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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. Towfiq Habib Chinoy	(Independent 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 Shakra-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.hblasst.com](http://www.hblasst.com)

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

**Registered Office** Suite # 403-404, The Forum, G-20,  
Khayaban-e-Jami, Clifton, Karachi.

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

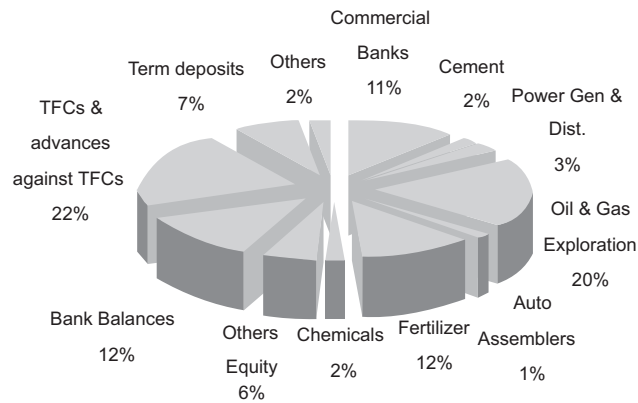
The Board of Directors of HBL Asset Management Limited is pleased to present its report together with first Quarterly Report of HBL Stock Fund (the Fund) for the quarter ended September 30, 2008.

### Fund's Performance

During the period the Fund incurred net loss of Rs 7.47 million. The losses were mainly due to capital loss on sale of equity investments. The Net Asset Value per unit of the Fund decreased from Rs 92.68 as on July 1, 2008 to Rs 78.56 as on September 30, 2008, thereby showing a decline of 15.23%. During the same period benchmark KSE 100 Index declined by 25.30%.

### Asset Allocation

The Fund was invested mainly in Oil and Gas Exploration, Commercial Banks, Fertilizer, Power Generation and Distribution, Automobile Assemblers and Cement sectors. The details of asset allocation as on September 30, 2008 is given below:



### Market Review and Future Outlook

The market was mostly bearish during the period under review. The KSE 100 Index dropped from 12,289 points to 9145 points on August 27, 2008 and managed to close at 9180 points on September 30, 2008.

Crises in the international market and uncertain political and economical conditions in the country were the major reasons for decline in the market. The KSE management again intervened in the market and put a freeze in prices of shares as of the close of market on August 27, 2008. The freezing of floor adversely affected the turnover at the Exchange. The average daily turnover declined from 115 million shares in July 2008 to 23 million shares in August 2008 and further to one million shares in September 2008.

#### **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 22, 2008

Place: Karachi

**HBL STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)**  
**AS AT SEPTEMBER 30, 2008**

	Note	September 30, 2008	June 30, 2008
------(Rupees in '000)-----			
<b>Assets</b>			
Bank balances		184,393	311,323
Receivable against Continuous Funding System (CFS) transactions		-	145,760
Investments	4	1,143,680	1,286,772
Loans and Receivables		100,000	-
Dividend and profit receivable	5	24,478	20,292
Due from Brokers - net		88	-
Preliminary expenses and floatation costs		889	946
Advances, deposits, prepayments and other receivables		31,029	30,126
<b>Total assets</b>		<b>1,484,557</b>	<b>1,795,219</b>
<b>Liabilities</b>			
Payable to HBL Asset Management Limited - Management Company		6,672	7,385
Payable to Central Depository Company of Pakistan Limited - Trustee		205	229
Payable to Securities and Exchange Commission of Pakistan		1,815	1,417
Payable against purchase of investments		-	6,511
Accrued expenses and other liabilities	6	662	4,511
<b>Total liabilities</b>		<b>9,354</b>	<b>20,053</b>
<b>Net assets</b>		<b>1,475,203</b>	<b>1,775,166</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,475,203</b>	<b>1,775,166</b>
<b>Number of units</b>			
<b>Number of units in issue</b>		<b>18,779,126</b>	<b>18,016,143</b>
<b>Rupees</b>			
<b>Net asset value per unit</b>		<b>78.56</b>	<b>98.53</b>

