



Habib Funds

First Habib Income Fund

First Habib Stock Fund

First Habib Cash Fund

First Habib Islamic Stock Fund

First Habib Islamic Income Fund

First Habib Asset Allocation Fund

Quarterly Report
31 March 2020

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DIRECTORS' REPORT

The Board of Directors of Habib Asset Management Limited has pleasure to present the Financial Statements of the Funds under its management for the nine months (July 2019 - March 2020) and Quarter ended March 31, 2020.

During the Quarter ended March 31, 2020, the State Bank of Pakistan (SBP) decreased the Discount Rate by a total of 2.25% to 11.0% from 13.25% in two MPS Committee meeting by 75bps and 150bps on March 18 and March 25, 2020 respectively. The Consumer Price Index (CPI) Inflation Rates averaged to 11.53% YoY vs. 6.32% YoY during the corresponding period of last year.

During July 2019 to March 2020, Pakistan Stock Exchange (PSX) benchmark KSE- 100-share index closed at 29,231.63 points on March 31, 2020, losing 4,669.95 points from 33,901.58 points as on June 28, 2019. During January 2020 to March 2020, the index lost 11,503 points. However, it is pertinent to note that during the said period, the benchmark index touched a highest level of 43,468 points on January 14, 2020. During the period, July to March 2020, average daily traded volume of 134.8 mn shares was recorded.

During the period July to March 2020, Pakistan's capital market fetched Hot money inflow of USD 3.49 billion and an outflow of USD 2.18 billion with cumulative total net inflow of USD 1.3 billion while local bourse witnessed a net foreign outflow of USD 130 million as compared to a net outflow of USD 372 million during the same period.

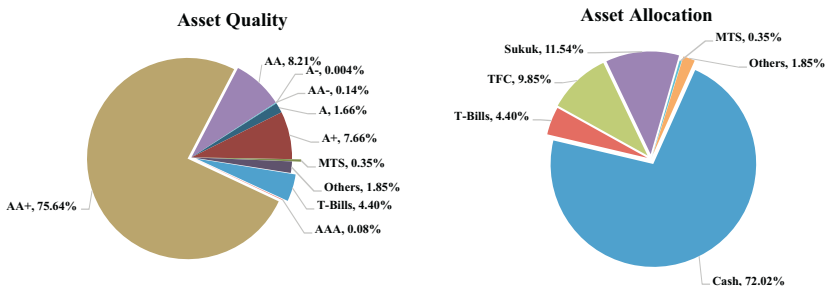
HABIB FUNDS' PERFORMANCE

First Habib Income Fund (FHIF)

The Net Assets of the Fund as on March 31, 2020 stood at Rs.662.78 million representing Net Asset Value of Rs.109.6302 per unit. During the nine months period ended March 31, 2020, the Fund generated Gross Earnings of Rs.69.43 million yielding a Return of 12.12% p.a. as detailed below:

	(Rs. in '000)
	March 31, 2020
Profit on Bank Deposits	31,191
Income from Government Securities	14,750
Profit on Commercial Paper	1,483
Income from Term Finance Certificates/Sukuks	20,252
Income from Margin Trading System	3,496
Dividend Income	2,515
Net Gain/(Loss) on sale and revaluation of investments	(4,259)
	<u>69,428</u>

The Asset Quality and Asset Allocation of FHIF as on March 31, 2020, can be viewed as under:



First Habib Cash Fund (FHCF)

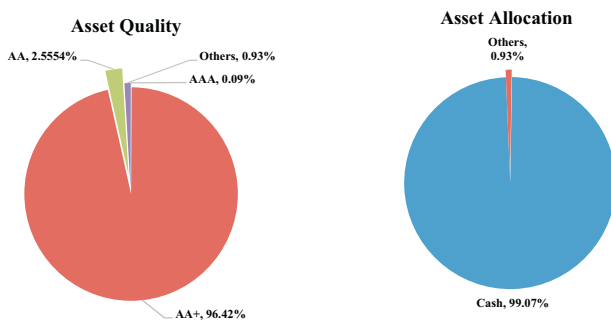
The Fund's Net Assets as on the March 31, 2020 stood at Rs.1.89 billion, representing a Net Asset Value of Rs.101.3850 per Unit. During the nine months period ended March 31, 2020, the Fund generated Gross Earnings of Rs.211.20 million yielding a Return of 13.29% p.a. as detailed below:

Profit on Bank Deposits
Income from Government Securities
Mark-up Income on Placements
Net Gain/(Loss) on sale and revaluation of investments

(Rs. in '000)
March 31, 2020
123,330
79,652
8,084
139
<u>211,205</u>

The fund distributed a total monthly dividend of Rs.8.52 per unit during the nine months period.

The Asset Quality and Asset Allocation of FHCF as on March 31, 2020, can be viewed as under:



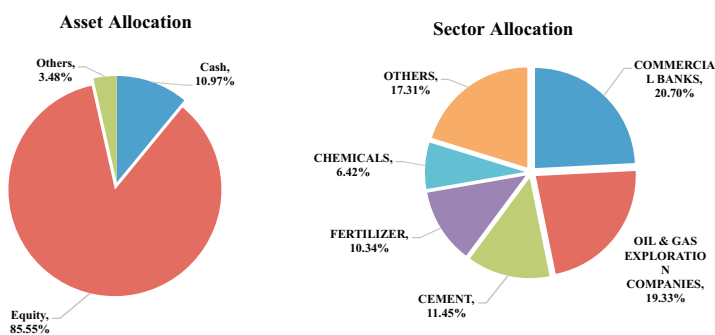
First Habib Stock Fund (FHSF)

The Fund's Net Assets as on March 31, 2020 stood at Rs.93.70 million, representing Net Asset Value of Rs.60.6488 per unit. During the nine months period ended March 31, 2020, the Fund incurred a gross loss of Rs.15.379 million as detailed below:

Profit on Bank Deposits
Return on Deposit with NCCPL
Dividend Income
Net Gain/(Loss) on sale and revaluation of Investments

(Rs. in '000)
March 31, 2020
1,074
98
4,876
(21,426)
<u>(15,379)</u>

The Asset Allocation and Sector Allocation of FHSF as on March 31, 2020, can be viewed as under:



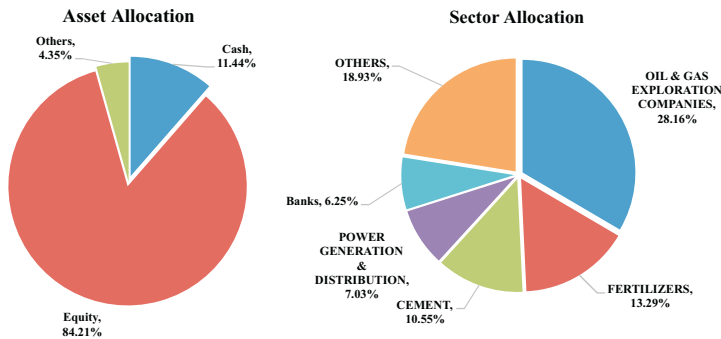
First Habib Islamic Stock Fund (FHISF)

The Fund's Net Assets as on March 31, 2020 stood at Rs.80.74 million, representing Net Asset Value of Rs.57.9576 per unit. During the nine months period ended March 31, 2020, the Fund incurred a gross loss of Rs.13.75 million as detailed below:

Profit on Bank Deposits
Dividend Income
Net Gain/(Loss) on sale and revaluation of Investments

(Rs. in '000)
March 31, 2020
1,187
4,025
(18,961)
(13,750)

The Asset Allocation and Sector Allocation of FHISF as on March 31, 2020, can be viewed as under:



First Habib Islamic Income Fund (FHIIF)

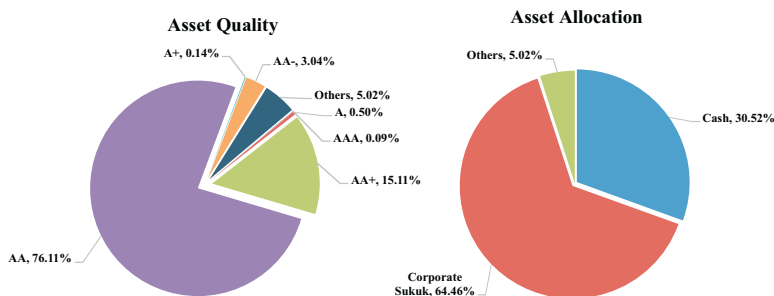
The Fund's Net Assets as of March 31, 2020 stood at Rs.1.84 billion representing Net Asset Value of Rs.101.3808 per unit. During the nine months period ended March 31, 2020, the Fund generated Gross Earnings of Rs.303.75 million yielding a Return of 12.85% p.a. as detailed below:

Profit on Bank Deposits
Income from Sukuk Certificates
Profit on Term Deposit Receipt
Dividend Income
Net gain on investments designated 'at fair value through profit or loss'

(Rs. in '000)
March 31, 2020
243,786
27,610
19,859
299
12,195
303,749

The fund distributed a total monthly dividend of Rs.8.09 per unit during the nine months period.

The Asset Quality and Asset Allocation of FHIIF as at March 31, 2020, can be viewed as under:

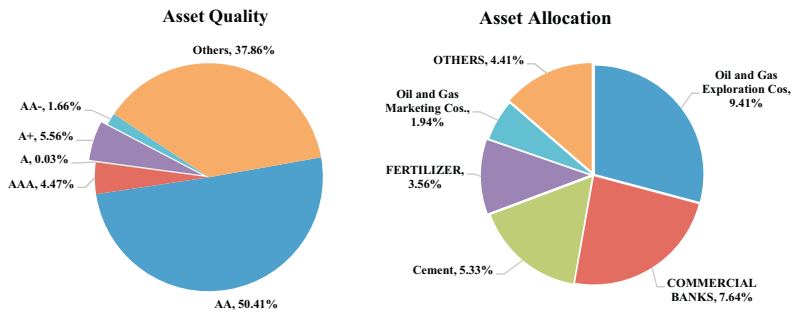


First Habib Asset Allocation Fund (FHAAF)

The Fund's Net Assets as on March 31, 2020 stood at Rs.92.19 million, representing Net Asset Value of Rs.83.2409 per unit. During the nine months period ended March 31, 2020, the Fund incurred a gross loss of Rs.5.22 million as detailed below:

	<i>(Rs. in '000)</i>
	March 31, 2020
Profit on Bank Deposits	4,045
Income from Term Finance Certificates/ Sukkuk Certificate	2,218
Dividend Income	932
Income from Government Securities	781
Net Gain/(Loss) on sale and revaluation of Investments	(13,195)
	<u>(5,218)</u>

The Asset Allocation of FHAAF as on March 31, 2020, can be viewed as under:



Future Outlook

It is now quite certain that the world economies will witness a major recession due to severe demand destruction caused by COVID-19 pandemic. On the domestic front, as per the IMF report, the country's GDP is projected to be negative 1.5% percent in Fiscal Year 2020 but to rebound thereafter to 2% in Fiscal Year 2021 while current account deficit is projected to 1.7% of GDP in current Fiscal Year and 2.4% in FY 2021.

We believe that any growth prospects will be hinged upon the severity of the global pandemic and recovery in demand emanating from successful containment of COVID-19.

Going forward we believe the inflation to come down to the SBP's long term target of 7-9% in FY21 and the interest rates to be reduced to single digits. However, the country's capital markets are expected to remain highly volatile as we continue to juggle with the economic ramifications of COVID-19 pandemic.

Acknowledgement

The Board is indeed thankful to its valued Unit-holders, Central Depository Company of Pakistan Limited as Trustee, the Securities and Exchange Commission of Pakistan and the management of Pakistan Stock Exchange for their support and cooperation.

The Board also appreciates the employees of the Management Company for their dedication and hard work.

