

## **TABLE OF CONTENTS**

Corporate Information	3
Report of the Directors of the Management Company	4
Statement of Assets & Liabilities	6
Income Statement	7
Distribution Statement	8
Statement of Movement in Units Holders' Funds	9
Cash Flow Statement	10
Notes to the Financial Statement	11
Distribution Network	18

## 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. Towfiq Habib Chinoy	(Non-Executive Director)
	Ms. Sadia Khan	(Independent Non-Executive Director)
	Mr. Abid Sattar	(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 Building 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 Limited (CDC)  
CDC House, 99- B, Block "B", S.M.C.H.S, Main Shahra-e-Faisal, Karachi

### Legal Advisors

Mandviwalla & Zafar, Advocates and Legal Consultants,  
Mandviwalla Chambers, C-15, Block 2, Clifton, Karachi.

### Bankers

Habib Bank Limited  
Bank Al-Habib Limited  
MCB Bank Limited  
JS Bank Limited  
The Bank of Punjab  
Standard Chartered Bank (Pakistan) 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.

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

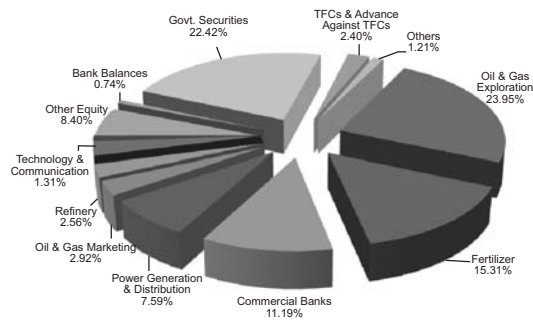
The Board of Directors of HBL Asset Management Limited is pleased to present its report together with first Quarterly Report of **HBL Stock Fund** (the Fund) for the quarter ended September 30, 2009.

### Fund's Performance

During the period under review the total and net income of the Fund was Rs 108.184 million and Rs 93.984 million respectively. The Net Asset Value (NAV) of the Fund increased from Rs 76.18 per unit at July 1, 2009 to Rs 92.70 per unit as on September 30, 2009, showing an increase of 21.69%. During the same period the bench mark KSE 100 index increased by 30.55%.

### Asset Allocation

The asset allocation of the Fund in various sectors and asset classes as on September 30, 2009 was as under:



### Market Review and Future Outlook

The market remained bullish during the period July – September 2009. The KSE – 100 Index increased from 7,162 points as on June 30, 2009 to 9,350 points as on September 30, 2009, depicting an increase of 30.55%. The increase in stock market can be attributed to several factors such as decline in discount rate with expectation of further reduction in future, release of third tranche along with approval of additional loan by IMF, upgrading of Pakistan's sovereign rating by Standard and Poor's (S&P) to B-minus from CCC+ and substantial inflow of fund by foreign portfolio managers.

### 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: October 13, 2009  
Place: Karachi

**HBL STOCK FUND  
CONDENSED INTERIM STATEMENT OF  
ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2009**

	Note	September 30, 2009 (Un-audited)	June 30, 2009 (Audited)
Rupees in '000			
<b>Assets</b>			
Bank balances		12,699	269,995
Investments	4	1,659,546	1,113,644
Dividend and profit receivable	5	12,385	19,872
Preliminary expenses and floatation costs		662	719
Advances, deposits, prepayments and other receivables	6	32,610	13,664
<b>Total assets</b>		<u>1,717,902</u>	<u>1,417,894</u>
<b>Liabilities</b>			
Payable to HBL Asset Management Limited - Management Company	7	7,253	6,565
Payable to Central Depository Company of Pakistan Limited - Trustee		220	197
Payable to Securities and Exchange Commission of Pakistan		374	1,358
Accrued expenses and other liabilities	8	11,322	263
<b>Total liabilities</b>		<u>19,169</u>	<u>8,383</u>
<b>Net assets</b>		<u><u>1,698,733</u></u>	<u><u>1,409,511</u></u>
<b>Unit holders' fund (as per statement attached)</b>		<u><u>1,698,733</u></u>	<u><u>1,409,511</u></u>
<b>Number of units</b>			
<b>Number of units in issue</b>		<u><u>18,324,801</u></u>	<u><u>18,502,424</u></u>
<b>Rupees                      Rupees</b>			
<b>Net asset value per unit</b>		<u><u>92.70</u></u>	<u><u>76.18</u></u>