The annexed notes 1 to 10 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, 2008**

	Note	For the quarter ended September 30, 2008
		--(Rupees in '000)--
<b>Income</b>		
Dividend income		12,113
Income from Continuous Funding System (CFS) transactions		2,773
Profit on bank deposits		9,357
Income from Term Finance Certificates		8,871
Income from reverse repurchase and other money market transactions		42
Income from Treasury Bills		933
Capital loss on sale of investments - net		(30,808)
		3,281
Unrealised appreciation in value of investments at fair value through profit or loss - net		2,631
		<u>5,912</u>
<b>Expenses</b>		
Remuneration of HBL Asset Management Limited - Management Company		11,932
Remuneration of Central Depository Company of Pakistan Limited - Trustee		650
Annual fee - Securities and Exchange Commission of Pakistan		398
Securities transaction cost		327
Auditors' remuneration		50
Settlement and bank charges		20
Amortisation of preliminary expenses and floatation costs		57
Other expenses		41
		13,475
<b>Net loss from operating activities</b>		<u>(7,563)</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		91
<b>Net loss for the period</b>		<u><u>(7,472)</u></u>
<b>Earnings Per Unit</b>	7	

The annexed notes 1 to 10 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, 2008**

For the  
quarter ended  
September 30,  
2008  
--(Rupees in '000)--

Undistributed income brought forward	106,285
Net loss for the period	(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	3,970
Final distribution for the period ended June 30, 2008	(105,395)
	(108,897)
Undistributed loss carried forward	(2,612)

The annexed notes 1 to 10 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 IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2008

	For the quarter ended September 30, 2008
	--(Rupees in '000)--
Net assets at the beginning of the period	1,775,166
Issue of 158,449 units	13,555
Redemption of 490,704 units	(40,288)
	(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	(91)
- amount representing (income) / losses that form part of the Unit holder's fund - transferred to Distribution Statement	(3,970)
	(4,061)
Issue of 1,095,238 bonus units for the period ended June 30, 2008	101,507
Net unrealised (diminution) during the period in market value of securities classified as available for sale	(261,779)
Distributable income for the period less distribution - net	(108,897)
Net assets as at the end of the period	<u>1,475,203</u>

The annexed notes 1 to 10 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, 2008**

	For the quarter ended September 30, 2008
	--(Rupees in '000)--
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the period	(7,472)
<b>Adjustments for non-cash and other items:</b>	
Amortisation of preliminary expenses and floatation costs	57
Unrealised diminution in value of investments at fair value through profit or loss - net	(2,631)
Element of accrued (income) / losses and capital (gains) / losses included in prices of units issued less those in units redeemed	(91)
	<u>(10,137)</u>
<b>(Increase)/ Decrease in assets</b>	
Receivable against Continuous Funding System (CFS) transactions	145,760
Investments - net	(116,056)
Loans and receivables	(100,000)
Dividend and profit receivable	(4,186)
Advances, deposits and prepayments	(991)
	<u>(75,473)</u>
<b>Increase/ (Decrease) in liabilities</b>	
Accrued expenses and other liabilities	(10,360)
Payable to HBL Asset Management Limited - Management Company	(713)
Payable to Central Depository Company of Pakistan Limited - Trustee	(24)
Payable to Securities and Exchange Commission of Pakistan	398
	<u>(10,699)</u>
<b>Net cash used in operating activities</b>	<u>(96,309)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net payment for issue / redemption of units	(26,733)
Payment of final cash dividend for the period ended June 30, 2008	(3,888)
<b>Net cash outflow on financing activities</b>	<u>(30,621)</u>
<b>Net (decrease) in cash and cash equivalents during the period</b>	<u>(126,930)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>311,323</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>184,393</u></u>

The annexed notes 1 to 10 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, 2008

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

In accordance with the trust deed, the first accounting period of the Fund commenced on the date on which the Trust Property was first paid or transferred to the Trustee.