On behalf of the Board of
Habib Asset Management Limited

Chief Executive Officer

April 23, 2020

FIRST HABIB INCOME FUND

Quarterly Report

31 March 2020

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FUND'S INFORMATION**Management Company**

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Aun Mohammad A Habib	Director
Mr. Saeed Allawala	Director

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary

Mr. Zahid Hussain Vasnani

Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mansoor Ali	Member
Mr. Saeed Allawala	Member

Human Resource Committee

Mr. Aun Mohammad A Habib	Director
Mr. Mansoor Ali	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Imran Azim	Member
Mr. Aun Mohammad A Habib	Director

Auditors

KPMG Taseer Hadi & C0.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi

Trustee

Central Depository Company
of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Rating

AA-(F) Fund Stability Rating Rating by PACRA
AM3+ Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Bank Islami Pakistan Limited
JS bank Limited
Khushali Microfinance Bank

Registered Office: 2nd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 MARCH 2020

	Note	31 March 2020 (Unaudited) ------(Rupees in '000)-----	30 June 2019 (Audited)
Assets			
Bank balances	4	489,372	386,320
Investments	5	174,746	260,956
Receivable against Margin Trading System (MTS)	6	2,359	55,039
Income receivable		8,263	5,343
Receivable on issuance and conversion of units		-	731
Receivable against sale of investment		210	48,728
Advances, deposits and prepayments	7	4,859	5,003
Total assets		679,809	762,120
Liabilities			
Payable to Habib Asset Management Limited - Management Company	8	705	822
Provision for Federal Excise Duty on remuneration of the Management Company	9	8,746	8,746
Payable to Central Depository Company of Pakistan Limited - Trustee		48	132
Payable to Securities and Exchange Commission of Pakistan (SECP)		102	596
Provision for Sindh Workers' Welfare Fund	10	5,359	4,153
Derivative financial liability		-	14
Payable against redemption of units		69	9,408
Accrued expenses and other liabilities		1,992	5,434
Total liabilities		17,021	29,305
Net assets		662,788	732,815
Unit holders' fund (as per the statement attached)		662,788	732,815
		------(Number of Units)-----	
Number of units in issue (Face value of units is Rs. 100 each)		6,045,671	7,294,724
		----- (Rupees) -----	
Net asset value per unit		109.63	100.46
Contingencies and Commitments	11		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

		Nine Months ended		Quarter ended	
		31 March		31 March	
	Note	2020	2019	2020	2019
		(Rupees in '000)			
Income					
Profit on bank balances calculated using effective interest method		31,191	11,784	10,287	4,611
Profit on Term Deposit Receipts calculated using effective interest method		-	2,718	-	-
Return on Government securities		14,750	4,848	3,974	784
Profit on Commercial Paper calculated using effective interest method		1,483	215	-	-
Return on Term Finance Certificates		20,252	19,615	7,412	7,414
Income from Margin Trading System		3,496	18,708	1,727	5,383
Dividend Income		2,515	9,032	-	3,531
Other income		-	-	-	(29)
Net realised (loss) /gain on sale of investments classified as at fair value through profit or loss		(405)	(6,679)	405	(3,715)
Net unrealised (diminution) / appreciation on revaluation of investments	5.5	(3,854)	(992)	1,909	4,142
Net unrealised diminution on derivative financial instruments		-	-	-	(3,154)
		(4,259)	(7,671)	2,314	(2,727)
Total income		69,428	59,249	25,714	18,967
Expenses					
Remuneration of Habib Asset Management Limited - Management Company	8	5,321	6,862	1,637	1,968
Sindh sales tax on management company's remuneration		692	892	213	256
Expenses allocated by the Management Company		566	-	566	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		382	1,064	123	284
Sindh sales tax on Central Depository Company of Pakistan Limited - Trustee		50	138	16	37
Annual fee - Securities and Exchange Commission of Pakistan (SECP)		102	469	33	125
Brokerage expense		379	793	11	205
Settlement and bank charges		796	4,542	273	1,511
Annual listing fee		19	19	6	6
Auditors' remuneration		470	350	156	67
Mutual fund rating fee		314	282	104	95
Printing charges		49	69	16	23
Provision for Sindh Workers' Welfare Fund		1,206	862	452	289
Total expenses		10,346	16,342	3,606	4,866
Net income for the period before taxation		59,082	42,907	22,108	14,101
Taxation	12	-	-	-	-
Net income for the period after taxation		59,082	42,907	22,108	14,101
Allocation of net income for the period after taxation					
Net income for the period		59,082	42,907	22,108	14,101
Income already paid on units redeemed		(4,213)	(18,855)	(1,487)	(11,906)
		54,869	24,052	20,621	2,195
Accounting Income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		54,869	24,052	20,621	2,195
		54,869	24,052	20,621	2,195

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB INCOME FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine Months ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	59,082	42,907	22,108	14,101
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	59,082	42,907	22,108	14,101

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

Note	2020			2019		
	Capital value	Un distributed income	Net asset	Capital value	Un distributed income	Net asset
	(Rupees in '000)					
Net assets at the beginning of the period	719,956	12,859	732,815	914,745	50,611	965,356
Issue of 885,322 (31 March 2019: 1,550,703) units						
- Capital value	88,938	-	88,938	166,113	-	166,113
- Element of income	4,339	-	4,339	8,238	-	8,238
Amount received / receivable on issuance of units	93,277	-	93,277	174,350	-	174,350
Redemption of 2,134,375 (31 March 2019: 5,775,746) units						
- Capital value	(213,979)	-	(213,979)	(618,718)	-	(618,718)
- Element of loss	(4,194)	(4,213)	(8,407)	(683)	(18,855)	(19,538)
Amount paid / payable on redemption of units	(218,173)	(4,213)	(222,386)	(619,401)	(18,855)	(638,256)
Total comprehensive income for the period	-	59,082	59,082	-	42,907	42,907
Final distribution for the year ended 30 June 2018: Rs. 6.75 per unit (31 March 2019 : Nil)	-	-	-	-	(38,162)	(38,162)
Net income for the period less distribution	-	59,082	59,082	-	4,745	4,745
Net assets at the end of the period	595,060	67,728	662,788	469,694	36,501	506,195
Undistributed income brought forward						
- Realised		13,298			50,472	
- Unrealised		(439)			139	
		12,859			50,611	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	54,869			24,052		
	54,869			24,052		
Final distribution for the year ended 30 June 2018: Rs. 6.75 per unit (31 March 2019 : Nil)		-			(38,162)	
Undistributed income carried forward		67,728			36,501	
Undistributed income carried forward comprises of:						
- Realised income		71,582			37,493	
- Unrealised loss		(3,854)			(992)	
		67,728			36,501	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		100.46			107.12	
Net assets value per unit at end of the period		109.63			105.75	

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine Months ended 31 March	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	59,082	42,907
Adjustments for non-cash items		
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'	3,854	992
	62,936	43,899
(Increase) / decrease in assets		
Investments	82,356	(7,334)
Term Deposit Receipts	-	100,000
Certificate of Commercial Paper	-	24,785
Receivable against Margin Trading System	52,680	185,714
Income receivable	(2,920)	(1,022)
Receivable on issuance and conversion of units	731	(37)
Receivable against sale of investments	48,518	(69,489)
Advances, deposits and prepayments	144	(5,451)
	181,509	227,166
Increase / (decrease) in liabilities		
Payable to Management Company	(117)	(135)
Payable to Trustee	(84)	(54)
Payable to SECP	(494)	(233)
Provision for Sindh Workers' Welfare Fund	1,206	862
Payable against purchase of investment	(14)	(12,186)
Payable against redemption of units	(9,339)	(648)
Advance against sale of units	-	(1,567)
Accrued expenses and other liabilities	(3,442)	122
	(12,284)	(13,839)
Net cash generated from operating activities	232,161	257,226
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	93,277	174,350
Payments against redemption and conversion of units	(222,386)	(638,256)
Dividend Paid during the period	-	(38,162)
Net cash used in financing activities	(129,109)	(502,068)
Net decrease in cash and cash equivalents during the period	103,052	(244,842)
Cash and cash equivalents at the beginning of the period	386,320	307,863
Cash and cash equivalents at the end of the period	489,372	63,021
Cash and cash equivalents at the end of the period comprise of :		
Bank balances	489,372	63,021
	489,372	63,021

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020****1. LEGAL STATUS AND NATURE OF BUSINESS**

First Habib Income Fund ("the Fund") was established under a Trust Deed executed between Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 6 September 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 3 August 2006 under Rule 67 of the Non- banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the management company is situated at 2nd Floor, Imperial Court Building, Dr. Ziauddin Ahmed Road Karachi.

The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.

The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders at their convenience. The management team also seeks to enhance returns through active portfolio management using efficiency tools.

The Fund invests in a diversified portfolio of term finance certificates, government securities, corporate debt securities, certificates of investments, term deposit receipts, margin trading system and other money market instruments (including clean placements).

The Fund has been categorized as income scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM3+' and 'AA-(f)' to the Management Company.

Title to the assets of the Fund is held in the name of CDC as a Trustee of the Fund.

2. BASIS OF PREPARATION**2.1 Statement of compliance**

2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 This condensed interim financial information is unaudited and is being submitted to the unit holders as required under Regulation 38 (2) (f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

2.1.4 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended 30 June 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed

interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended 31 March 2019.

- 2.1.5** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 March 2020.

2.2 Standards, interpretation and amendments to published approved accounting standards that are not yet effective

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information.

2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the fund's functional and presentation currency. All figures have been rounded to the nearest thousand rupees, unless stated otherwise.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

- 3.1** The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2019.

- 3.2** The preparation of this condensed interim financial information in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

- 3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

3.4 New or Amendments / Interpretations to existing standards, interpretations and forthcoming requirements

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information

4. BANK BALANCES

This represents savings accounts held with various commercial banks carrying profit rates ranging from 6.25% to 14.35% (2019: 5.52% to 13.30%) per annum. It also includes balance of Rs. 2.08 million (30 June 2019: Rs 6.50 million) with Bank AL Habib Limited, a related party, carrying profit rates ranging from 11.75% (30 June 2019: 5.25% to 9.63%) per annum.

5. INVESTMENTS

		31 March 2020 (Unaudited)	30 June 2019 (Audited)
	<i>Note</i>	----- (Rupees in '000) -----	
At fair value through profit or loss - held for trading			
Term finance certificates / Sukuk certificates	5.1	144,818	185,843
Government securities - Market Treasury Bills	5.2	29,928	49,472
Listed equity securities (Spread Transactions)	5.3	-	641
Government securities - Pakistan Investment Bonds	5.4	-	-
		174,746	235,956
At amortized cost			
		-	25,000
Certificate of Commercial Paper		-	25,000
		174,746	260,956

FIRST HABIB INCOME FUND

5.1. Term finance certificates / sukus

Name of the Investee	Face Value			As at 31 March 2020				Market value as a percentage of total investments (%)	
	As at 01 July 2019	Purchased during the period	Sold / Matured during the period	As at 31 March 2020	Carrying value	Market value	Unrealised appreciation/ (diminution)		
	(Rupees in '000)								
<u>Unquoted</u>									
JS Bank Limited - TFC (14-12-2016) (certificates of Rs. 5,000 each)	6,000	-	-	6,000	30,075	28,795	(1,280)	4.34%	16.48%
JS Bank Limited - TFC (29-12-2017) (certificates of Rs. 100,000 each)	250	-	-	250	24,772	23,187	(1,585)	3.50%	13.27%
TPL Corp Limited- TFC (19-12-2017) (certificates of Rs. 100,000 each)	250	-	250	-	-	-	-	0.00%	0.00%
Habib Bank Limited - TFC (19-02-2016) (certificates of Rs. 100,000 each)	250	-	100	150	14,766	14,924	158	2.25%	8.54%
Ghani Gases Limited- Sukuk (2-2-2017) (certificates of Rs. 100,000 each)	250	-	-	250	12,750	11,250	(1,500)	1.70%	6.44%
AGP Limited - Sukuk (9-6-2017) (certificates of Rs. 100,000 each)	250	-	-	250	11,250	11,363	113	1.71%	6.50%
International Brands Limited- Sukuk (15-11-2017) (certificates of Rs. 100,000 each)	150	-	-	150	11,164	11,075	(89)	1.67%	6.34%
<u>Quoted</u>									
Dawood Hercules Corporation Limited - Sukuk I (certificates of Rs. 100,000 each)	250	-	-	250	19,951	20,145	194	3.04%	11.53%
Dawood Hercules Corporation Limited - Sukuk II (certificates of Rs. 100,000 each)	300	-	-	300	23,958	24,079	121	3.63%	13.78%
Total as at 31 March 2020					148,686	144,818	(3,868)		
Total as at 30 June 2019					186,262	185,843	(419)		

5.1.1 Significant terms and conditions of Term Finance Certificates and Sukuk Certificates outstanding at the period end are as follows:

