of Circular No. 1 of 2009 and Circular No. 3 of 2010 issued by the Securities and Exchange Commission of Pakistan (SECP), no further mark-up is being accrued after December 4, 2009 and mark-up already accrued amounting to Rs 0.44 million has been reversed. The Management Company has also made a provision of 25% i.e. Rs 8.75 million in respect of the outstanding amount against this exposure.

4.3.4 This represents investment in privately placed Term Finance Certificates and Sukuk bonds of the investee company. The Fund had not received the principal and profit payments of Term Finance Certificates due on November 15, 2008 and May 15, 2009, respectively. However, a partial payment of Rs 20 million was received from the investee company on June 16, 2009. The Fund also had not received the profit payments of Sukuk bonds which were due on December 03, 2008 and June 03, 2009, respectively. There were no repayments of mark-up and principal during the period in respect of the said Term Finance Certificates and Sukuks. The exposure amounting to Rs. 66.557 million has been fully provided by the Fund.

4.3.5 During the period, the investee company first defaulted in payment of principal and mark-up due on June 30, 2009, which was later paid on July 21, 2009. Therefore, the security was classified as non-performing from July 15, 2009 (i.e. from 15th day from June 30, 2009) in accordance with Circular No.1 of 2009 issued by the SECP. Moreover, the next principal and markup payment due on December 31, 2009 was also not made. The Fund has made a total provision of Rs. 7,431,810 against this exposure. This includes 30% of the face value of the principal amount outstanding as at December 31, 2009, after excluding past due amount. The past due amount has been fully provided. In addition, it also includes an amount of Rs. 798,658 which has been additionally provided by the Fund in accordance with its comprehensive provisioning policy.

4.3.6 Significant terms and conditions of Term Finance Certificates outstanding as at December 31, 2009 are as follows.

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates - Listed				
Orix Leasing Pakistan Limited	4,163	1.50%+6 Month KIBOR	25-May-07	25-May-12
Jahangir Siddiqui & Company Limited	4,994	2.50%+6 Month KIBOR	21-Nov-06	21-May-12
Saudi Pak Leasing Company Limited	4,373	1.50%+6 Month KIBOR	13-Mar-08	13-Mar-13
Bank Alfalah Limited-II	4,990	1.50%+6 Month KIBOR	23-Nov-04	23-Nov-12
Bank Al Habib Limited	4,995	1.95%+6 Month KIBOR	7-Feb-07	7-Feb-15
Faysal Bank Limited	4,996	1.40%+6 Month KIBOR	12-Nov-07	12-Nov-14
NIB Bank Limited	4,997	1.15%+6 Month KIBOR	5-Mar-08	5-Mar-16
United Bank Limited	4,997	0.85%+6 Month KIBOR	14-Feb-08	14-Feb-18
World Call Telecom Limited	4,998	1.60%+6 Month KIBOR	7-Oct-08	7-Oct-13

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates - Unlisted and Sukuks				
Al-Abbas Sugar Mills Limited	3,998	1.75%+6 Month KIBOR	21-Nov-07	21-Nov-13
Pakistan Mobile Communication Limited	5,000	1.50%+6 Month KIBOR	1-Oct-07	1-Oct-10
Engro Chemicals Limited - Perpetual I	5,000	1.70%+6 Month KIBOR	18-Mar-08	18-Mar-18
Engro Chemicals Limited - Perpetual II	5,000	1.25%+6 Month KIBOR	18-Mar-08	18-Mar-18
Pak American Fertilizers Limited	4,996	1.75%+6 Month KIBOR	30-Nov-07	30-Nov-14
Maple Leaf Cement Factory Limited - Sukuk	5,000	1.70%+6 Month KIBOR	3-Dec-07	3-Dec-13
Sui Southern Gas Company Limited- Sukuk	5,000	0.20%+3 Month KIBOR	31-Dec-07	31-Dec-12
New Allied Electronics Industries (Pvt) Limited	5,000	2.20%+6 Month KIBOR	3-Dec-07	3-Dec-12
New Allied Electronics Industries (Pvt) Limited - Sukuk	2,361	2.50%+6 Month KIBOR	15-May-07	15-May-11
Kashf Foundation	2,144	2.45%+6 Month KIBOR	5-Nov-07	14-Jul-10
Eden Housing Limited	4,375	2.50%+6 Month KIBOR	31-Dec-07	31-Dec-12