### 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, 2007 (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 condensed interim financial statements are the same as those applied in this preparation of the published financial statement of the Fund for the period from August 23, 2007 to June 30, 2008.

4 INVESTMENTS	Note	September 30, 2008	June 30, 2008
		------(Rupees in '000)-----	
At fair value through profit and loss			
- Equity securities	4.1	24,063	35,617
Available for sale			
- Equity securities	4.2	819,372	977,318
- Term finance certificates (un-listed)	4.3	300,245	224,770
- Government Treasury Bills		-	49,067
		<u>1,143,680</u>	<u>1,286,772</u>

#### 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, 2008	Market Value as a percentage of Investment
	As at July 1, 2008	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at September 30, 2008		
(Rupees in '000)							
<b>Investment Banks/Companies/Securities</b>							
Arif Habib Securities Limited	-	25,000	6,250	-	31,250	2,309	0.20%
	-	25,000	6,250	-	31,250	2,309	0.20%
<b>Commercial Banks</b>							
Bank Al-Falah Limited	2,000	22,500	-	12,000	12,500	391	0.03%
MCB Bank Limited	-	44,400	-	44,400	-	-	-
National Bank of Pakistan	-	50,500	-	23,000	27,500	2,558	0.22%
NIB Bank Limited	-	35,000	-	35,000	-	-	-
United Bank Limited	200	83,000	-	50,700	32,500	2,218	0.19%
	2,200	235,400	-	165,100	72,500	5,167	0.45%
<b>Insurance</b>							
New Jubilee Life Insurance Company Limited	5,000	-	-	-	5,000	226	0.02%
	5,000	-	-	-	5,000	226	0.02%
<b>Cement</b>							
D. G. Khan Cement Company Limited	-	14,000	-	9,000	5,000	196	0.02%
	-	14,000	-	9,000	5,000	196	0.02%
<b>Refinery</b>							
Attock Refinery Limited	-	10,000	-	-	10,000	1,409	0.12%
Pakistan Refinery Limited	3,300	2,500	-	-	5,800	601	0.05%
	3,300	12,500	-	-	15,800	2,010	0.18%
<b>Power Generation &amp; Distribution</b>							
Hub Power Company Limited	100,000	-	-	48,500	51,500	1,105	0.10%
	100,000	-	-	48,500	51,500	1,105	0.10%
<b>Oil &amp; Gas Marketing Companies</b>							
Pakistan State Oil Company Limited	1,000	3,000	-	4,000	-	-	-
Shell Pakistan Limited	-	600	-	600	-	-	-
	1,000	3,600	-	4,600	-	-	-
<b>Oil and Gas Exploration Companies</b>							
Oil and Gas Development Company Limited	20,000	73,400	-	53,400	40,000	3,777	0.33%
Pakistan Oilfields Limited	5,000	75,500	-	63,000	17,500	4,261	0.37%
Pakistan Petroleum Limited	10,000	37,500	500	42,500	5,500	1,065	0.09%
	35,000	186,400	500	158,900	63,000	9,103	0.80%
<b>Automobile Assemblers</b>							
Pak Suzuki Motor Company	6,800	-	-	6,800	-	-	-
	6,800	-	-	6,800	-	-	-
<b>Automobile Parts &amp; Accessories</b>							
Agriaautos Industries Limited - (Face value Rs. 5 each)	6,900	-	-	6,900	-	-	-
	6,900	-	-	6,900	-	-	-
<b>Fertilizers</b>							
Engro Chemical Pakistan Limited	45,600	31,000	-	76,600	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	55,000	-	10,000	45,000	1,025	0.09%
Fauji Fertilizer Company Limited	71,300	7,000	-	57,700	20,600	2,060	0.18%
	116,900	93,000	-	144,300	65,600	3,085	0.27%
<b>Chemicals</b>							
Engro Polymer Pakistan Limited	-	45,000	-	-	45,000	862	0.08%
ICI Pakistan Limited	-	5,400	-	5,400	-	-	-
	-	50,400	-	5,400	45,000	862	0.08%
<b>Paper and Boards</b>							
Packages Limited	4,200	2,500	-	6,700	-	-	-
	4,200	2,500	-	6,700	-	-	-
	<b>281,300</b>	<b>622,800</b>	<b>6,750</b>	<b>556,200</b>	<b>354,650</b>	<b>24,063</b>	<b>2.10%</b>
<b>Cost of investment at September 30, 2008</b>						<b>26,559</b>	