Name of security	Number of Certificates	Tenor	Unredeemed face value per TFC / Sukuk (Rupees)	Mark-up rate (per annum)	Issue date	Rating	Secured / Unsecured
Term Finance Certificates							
JS Bank Limited	6,000	7 years	5,013	6 month KIBOR plus 1.4%	14-Dec-16	A+	Secured
JS Bank Limited	250	7 years	99,088	6 month KIBOR plus 1.14%	29-Dec-17	A+	Secured
Habib Bank Limited	250	10 years	98,440	6 month KIBOR plus 0.5%	19-Feb-16	AA+	Unsecured
Sukuk Certificates							
Ghani Gases Limited	250	6 years	51,000	3 month KIBOR plus 1%	2-Feb-17	A	Secured
Dawood Hercules Corporation Limited - Sukuk I	250	5 years	79,804	3 month KIBOR plus 1%	16-Nov-17	AA	Secured
Dawood Hercules Corporation Limited - Sukuk II	250	5 years	79,860	3 month KIBOR plus 1.5%	1-Mar-18	AA	Secured
AGP Limited	250	5 years	45,000	3 month KIBOR plus 1.3%	9-Jun-17	A	Secured
International Brands Limited	150	4 years	74,427	1 year KIBOR plus 1.1%	15-Nov-17	AA	Secured

5.2 Government securities - Market Treasury Bills

Issue date	Face Value			As at 31 March 2020			Market value as a percentage of net assets (%)	Market value as a percentage of total investments (%)	
	As at 01 July 2019	Purchased during the period	Sold / Matured during the period	As at 31 March 2020	Carrying value	Market value			Unrealised appreciation/ (diminution)
	(Rupees in '000)								
<i>Treasury bills - 3 Months</i>									
April 25, 2019	25,000	-	25,000	-	-	-	-	0.00%	0.00%
May 23, 2019	25,000	25,000	50,000	-	-	-	-	0.00%	0.00%
July 18, 2019	-	150,000	150,000	-	-	-	-	0.00%	0.00%
December 19, 2019	-	450,000	450,000	-	-	-	-	0.00%	0.00%
January 16, 2020	-	350,000	320,000	30,000	29,914	29,928	14	4.52%	17.13%
<i>Treasury bills - 1 Year</i>									
September 26, 2019	-	350,000	350,000	-	-	-	-	0.00%	0.00%
October 10, 2019	-	540,500	540,500	-	-	-	-	0.00%	0.00%
October 24, 2019	-	100,000	100,000	-	-	-	-	0.00%	0.00%
March 26, 2020	-	250,000	250,000	-	-	-	-	0.00%	0.00%
Total as at 31 March 2020					29,914	29,928	14		
Total as at 30 June 2019					49,497	49,472	(25)		

FIRST HABIB INCOME FUND

5.3 Listed equity securities (Spread transactions)

Name of the Investee

Unless stated otherwise, the holdings are in ordinary shares of Rs 10 each.

Banks

Bank of Punjab Limited

Habib Bank Limited

Cable and electrical goods

Pak Elektron Limited

Cement

Pioneer Cement Company Limited

Maple Leaf Cement Factory Limited

Chemical

Descon Oxychem Limited

Lotte Chemical Pakistan Limited

Engro Polymer Chemical Limited

Engineering

Mughal Iron & Steels Works

Fertilizer

Engro Fertilizer Limited

Engro Corporation Limited

Fauji Fertilizer Bin Qasim Limited

Fauji Fertilizer Company Limited

Food and personal care products

Friesland compina Engro Pakistan Limited

Engro Foods Limited

Fauji Foods Limited

Oil and Gas Exploration Companies

Oil Gas Development Corporation Limited

Pakistan Oil field Limited

Hascol Company Limited

Oil and Gas Marketing Companies

Sui Southern Gas Company Limited

Banaspatti and allied industries

Unity Foods Limited

Technology & Communication

TRG Pakistan Limited

Transport

Pakistan International Bulk Limited

Personal Goods

Nishat Chunian Limited

Power generation and distribution

K-electric Limited

Kot Addu Power Company Limited

Refinery

Attock Refinery Limited

Textile composite

Nishat Mills Limited

Total as at 31 March 2020

Total as at 30 June 2019

								Market value as a percentage of total investments (%)
As at 1 July 2019	Purchased during the period	Sold during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Unrealized appreciation / (diminution)	Market value as a percentage of net assets (%)	
(Number of shares)				(Rupees in '000)				
-	514,500	514,500	-	-	-	-	-	-
-	500	500	-	-	-	-	-	-
-	515,000	515,000	-	-	-	-	-	-
-	193,000	193,000	-	-	-	-	-	-
-	68,500	68,500	-	-	-	-	-	-
-	288,500	288,500	-	-	-	-	-	-
-	357,000	357,000	-	-	-	-	-	-
18,000	13,000	31,000	-	-	-	-	-	-
-	6,500	6,500	-	-	-	-	-	-
-	6,500	6,500	-	-	-	-	-	-
18,000	26,000	44,000	-	-	-	-	-	-
-	159,000	159,000	-	-	-	-	-	-
-	217,500	217,500	-	-	-	-	-	-
-	22,500	22,500	-	-	-	-	-	-
-	12,000	12,000	-	-	-	-	-	-
-	143,000	143,000	-	-	-	-	-	-
-	395,000	395,000	-	-	-	-	-	-
-	5,000	5,000	-	-	-	-	-	-
-	500	500	-	-	-	-	-	-
-	50,000	50,000	-	-	-	-	-	-
-	55,500	55,500	-	-	-	-	-	-
-	24,000	24,000	-	-	-	-	-	-
-	24,500	24,500	-	-	-	-	-	-
-	21,500	21,500	-	-	-	-	-	-
-	70,000	70,000	-	-	-	-	-	-
11,000	8,500	19,500	-	-	-	-	-	-
10,000	668,500	678,500	-	-	-	-	-	-
-	942,000	942,000	-	-	-	-	-	-
-	362,000	362,000	-	-	-	-	-	-
-	2,500	2,500	-	-	-	-	-	-
5,000	90,000	95,000	-	-	-	-	-	-
-	158,000	158,000	-	-	-	-	-	-
5,000	248,000	253,000	-	-	-	-	-	-
-	17,500	17,500	-	-	-	-	-	-
-	262,000	262,000	-	-	-	-	-	-
				-	-	-	-	-
				622	641	19	-	-

FIRST HABIB INCOME FUND

5.4 Government securities - Pakistan Investment Bonds

Issue date	Face Value			As at 31 March 2020			Market value as a percentage of net assets (%)	Market value as a percentage of total investments (%)	
	As at 01 July 2019	Purchased during the period	Sold / Matured during the period	As at 31 March 2020	Carrying value	Market value			Unrealised appreciation/ (diminution)
	(Rupees in '000)								
<i>PIB - 3 Years</i>									
11-July- 2018	-	75,000	75,000	-	-	-	-	0.00% 0.00%	
18-July- 2013	-	104,400	104,400	-	-	-	-	0.00% 0.00%	
19-September- 2019	-	225,000	225,000	-	-	-	-	0.00% 0.00%	
<i>PIB - 5 Years</i>									
19-September- 2019	-	150,000	150,000	-	-	-	-	0.00% 0.00%	
Total as at 31 March 2020					-	-	-		
Total as at 30 June 2019					-	-	-		

5.5 Net unrealised loss on investments at fair value through profit or loss

	31 March 2020	31 March 2019
	(Unaudited)	
	----- (Rupees in '000) -----	
Market value of investments	174,746	283,528
Less: Carrying value of investments	(178,600)	(284,520)
	<u>(3,854)</u>	<u>(992)</u>

6. RECEIVABLE AGAINST MARGIN TRADING SYSTEM

This represents amount receivable under the margin trading of eligible listed equity securities which are to be settled within a maximum period of 60 days. There is no balance at the period end. The balance carried mark-up ranging from 18.56% to 28.19% (30 June 2019: 12.87% to 22.73%) per annum.

7. ADVANCES, DEPOSITS & PREPAYMENTS

	31 March 2020	30 June 2019
	(Unaudited)	(Audited)
	----- (Rupees in '000) -----	
Deliverable Future Contract margin with NCCPL	7.1	376
Security deposit for Non-IDS with NCCPL	2,500	2,500
Deposit against MTS with NCCPL	250	250
Deposit with CDC	100	100
Advance tax	1,708	1,652
Prepayment	301	125
	<u>4,859</u>	<u>5,003</u>

7.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR, various withholding agents have deducted advance tax under section 151 of ITO 2001 regarding which the management is confident that the same will be refunded in due course.

8. REMUNERATION OF HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

8.1 As per regulation 61 of the amended NBFC Regulations, the Management Company of the Fund is entitled to a remuneration at the rate of 10% of gross income with minimum fee of 1% per annum and maximum fee of 1.5% per annum of average annual net assets. However the rate of management fee has been revised at 1% of average net assets, with effect from 6 August 2019. The remuneration is paid to the Management Company on monthly basis in arrears.

8.2 Sindh Sales Tax has been charged at 13% (30 June 2019: 13%) on the Management Company's remuneration during the period.

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

9.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee has been revised during the period with effect from 01 July 2019 to 0.075% per annum of net assets.

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

10.1 This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with regulation 62 of the NBFC Regulations. The said rate of fee has been changed during the period, pursuant to S.R.O 685(I) 2019, dated 28 June 2019, with effect from 01 July 2019. The revised rate has been fixed at 0.02% of net assets per annum.

11. PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY

There is no change in the status of the legal proceeding on this matter which has been fully disclosed in note 11 to the annual audited financial statements for the year ended 30 June 2019.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs. 8.746 million.

Had the provision on FED not been made, net assets value per unit of the Fund as at 31 March 2020 would have been higher by Rs. 1.32 (30 June 2019: Rs. 1.20).

12. PROVISION FOR SINDH WORKERS' WELFARE FUND

There is no change in the status of the legal proceeding on this matter which has been fully disclosed in the in note 14 to the annual audited financial statements for the year ended 30 June 2019.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP has recommended its members to record a provision for SWWF on prudence basis.

Had the SWWF not been provided, the net asset value per unit of the Fund would have been higher by Re. 0.81 (30 June 2019: Re. 0.57) per unit.

13. CONTINGENCIES AND COMMITMENTS

Except as stated in note 12, there are no contingencies as at 31 March 2020 (30 June 2019: Nil).

14. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance (ITO), 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of atleast 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe, shall not be taken into account. Furthermore, as per regulation 63 of the NBFC regulations, 2008, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. 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 ITO, 2001. The Fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

15. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons / related parties include Habib Asset Management Limited being the Management Company, AL-Habib Capital Markets (Private) Limited and Bank AL Habib Limited being companies under common management or directorship, First Habib Cash Fund, First Habib Stock First Habib Islamic Stock Fund, First Habib Islamic Income Fund and First Habib Asset Allocation Fund being the Fund managed by common Management Company Central Depository Company Limited being the Trustee of the Fund, directors and officers of the above entities and includes persons holding 10% or more in the units of the Fund as at 31 March 2020. It also includes staff retirement benefit funds of the above connected person / related parties.

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

Remuneration to management company and trustee is determined in accordance with the provisions of Non- Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non- Banking Finance Companies and Notified Entities Regulation 2008 and the Trust Deed respectively.