The annexed notes 1 to 12 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Executive

Director

**HBL STOCK FUND  
CONDENSED INTERIM INCOME  
STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	Note	September 30, 2009	September 30, 2008
		Rupees in '000	
<b>Income</b>			
Dividend income		17,996	12,113
Income from Continuous Funding System (CFS) transactions		-	2,773
Profit on bank deposits		4,904	9,357
Income from Term Finance Certificates		3,129	8,871
Income from reverse repurchase and other money market transactions		-	42
Income from Government Securities		4,742	933
Capital gain / (loss) on sale of investments - net		59,474	(30,808)
		90,245	3,281
Unrealised appreciation in value of investments at fair value through profit or loss - net		19,293	2,631
Provision in respect of advance against subscription towards issue of Term Finance Certificates		(1,354)	-
		<u>108,184</u>	<u>5,912</u>
<b>Expenses</b>			
Remuneration of HBL Asset Management Limited - Management Company		11,796	11,932
Remuneration of Central Depository Company of Pakistan Limited - Trustee		645	650
Annual fee - Securities and Exchange Commission of Pakistan		374	398
Securities transaction cost		530	327
Auditors' remuneration		88	50
Settlement and bank charges		34	20
Amortisation of preliminary expenses and floatation costs		57	57
Other expenses		44	41
		13,568	13,475
<b>Net income / (loss) from operating activities</b>		<u>94,616</u>	<u>(7,563)</u>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		(632)	91
<b>Net income / (loss) for the period</b>		<u><u>93,984</u></u>	<u><u>(7,472)</u></u>
<b>Earnings Per Unit</b>	9		

The annexed notes 1 to 12 form an integral part of these financial statements.

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

**Chief Executive**

**Director**

**HBL STOCK FUND  
CONDENSED INTERIM DISTRIBUTION  
STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30, 2009	September 30, 2008
	Rupees in '000	
Undistributed (loss) / income brought forward	(529,438)	106,285
Net income / (loss) for the period	93,984	(7,472)
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	(1,496)	3,970
Final distribution for the period ended June 30, 2008 : Rs. 5.85 per unit	-	(105,395)
	92,488	(108,897)
Accumulated loss carried forward	(436,950)	(2,612)

The annexed notes 1 to 12 form an integral part of these financial statements.

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

**Chief Executive**

**Director**

**HBL STOCK FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT  
UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30, 2009	September 30, 2008
	Rupees in '000	
Net assets at the beginning of the period	1,409,511	1,775,166
Issue of 25,912 units (2008 : 158,449 units)	2,403	13,555
Redemption of 203,535 units (2008 : 490,704 units)	(18,061)	(40,288)
	(15,658)	(26,733)
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	632	(91)
- amount representing (income) / losses that form part of the Unit holder's fund - transferred to Distribution Statement	1,496	(3,970)
	2,128	(4,061)
Issue of 1,095,238 bonus units for the period ended June 30, 2008	-	101,507
Net unrealised appreciation / (diminution) during the period in market value of securities classified as available for sale	210,264	(261,779)
Distributable income for the period less distribution - net	92,488	(108,897)
Net assets as at the end of the period	1,698,733	1,475,203

The annexed notes 1 to 12 form an integral part of these financial statements.