#### 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, 2008	Market Value as a percentage of Investment
	As at July 1, 2008	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at September 30, 2008		
(Rupees in '000)							
<b>Investment Banks/Companies/Securities</b>							
IGI Investment Bank Limited	23,000	109,000	-	41,500	90,500	375	0.03%
	23,000	109,000	-	41,500	90,500	375	0.03%
<b>Commercial Banks</b>							
Allied Bank Limited	38,260	19,000	-	-	57,260	3,314	0.29%
Atlas Bank Limited	49,000	4,500	-	-	53,500	366	0.03%
Bank Al-Falah Limited	35,000	29,500	-	10,000	54,500	1,703	0.15%
Bank Al-Habib Limited	101,660	12,000	-	5,600	108,060	3,689	0.32%
Habib Bank Limited	581,370	152,500	-	-	733,870	101,604	8.88%
MCB Bank Limited	-	20,000	-	14,600	5,400	1,273	0.11%
Meezan Bank Limited	33,000	10,000	-	-	43,000	1,170	0.10%
National Bank of Pakistan	102,880	104,500	-	5,000	202,380	18,825	1.65%
NIB Bank Limited	379,000	194,000	-	98,000	475,000	4,014	0.35%
Habib Metropolitan Bank Limited	18,000	10,000	-	-	28,000	1,058	0.09%
United Bank Limited	274,950	77,000	-	22,000	329,950	22,519	1.97%
	1,613,120	633,000	-	155,200	2,090,920	159,535	13.95%
<b>Insurance</b>							
New Jubilee Life Insurance Company Limited	46,500	21,000	-	-	67,500	3,046	0.27%
	46,500	21,000	-	-	67,500	3,046	0.27%
<b>Textile Composite</b>							
Nishat Mills Limited	89,300	10,700	-	15,000	85,000	3,970	0.35%
	89,300	10,700	-	15,000	85,000	3,970	0.35%
<b>Cement</b>							
Attock Cement Pakistan Limited	21,200	-	-	-	21,200	963	0.08%
D. G. Khan Cement Company Limited	196,700	12,000	-	29,500	179,200	7,039	0.62%
Lucky Cement Limited	222,000	25,000	-	55,000	192,000	11,092	0.97%
Maple Leaf Cement Limited	496,500	-	-	78,000	418,500	3,114	0.27%
	936,400	37,000	-	162,500	810,900	22,208	1.94%
<b>Refinery</b>							
Attock Refinery Limited	700	10,000	-	-	10,700	1,508	0.13%
National Refinery Limited	9,300	-	-	5,500	3,800	745	0.07%
	10,000	10,000	-	5,500	14,500	2,253	0.20%
<b>Power Generation &amp; Distribution</b>							
Hub Power Company Limited	1,943,000	81,000	-	-	2,024,000	43,435	3.80%
Kot Addu Power Company Limited	101,900	15,000	-	23,100	93,800	3,752	0.33%
Karachi Electric Supply Company Limited - (Face value of Rs. 3.5 each)	74,500	-	-	500	74,000	281	0.02%
	2,119,400	96,000	-	23,600	2,191,800	47,468	4.15%
<b>Oil &amp; Gas Marketing Companies</b>							
Pakistan State Oil Company Limited	4,000	3,000	-	7,000	-	-	-
Shell Pakistan Limited	-	15,500	3,525	1,400	17,625	5,469	0.48%
	4,000	18,500	3,525	8,400	17,625	5,469	0.48%
<b>Oil and Gas Exploration Companies</b>							
Mari Gas Company Limited	44,900	30,000	-	2,000	72,900	9,811	0.86%
Oil and Gas Development Company Limited	1,148,800	87,900	-	8,000	1,228,700	116,026	10.14%
Pakistan Oilfields Limited	118,100	101,100	-	9,000	210,200	51,184	4.48%
Pakistan Petroleum Limited	489,120	52,800	50,942	32,500	560,362	108,514	9.49%
	1,800,920	271,800	50,942	51,500	2,072,162	285,535	24.97%
<b>Engineering</b>							
International Industries Limited	60,560	14,800	12,872	-	88,232	6,767	0.59%
International Industries Limited (Right)	-	-	16,090	-	16,090	-	-
	60,560	14,800	28,962	-	104,322	6,767	0.59%