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Details of the transactions with connected persons are as follows:

	Nine Months ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	(Rupees in '000)			
Habib Asset Management Limited - Management Company				
Management company's remuneration	5,321	6,862	1,637	1,968
Sindh Sales Tax on Management company's remuneration	692	892	213	256
Expenses allocated by the Management Company	566	-	566	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration (inclusive of sindh sales tax)	432	1,202	139	321
Bank Al Habib Limited				
Profit on bank balances	758	726	443	103

Details of the balances with connected persons at period end are as follows:

	31 March 2020 (Un-Audited)	30 June 2019 (Audited)
	(Rupees in '000)	(Rupees in '000)
Habib Asset Management Limited - Management Company		
Payable to Management Company	560	727
Sindh Sales tax payable on Management Company's remuneration	73	95
Allocated expenses payable	72	8,746
Federal Excise duty payable on Management Company's remuneration	8,746	1
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	48	132
Other CDC charges payable	38	21
Security deposits - Non interest bearing	100	100
Bank AL Habib Limited		
Bank balances	2,076	6,550

15.1 Sale / Redemption of units for the period ended 31 December

	Nine Months ended 31 March 2020 (Unaudited)		Nine Months ended 31 March 2019 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
Habib Asset Management Limited	-	-	145,477	15,248
Associated Companies				
Habib Insurance Company Limited	-	-	196,430	20,000
Other related parties				
Habib Insurance Co. Ltd. Pak. Emp. Provident Fund	5	1	507	52
Sukaina Education And Welfare Trust	-	-	36	4
Executives of the Management Company	-	-	4,345	447
Mr. Qumail Habib	-	-	1,917	192
Mr Munawar Ali Habib	-	-	1,882	189
Mrs Shama S. Habib	-	-	12,935	1,298
Mr Murtaza Habib	46	5	1,787	179
Mr Ali Asad Habib	-	-	2,688	270
Mr Abbas D. Habib	-	-	1,120	112
Mr Sajjad Hussain	0	0	1,295	130
Dawood Habib Memorial Trust	-	-	16	2

FIRST HABIB INCOME FUND

	Nine Months ended 31 March 2020 (Unaudited)		Nine Months ended 31 March 2019 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units redeemed by:				
<i>Management Company</i>				
Habib Asset Management Limited	7,311	763	1,062,117	108,888
<i>Associated Companies</i>				
Habib Insurance Company Limited	-	-	196,430	20,246
Other related parties				
Executives of the Management Company	16,228	1,706	22,294	2,331
Dawood Habib Memorial Trust	16	2	-	-
Sukaina Education And Welfare Trust	39	4	-	-
Mr Ali Raza D. Habib	38,270	3,991	-	-
Mr Qumail Habib	-	-	34,467	3,571
Mr Murtaza Habib	34,406	3,608	-	-
Mr Sajjad Hussain	24,929	2,599	-	-
APWA Ra'ana Liaquat Craftsmen Colony	27,571	2,842	-	-
Units sold to Connected Parties holding 10% or more of the units in issue:				
Lahore Medical & Dental College	-	-	1,421,113	150,000
15.2 Units held as on 31 March 2020	31 March 2020		31 March 2019	
	(Unaudited)		(Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units held by:				
<i>Management Company</i>				
Habib Asset Management Limited	-	-	94,741	10,017
<i>Associated Companies</i>				
Bank AL Habib Limited	1,363,808	149,515	1,363,808	144,198
Other related parties				
Executives of the Management Company	16,581	1,818	19,293	2,040
Greenshield Insurance Brokers (Pvt) Ltd	-	-	-	-
Habib Insurance Company Limited Employees Provident Fund	519	57	507	54
Mr Ali Raza D. Habib	-	-	38,270	4,046
Mr. Abbas D Habib	21,573	2,365	20,161	2,132
Mr Munawar Ali Habib	37,196	4,078	34,761	3,675
Mr. Qumail Habib	93	10	-	-
Mr Murtaza Habib	46	5	32,152	3,400
Mr. Sajjad Hussain	-	-	23,296	2,463
Mrs. Shama Sajjad Habib	255,505	28,011	239,220	25,293
Mr. Ali Asad Habib	51,750	5,673	48,361	5,113
Mrs. Hina Shoaib	207	23	194	20
Sukaina Education And Welfare Trust	-	-	36	4
APWA Ra'ana Liaquat Craftsmen Colony	-	-	25,813	2,729
Dawood Habib Memorial Trust	-	-	16	2
Connected Parties holding 10% or more of the units in issue:				
Lahore Medical & Dental College	2,665,370	292,205	593,803	62,783

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Fair value through profit or loss	Carrying amount			Fair value			
		Amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
31 March 2020								
					(Rupees in '000)			
Financial assets - measured at fair value								
Government securities	144,818	-	-	144,818	-	144,818	-	144,818
Quoted equity securities	29,928	-	-	29,928	29,928	-	-	29,928
Term finance certificates	-	-	-	-	-	-	-	-
Financial assets - not measured at fair value								
Balances with banks	-	489,372	-	489,372				
Receivable on issuance and conversion of units	-	-	-	-				
Receivable against investments	-	210	-	210				
Receivable against Margin Trading System	-	2,359	-	2,359				
Dividend and profit receivable	-	8,263	-	8,263				
Deposits and other receivables	-	4,859	-	4,859				
	174,746	505,063	-	679,809				
Financial liabilities - not measured at fair value								
Payable to Habib Asset Management Limited - Management Company			705	705				
Provision for Federal Excise Duty on remuneration of the Management Company			8,746	8,746				
Payable to Central Depository Company Pakistan Limited (CDC) - Trustee			48	48				
Payable to Securities and Exchange Commission of Pakistan (SECP)			102	102				
Provision for Sindh Workers' Welfare Fund			5,359	5,359				
Payable against redemption of units			69	69				
Accrued expenses and other liabilities			1,992	1,992				
	-	-	17,021	17,021				

FIRST HABIB INCOME FUND

		Carrying amount			Fair value				
		Fair value through profit or loss	Amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
30 June 2019	Note	----- (Rupees in '000) -----							
Financial assets -measured at fair value									
Government securities		49,472	-	-	49,472	-	49,472	-	49,472
Quoted equity securities		641	-	-	641	641	-	-	641
Term finance certificates		185,843	-	-	185,843	-	185,843	-	185,843
Financial assets - not measured at fair value									
Balances with banks		-	386,320	-	386,320				
Commercial Paper		-	25,000	-	25,000				
Receivable against sale of units		-	731	-	731				
Receivable against Margin Trading System		-	55,039	-	55,039				
Income Receivable		-	5,343	-	5,343				
Receivable against sale of investments		-	48,728	-	48,728				
Advances, deposits & prepayments		-	5,003	-	5,003				
		235,956	526,164	-	762,120				
Financial liabilities - measured at fair value									
Derivative financial liability		14	-	-	14				
Financial liabilities - not measured at fair value									
Payable to Habib Asset Management Limited - Management Company		-	-	822	822				
Payable to Central Depository Company Pakistan Limited (CDC) - Trustee		-	-	132	132				
Accrued expenses and other liabilities		-	-	5,434	5,434				
Provision for Federal Excise Duty on remuneration of the Management Company		-	-	8,746	8,746				
Payable to Securities and Exchange Commission of Pakistan (SECP)		-	-	596	596				
Provision for Sindh Workers' Welfare Fund		-	-	4,153	4,153				
Payable against redemption of units		-	-	9,408	9,408				
		14	-	29,291	29,305				

16.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

17. TOTAL EXPENSE RATIO (TER)

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended 31 March 2020 is 1.96% which include 0.40% representing government levy, Sindh Workers Welfare Fund and SECP fee.

18. GENERAL

18.1 In compliance with schedule V of the NBFC Regulations, 2008, the Directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 March 2020.

18.2 This condensed interim financial information was authorised for issue by the board of directors of the Management Company on **23rd April 2020**.

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB STOCK FUND
Quarterly Report
31 March 2020

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FUND'S INFORMATION**Management Company**

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Aun Mohammad A Habib	Director
Mr. Saeed Allawala	Director

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary

Mr. Zahid Hussain Vasnani

Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mansoor Ali	Member
Mr. Saeed Allawala	Member

Human Resource Committee

Mr. Aun Mohammad A Habib	Director
Mr. Mansoor Ali	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Imran Azim	Member
Mr. Aun Mohammad A Habib	Director

Auditors

KPMG Taseer Hadi & C0.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi

Trustee

Central Depository Company
of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Rating

MFR-3 Star Performing Ranking by JCR-VIS
AM3+ Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
MCB Bank Limited

Registered Office: 2nd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 MARCH 2020

	Note	31 March 2020	30 June 2019
		----- (Rupees in '000) ----- (Un-audited)	----- (Rupees in '000) ----- (Audited)
Assets			
Bank balances	4	10,666	7,583
Investments	5	83,202	94,002
Dividend and Income receivable	6	1,505	-
Deposits and prepayments	7	2,794	6,333
Total assets		98,167	107,918
Liabilities			
Payable to Habib Asset Management Limited - Management Company	8	206	201
Provision for Federal Excise Duty on Remuneration of the Management Company	9	2,043	2,043
Payable to Central Depository Company of Pakistan Limited - Trustee	10	21	65
Payable to Securities and Exchange Commission of Pakistan (SECP)	11	17	124
Provision for Sindh Workers' Welfare Fund	12	945	945
Accrued expenses and other liabilities		1,237	520
Total liabilities		4,468	3,898
Net assets		93,699	104,020
Unit holders' funds (as per statement attached)		93,699	104,020
		----- (Number of Units) -----	
Number of units in issue (Face value of units is Rs. 100 each)		1,544,936	1,434,433
		----- (Rupees) -----	
Net asset value per unit		60.65	72.52
Contingencies and Commitments	13		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB STOCK FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

		Nine months ended		Quarter ended	
		31 March		31 March	
		2020	2019	2020	2019
Note		(Rupees in '000)			
Income					
		1,074	1,027	370	404
	Profit on bank balances calculated using effective interest method	98	-	98	-
	Return on deposit with NCCPL	4,876	4,631	1,425	1,203
	Dividend Income	6,224	(5,870)	2,173	(1,900)
	Net capital gain /(loss) on sale of investment classified as held for trading	(27,650)	(9,212)	(39,899)	6,138
5.2	Net unrealised (diminution) / appreciation on revaluation of investments	(21,426)	(15,082)	(37,726)	4,238
		(15,379)	(9,424)	(35,834)	5,845
Total (loss) /income					
Expenses					
	Remuneration of Habib Asset Management Limited - Management Company	1,668	2,062	608	606
8		217	268	79	79
	Sindh sales tax on management company's remuneration	16	-	16	-
	Expenses allocated by the Management Company	167	524	61	241
10	Remuneration of Central Depository Company of Pakistan Limited - Trustee	22	68	8	-
	Sindh sales tax on Central Depository Company of Pakistan Limited - Trustee	17	100	6	29
11	Annual fee - Securities and Exchange Commission of Pakistan (SECP)	488	301	227	94
	Brokerage expense	300	326	92	111
	Settlement and bank charges	17	14	7	4
	Annual listing fee	310	269	106	47
	Auditors' remuneration	152	151	51	50
	Mutual Fund Rating Fee	-	-	(366)	-
12	Provision for Sindh Workers' Welfare Fund	49	70	16	23
	Printing charges	3,422	4,153	910	1,284
	Total expenses				
		(18,801)	(13,577)	(36,744)	4,561
Net (loss) / income for the period before taxation					
		-	-	-	-
Taxation					
		(18,801)	(13,577)	(36,744)	4,561
Net (loss) / Income for the period after taxation					
Allocation of net (loss) / profit for the period after taxation					
		(18,801)	(13,577)	(36,744)	4,561
	Net (Loss) / income for the period	-	-	-	-
	Income already paid on units redeemed	(18,801)	(13,577)	(36,744)	4,561
Accounting Income available for distribution:					
	Relating to capital gains	-	-	-	-
	Excluding capital gains	-	-	-	-
		-	-	-	-

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine month ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net (loss) / Income for the period after taxation	(18,801)	(13,577)	(36,744)	4,561
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	(18,801)	(13,577)	(36,744)	4,561

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB STOCK FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

Note	Nine Months ended 31 March					
	2020 Capital Value	Un distributed income	Net Asset	2019 Capital Value	Un distributed income	Net Asset
	(Rupees in '000)					
Net assets at the beginning of the period	162,690	(58,670)	104,020	168,617	(31,217)	137,400
Issuance of 753,789 units (2019: 352,256 units)						
- Capital value	54,662	-	54,662	28,895	-	28,895
- Element of income	2,311	-	2,311	3,979	-	3,979
Amount received / receivable on issuance of units	56,973	-	56,973	32,874	-	32,874
Redemption of 643,287 units (2019: 429,557 units)						
- Capital value	(46,649)	-	(46,649)	(35,236)	-	(35,236)
- Element of loss	(1,844)	-	(1,844)	(2,253)	-	(2,253)
Amount paid / payable on redemption of units	(48,478)	-	(48,493)	(37,489)	-	(37,489)
Total comprehensive loss for the period	-	(18,801)	(18,801)	-	(13,577)	(13,577)
Net assets at the end of the period	171,185	(77,471)	93,699	164,002	(44,794)	119,208
Undistributed (loss) brought forward						
- Realised		(37,647)			(26,933)	
- Unrealised		(21,023)			(4,284)	
		(58,670)			(31,217)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Undistributed loss carried forward		(58,670)			(31,217)	
Undistributed loss carried forward						
- Realised		(31,020)			(22,005)	
- Unrealised		(27,650)			(9,212)	
		(58,670)			(31,217)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			72.52			89.77
Net assets value per unit at end of the period			60.65			82.03

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine months ended 31 March	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period after taxation	(18,801)	(13,577)
Adjustments for non-cash items		
Unrealised diminution on investments at fair value through profit or loss - net	27,650	9,212
	8,849	(4,365)
Decrease in assets		
Investments	(16,850)	2,246
Dividend and Income receivable	(1,505)	(1,072)
Deposits and prepayments	3,539	8
Receivable against sale of investments	-	2,597
	(14,816)	3,779
Increase / (decrease) in liabilities		
Payable to Management Company	5	(30)
Payable to Trustee	(44)	2
Payable to SECP	(107)	(58)
Accrued expenses and other liabilities	717	1,349
	570	1,263
Net cash (utilized in) / generated from operating activities	(5,396)	677
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	56,973	32,874
Payments against redemption and conversion of units	(48,493)	(37,489)
	8,479	(4,615)
Net increase / (decrease) in cash and cash equivalents during the period	3,083	(3,938)
Cash and cash equivalents at the beginning of the period	7,583	16,816
Cash and cash equivalents at the end of period	10,666	12,878

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020****1. LEGAL STATUS AND NATURE OF BUSINESS**

First Habib Stock Fund (the Fund) was established under a Trust Deed between Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 21 August 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 11 August 2008 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 2nd floor Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.