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

**Chief Executive**

**Director**

**HBL STOCK FUND  
CONDENSED INTERIM CASH FLOW  
STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30, 2009	September 30, 2008
	Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period	93,984	(7,472)
<b>Adjustments for non-cash and other items:</b>		
Amortisation of preliminary expenses and floatation costs	57	57
Unrealised appreciation in value of investments at fair value through profit or loss - net	(19,293)	(2,631)
Element of accrued (income) / losses and capital (gains) / losses included in prices of units issued less those in units redeemed	632	(91)
Provision in respect of advance against subscription towards issue of Term Finance Certificates	1,354	-
	<u>76,734</u>	<u>(10,137)</u>
<b>(Increase)/ Decrease in assets</b>		
Receivable against Contious Funding System (CFS) transactions	-	145,760
Investments - net	(317,699)	(116,056)
Loans and receivables	-	(100,000)
Dividend and profit receivable	7,487	(4,186)
Advances, deposits and prepayments	(18,946)	(991)
	<u>(329,158)</u>	<u>(75,473)</u>
<b>Increase/ (Decrease) in liabilities</b>		
Accrued expenses and other liabilities	11,059	(10,360)
Payable to HBL Asset Management Limited - Management Company	688	(713)
Payable to Central Depository Company of Pakistan Limited - Trustee	23	(24)
Payable to Securities and Exchange Commission of Pakistan	(984)	398
	<u>10,786</u>	<u>(10,699)</u>
<b>Net cash used in operating activities</b>	<u>(241,638)</u>	<u>(96,309)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net payment against redemption of units	(15,658)	(26,733)
Distribution Paid	-	(3,888)
<b>Net cash outflow on financing activities</b>	<u>(15,658)</u>	<u>(30,621)</u>
<b>Net (decrease) in cash and cash equivalents during the period</b>	<u>(257,296)</u>	<u>(126,930)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	269,995	311,323
<b>Cash and cash equivalents at the end of the period</b>	<u><u>12,699</u></u>	<u><u>184,393</u></u>

The annexed notes 1 to 12 form an integral part of these financial statements.

For HBL Asset Management Limited  
(Management Company)

Chief Executive

Director

**HBL STOCK FUND  
NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

HBL - Stock Fund (the Fund) was established under a trust deed, dated August 06, 2007, 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 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 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 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 Fund Performance Ranking at MFR 5-Star to the Fund.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the requirements of the Non Banking Finance Companies Rules (NBFC Rules) and Non Banking Finance Companies Regulations, 2008 (NBFC Regulations), the requirements of the Companies Ordinance, 1984, directives issued by the SECP and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the NBFC Rules and NBFC Regulations, the Companies Ordinance, 1984 or directives issued by the SECP differ with the requirements of these standards, the requirements of the NBFC Rules and NBFC Regulations, the Companies Ordinance, 1984 and the said directives take precedence. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard (IAS) 34: 'Interim Financial Reporting'.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these interim financial statements are the same as those applied in the preparation of the published financial statement of the Fund for year ended June 30, 2009.

	<b>Note</b>	<b>September 30, 2009 (Un-audited)</b>	<b>June 30, 2009 (Audited)</b>
		<b>(Rupees in '000)</b>	
<b>4 INVESTMENTS</b>			
<b>At fair value through profit and loss</b>			
- Equity securities	4.1	147,321	70,428
<b>Available for sale</b>			
- Equity securities	4.2	1,089,325	865,293
- Term Finance Certificates and Sukuk bonds - unlisted	4.3	36,538	177,923
- Government Securities	4.4	386,362	-
		1,659,546	1,113,644