Name of the Investee Company	Number of shares					Market Value at September 30, 2008	Market Value as a percentage of Investment
	As at July 1, 2008	Purchases during the period	Bonus/Rights Issue	Sales during the period	As at September 30, 2008		
(Rupees in '000)							
<b>Automobile Assemblers</b>							
Indus Motor Company Limited	79,493	7,000	-	4,800	81,693	11,707	1.02%
Pak Suzuki Motor Company	141,700	6,100	-	38,700	109,100	9,141	0.80%
	<u>221,193</u>	<u>13,100</u>	<u>-</u>	<u>43,500</u>	<u>190,793</u>	<u>20,848</u>	<u>1.82%</u>
<b>Automobile Parts &amp; Accessories</b>							
Agriaautos Industries Limited - (Face value Rs. 5 each)	34,200	-	-	-	34,200	1,512	0.13%
	<u>34,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,200</u>	<u>1,512</u>	<u>0.13%</u>
<b>Transport</b>							
Pakistan International Airline Corporation-A	35,500	-	-	2,000	33,500	141	0.01%
	<u>35,500</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>33,500</u>	<u>141</u>	<u>0.01%</u>
<b>Technology and Communications</b>							
Pakistan Telecommunication Company Limited-A	783,100	-	-	5,000	778,100	24,510	2.14%
	<u>783,100</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>778,100</u>	<u>24,510</u>	<u>2.14%</u>
<b>Fertilizers</b>							
Engro Chemical Pakistan Limited	146,990	104,500	-	20,600	230,890	41,662	3.64%
Fauji Fertilizer Bin Qasim Limited	1,861,000	165,500	-	52,500	1,974,000	44,968	3.93%
Fauji Fertilizer Company Limited	806,200	68,600	-	-	874,800	87,480	7.65%
	<u>2,814,190</u>	<u>338,600</u>	<u>-</u>	<u>73,100</u>	<u>3,079,690</u>	<u>174,110</u>	<u>15.22%</u>
<b>Pharmaceuticals</b>							
Abbott Laboratories (Pakistan)	68,600	6,300	-	700	74,200	8,162	0.71%
Glaxo Smith Kline	81,800	2,600	-	3,500	80,900	8,794	0.77%
	<u>150,400</u>	<u>8,900</u>	<u>-</u>	<u>4,200</u>	<u>155,100</u>	<u>16,956</u>	<u>1.48%</u>
<b>Chemicals</b>							
BOC Pakistan Limited	71,800	12,600	-	-	84,400	14,939	1.31%
ICI Pakistan Limited	14,300	33,700	-	12,100	35,900	4,559	0.40%
Clariant Pakistan Limited	33,800	-	-	-	33,800	5,810	0.51%
Pakistan PTA	301,000	-	-	-	301,000	957	0.08%
	<u>420,900</u>	<u>46,300</u>	<u>-</u>	<u>12,100</u>	<u>455,100</u>	<u>26,265</u>	<u>2.30%</u>
<b>Paper and Boards</b>							
Century Paper and Board Mills	7,500	-	-	-	7,500	240	0.02%
Packages Limited	94,350	35,200	-	1,400	128,150	18,164	1.59%
	<u>101,850</u>	<u>35,200</u>	<u>-</u>	<u>1,400</u>	<u>135,650</u>	<u>18,404</u>	<u>1.61%</u>
	<u>11,264,533</u>	<u>1,663,900</u>	<u>83,429</u>	<u>604,500</u>	<u>12,407,362</u>	<u>819,372</u>	<u>71.64%</u>