The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the Fund at their convenience. The management team also seeks to enhance returns through active portfolio management using efficiency tools.

The policy of the Fund is to invest in equity securities of listed companies, cash and near cash instrument. The Fund has been categorised as equity scheme.

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM3+' to the Management Company and JCR-VIS has assigned Fund stability ranking of 'MFR 3-Star' for one year.

Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PREPARATION**2.1 Statement of compliance**

2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund as at for the year ended 30 June 2019.

2.1.3 This condensed interim financial information is unaudited and is being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

2.1.4 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended 30 June 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended 31 March 2019.

2.1.5 In compliance with Schedule V of the NBFC Regulation, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 March 2020.

2.2 Standards, interpretation and amendments to published approved accounting standards that are not yet effective

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information

2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousand rupees, unless stated otherwise.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

3.4 New or Amendments / Interpretations to existing standards, interpretations and forthcoming requirements

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information.

4. BANK BALANCES

	31 March 2020 (Unaudited)	30 June 2019 (Audited)
<i>Note</i>	----- (Rupees in '000) -----	
Current Account	104	26
Savings Accounts	10,562	7,557
	<u>10,666</u>	<u>7,583</u>

4.1 This represents savings account held with various commercial banks carrying profit rates ranging from 11.95% to 13.25% (30 June 2019: 3.75% to 10.25%) per annum. It also includes a balance of Rs. 6.59 million (30 June '2019: Rs. 7.25 million) with Bank AL Habib Limited, a related party, carrying profit rate of 11.75% (30 June 2019: 10.75%) per annum.

5. At fair value through profit or loss

	31 March 2020 (Unaudited)	30 June 2019 (Audited)
<i>Note</i>	----- (Rupees in '000) -----	
Equity securities	83,202	94,002
	<u>83,202</u>	<u>94,002</u>

FIRST HABIB STOCK FUND

5.1 Equity securities

Name of the Investee	As at 1 July 2019	Purchased/ Bonus/ right shares received during the period	Disposed during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Unrealized Gain/(Loss)	Market Value as a Percentage of:	
								Net Assets	Total Investment
		Number of shares			Rupees in '000		%		
Unless stated otherwise , the holdings are in ordinary shares of Rs 10 each.									
Automobile Assemblers									
Honda Atlas Cars	-	6,000	-	6,000	1,211	795	(416)	0.85	0.96%
Indus Motor Company Limited	-	1,200	-	1,200	1,290	875	(415)	0.93	1.05%
Commercial Banks									
Allied Bank Limited		19,000	-	19,000	1,749	1,351	(398)	1.44	1.62%
Askari Bank Limited	1,000	-	-	1,000	19	14	(5)	0.01	0.02%
MCB Bank Limited	29,470	32,000	41,000	20,470	4,320	3,056	(1,264)	3.26	3.67%
United Bank Limited	43,000	16,500	23,500	36,000	4,922	3,629	(1,292)	3.87	4.36%
Bank of Punjab	135,000	72,500	135,000	72,500	544	555	12	0.59	0.67%
Faysal Bank Limited	450	-	-	450	10	6	(3)	0.01	0.01%
Habib Bank Limited	55,000	27,500	56,000	26,500	3,188	2,736	(452)	2.92	3.29%
Bank Alfalah Limited	145,800	26,000	38,000	133,800	5,770	4,256	(1,514)	4.54	5.12%
Bank Alhabib Limited	45,000	39,000	-	84,000	6,360	4,525	(1,835)	4.83	5.44%
Oil and gas marketing companies									
Attock Petroleum Limited	-	3,500	3,500	-	-	-	-	-	0.00%
Hascol Petroleum Limited	6,902	-	6,900	2	-	-	-	-	0.00%
Hi-Tech Lubricants Limited	16,500	-	16,500	-	-	-	-	-	0.00%
Pakistan State Oil Company Limited	18,700	32,140	38,000	12,840	2,592	1,560	(1,031)	1.66	1.88%
Sui Northern Gas Pipelines Limited	47,000	15,000	30,000	32,000	2,097	1,181	(916)	1.26	1.42%
Engineering									
Anreli Steels Limited	-	35,000	-	35,000	1,209	899	(310)	0.96	1.08%
International Steel Limited	-	92,000	50,000	42,000	2,398	1,520	(878)	1.62	1.83%
Ittefaq Iron Industries	-	125,000	125,000	-	-	-	-	-	0.00%
Mughal Iron and Steel Industries	29,000	-	29,000	-	-	-	-	-	0.00%
Fertilizers									
Engro Fertilizers Limited	56,000	41,500	59,000	38,500	2,344	2,220	(124)	2.37	2.67%
Engro Corporation Limited	23,650	12,000	19,000	16,650	4,882	4,444	(438)	4.74	5.34%
Fauji Fertilizer Company Limited	35,000	61,500	60,000	36,500	3,513	3,395	(118)	3.62	4.08%
Oil and gas exploration companies									
Mari Petroleum Company Limited	3,800	10,530	7,800	6,530	8,172	5,819	(2,353)	6.21	6.99%
Oil and Gas Development Company Limited	66,500	48,500	41,000	74,000	9,177	5,697	(3,480)	6.08	6.85%
Pakistan Oil Fields Limited	10,800	28,600	29,300	10,100	2,487	2,648	162	2.83	3.18%
Pakistan Petroleum Limited	45,780	48,256	29,500	64,536	7,984	4,634	(3,350)	4.95	5.57%
Refinery									
Pakistan Refinery Limited	6,000	-	6,000	-	-	-	-	-	0.00%
Cement									
Pioneer Cement	-	25,000	-	25,000	1,050	693	(358)	0.74	0.83%
D.G. Khan Cement Company limited	20,000	85,000	60,000	45,000	3,593	2,666	(926)	2.85	3.20%
Lucky Cement Limited	450	62,500	49,900	13,050	6,122	4,838	(1,285)	5.16	5.81%
Maple Leaf Cement Factory Limited	-	234,000	92,000	142,000	3,909	2,942	(966)	3.14	3.54%
Cheat Cement Limited	-	20,000	20,000	-	-	-	-	-	0.00%
Cable and Electrical Goods									
Pak Elctron Limited	-	50,000	-	50,000	1,223	929	(294)	0.99	1.12%
Chemicals									
Engro Polymer and Chemicals Limited	130,000	274,000	272,000	132,000	4,004	3,237	(767)	3.45	3.89%
ICI Pakistan limited	-	4,000	-	4,000	2,528	2,025	(503)	2.16	2.43%
LOTICHEM	-	100,000	-	100,000	868	983	115	1.05	1.18%
Paper and Boards									
Packages Limited	-	6,000	6,000	-	-	-	-	-	0.00%
Automobiles parts and accessories									
Thai Limited	1,650	-	-	1,650	601	485	(116)	0.52	0.58%
Textile composition									
Nisat Mills Limited	41,000	21,000	62,000	-	-	-	-	-	0.00%
Interloop Limited	26,000	-	-	26,000	1,151	932	(219)	1.00	1.12%
Gul Ahmed Textile Limited	43,000	32,600	-	75,600	2,986	1,743	(1,244)	1.86	2.09%
Pharmaceutical									
Abbott Laboratories (Pakistan) Limited	550	-	-	550	261	175	(86)	0.19	0.21%
The Searle Company Limited	5,750	6,500	11,700	550	90	86	(4)	0.09	0.10%
Power generation and distribution									
Hub Power Company Limited	52,900	37,500	48,000	42,400	3,451	2,895	(556)	3.09	3.48%
K-Electric Limited	100,000	-	-	100,000	439	283	(156)	0.30	0.34%
Technology & Communications									
Pakistan Telecommunication Limited	130,000	-	-	130,000	1,075	1,008	(68)	1.08	1.21%
Systems Technology	13,200	-	-	13,200	1,267	1,467	200	1.57	1.76%
Total as at 31 March 2020					1,670,578	110,852	83,202	(27,650)	
Total as at 30 June 2019						115,025	94,002	(21,023)	

FIRST HABIB STOCK FUND

5.2 Unrealised appreciation / (diminution) on investments at fair value through profit or loss	31 March 2020 (Unaudited)	31 March 2019 (Unaudited)
	Note	----- (Rupees in '000) -----

Equity Securities	<u>(27,650)</u>	<u>(9,211)</u>
-------------------	-----------------	----------------

6. DIVIDEND AND INCOME RECEIVABLE

	31 March 2020 (Unaudited)	30 June 2019 (Audited)
Dividend receivable	1,373	-
Profit receivable on saving account	<u>132</u>	<u>-</u>
	<u>1,505</u>	<u>-</u>

7. DEPOSITS AND PREPAYMENTS

Deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Cash Margin to NCCPL against Equity Transaction	-	3,500
Deposit with Central Depository Company of Pakistan Limited	100	100
Advance tax	189	187
Prepayments	5	46
	<u>2,794</u>	<u>6,333</u>

- 7.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue ("FBR") through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). For the advance tax withheld under section 151 of ITO 2001 in prior years, the management has applied to the FBR for refund and is confident that the same will be refunded in due course.

8. PAYABLE TO HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

- 8.1 As per regulation 61 of amended NBFC Regulations, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 2% of average annual net assets in case of equity scheme. During the period ended 31 March 2020, the Management Company has charged remuneration at the rate of 2% of average annual net assets.

The remuneration is paid to the Management Company on monthly basis in arrears.

- 8.2 Sindh Sales Tax has been charged at 13% (30 June 2019: 13%) on the Management Company's remuneration during the period.

9. PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY

There is no change in the status of the legal proceeding on this matter which has been fully disclosed in note 11 to the annual audited financial statements for the year ended 30 June 2019.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs. 2.043 million.

Had the provision on FED not been made, net assets value per unit of the Fund as at 31 December 2019 would have been higher by Rs. 1.32 (30 June 2019: Rs. 1.42) per unit.

10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee has been revised during the period with effect from 01 July 2019. The remuneration has been revised as under:

FIRST HABIB STOCK FUND

Average net assets (Rs. in million)	Tariff
Upto Rs. 1,000	0.2% per annum of net asset value.
Rs. 1,000 and above	Rs. 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1,000 million.

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with regulation 62 of the NBFC Regulations. The said rate of fee has been changed during the period, pursuant to S.R.O 685(I) 2019, dated 28 June 2019, with effect from 01 July 2019. The revised rate has been fixed at 0.02% of net assets.

12. SINDH WORKERS' WELFARE FUND

There is no change in the status of the legal proceeding on this matter which has been fully disclosed in note 14 to the annual audited financial statements for the year ended 30 June 2019.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle.

However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP has recommended its members to record a provision for SWWF on prudence basis.

Had the SWWF not been provided for, the net assets value per unit would have been higher by Re 0.61 (30 June 2019: Re. 0.66) per unit.

13. CONTINGENCIES AND COMMITMENTS

Except as stated in note 12, there are no contingencies and commitments as at 31 March 2020 (30 June 2019 : Nil).

14. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of atleast 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe shall not be taken into account. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. 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. The Fund has not recorded liability in respect of income for the period as the Management Company intends to distribute in cash 90 percent of the Fund's accounting income for the year ending 30 June 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Habib Asset Management Limited being the Management Company, AL Habib Capital Markets (Private) Limited and Bank AL Habib Limited being companies under common management or directorship, First Habib Income Fund, First Habib Cash Fund, First Habib Islamic Stock Fund, First Habib Islamic Income Fund and First Habib Asset Allocation Fund being the Funds managed by the common Management Company, CDC being the Trustee of the Fund, Directors and Officers of the above entities and includes persons holding 10% or more in the units of the Fund as at 31 March 2020. It also includes staff retirement benefit funds of the above connected person / related parties.