#### 4.1 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, 2009	Market Value as a percentage of		
	As at July 01, 2009	Purchases during the period	Bonus/ Rights issue	Sales during the period	As at September 30, 2009		total investment	net assets	issued capital of investee company
(Rupees in '000)									
<b>Investment Banks / Companies / Securities</b>									
Arif Habib Securities Limited	131,050	63,000	-	181,350	12,700	546	0.03%	0.03%	0.01%
Jahangir Siddiqui & Company Limited	217,500	121,800	-	20,000	319,300	12,235	0.74%	0.72%	0.16%
	348,550	184,800	-	201,350	332,000	12,781	0.77%	0.75%	0.17%
<b>Commercial Banks</b>									
Arif Habib Bank Limited	-	25,000	-	-	25,000	180	0.01%	0.01%	0.00%
Bank Al-Falah Limited	2,343	-	-	2,343	-	-	-	-	-
MCB Bank Limited	25,800	112,410	-	113,500	24,710	5,463	0.33%	0.32%	0.08%
National Bank of Pakistan	-	10,000	-	10,000	-	-	-	-	-
NIB Bank Limited	97,000	-	-	97,000	-	-	-	-	-
Samba Bank Limited	4,000	-	-	4,000	-	-	-	-	-
United Bank Limited	-	69,100	-	69,100	-	-	-	-	-
	129,143	216,510	-	295,943	49,710	5,643	0.34%	0.33%	0.08%
<b>Insurance</b>									
Adamjee Insurance Company Limited	14,000	73,072	-	62,410	24,662	2,722	0.16%	0.16%	0.24%
New Jubilee Life Insurance Company Limited	5,000	-	-	-	5,000	217	0.01%	0.01%	0.03%
	19,000	73,072	-	62,410	29,662	2,939	0.18%	0.17%	0.28%
<b>Cement</b>									
D. G. Khan Cement Company Limited	-	10,000	-	10,000	-	-	-	-	-
Lucky Cement Limited	-	75,000	-	60,000	15,000	1,124	0.07%	0.07%	0.03%
	-	85,000	-	70,000	15,000	1,124	0.07%	0.07%	0.03%
<b>Refinery</b>									
Attock Refinery Limited	43,400	110,900	-	84,500	69,800	11,230	0.68%	0.66%	1.32%
National Refinery Limited	10,100	91,045	-	9,300	91,845	21,127	1.27%	1.24%	2.64%
Pakistan Refinery Limited	23,500	5,000	-	23,500	5,000	585	0.04%	0.03%	0.17%
	77,000	206,945	-	117,300	166,645	32,942	1.99%	1.94%	4.13%
<b>Power Generation &amp; Distribution</b>									
Hub Power Company Limited	-	40,000	-	-	40,000	1,256	0.08%	0.07%	0.01%
Kot Addu Power Company Limited	14,100	23,128	-	20,000	17,228	922	0.06%	0.05%	0.01%
	14,100	63,128	-	20,000	57,228	2,178	0.13%	0.13%	0.02%
<b>Oil and Gas Marketing Companies</b>									
Pakistan State Oil Company Limited	69,900	159,400	-	169,300	60,000	18,787	1.13%	1.11%	1.10%
Shell Pakistan Limited	-	298	-	298	-	-	-	-	-
	69,900	159,698	-	169,598	60,000	18,787	1.13%	1.11%	1.10%
<b>Oil and Gas Exploration Companies</b>									
Oil and Gas Development Company Limited	-	65,000	-	-	65,000	6,980	0.42%	0.41%	0.02%
Pakistan Oilfields Limited	12,800	87,000	-	47,800	52,000	10,848	0.65%	0.64%	0.46%
Pakistan Petroleum Limited	-	35,200	1,640	34,000	2,840	537	0.03%	0.03%	0.01%
	12,800	187,200	1,640	81,800	119,840	18,365	1.11%	1.08%	0.48%
<b>Technology &amp; Communications</b>									
Pakistan Telecommunication Company Limited	-	50,000	-	-	50,000	1,000	0.06%	0.06%	0.00%
	-	50,000	-	-	50,000	1,000	0.06%	0.06%	0.00%
<b>Fertilizers</b>									
Engro Chemical Pakistan Limited	197,500	177,136	-	113,000	261,636	47,319	2.85%	2.79%	1.59%
Fauji Fertilizer Company Limited	2,170	35,000	-	28,370	8,800	904	0.05%	0.05%	0.01%
	199,670	212,136	-	141,370	270,436	48,223	2.91%	2.84%	1.60%
<b>Chemicals</b>									
Engro Polymer Pakistan Limited	167,000	-	-	10,000	157,000	3,339	0.20%	0.20%	0.06%
Pakistan PTA Limited	-	25,000	-	25,000	-	-	-	-	-
ICI Pakistan Limited	-	55,032	-	55,032	-	-	-	-	-
	167,000	80,032	-	90,032	157,000	3,339	0.20%	0.20%	0.06%
	<b>1,037,163</b>	<b>1,518,521</b>	<b>1,640</b>	<b>1,249,803</b>	<b>1,307,521</b>	<b>147,321</b>	<b>8.88%</b>	<b>8.67%</b>	<b>7.96%</b>