Cost of investment at September 30, 2008

1,213,608

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

All term finance certificates have a face value of Rs. 5000 each unless stated otherwise

Name of the Investee Company	Number of shares				Market Value at September 30, 2008	Market Value as a percentage of Investment
	As at July 1, 2008	Purchases during the period	Sales during the period	As at September 30, 2008		
(Rupees in '000)						
<b>Technology and communication</b>						
Pakistan Mobile Communications Limited	15,000	-	-	15,000	74,685	6.53%
<b>Leasing Companies</b>						
Orix Leasing Pakistan Limited (Face value of Rs. 100,000)	500	-	-	500	50,050	4.38%
<b>Fertilizers</b>						
Engro Chemical Pakistan Limited IV	-	15,000	-	15,000	75,510	6.60%
<b>Oil and gas marketing companies</b>						
Sui Southern Gas Company Limited - Sukuk	20,000	-	-	20,000	100,000	8.74%
	<u>35,500</u>	<u>15,000</u>	<u>-</u>	<u>50,500</u>	<u>300,245</u>	<u>26.25%</u>

Cost of investment at September 30, 2008

300,523

	September30, 2008	June 30, 2008
	------(Rupees in '000)-----	
<b>5 DIVIDEND AND PROFIT RECEIVABLE</b>		
Income accrued on Continous Funding System (CFS) transactions	-	503
Profit receivable on bank deposits	3,892	2,638
Profit receivable on term finance certificates	6,408	4,838
Dividend receivable	11,978	10,917
Others	2,200	1,396
	<u>24,478</u>	<u>20,292</u>
<b>6 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration	250	200
Payable to unit holders	322	2,040
Broker commission payable	67	1,103
Others	23	1,168
	<u>662</u>	<u>4,511</u>
<b>7 EARNINGS PER UNIT</b>		

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.

#### **8 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 Ltd. being the trustee of the Fund, the Directors 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 norms.

Details of the transactions with connected persons and balances with them, if not disclosed in relevant notes are as follows:

	For the quarter ended September 30, 2008
	--(Rupees in '000)--
<b>8.1 Transcations during the period</b>	
<b>HBL Asset Management Limited - Management Company</b>	
Management Fee	11,932
<b>Habib Bank Limited - Sponsor</b>	
Bonus units issued (833,184 units)	77,219
Financial charges paid	2
Profit on bank deposits earned	210
Profit on bank deposits received	256
<b>Directors and Executives of the Management Company and their relatives</b>	
<b>Directors and their relatives</b>	
Bonus units issued (3,926 units)	364
Redemption of 7,642 units	742
<b>Executives and their relatives</b>	
Bonus units issued (32 units)	3

	For the period ended September 30, 2008
<b>Other Associates</b>	--(Rupees in '000)--
<b>HBL Employees Provident Fund</b> Bonus units issued (157,533 units)	14,600
<b>Central Depository Company of Pakistan Limited</b> Remuneration	650
CDS Charges	28