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

Remuneration to the Management Company and Trustee is determined in accordance with the provisions of NBFC Rules, NBFC regulations and the Trust Deed respectively.

FIRST HABIB STOCK FUND

Details of transactions with connected persons are as follows:

	Nine Month Ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Habib Asset Management Limited - Management Company				
Management fee	1,668	2,062	608	606
Sales Tax on Management Fee	217	268	79	79
Expenses Allocated to Management Company	16	-	16	-
AL Habib Capital Markets (Private) Limited - Brokerage house				
Brokerage	22	29	-	21
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	167	524	61	241
Bank Al Habib Limited				
Profit on Bank Balances	1,074	1,027	618	410

Details of the balances with connected persons at period end are as follows:

	31 March 2020 (Unaudited)	30 June 2019 (Audited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Bank Al Habib Limited		
Bank Balance	6,593	7,252
Habib Asset Management Limited - Management Company		
Remuneration payable (inclusive of Sindh Sales Tax)	206	256
Federal Excise Duty on Management Fee Payable	2,043	2,043
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable (inclusive of Sindh Sales tax)	21	68
- Security deposit - Non interest bearing	100	100

Sale / Redemption of units for the period ended 31 March

	Nine months ended 31 March 2020		Nine months ended 31 March 2019	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
- Habib Asset Management Limited	275,272	19,000	-	-
Other related parties				
- Directors of the Management Company	1,468	100	612	50
- Mr. Junaid Kasbati	-	-	3,329	275
- Mr. Abbas Qurban	25,718	2,000	4,858	405
Units redeemed by:				
Management Company				
- Habib Asset Management Limited	71,956	5,000	33,562	3,042
Other related parties				
- Directors of the Management Company	29,191	2,150	-	-
- Habib Asset Management Limited - Employees Provident Fund	20,910	1,530	-	-
- Mr. Junaid Kasbati	12,977	924	-	-
- Mr. Haider Azim	1,250	100	-	-

FIRST HABIB STOCK FUND

Units held by:

Management Company

- Habib Asset Management Limited

203,316

12,331

-

-

Associated Companies

- Bank AL Habib Limited

100,000

6,065

100,000

8,204

Other related parties

- Directors of the Management Company

8,228

499

35,951

2,949

- Habib Asset Management Limited-Employees Provident Fund

-

-

17,756

1,456

- Mr. Qumail Habib

27,285

1,655

27,285

2,238

- Mr. Junaid Kasbati

-

-

3,329

273

- Mr. Abbas Qurban

61,143

3,708

35,393

2,904

- Mr. Haider Azim

4,121

250

5,371

441

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

According to the amendments to IFRS 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 5.1.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying amount				Fair value			
	Fair value through profit or loss	Amortised Cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
31 March 2020	<i>Note</i> ----- (Rupees in '000) -----							
Financial assets - measured at fair value								
Listed equity securities	83,202	-	-	83,202	83,202	-	-	83,202
Financial assets - not measured at fair value								
Bank Balances	-	10,666	-	10,666				
Dividend and profit receivable	-	1,505	-	1,505				
Deposits, advances and other receivable	-	2,794	-	2,794				
	83,202	14,965	-	98,167				
Financial liabilities - not measured at fair value								
Payable to Habib Asset Management Limited - Management Company	-	-	206	206				
Provision for FED on Remuneration of Management Company	-	-	2,043	2,043				
Payable to CDC - Trustee			21	21				
Payable to SECP			17	17				
Provision for SWWF			945	945				
Accrued expenses and other liabilities			1,237	1,237				
	-	-	4,468	4,468				

FIRST HABIB STOCK FUND

30 June 2019

30 June 2019		Carrying amount				Fair value			
		Fair value through profit or loss	Amortised Cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees in '000)							
Financial assets -measured at fair value									
	16.1								
Listed equity securities		94,002	-	-	94,002	94,002	-	94,002	
Financial assets - not measured at fair value									
	16.1								
Bank balances		-	7,583	-	7,583				
Dividend and profit receivable		-	-	-	-				
Receivable against investments		-	-	-	-				
Advances, deposits and prepayments		-	6,333	-	6,333				
		94,002	13,916	-	107,918				
Financial liabilities - not measured at fair value									
	16.1								
Payable to Habib Asset Management Limited - Management Company	8	-	-	201	201				
Provision for Federal Excise Duty on remuneration of the Management Company		-	-	2,043	2,043				
Payable to CDC - Trustee	10	-	-	65	65				
Payable to Securities and Exchange Commission of Pakistan (SECP)		-	-	124	124				
Provision for Sindh Workers' Welfare Fund		-	-	945	945				
Accrued expenses and other liabilities		-	-	520	520				
		-	-	3,898	3,898				

16.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

17. TOTAL EXPENSE RATIO (TER)

SECP vide its directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended 31 March 2020 is 4.10% which includes 0.30% representing Government levy, Sindh Workers' Welfare Fund and SECP fee.

18. DATE OF AUTHORISATION FOR ISSUE

18.1 These condensed interim financial statements were authorised for issue by the board of directors of the Management Company on **23rd April 2020**.

18.2 Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB CASH FUND
Quarterly Report
31 March 2020

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FUND'S INFORMATION**Management Company**

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Aun Mohammad A Habib	Director
Mr. Saeed Allawala	Director

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary

Mr. Zahid Hussain Vasnani

Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mansoor Ali	Member
Mr. Saeed Allawala	Member

Human Resource Committee

Mr. Aun Mohammad A Habib	Director
Mr. Mansoor Ali	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Imran Azim	Member
Mr. Aun Mohammad A Habib	Director

Auditors

KPMG Taseer Hadi & C0.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi

Trustee

Central Depository Company
of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Rating

AA (F) Fund Stability Rating by JCR-VIS
AM3+ Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Sindh Bank Limited
Bank AL Habib Limited
Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited

Registered Office: 2nd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 MARCH 2020

		31 March	30 June
	<i>Note</i>	2020	2019
		------(Rupees in '000)-----	
		(Unaudited)	(Audited)
Assets			
Bank balances	4	1,975,312	1,731,502
Placements		-	200,000
Investments	5	-	300,884
Profit receivable		17,440	2,102
Advances, deposits and other receivables		1,186	671
Total assets		1,993,938	2,235,159
Liabilities			
Payable to Habib Asset Management Limited - Management Company	7	1,124	1,670
Provision for Federal Excise Duty on remuneration of Management Company	8	13,417	13,417
Payable to Central Depository Company of Pakistan Limited - Trustee	9	119	219
Payable to Securities and Exchange Commission of Pakistan (SECP)	10	303	1,949
Provision for Sindh Workers' Welfare Fund	11	12,268	8,394
Payable against redemption of Units		69,303	731
Accrued expenses and other liabilities		2,449	2,798
Total liabilities		98,983	29,178
Net assets		1,894,955	2,205,981
Unit holders' funds (as per statement attached)		1,894,955	2,205,981
		------(Number of Units)-----	
Number of units in issue		18,690,679	21,997,061
		----- (Rupees) -----	
Net asset value per unit		101.39	100.29

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB CASH FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

		Nine months ended		Quarter ended		
		31 March		31 March		
Note		2020	2019	2020	2019	
		(Rupees in '000)				
Income						
	Profit on bank balances calculated using effective interest method	123,330	84,257	30,000	51,170	
	Return on Government securities	79,652	81,136	36,748	1,900	
	Return on placements calculated using effective interest method	8,084	19,275	-	11,033	
	Net gain / (loss) on sale of investment designated at fair value through profit or loss	139	(2,624)	713	(68)	
	Total income	211,205	182,044	67,461	64,035	
Expenses						
	Remuneration of Habib Asset Management Limited - Management Company	7	11,099	15,415	2,400	5,145
	Sales tax on management fee		1,443	2,000	312	668
	Expenses Allocated to Management Company		786	-	786	-
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	972	2,113	312	643
	Sindh sales tax on trustee remuneration		126	275	40	84
	Annual fee - SECP	10	303	1,552	96	457
	Brokerage expenses		82	50	1	28
	Settlement and bank charges		48	62	2	34
	Auditors' remuneration		242	264	60	75
	Sindh Worker Welfare Fund	11	3,916	3,109	1,357	1,108
	Annual listing fee		21	31	6	15
	Mutual Fund Rating Fee		200	199	66	66
	Printing charges		49	70	16	23
	Total expenses		19,285	25,140	5,452	8,346
	Net Income for the period before taxation		191,919	156,904	62,008	55,689
	Taxation		-	-	-	-
	Net income for the period after taxation		191,919	156,904	62,008	55,689
Allocation of net income for the period after taxation						
	Net income for the period after taxation		191,919	156,904	62,008	55,689
	Income already paid on units redeemed		(21,985)	(13,286)	(8,230)	-
			169,934	143,618	53,778	55,689
Accounting income available for distribution:						
	-Relating to capital gains		123	(2,402)	618	(68)
	-Excluding capital gains		169,811	146,020	53,160	55,757
			169,934	143,618	53,778	55,689

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements

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

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine Months ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	191,919	156,904	62,008	55,689
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	191,919	156,904	62,008	55,689

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB CASH FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine Months ended 31 March					
	2020			2019		
	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	(Rupees in '000)					
Net assets at the beginning of the period	2,201,991	3,990	2,205,981	2,692,698	89,423	2,782,121
Issuance of 36,184,561 units (2019: 18,808,820 units) including additional 233,630 units issued at nil value						
- Capital value	3,628,778	-	3,628,778	1,885,428	-	1,885,428
- Element of income	23,924	-	23,924	(14,590)	-	(14,590)
Amount received / receivable on issuance of units	3,652,702	-	3,652,702	1,870,838	-	1,870,838
Redemption of 30,490,944 units (2019: 21,494,507 units)						
- Capital value	(3,986,224)	-	(3,986,224)	(2,275,012)	-	(2,275,012)
- Element of loss	(22,327)	(21,985)	(44,312)	75,246	(13,286)	61,960
Amount paid / payable on redemption of units	(4,008,551)	(21,985)	(4,030,536)	(2,199,767)	(13,286)	(2,213,053)
Total comprehensive income for the period	-	191,919	191,919	-	156,904	156,904
Final distribution for the year ended 30 June 2018: Rs. 5.6 per unit	-	-	-	-	(83,030)	(83,030)
Interim distribution for the period ended 31 Mar 2019:Rs. 4.5 per unit	-	-	-	-	(148,074)	(148,074)
Interim distribution for the year ended 31 March 2020: Rs. 8.5169 per unit	-	(125,112)	(125,112)	-	-	-
Net income for the period less distribution	-	66,807	66,807	-	(74,200)	(74,200)
Net assets at the end of the period	1,846,143	48,812	1,894,955	2,363,769	1,937	2,365,706
Undistributed income brought forward						
- Realised		4,047			89,423	
- Unrealised		(57)			-	
		3,990			89,423	
Accounting income available for distribution						
- Relating to capital gains		123			(2,402)	
- Excluding capital gains		169,811			146,020	
		169,934			143,618	
Final distribution for the year ended 30 June 2018: Rs. 5.6 per unit (31 Mar 2018: Nil)		-			(83,030)	
Interim distribution for the period ended 31 Mar 2019: Rs. 4.5 per unit (31 Mar 2018: Nil)		-			(148,074)	
Final distribution for the year ended 30 June 2020: Rs. 8.5169 per unit (2019: Rs. 8.0388 per unit declared)		(125,112)			-	
Undistributed income carried forward		48,812			1,937	
Undistributed income carried forward comprises of:						
- Realised income		48,812			1,937	
- Unrealised loss		-			-	
		48,812			1,937	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			100.29			105.84
Net assets value per unit at end of the period			101.39			100.24

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine Months ended 31 March	
	2020	2019
	------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	191,919	156,904
	191,919	156,904
(Increase) / decrease in assets		
Investments	300,885	433,228
Placements	200,000	100,000
Profit receivable	(15,338)	(10,417)
Advance, deposit and other receivables	(515)	126
	485,032	522,937
Increase / (decrease) in liabilities		
Payable to Habib Asset Management Limited - Management Company	(546)	282
Payable to Central Depository Company of Pakistan Limited - Trustee	(100)	(45)
Payable to Securities and Exchange Commission of Pakistan (SECP)	(1,646)	79
Provision for Sindh Workers' Welfare Fund	68,572	(50,152)
Payable against redemption of Units	3,874	3,109
Accrued expenses and other liabilities	(349)	5,369
	69,804	(41,358)
Net cash generated from operating activities	746,756	638,483
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	3,652,702	1,870,838
Payments against redemption of units	(4,030,536)	(2,213,053)
Dividend paid during the period	(125,112)	(231,104)
Net cash generated from financing activities	(502,945)	(573,319)
Net increase in cash and cash equivalents during the period	243,810	65,164
Cash and cash equivalents at the beginning of the period	1,731,502	2,117,281
Cash and cash equivalents at the end of the period	1,975,312	2,182,445
Cash and cash equivalents at the end of the period comprise of :		
Cash and cash equivalents at end of the period	1,975,312	2,182,445
	1,975,312	2,182,445

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020****1. LEGAL STATUS AND NATURE OF BUSINESS**

First Habib Cash Fund (the "Fund") was established under a Trust Deed executed between Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 14 July 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 13 July 2010 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the management company is situated at 2nd Floor Imperial Court Building, Dr. Ziauddin Ahmed Road Karachi, Pakistan.