4.3.7 Investment in Government Securities - Available for sale

Issue Date	Tenor	Face value				Market Value as at December 31, 2009	Market Value as a	
		As at July 1, 2009	Purchases during the period	Sales / Maturity during the period	As at December 31, 2009		total investment	net asset
-----Rupees in '000-----								
Treasury Bills								
February 26, 2009	6 months	-	250,000	250,000	-	-	-	-
March 26, 2009	6 months	-	225,000	225,000	-	-	-	-
April 09, 2009	6 months	-	300,000	300,000	-	-	-	-
April 23, 2009	1 Year	400,000	-	270,000	130,000	125,386	8.96%	7.66%
May 07, 2009	6 months	-	150,000	150,000	-	-	-	-
September 10, 2009	3 months	-	150,000	150,000	-	-	-	-
September 26, 2009	3 months	-	375,000	375,000	-	-	-	-
October 08, 2009	1 Year	-	300,000	200,000	100,000	91,533	6.54%	5.59%
October 22, 2009	3 months	-	350,000	350,000	-	-	-	-
		<u>400,000</u>	<u>2,100,000</u>	<u>2,270,000</u>	<u>230,000</u>	<u>216,919</u>	<u>15.50%</u>	<u>13.26%</u>
Pakistan Investment Bonds								
August 30, 2008	10 Years	25,000	-	-	25,000	24,165	1.73%	1.48%
		<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>24,165</u>	<u>1.73%</u>	<u>1.48%</u>
Grand total		<u>425,000</u>	<u>2,100,000</u>	<u>2,270,000</u>	<u>255,000</u>	<u>241,084</u>	<u>17.23%</u>	<u>14.73%</u>
Cost as at December 31, 2009						<u>240,724</u>		
						December 31, 2009		June 30, 2009
						(Unaudited)		(Audited)
						(Rupees in '000)		

4.3.8 Net unrealised appreciation / (diminution) in value of investments 'at fair value through profit or loss'

Market value of investments	1,728	11,301
Less: Cost of investments	<u>(2,580)</u>	<u>(16,844)</u>
	(852)	(5,543)
Less: Net unrealised diminution / (appreciation) in the fair value of investments at fair value through profit or loss at the beginning of the period	<u>(5,543)</u>	<u>-</u>
	<u><u>4,691</u></u>	<u><u>(5,543)</u></u>

4.3.9 Net unrealised appreciation / (diminution) in fair value of investments classified as 'available for sale'

Market value of investments	1,397,882	1,682,200
Less: Cost of Investments	<u>(1,560,363)</u>	<u>(1,890,232)</u>
	(162,481)	(208,032)
Less: Provision against non-performing TFC's	<u>(82,738)</u>	<u>(66,557)</u>
	(79,743)	(141,475)
Less: Net unrealised (diminution) / appreciation in fair value of investments at the beginning of period	<u>(141,475)</u>	<u>8,047</u>
	<u><u>61,732</u></u>	<u><u>(149,522)</u></u>

	December 31, 2009 (Un-audited)	June 30, 2009 (Audited)
	(Rupees in '000)	
5 INCOME RECEIVABLE		
Profit receivable on savings accounts and term deposits	4,223	5,041
Income accrued on Term Finance Certificates (TFCs)	42,237	49,600
Income accrued on Government Securities	1,019	1,003
Dividend receivable	24	-
	<u>47,503</u>	<u>55,644</u>
6 ADVANCE, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited	100	100
Receivable against maturity of TFCs	-	4,800
Receivable against sales of securities	-	22,741
Prepaid fee	90	-
Other	1	1
	<u>2,691</u>	<u>30,142</u>
7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Management fee	2,696	3,211
Preliminary expenses and floatation costs	1,135	1,135
Security deposit paid by the Management Company on behalf of the Fund	100	100
Annual listing fee paid by the Management Company on behalf of the Fund	30	30
	<u>3,961</u>	<u>4,476</u>
8 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	292	350
Brokerage payable	52	40
Payable to unit holders against redemption of units	1,013	538
Other payables	36	31
	<u>1,393</u>	<u>959</u>
9 TAXATION		

No provision for taxation has been made as the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund intends to distribute at least 90 percent of such accounting income relating to the year ending June 30, 2010 to its unit holders. Accordingly, no tax liability has been recorded in the current 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.