September 30,  
2008  
--(Rupees in '000)--

## 8.2 Balances outstanding as at period end

<b>HBL Asset Management Limited - Management Company</b> Management Fee	3,676
Sales Load Payable	1,831
Preliminary expenses	1,165
<b>Habib Bank Limited - Sponsor</b> Units held (14,033,090 units) during the period	1,102,440
Bank balances as at September 30, 2008	599
Profit receivable on bank deposits as at September 30, 2008	10
Shares held (733,870) ordinary shares	101,604
<b>Directors and Executives of the Management Company and their relatives</b> <b>Directors and their relatives</b> Units held (65,589 units)	5,153
<b>Executives and their relatives</b> Units held ( 532 units)	42
<b>Other Associates</b>	
<b>HBL Employees Provident Fund</b> Units held ( 2,653,290 units)	208,442
<b>BOC Pakistan Limited</b> Shares held (84,400 ordinary shares)	14,939
<b>New Jubilee Life Insurance Company (Pakistan) Limited</b> Shares held (72,500 ordinary shares)	3,272
<b>IGI Investment Bank Limited</b> Shares held (90,500 ordinary shares)	375
<b>International Industries Limited</b> Shares held (88,232 ordinary shares)	6,767
<b>International Industries Limited (Right)</b> Shares held (16,090 ordinary shares)	-

**9 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on October 22, 2008 by the Board of Directors of the Management Company.

**10 GENERAL**

**10.1** Figures are rounded off to the nearest thousand rupees.

**10.2** Since the Fund commenced its operations on September 1, 2007, the comparative figures for corresponding period of last year are not available in respect of Condensed Interim Income Statement, Condensed Interim Statement of Movement in Unit Holders' Funds, Condensed Interim Distribution Statement and Condensed Interim Cash Flow Statement.

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**



# Distribution Network

## 1. Branches Of Habib Bank Limited

### Sindh Karachi

**Corporate Branch**  
2nd Floor, HBL Plaza,  
I.I. Chundrigar Road, Karachi.  
Phone: 021-2418000  
Fax: 021-2441492

**Kehkashan Branch**  
DC-7, Block-7, Schon Circle, Clifton, Karachi.  
Phone: 021-9250802, 021-9250768  
Fax: 021-9250803

**Foreign Exchange Branch**  
Foreign Exchange Centre, M. A. Jinnah Road,  
Habib Square, Karachi.  
Phone: 021-9213997, 021-9213939  
Fax: 021-9213436

**Clifton Broadway Branch**  
Broadway House, Karachi.  
Phone: 021-9250899, 021-9250800  
Fax: 021-5873310

**Nursery Branch**  
Main Shahrah-e-Faisal, Jamshed Town, Karachi.  
Phone: 021-4521127, 021-4381304  
Fax: 021-4538482

**Bahadurabad branch**  
Marium Complex, Bahadurabad,  
Krachi.  
Ph: 021-4940585, 4940388

**Shahrah-e-Pakistan Branch**  
Plot No. G-55, B/2, Abbas Square,  
Block-7, F. B. Area Karachi.

**Tariq Road Branch**  
Main Tariq Road, P.E.C.H.S.  
Karachi.  
Ph: 021-4534681

**Iqbal Library Branch**  
Clayton Road, Off Giger  
Murad Abdi Road, Union  
Coucial, Jamshed Quarters,  
Karachi.  
Ph: 5711290

**Khayaban-e-Saadi Branch**  
Block-2, Clifton, Karachi.  
Phone: 021-5810045-46

**Shahrah-e-Jahangir Branch**  
Block-L, North Nazimbad, Karachi.  
Phone: 021-6648034, 021-6629671  
Fax: 021-6642090

### Jacobabad

**Quaid-e-Azam Road, Branch,**  
Union Council No. 3, Jacobabad  
Tehsil & Distt. Jacobabad.

## **Punjab Lahore**

### **Lahore Development Authority Branch**

7 Egertan Road, Data Gunj Bukhsh Town, Lahore.  
Phone: 042-6365015, 042-9200275  
Fax: 042-6302032

### **Shahrah-e-Quaid-e-Azam Branch**

The Mall, 5 Bank Square, Data Gunj Bukhash Town, Lahore.  
Phone: 042-9212212, 042-9212226  
Fax: 042-9212233