The Fund is an open-end mutual fund categorised as 'Money Market Scheme' and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.

The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the fund at their convenience. The management team also seeks to enhance returns through active portfolio management using efficiency tools.

The objective of the Fund is to earn competitive returns from a portfolio of low risk short term duration assets while maintaining high level of liquidity through a blend assets of money market and government debt instruments. The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools. The fund, in line with its investment objective, invests primarily in treasury bills, government securities and cash and near cash instruments.

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

Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2 BASIS OF PREPARATION**2.1 Statement of compliance**

2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 This condensed interim financial information is unaudited and is being submitted to the unit holders as required

under Regulation 38(2)(f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

2.1.4 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended 30 June 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund are extracted from the un-audited condensed interim financial statements for the period ended 31 March 2019.

2.1.5 In compliance with Schedule V of the NBFC Regulation, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 March 2020.

2.2 Standards, interpretation and amendments to published approved accounting standards that are not yet effective

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information.

2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All amount have been rounded to the nearest thousand rupees, unless stated otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 Except as described below, the accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

3.4 New or Amendments / Interpretations to existing standards, interpretations and forthcoming requirements

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information.

		31 March 2020 (Unaudited)	30 June 2019 (Audited)	
		----- (Rupees in '000) -----		
5.	INVESTMENT			
	Investment by category			
	At fair value through profit or loss:			
	Government securities - Market Treasury Bills	5.1	-	123,377
	At amortised cost:			
	Commercial papers		-	177,507
			-	300,884

FIRST HABIB CASH FUND

5.1 Government securities - Market Treasury Bills

Issue date	As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 31 March 2020	Market value as a percentage of					
					As at 31 March 2020			of		
					Carrying value	Market value	Unrealised loss	Net assets	Total investments	
Note					(Rupees in '000)			(%)		
<i>Treasury bills - 3 Months</i>										
23-May-19	5.1.1	125,300	25,000	150,300	-	-	-	-	0.00%	0.00%
18-Jul-19		-	187,500	187,500	-	-	-	-	0.00%	0.00%
1-Aug-19		-	45,000	45,000	-	-	-	-	0.00%	0.00%
26-Sep-19		-	50,000	50,000	-	-	-	-	0.00%	0.00%
19-Dec-19		-	243,000	243,000	-	-	-	-	0.00%	0.00%
16-Jan-20		-	203,000	203,000	-	-	-	-	0.00%	0.00%
27-Feb-20		-	100,000	100,000	-	-	-	-	0.00%	0.00%
<i>Treasury bills - 6 Months</i>										
26-Sep-19		-	160,000	160,000	-	-	-	-	0.00%	0.00%
10-Oct-19		-	100,000	100,000	-	-	-	-	0.00%	0.00%
24-Oct-19		-	350,000	350,000	-	-	-	-	0.00%	0.00%
7-Nov-19		-	750,000	750,000	-	-	-	-	0.00%	0.00%
Total as at 31 March 2020										
Total as at 30 June 2019					123,434	123,377	(57)			

regulation 62 of the NBFC Regulations. The said rate of fee has been changed during the period, pursuant to S.R.O 685(I) 2019, dated 28 June 2019, with effect from 01 July 2019. The revised rate has been fixed at 0.02% of net assets.

11. PROVISION FOR SINDH WORKERS' WELFARE FUND

There is no change in the status of the legal proceeding on this matter which has been fully disclosed in note 14 to the annual audited financial statements for the year ended 30 June 2019.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP has recommended its members to record provision for SWWF on prudence basis.

Had the SWWF not been provided for, the net assets value per unit would have been higher by Re 0.65 (30 June 2019: Re. 0.38) per unit.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

According to the amendments to IFRS 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying amount				Fair value			
	Fair value through profit or loss	Amortised Cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
31 March 2020	Note -----(Rupees in '000)-----							
Financial assets - measured at fair value	-	-	-	-	-	-	-	-
Financial assets - not measured at fair value								
Bank balances	-	1,975,312	-	1,975,312				
Profit receivable	-	17,440	-	17,440				
Advances, deposits and other receivables	-	1,186	-	1,186				
	-	1,993,938	-	1,993,938				
Financial liabilities - not measured at fair value								
Payable to Habib Asset Management Limited - Management Company	-	-	1,124	1,124				
Provision for Federal Excise Duty on remuneration of the Management Company	-	-	13,417	13,417				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	119	119				
Payable to Securities and Exchange Commission of Pakistan - (SECP)	-	-	303	303				
Provision for Sindh Workers' Welfare Fund	-	-	12,268	12,268				
Payable against redemption of units	-	-	69,303	69,303				
Accrued expenses and other liabilities	-	-	2,449	2,449				
	-	-	98,983	98,983				

FIRST HABIB CASH FUND

		Carrying amount			Fair value				
		Fair value through profit or loss	Amortised Cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees in '000)							
30 June 2019									
Financial assets - measured at fair value									
Investments - Market Treasury Bills		123,377	-		123,377		123,377		123,377
Financial assets - not measured at fair value 12.1									
Bank balances	4	-	1,731,502	-	1,731,502				
Placements	5	-	200,000	-	200,000				
Investments - Commercial Papers		-	177,507	-	177,507				
Profit receivable		-	2,102	-	2,102				
Advances, deposits and other receivables		-	671	-	671				
		123,377	2,111,782	-	2,235,159				
Financial liabilities - not measured at fair value 12.1									
Payable to Habib Asset Management Limited - Management Company	7	-	-	-	1,670				
Provision for Federal Excise Duty on remuneration of the Management Company		-	-		13,417				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	219				
Payable to Securities and Exchange Commission of Pakistan - (SECP)		-	-		1,949				
Provision for Sindh Workers' Welfare Fund		-	-		8,394				
Payable against redemption of units		-	-		731				
Accrued expenses and other liabilities		-	-	-	2,798				
		-	-	-	29,178				

12.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically.

Therefore, their carrying amounts are reasonable approximation of fair value.

13. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe shall not be taken into account. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. 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. The Fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

14. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS (RELATED PARTIES)

Connected persons include Habib Asset Management Limited being the Management Company, First Habib Income Fund, First Habib Stock Fund, First Habib Islamic Balance Fund, AL Habib Capital Markets (Private) Limited and Bank AL Habib Limited being companies under common management, Central Depository Company of Pakistan Limited being the trustee of the Fund and all other concerns that fall under common management or control.

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

Remuneration to Management Company and Trustee is determined in accordance with the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Company and Notified Entities Regulation 2008 and the Trust Deed.

FIRST HABIB CASH FUND

Details of the transactions with connected persons are as follows:

	Nine Months ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	------(Rupees in '000)-----			
Habib Asset Management Limited - Management Company				
Management fee	11,099	15,415	2,400	5,145
Expenses Allocated to Management Company	786	-	786	-
Sales tax on management fee	1,443	2,000	312	668
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	972	2,113	312	643
Bank AL Habib Limited				
Profit on bank balances	1,059	875	459	412

Details of the balances with connected persons are as follows:

Details of the balances with connected persons are as follows:		31 March	30 June
		2020	2019
		(Unaudited)	(Audited)
		----- (Rupees in '000) -----	
Habib Asset Management Limited - Management Company			
Remuneration payable (inclusive of Sindh Sales Tax)		918	1,670
Expenses Allocated to Management Company		206	-
Federal Excise Duty payable on remuneration		13,417	13,417
Central Depository Company of Pakistan Limited - Trustee			
Remuneration		119	219
Bank AL Habib Limited			
Bank balances		91,011	8,768
Nine Months ended		Nine Months ended	
31 March 2020		31 March 2019	
(Unaudited)		(Unaudited)	
(Units)	(Rupees in '000)	(Units)	(Rupees in '000)

Units sold to:

Management Company

- Habib Asset Management Limited	-	-	1,807	184
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Associated Companies

- Bank AL Habib Limited	-	-		
- Habib Insurance Company Limited	-	-	723,298	73,295

Other related parties

- Sukaina Educational & Welfare Trust	48,928	4,902	117,993	11,831
- Ghulam-e-Abbas Educational trust	6,470	653	13,568	1,371
- Dawood Habib Memorial Trust	-	-	11,716	1,174
- Mr. Asghar D. Habib	-	-	3	-
- Mr. Munawar Ali Habib	3,900	391	4,723	474
- Mr. Qumail Habib	3,308	331	2,233	224
- Mr. Murtaza Habib	4,247	426	5,445	546
- Mr. Ali Asad D Habib	4,877	489	4,158	417
- Executives of the Management Company	43,771	4,414	684,703	68,751
- Mrs. Hina Shoaib	7	1	3	-
- Mr. Abbas Qurban	-	-	2,995	301
- Mr. Haider Azim	1,001	101	991	100

Units redeemed by:

Management Company

- Habib Asset Management Limited	-	-	15,045	1,534
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FIRST HABIB CASH FUND

	Nine Months ended 31 March 2020 (Unaudited) (Units) (Rupees in '000)		Nine Months ended 31 March 2019 (Unaudited) (Units) (Rupees in '000)	
Associated Companies				
- Habib Insurance Company Limited	-	-	1,033,922	105,000
Other related parties				
- Executives of the Management Company	26,770	2,700	688,437	69,462
- Sukaina Educational & Welfare Trust	1,324,489	133,264	-	-
- Ghulaman-e-Abbas Educational trust	407,026	40,940	-	-
- Dawood Habib Memorial Trust	450,155	45,279	-	-
- Mr. Murtaza Habib	47,017	4,729	-	-
- Mr. Abbas Qurban	-	-	2,995	300
- Mrs. Samina Salman	93	9	99	10
- Mr. Haider Azim	-	-	8,758	887

Units held by:

Associated Companies				
- Habib Insurance Company Limited	-	-	325,042	32,574
- Bank AL Habib Limited	1,392,189	141,147	1,392,189	139,519
Other related parties				
- Executives of the Management Company	25,792	2,615	8,108	813
- Sukaina Educational & Welfare Trust			1,248,837	125,153
- Ghulaman-e-Abbas Trust			372,961	37,377
- Dawood Habib Memorial Trust			450,155	45,112
- Mr. Asghar D Habib			27	3
- Mr. Munawar Ali Habib	56,190	5,697	51,163	5,127
- Mr. Qumail Habib	47,662	4,832	23,873	2,392
- Mr. Murtaza Habib	31,278	3,171	57,212	5,734
- Mr. Ali Asad Habib	70,272	7,125	44,460	4,455
- Mr. Junaid Kasbati			5,079	509
- Mrs. Samina Imran	-	-	42	4
- Mr. Haider Azim	1,037	105	-	-
- Mrs. Hina Shoaib	37	4	30	3

15. TOTAL EXPENSE RATIO (TER)

In the current period, Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended March 31, 2020 is 1.27% which include 0.38% representing government levy, Worker Welfare Fund and SECP fee.