Cost of investment at September 30, 2009

128,543

## 4.2 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, 2009	Market Value as a percentage of		
	As at July 01, 2009	Purchases during the period	Bonus/ Rights issue	Sales during the period	As at September 30, 2009		total investment	net assets	issued capital of investee company
(Rupees in '000)									
<b>Investment Banks/Companies/Securities</b>									
Anif Habib Securities Limited	5,000	-	-	-	5,000	215	0.01%	0.01%	0.01%
	5,000	-	-	-	5,000	215	0.01%	0.01%	0.01%
<b>Commercial Banks</b>									
Allied Bank Limited	57,986	-	-	-	57,986	2,732	0.16%	0.16%	0.04%
Askari Commercial Bank Limited	-	125,000	-	-	125,000	2,781	0.17%	0.16%	0.05%
Atlas Bank Limited	18,000	-	-	18,000	-	-	-	-	-
Bank Al-Falah Limited	169,818	37,418	-	207,236	-	-	-	-	-
Bank Al-Habib Limited	143,676	88,476	-	-	232,152	7,255	0.44%	0.43%	0.12%
Habib Bank Limited	918,124	-	-	28,100	890,024	109,197	6.58%	6.43%	1.20%
MCB Bank Limited	12,100	38,500	-	-	50,600	11,187	0.67%	0.66%	0.16%
Meezan Bank Limited	163,842	-	-	-	163,842	2,302	0.14%	0.14%	0.03%
National Bank of Pakistan	169,096	238,407	-	256,000	151,503	12,645	0.76%	0.74%	0.12%
Habib Metropolitan Bank Limited	69,800	15,000	-	-	84,800	2,622	0.16%	0.15%	0.03%
Samba Bank Limited	104,500	120,000	-	-	224,500	831	0.05%	0.05%	0.01%
Standard Chartered Bank (Pakistan) Limited	38,600	-	-	-	38,600	378	0.02%	0.02%	0.00%
United Bank Limited	893,425	119,200	-	404,958	607,667	36,290	2.19%	2.14%	0.33%
	2,758,967	782,001	-	914,294	2,626,674	188,220	11.34%	11.08%	2.10%
<b>Insurance</b>									
Adajmee Insurance Company Limited	20,000	-	-	-	20,000	2,207	0.13%	0.13%	0.20%
New Jubilee Life Insurance Company Limited	122,500	-	-	-	122,500	5,313	0.32%	0.31%	0.85%
	142,500	-	-	-	142,500	7,520	0.45%	0.44%	1.04%
<b>Textile Composite</b>									
Nishat Mills Limited	155,900	165,000	-	80,600	240,300	15,982	0.96%	0.94%	0.66%
	155,900	165,000	-	80,600	240,300	15,982	0.96%	0.94%	0.66%
<b>Cement</b>									
Attock Cement Pakistan Limited	21,200	9,120	-	-	30,320	2,613	0.16%	0.15%	0.36%
D. G. Khan Cement Company Limited	336,740	218,000	-	299,000	255,740	8,818	0.53%	0.52%	0.29%
Lucky Cement Limited	261,800	64,700	-	178,000	148,500	11,129	0.67%	0.66%	0.34%
Maple Leaf Cement Limited	122,500	54,500	-	100,000	77,000	364	0.02%	0.02%	0.01%
	742,240	346,320	-	577,000	511,560	22,924	1.38%	1.35%	1.01%
<b>Refinery</b>									
Attock Refinery Limited	21,840	-	-	-	21,840	3,514	0.21%	0.21%	0.41%
National Refinery Limited	24,800	-	-	-	24,800	2,246	0.14%	0.13%	0.28%
Pakistan Refinery Limited	19,200	-	-	-	19,200	5,705	0.34%	0.34%	1.63%
	65,840	-	-	-	65,840	11,465	0.69%	0.67%	2.32%
<b>Power Generation &amp; Distribution</b>									
Hub Power Company Limited	2,304,000	279,850	-	180,000	2,403,850	75,457	4.55%	4.44%	0.65%
Kot Addu Power Company Limited	352,600	-	-	-	352,600	18,878	1.14%	1.11%	0.21%
	2,656,600	279,850	-	180,000	2,756,450	94,335	5.68%	5.55%	0.87%
<b>Oil &amp; Gas Marketing Companies</b>									
Pakistan State Oil Company Limited	26,500	-	-	-	26,500	8,297	0.50%	0.49%	0.48%
Shell Pakistan Limited	23,125	35,525	-	2,000	56,650	15,015	0.90%	0.88%	2.19%
Sui Northern Gas PipeLines Limited	80,000	244,155	-	20,000	304,155	8,529	0.51%	0.50%	0.16%
	129,625	279,680	-	22,000	387,305	31,841	1.92%	1.87%	2.83%
<b>Oil and Gas Exploration Companies</b>									
Mari Gas Company Limited	112,400	32,214	-	-	144,614	35,173	2.12%	2.07%	9.57%
Oil and Gas Development Company Limited	1,849,200	15,000	-	675,000	1,189,200	127,696	7.69%	7.52%	0.30%
Pakistan Oilfields Limited	327,540	110,100	-	105,200	332,440	69,350	4.18%	4.08%	2.93%
Pakistan Petroleum Limited	674,262	62,000	145,052	11,000	870,314	164,481	9.91%	9.68%	1.65%
	2,963,402	219,314	145,052	791,200	2,536,568	396,700	23.90%	23.35%	14.45%
<b>Engineering</b>									
International Industries Limited	92,932	-	-	-	92,932	5,293	0.32%	0.31%	0.53%
	92,932	-	-	-	92,932	5,293	0.32%	0.31%	0.53%
<b>Automobile Assemblers</b>									
Indus Motor Company Limited	46,693	-	-	28,693	18,000	3,154	0.19%	0.19%	0.40%
Pak Suzuki Motor Company	34,800	49,322	-	16,800	67,322	5,860	0.35%	0.34%	0.71%
	81,493	49,322	-	45,493	85,322	9,014	0.54%	0.53%	1.11%
<b>Automobile Parts &amp; Accessories</b>									
Agrifautos Industries Limited - (Face value Rs. 5 each)	10,440	-	-	10,440	-	-	-	-	-
	10,440	-	-	10,440	-	-	-	-	-
<b>Technology and Communications</b>									
Pakistan Telecommunication Company Limited-A	484,800	858,700	-	256,007	1,087,493	21,739	1.31%	1.28%	0.06%
	484,800	858,700	-	256,007	1,087,493	21,739	1.31%	1.28%	0.06%