10 CONTINGENCIES AND COMMITMENTS

Through Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. Management, based on a legal advice, is of a firm view that Collective Investment Schemes are paper entities and are not establishments, accordingly the WWF Ordinance is not applicable and therefore no provision is required in the financial statements. However, in a remotely probable event, if the Collective Investment Schemes are considered as industrial establishments, the impact on the NAV per unit will be Rs. (0.41) as of December 31, 2009.

Mutual Funds Association of Pakistan (MUFAP), of which the Management Company is a member, has filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the Collective Investment Schemes are not establishments and as a result are not liable to pay contribution to the WWF. The legal proceedings in respect of the aforementioned petition are currently in progress.

11 EARNINGS PER UNIT

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

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

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

12.1 Transactions during the period	December 31, 2009 (Un-audited)	December 31, 2008 (Un-audited)
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee	18,671	30,548
Issue of nil units (2008: 1,469,921)	-	150,000
Issue of 39,986 bonus units (2008: 19,869)	3,796	2,006
Redemption of units (2008: 740,562 units)	-	76,152
Habib Bank Limited - Sponsor		
Issue of nil units (2008: 3,857,281 units)	-	400,000
Issue of 365,229 bonus units (2008: 247,104 units)	34,672	24,894
Bank charges paid	77	16
Placement in Term Deposits Receipts	630,000	950,000
Maturity of Term Deposits Receipts	800,000	-
Profit on bank deposits and term deposits earned	11,213	9,720
Profit received on bank deposits and term deposits	5,267	5,709
CDC - Trustee HBL Multi Asset Fund		
Sales of Term Finance Certificates	-	34,998
CDC - Trustee HBL Stock Fund		
Sales of Term Finance Certificates	-	75,000
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Issue of 287,925 units (2008: 147,944 units)	28,000	15,017
Issue of 18,908 bonus units (2008: 7,897 units)	1,802	790
Redemption of units (December 31, 2008: 458,760 units)	-	47,348
Executive and their relatives		
Issue of nil bonus units (December 31, 2008: 8)	-	1
Redemption of nil units (December 31, 2008: 337 units)	-	35
Associated companies		
Issue of nil units (December 31, 2008: Nil)	-	-
Issue of nil bonus units (December 31, 2008: 105,375)	-	10,600
Redemption of nil units (December 31, 2008: Nil)	-	-
Investment in Term Deposit Receipts	-	-
Profit received on Term Deposit Receipts	-	-
Maturity of investment in Certificates of Investment	-	100,000
Profit received on Certificates of Investment and TFCs	-	7,477
Profit earned on Certificates of Investment and TFCs	1,180	4,442
Central Depository Company of Pakistan Ltd. - Trustee		
Remuneration	1,749	2,540
Issue of nil units (December 31, 2008: Nil)	-	-
Redemption of nil units (December 31, 2008: 824,449)	-	82,988
Issue of nil bonus units (December 31, 2008: 27,001)	-	2,711
Central Depository System Charges	4	97
		19

	December 31, 2009 (Un-audited) (Rupees in '000)	June 30, 2009 (Audited) (Rupees in '000)
12.2 Amount outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Investment held by the management company in the Fund (829,198 units; June 30, 2009: 789,212)	81,535	76,127
Management fee payable	2,696	3,211
Preliminary expenses and floatation cost payable	1,135	1,135
Annual listing fee paid by management company on behalf of the Fund - payable	30	30
Security deposit paid by management company on behalf of the Fund - payable	100	100
Habib Bank Limited - Sponsor		
Investment held in the Fund (7,573,847 units ; June 30, 2009: 7,208,618 units)	744,736	695,343
Term Deposit Receipts balance	180,000	350,000
Profit receivable on bank deposits including Term Deposit Receipts	4,195	286
Balance in savings account	11,224	10,247
Balance in current account	17	17
CDC-Trustee HBL Multi Asset Fund		
Receivable against sale of securities	-	22,281
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Investment held in the Fund (550,198 units ; June 30, 2009: 243,364 units)	54,101	23,475
Associated companies		
Kashf Foundation		
Investment in Term Finance Certificates	12,608	20,360
Profit receivable on TFCs	404	682
Central Depository Company of Pakistan Ltd. - Trustee		
Remuneration payable	265	296
Central Depository System Charges payable	7	8

13 GENERAL AND CORRESPONDING FIGURES

- There were no significant reclassifications of corresponding figures.
- Figures have been rounded off to the nearest thousand rupees.