### **Corporate Branch**

Habib Bank Corporate Centre,  
102-103 Upper Mall, Lahore,  
Phone: 042-9201022  
Fax: 042-9201051

### **Model Town Branch,**

Bank Square, Model Town, Block-C,  
Lahore.  
Ph: 042-9230932-34

### **Cantonment Branch**

Sarwar Road, Lahore Cantt.  
Ph: 042-9220300-303

### **Allama Iqbal Town Branch,**

Moon Market, Dubai Chowk,  
Lahore.  
Ph: 042-7840560

### **New Garden Ali Town Branch,**

Opposite Barkat Market,  
Lahore.  
Ph: 042-912485

### **Gulberg Branch,**

Gulberg Main Market Branch,  
Lahore.  
Ph: 042-5757575

## **Gujranwala**

### **Satellite Town Branch**

Main Market, Satellite Town, Gujranwala.  
Phone: 055-9200590, 055-9200591  
Fax: 055-9200590

## **Faisalabad**

### **Madina Town Branch**

Madina Town, Faisalabad.  
Phone: 041-9220122, 041-9220124  
Fax: 041-9220123

### **Canal Road Branch**

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

### **Corporate Branch**

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

## **Rawalpindi**

### **Kashmir Road Branch**

Kashmir Road, Saddar, Cantt, Rawalpindi.  
Phone: 051-5700107, 051-5582905  
Fax: 051-5567928

## Islamabad

**Jinnah Avenue Branch**  
Jinnah Avenue, Islamabad.  
Phone: 051-2201761, 051-2201228  
Fax: 051-2822290

**Corporate Branch**  
Ground Floor, HBL Tower, Blue Area, Islamabad.  
Phone: 051-2820683  
Fax: 051-2822206

## NWFP Peshawar

**Arbab Road Branch**  
Peshawar Cantt., Peshawar.  
Phone: 091-272167, 091-9211161  
Fax: 091-278869

## Balochistan Quetta

**Complex Branch**  
Shahrah-e-Gulistan, Quetta.  
Phone: 081-2836575, 081-2829379  
Fax: 2825791

## 2. OTHER DISTRIBUTORS

**Yam & Company.**  
Office # 11, Quality Arcade, Mezanine Floor BC  
7, Block 7, Clifton, Karachi  
Phone # 021-576823  
Cell: 0333-2241661

**IGI Investment Bank**  
Head Office  
Floor 7, The Forum,  
Suite 701-713, G-20, Block 9,  
Khayaban-e-Jami, Clifton,  
Karachi - 75600, Pakistan.  
Telephone: 111-234-234  
Fax: 111-567-567, Toll Free No: 0800 2 34 34

**First National Equities Limited**  
19-C Sunset Lane 6, South Park Avenue,  
Phase II, Extension, D.H.A, Karachi.  
PABX: 5395903  
Fax: 5395900  
Email: info@fnetrade.com

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

**ANZ Financial Consultant**  
f-26/2 Block 5 Kehkashan, Clifton,  
Karachi Phone: 5379511  
Fax: 5874348

**Alfalsh Securities Pvt. Ltd.**  
12th Floor, Tower A, Saima Trade Tower,  
I.I. Chudrigar Road, Karachi  
Phone: 9217810-19  
Fax: 021-9217827

**Pearl Securities Pvt. Limited (Stock)**  
Room No.204 2nd Floor Business and Finance Center.  
I.I Chundrigar Road, Karachi  
Phone: 021-2473954  
Fax: 021-2473951