Name of the investee company	Number of Shares					Market Value at September 30, 2009	Market Value as a percentage of		
	As at July 01, 2009	Purchases during the period	Bonus/ Rights issue	Sales during the period	As at September 30, 2009		total investment	net assets	issued capital of investee company
(Rupees in '000)									
<b>Fertilizers</b>									
Dawood Hercules	-	25,000	-	-	25,000	4,331	0.26%	0.25%	0.40%
Engro Chemical Pakistan Limited	340,346	-	-	-	340,346	61,555	3.71%	3.62%	2.07%
Fauji Fertilizer Bin Qasim Limited	703,500	416,975	-	178,515	941,960	21,637	1.30%	1.27%	0.23%
Fauji Fertilizer Company Limited	1,308,130	-	-	46,830	1,261,300	129,599	7.81%	7.63%	1.91%
	<u>2,351,976</u>	<u>441,975</u>	<u>-</u>	<u>225,345</u>	<u>2,568,606</u>	<u>217,122</u>	<u>13.08%</u>	<u>12.78%</u>	<u>4.60%</u>
<b>Pharmaceuticals</b>									
Abbott Laboratories (Pakistan)	78,300	6,552	-	-	84,852	7,891	0.48%	0.46%	0.81%
Glaxo SmithKline	150,800	52,084	-	-	202,884	21,053	1.27%	1.24%	1.23%
	<u>229,100</u>	<u>58,636</u>	<u>-</u>	<u>-</u>	<u>287,736</u>	<u>28,944</u>	<u>1.74%</u>	<u>1.70%</u>	<u>2.04%</u>
<b>Chemicals</b>									
BOC Pakistan Limited	99,700	-	-	14,519	85,181	11,287	0.68%	0.66%	4.51%
ICI Pakistan Limited	22,400	-	-	-	22,400	4,680	0.28%	0.28%	0.34%
Clariant Pakistan Limited	33,900	-	-	6,858	27,042	4,006	0.24%	0.24%	1.47%
Pakistan PTA Limited	773,500	82,500	-	399,000	457,000	2,527	0.15%	0.15%	0.02%
	<u>929,500</u>	<u>82,500</u>	<u>-</u>	<u>420,377</u>	<u>591,623</u>	<u>22,500</u>	<u>1.36%</u>	<u>1.32%</u>	<u>6.33%</u>
<b>Paper and Boards</b>									
Century Paper and Board Mills	5,500	49,558	-	15,000	40,058	505	0.03%	0.03%	0.07%
Packages Limited	87,550	25,746	-	21,000	92,296	15,006	0.90%	0.88%	1.78%
	<u>93,050</u>	<u>75,304</u>	<u>-</u>	<u>36,000</u>	<u>132,354</u>	<u>15,511</u>	<u>0.93%</u>	<u>0.91%</u>	<u>1.85%</u>
	<u>13,893,365</u>	<u>3,638,602</u>	<u>145,052</u>	<u>3,558,756</u>	<u>14,118,263</u>	<u>1,089,325</u>	<u>65.64%</u>	<u>64.13%</u>	<u>41.81%</u>
Cost of investment at September 30, 2009						<u>1,053,608</u>			