14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on February 24, 2010

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

Chief Executive

Director

DISTRIBUTION NETWORK

1. Branches of Habib Bank Limited

Sindh Karachi

Habib bank Limited
Bahadurabad Branch,
Mariam Complex, Bahadurabad, Karachi.
Phone: 021-4940585-6
Fax: 021-4940584

Habib bank Limited
Iqbal Library Branch
Gigar Muradabadi Road, Near Islamia College,
Karachi.
Phone: 021-4922310, 021-4913311
Fax: 021-4914411

Habib bank Limited
Tariq Road Commercial Center Branch,
172-u, Block-2, Karachi.
Phone: 021-4534748, 021-4534681
Fax: 021-4522627

Habib bank Limited
Shahra-e-Pakistan Branch,
F.B Area Karachi.
Phone: 021-6331445, 021-6317073
Fax: 021-6317086

Habib bank Limited
Corporate Branch,
2nd Floor, HBL Plaza, I.I. Chundrigar Road, Karachi.
Phone: 021-2418000
Fax: 021-2413839

Habib bank Limited
Kehkashan Branch,
F-101/5, Block-7, Kehkashan Clifton, Karachi.
Phone: 021-5875935-40
Fax: 021-5875914

Habib bank Limited
Foreign Exchange Branch,
M.A. Jinnah Road, Habib Square, Karachi.
Phone: 021-9213996-97
Fax: 021-9213436

Habib bank Limited
Clifton Broadway Branch,
Broadway House, Karachi.
Phone: 021-5301074-76
Fax: 021-5873310

Habib bank Limited
Nursery Branch,
Main Shahra-e-Faisal, Jamshed Town, Karachi.
Phone: 021-4381304, 021-4524661
Fax: 021-4538482

Habib bank Limited
Khayaban-e-Saadi Branch,
Block-2, Clifton, Karachi.
Phone: 021-5810045-46
Fax: 021-5810047

Habib bank Limited
Shahra-e-Jahangir Branch,
Block L, North Nazimabad, Karachi.
Phone: 021-6648034-6629671
Fax: 021-6642090

Jacobabad

Habib Bank Limited
Quid-e Azam Road,
Jacobabad.
Phone: 0722-653977,0722-650933

Punjab Lahore

Habib bank Limited
Allama Iqbal Town Branch
Dubai Chowk, Lahore.
Phone: 042-7840560, 042-7841464
Fax: 042-7446584

Habib Bank Limited
Bank Square, Model Town Branch,
Lahore.
Phone: 042-5915574-75, 042-5844842
Fax: 042-5915573

Habib Bank Limited
The Mall Road Branch, 5, Bank square,
Nila Gumbad, Lahore.
042-7232422-27-35-51-37-46
Fax: 042-7232537-479

Habib Bank Limited
Cantonment Branch
322-H. Sarwar Road, Cantt Lahore.
Phone: 042-6622620-6
Fax: 042-6622625

Habib Bank Limited
Gulberg Main Market Branch,
Lahore.
Phone: 042-5757575, 042-5755602,
Fax: 042-5760636

Habib Bank Limited
Lahore Development Authority Branch
7-Egertan Road, Data Gunj Bukhsh
Town, Lahore.
Phone: 042-6375299/6375974-76-78
Fax: 042-6302032

Habib Bank Limited
19-Ali Block New Garden Town Branch, Lahore
Phone: 042-5912481-85
Fax: 042-5912486

Habib Bank Limited
Corporate Branch
Habib Bank Corporate Centre, 102,103 Upper Mall,
Lahore.
Phone: 042-6281655, 042-6281820, 042-6281665
Fax: 042-6281661

Gujranwala

Habib Bank Limited
Satellite Town Branch
Main Market, Satellite Town, Gujranwala.
Phone: 055-9200590-1
Fax: 055-9200590

Faisalabad

Habib Bank Limited
Madina Town Branch
Madina Town, Faisalabad.
Phone: 041-9220122, 041-9220124
Fax: 041-9220123

Habib Bank Limited
West Canal Road, Faisalabad.
Phone: 041-8532077
Fax: 041-8531985

Habib Bank Limited
HBL Corporate Centre
1152 Circular Road, Faisalabad.
Phone: 041-9200038
Fax: 041-9201041

Rawalpindi

Habib Bank Limited
Kashmir Road Branch
Kashmir Road Saddar, Cantt, Rawalpindi.
Phone: 051-5700107, 051-5582905
Fax: 051-5567928