#### 4.3 Term finance certificates and sukuk bonds- Unlisted

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 at September 30, 2009	Market Value as a percentage of			
	As at July 01, 2009	Purchases during the period	Sales during the period	As at September 30, 2009		total investment	net assets	issue size	
(Rupees in '000)									
<b>Leasing Companies</b>									
Orix Leasing Pakistan Limited (Face value of Rs. 100,000)	500	-	500	-	-	-	-	-	
<b>Fertilizers</b>									
Engro Chemical Pakistan Limited - Perpetual I	15,000	-	10,000	5,000	22,000	1.33%	1.30%	0.55%	
<b>Oil and gas marketing companies</b>									
Sui Southern Gas Company Limited - Sukuk	13,000	-	10,000	3,000	14,538	0.88%	0.86%	0.24%	
	<u>28,500</u>	<u>-</u>	<u>20,500</u>	<u>8,000</u>	<u>36,538</u>	<u>2.20%</u>	<u>2.15%</u>	<u>0.79%</u>	
Cost of investment at September 30, 2009						<u>40,156</u>			

#### 4.4 Government Securities - Available for Sale

Issue date	Tenor	Face Value				Market Value at September 30, 2009	Market Value as a percentage of		
		As at July 01, 2009	Purchases during the period	Matured during the period	As at September 30, 2009		total investment	net assets	
(Rupees in '000)									
<b>Treasury Bill</b>									
February 26, 2009	6 months	-	115,000	115,000	-	-	-	-	
March 26, 2009	6 months	-	25,000	25,000	-	-	-	-	
April 09, 2009	6 months	-	66,000	-	66,000	65,842	3.97%	3.88%	
May 07, 2009	6 months	-	250,000	-	250,000	247,084	14.89%	14.55%	
June 04, 2009	6 months	-	50,000	-	50,000	48,957	2.95%	2.88%	
September 10, 2009	3 months	-	25,000	-	25,000	24,479	1.48%	1.44%	
		<u>-</u>	<u>531,000</u>	<u>140,000</u>	<u>391,000</u>	<u>386,362</u>	<u>23.28%</u>	<u>22.74%</u>	
Cost of investment at September 30, 2009						<u>386,467</u>			

- 4.5 Investments include shares with market value aggregating to Rs 29.637 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP.

	September 30, 2009 (Un-audited)	June 30, 2009 (Audited)
	----- (Rupees in '000) -----	
<b>5 DIVIDEND AND PROFIT RECEIVABLE</b>		
Profit receivable on bank deposits	334	1,712
Profit receivable on term finance certificates	623	8,986
Dividend receivable	<u>11,428</u>	<u>9,174</u>
	<u>12,385</u>	<u>19,872</u>
<b>6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advance against subscription of TFCs	25,000	25,000
Advance against subscription of equity shares	25,000	-
Prepaid listing fee	22	-
Prepaid rating fee	89	-
Receivable from broker - net	-	4,811
Security deposits with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposits with Central Depository Company of Pakistan Limited	100	100
Others	<u>3</u>	<u>3</u>
	52,714	32,414
Less: Provision against advance against subscription of TFCs	<u>(20,104)</u>	<u>(18,750)</u>
	<u>32,610</u>	<u>13,664</u>

- 6.1 The Fund had subscribed Term Finance Certificates of an issuer as Pre-IPO on January 9, 2008 under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering had been carried out by the issuer as at September 30, 2009. In addition, profit on the advance against subscription, due after 6 months from date of subscription, has also not been received by the Fund. As a matter of prudent, the Fund has made a provision against this advance amounting to Rs 20.10 million.