Islamabad

Habib Bank Limited
Jinnah Avenue Branch, Islamabad
Phone: 051-2201761, 051-2201228
Fax: 051-2822290

Habib Bank Limited
Corporate Branch
Ground Floor, HBL Tower, Blue Area,
Islamabad
Phone: 051-2820683
Fax: 051-2822206

NWFP Peshawar

Habib Bank Limited
Arbab Road Branch
Peshawar Cantt. Peshawar.
Phone: 091-5272167, 091-9211161
Fax: 091-5278869

Balochistan Quetta

Habib Bank Limited
Complex Branch
Shahrah-e-Gulistan, Quetta.
Phone: 081-22836575, 081-2829379
Fax: 081-2825791

2. Other Distributors

Al Habib Capital Market (Pvt.) Limited.
GF-01, Techno City,
Hasrat Mohani Road, Karachi.
Phone: 021-22770808-13
Fax: 021-2270519

Alfalah Securities (Pvt.) Limited
12th Floor, Saima Trade Tower,
I.I Chundrigar Road, Karachi.
Phone: 021-9217810-19
Fax: 021-9217827

Allied Bank Limited
Khayaban-e-Iqbal, Main Clifton Road,
Bath Island, Karachi.
Phone: 021-5834941
Fax: 021-5835083

ANZ Financial Consultant
F-26/2, Block-5, Kehkashan,
Clifton, Karachi.
Phone: 021-5379511
Fax: 021-5874348

Atlas Capital Market (Pvt.) Limited
B-209, 2nd Floor, Park Towers,
Abdullah Shah Ghazi Road,
Clifton, Karachi.
Phone: 021-5875760-06
Fax: 021-5376122

BMA Capital Management Limited.
8th Floor, Unitower,
I.I Chundrigar Road, Karachi.
Phone: 021-111-262-111
Fax: 021-2464695

Elixir Securities Pakistan (Pvt.) Limited
First Floor, P & O Plaza,
I.I Chundrigar Road, Karachi.
Phone: 021-111-354-947
Fax: 021-2420527- 2418925

Foundation Securities (Pvt.) Limited.

Ground Floor, Bahria Complex II,
M.T.Khan Road, Karachi.
Phone: 021-5612290-94
Fax: 021-5612262

IGI Investment Bank Limited

Floor-7, The Forum, Suit 701-713, G-20,
Block, Khayaban-e-Jami, Karachi.
Phone: 021-111-234-234
Fax: 021-111-567-567

Invest Capital & Securities (Pvt.) Limited.

806-808, Progressive Plaza,
Beaumont Road, Karachi
Phone: 021-5215226-8
Fax: 021-5215200

Invisor Securities (Pvt.) Limited.

Ground Floor, Bahria Complex II,
M.T.Khan Road, Karachi.
Phone: 021-5635000
Fax: 021-5611529

JS Global Capital Limited

6th Floor, Faysal House,
Shahra-e-Faisal, Karachi, Pakistan.
Phone: 021-2799580
Fax: 021-2800165

Pak Iran Joint Investment Company Limited

507-508, 5th Floor, Progressive Plaza,
Beaumont Road, Civil Lines, Karachi.
Phone: 021-5638581, 85
Fax: 021-5638589

Premier Insurance Limited

5th Floor, State Life Building No 2A,
Wallace Road, Karachi.
Phone: 021-2416331-4

Pyramid Financial Consultant

518, Progressive Plaza, Beaumont Road,
Karachi, Pakistan.
Phone: 021-5638266-67, 021-5638264
Fax: 021-5638265

Reliance Financial Products (Pvt.) Limited

215, Clifton Centre, Block-5, Clifton, Karachi.
Phone: 021-5860242
Fax: 021-5837775

Siza Commodities Pvt.) Limited

Lakson Square Building No. 2,
Sarwar Shaheed Road, Karachi.
Phone: 021-5698000
Fax: 021-5683410

Soneri Bank Limited

5th Floor, Al-Rahim Tower,
I.I Chundrigar Road, Karachi.
Phone: 021-2439562-67
Fax: 021-2439561

The First National Equities Limited

19-C, Sunset Lane- 6, South Park Avenue
Ext. 11, D.H.A Karachi.
Phone: 021-5395902-08
Fax: 021-5395925

Yam & Company

Office No.11, Quality Arcade,
Mezzanine Floor, BC-7,
Block-7, Clifton, Karachi.
Phone: 021-5876823-4
Fax: 021-5879146