**7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY**

	September 30, 2009 (Un-audited)	June 30, 2009 (Audited)
	----- (Rupees in '000) -----	
Management fee	4,136	3,450
Preliminary expenses and floatation costs incurred on behalf of the Fund	1,135	1,135
Annual listing fee paid by the management company on behalf of the Fund	30	30
Security deposit to CDC paid by the management company on behalf of the Fund	100	100
Sales load payable	<u>1,852</u>	<u>1,850</u>
	<u>7,253</u>	<u>6,565</u>

**8 ACCRUED EXPENSES AND OTHER LIABILITIES**

Auditors' remuneration	350	262
Payable to unit holders	1	1
Due to broker	<u>10,971</u>	<u>-</u>
	<u>11,322</u>	<u>263</u>

**9 EARNINGS PER UNIT**

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.

## 10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the management company, directors and officers of the management company and entities having common directorship with 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 NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them at September 30, 2009 are as follows:

	For the period ended September 30, 2009	For the period ended September 30, 2008
	Rupees in '000	
<b>10.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management Fee	11,796	11,932
<b>Habib Bank Limited - Sponsor</b>		
Financial charges paid	10	2
Profit on bank deposits earned	2,974	210
Profit on bank deposits received	2,876	256
Sale of 28,100 ordinary shares (2008 : nil shares)	3,033	-
Loss on sale of shares	(1,960)	-
<b>Associated Companies</b>		
<b>BOC Pakistan Limited</b>		
Sale of 14,519 ordinary shares (2008 : nil shares)	1,763	-
Loss on sale of shares	(1,289)	-
<b>Packages Limited</b>		
Purchase of 25,746 ordinary shares (2008 : 37,700 shares)	4,243	7,133
Sale of 21,000 ordinary shares (2008 : 8,100 shares)	3,534	1,785
Loss on sale of shares	(1,449)	(173)
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration	645	650
Central Depository System Charges	25	28
	<b>September 30, 2009</b>	<b>June 30, 2009</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
<b>10.2 Balances outstanding as at period end</b>	<b>(Rupees in '000)</b>	
<b>HBL Asset Management Limited - Management Company</b>		
Management Fee Payable	4,136	3,450
Sales Load Payable	1,852	1,850
Preliminary expenses and floatation cost payable	1,135	1,135
Security deposit paid by Management Company on behalf of the Fund to Central Depository Company of Pakistan - payable	100	100
Annual listing fee paid by the Management Company on behalf of the Fund	30	30

	<b>September 30, 2009 (Un-audited)</b>	<b>June 30, 2009 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Habib Bank Limited - Sponsor</b>		
Investment held in the Fund : 14,033,090 units (June 30, 2009 : 14,033,090 units)	1,300,867	1,069,041
Bank balances	2,929	152,759
Profit receivable on bank deposits	206	108
Shares held - 890,024 ordinary shares (June 30, 2009 : 918,124 shares)	109,197	79,014
<b>Directors and Executives of the Management Company and their relatives</b>		
<b>Directors and their relatives</b>		
Investment held in the Fund : 65,589 units (June 30, 2009 : 65,589 units)	6,080	4,997
<b>Executives and their relatives</b>		
Investment held in the Fund : 532 units ( June 30, 2009 : 532 units)	49	41
<b>Associated Companies</b>		
<b>HBL Employees Provident Fund</b>		
Investment held in the Fund : 2,653,290 units (June 30, 2009 : 2,653,290 units)	245,960	202,128
<b>BOC Pakistan Limited</b>		
Shares held - 85,181 ordinary shares ( June 30, 2009 : 99,700 shares)	11,287	11,465
<b>New Jubilee Life Insurance Company (Pakistan) Limited</b>		
Shares held - 127,500 ordinary shares ( June 30, 2009 :127,500 shares)	5,530	4,845
<b>International Industries Limited</b>		
Shares held - 92,932 ordinary shares (June 30, 2009 : 92,932 shares)	5,293	4,190
<b>Packages Limited</b>		
Shares held - 92,296 ordinary shares (June 30, 2009 : 87,550 shares)	15,006	13,749
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	220	197

**11 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on October 13, 2009 by the Board of Directors of the Management Company.

**12 GENERAL**

**12.1** Figures are rounded off to the nearest thousand rupees unless otherwise specified.

**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,  
2<sup>nd</sup> 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 Squre, 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. DISTRIBUTORS LIST**

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

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

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

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

Pearl Securities (Pvt.) Limited  
Room No. 204, 2<sup>nd</sup> Floor, Business &  
Finance Centre,  
I.I Chundrigar Road, Karachi.  
Phone: 021-2473954-58  
Fax: 021-2473951

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