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on **23rd April 2020**.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC STOCK FUND
Quarterly Report
31 March 2020

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FUND'S INFORMATION**Management Company**

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Aun Mohammad A Habib	Director
Mr. Saeed Allawala	Director

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary

Mr. Zahid Hussain Vasnani

Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mansoor Ali	Member
Mr. Saeed Allawala	Member

Human Resource Committee

Mr. Aun Mohammad A Habib	Director
Mr. Mansoor Ali	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Imran Azim	Member
Mr. Aun Mohammad A Habib	Director

Auditors

KPMG Taseer Hadi & C0.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi

Trustee

Central Depository Company
of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Rating

MFR-3 Star Performance Ranking by PACRA
AM3+ Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Habib Bank Limited
Bank AL Habib Limited
Bank Islami Pakistan Limited
MCB Bank Limited
National Bank of Pakistan

Registered Office: 2nd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

FIRST HABIB ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2020

	Note	31 March 2020 (Un-audited) ----- (Rupees in '000) -----	30 June 2019 (Audited)
Assets			
Bank balances	5	9,546	12,338
Investments	6	70,301	82,786
Dividend and profit receivable	7	738	397
Deposits, advances, prepayments and other receivable	8	3,043	2,900
Receivable against sale of units		-	5,500
Total assets		83,628	103,921
Liabilities			
Payable to Habib Asset Management Limited - Management Company	8	181	181
Provision for Federal Excise Duty on remuneration of the Management Company	9	1,478	1,478
Payable to Central Depository Company of Pakistan Limited - Trustee	10	18	65
Payable to Securities and Exchange Commission of Pakistan	11	15	100
Provision for Sindh Workers' Welfare Fund	12	504	504
Accrued expenses and other liabilities		687	737
Total liabilities		2,885	3,065
Net assets		80,743	100,856
Unit holders' funds (as per the statement attached)		80,743	100,856
		----- (Number of Units) -----	
Number of units in issue		1,393,142	1,440,059
		----- (Rupees) -----	
Net asset value per unit		57.96	70.04
Contingencies and Commitments	13		

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC STOCK FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

		Nine months ended		Quarter ended	
		31 March		31 March	
		2020	2019	2020	2019
Note		(Rupees in '000)			
Income					
		1,187	1,064	459	419
		4,025	3,155	651	510
		1,912	(632)	922	(529)
		(20,873)	(8,194)	(35,333)	2,971
5.2		(18,961)	(8,826)	(34,411)	2,442
		(13,750)	(4,607)	(33,302)	3,371
Total (loss) / income					
Expenses					
	8	1,545	1,625	545	495
		201	211	71	64
		32	-	32	-
	10	154	525	54	172
		20	68	7	22
	11	15	79	5	23
		196	191	109	66
		265	304	81	104
		17	22	7	5
		385	290	123	44
	12	-	-	(351)	-
		47	91	5	30
		134	56	12	16
		49	71	14	24
		3,061	3,533	715	1,065
Total expenses					
(Loss) / profit for the period before taxation		(16,811)	(8,140)	(34,017)	2,306
Taxation		-	-	-	-
Net (loss) / profit for the period after taxation		(16,811)	(8,140)	(34,017)	2,306
Allocation of net income for the period after taxation					
Net (loss) / Profit for the period after taxation		(16,811)	(8,140)	(34,017)	2,306
Income already paid on units redeemed		-	-	-	-
		(16,811)	(8,140)	(34,017)	2,306
Accounting income available for distribution:					
-Relating to capital gains		-	-	-	-
-Excluding capital gains		-	-	-	-
		-	-	-	-
		(16,811)	(8,140)	(34,017)	2,306

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine months ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net (loss) / profit for the period after taxation	(16,811)	(8,140)	(34,017)	2,306
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(16,811)	(8,140)	(34,017)	2,306

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

Note	2020			2019		
	Capital Value	Undistributed income	Net Asset	Capital Value	Un distributed income	Net Asset
	(Rupees in '000)					
Net assets at the beginning of the period	138,494	(37,638)	100,856	130,793	(15,447)	115,346
Issuance of 217,845 units (2019: 766,591 units)						
- Capital value	15,257	-	15,257	61,953	-	61,953
- Element of loss	(174)	-	(174)	3,086	-	3,086
Amount received / receivable on issuance of units	15,083	-	15,083	65,039	-	65,039
Redemption of 264,762 units (2019: 819,303 units)						
- Capital value	(18,543)	-	(18,543)	(66,213)	-	(66,213)
- Element of income	158	-	158	(3,566)	-	(3,566)
Amount paid / payable on redemption of units	(18,377)	-	(18,385)	(69,779)	-	(69,779)
Total comprehensive (loss) for the period	-	(16,811)	(16,811)	-	(8,140)	(8,140)
Net assets at the end of the period	135,200	(54,449)	80,743	126,053	(23,587)	102,466
Undistributed loss brought forward						
- Realised loss		(16,035)			(12,514)	
- Unrealised loss		(21,603)			(2,933)	
		(37,638)			(15,447)	
Net (loss) for the period after taxation		(16,811)			(8,140)	
Undistributed loss carried forward		(54,449)			(23,587)	
Undistributed loss carried forward comprises of:						
- Realised loss		(33,575)			(15,393)	
- Unrealised loss		(20,873)			(8,194)	
		(54,449)			(23,587)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		70.04			87.34	
Net assets value per unit at end of the period		57.96			80.82	

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC STOCK FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine months ended 31 March	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(16,811)	(8,140)
Adjustments for non-cash items		
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'	20,873	8,194
	4,063	54
Decrease / (increase) in assets		
Investments	(8,388)	1,299
Dividend and profit receivable	(341)	(412)
Receivable against sale of investment	5,500	1,500
Deposits, advances, prepayments and other receivable	(143)	872
	(3,372)	3,259
Increase / (Decrease) in liabilities		
Payable to Habib Asset Management Limited - Management Company	0	(42)
Payable to Central Depository Company of Pakistan Limited - Trustee	(47)	2
Payable to Securities and Exchange Commission of Pakistan	(85)	(37)
Payable on redemption of units	-	(141)
Accrued expenses and other liabilities	(50)	(259)
Payable against purchase of investments	-	7,193
	(181)	6,716
Net cash flow from operating activities	510	10,029
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	15,083	65,039
Payments against redemption of units	(18,385)	(69,779)
Net cash flow used in financing activities	(3,302)	(4,740)
Net decrease / (increase) in cash and cash equivalents during the period	(2,792)	5,289
Cash and cash equivalents at beginning of the period	12,338	19,731
Cash and cash equivalents at end of the period	9,546	25,020
Cash and cash equivalents		
Cash and cash equivalents at end of the period	9,546	25,020
	9,546	25,020

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020****1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** First Habib Islamic Stock Fund (the Fund) was established under a Trust Deed between Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 24 November 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 3 November 2011 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (NBFC Rules). The Fund revised its Trust Deed (the Deed) dated 6 December 2016, under the Trusts Act, 1882 entered into and between Habib Asset Management Limited (Wakeel), the Management Company, and Central Depository Company of Pakistan Limited, the Trustee. The Trust Deed (revised) was approved by SECP on 24 November 2016.
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 2nd floor Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The investment objective of the Fund is to seek long-term capital growth by investing primarily in a Shariah Compliant diversified pool of equities and equity related instruments. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws. The management team would seek to enhance returns through active portfolio management using efficiency tools.
- 1.5** Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM3+' to the Management Company and a performance ranking of 'MFR 4-Star' to the Fund.
- 1.6** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PRESENTATION**2.1 Statement of compliance**

- 2.1.1** The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.
- 2.1.3** This condensed interim financial information is un-audited and is being submitted to the unit holders as required under Regulation 38(2)(f) of the NBFC Regulation).
- 2.1.4** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended 30 June 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of movement in unit holders' fund

FIRST HABIB ISLAMIC STOCK FUND

are extracted from the un-audited condensed interim financial statements for the period ended 31 March 2019.

2.1.5 In compliance with Schedule V of the NBFC Regulation, the directors of the Management Company declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at 31 March 2020.

2.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information

2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All figures have been rounded to the nearest thousand rupees, unless stated otherwise.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 Except as described below, the accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

4. BANK BALANCES	<i>Note</i>	31 March 2020	30 June 2019
		----- (Rupees in '000) ----- (Un-Audited)	(Audited)
Current account	4.1	152	77
Savings account	4.2	9,394	12,261
		9,546	12,338

4.1 Saving account carry profit rate ranging from 6% to 13% (30 June 2019: 6.5% to 11%) per annum

4.2 It includes a balance with Bank Al Habib Limited, a related party of Rs. 0.16 million (30 June 2019: 0.11 million)

5 INVESTMENTS - at fair value through profit or loss - held for trading

Listed Equity securities	7.1	70,301	82,786
		70,301	82,786

FIRST HABIB ISLAMIC STOCK FUND

5.1 Equity Securities

Name of the Investee	As at 1 July 2019	Purchased/ Bonus/ right shares received during the period	Disposed during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Unrealized Gain/(Loss)	Market Value as a Percentage of:	
								Net Assets	Total Investment
Number of shares									
(Rupees in '000)									
%									
Commercial Banks									
Meezan Bank Limited	63,635	80,000	63,500	80,135	6,461	5,216	(1,245)	6.46	7.42
Chemicals									
Engro Polymer & Chemicals Limited	113,000	90,000	75,000	128,000	3,547	3,139	(408)	3.89	4.46
ICI Pakistan Limited	-	2,000	-	2,000	1,300	1,013	(287)	1.25	1.44
LOTCEM	-	70,000	-	70,000	607	688	81	0.85	0.98
Fertilizers									
Engro Fertilizers Limited	83,500	81,000	87,000	77,500	5,130	4,469	(661)	5.53	6.36
Engro Corporation Limited	31,840	4,000	11,000	24,840	6,608	6,630	22	8.21	9.43
Cement									
Cherat Cement Company	-	20,000	20,000	-	-	-	-	-	-
D.G. Khan Cement Company Limited	18,500	48,000	38,500	28,000	2,289	1,659	(630)	2.05	2.36
Kohat Cement	-	15,000	15,000	-	-	-	-	-	-
Lucky Cement Limited	11,900	5,500	5,500	11,900	4,489	4,411	(78)	5.46	6.27
Maple Leaf Cement Factory	50,000	219,000	137,000	132,000	3,633	2,735	(898)	3.39	3.89
Power generation and distribution									
Hub Power Company Limited	99,800	7,000	25,000	81,800	6,404	5,584	(820)	6.92	7.94
K-Electric Limited	100,000	-	-	100,000	439	283	(156)	0.35	0.40
Engineering									
Amreli Steels Limited	11,000	-	-	11,000	271	283	11	0.35	0.40
International Steels Limited	23,000	40,000	23,000	40,000	2,200	1,448	(752)	1.79	2.06
Technology and Communications									
Pakistan Telecommunication Limited	100,500	-	-	100,500	831	779	(52)	0.96	1.11
Food and Personal Care Products									
Al-Shaheer Corporation Limited	80,000	-	80,000	-	-	-	-	-	-
Automobiles parts and accessories									
Loads Limited	23,800	-	-	23,800	360	256	(103)	0.32	0.36
Paper and Board									
Packages Limited	-	6,000	900	5,100	2,300	1,164	(1,136)	1.44	1.66
Oil and gas exploration companies									
Mari Petroleum Company Limited	4,482	5,998	3,560	6,920	7,360	6,166	(1,194)	7.64	8.77
Oil & Gas Development Company	77,000	54,500	30,000	101,500	12,901	7,814	(5,086)	9.68	11.12
Pakistan Oilfields Limited	12,050	16,500	18,500	10,050	2,470	2,635	166	3.26	3.75
Pakistan Petroleum Limited	66,175	67,835	38,000	96,010	11,579	6,894	(4,684)	8.54	9.81
Oil and gas marketing companies									
Hascol Petroleum Limited	11,687	-	11,500	187	13	2	(11)	0.00	0.00
Hi-Tech Lubricants Limited	7,900	-	-	7,000	194	163	(30)	0.20	0.23
Pakistan State Oil Company Limited	17,800	2,360	6,000	14,160	2,002	1,720	(281)	2.13	2.45
Sui Northern Gas Pipeline Limited	40,000	22,500	15,000	47,500	3,290	1,753	(1,537)	2.17	2.49
Textile composition									
Nishat Mills Limited	44,500	16,000	31,000	29,500	2,750	1,733	(1,017)	2.15	2.46
Pharmaceutical									
The Searle Company Limited	4,600	6,000	-	10,600	1,748	1,663	(85)	2.06	2.36
Glass and Ceramics									
Tariq Glass Industries Limited	16,000	-	16,000	-	-	-	-	-	-
Total as at 31 March 2020				1,240,002	91,174	70,301	(20,873)		
Total as at 30 June 2019					96,396	93,464			

FIRST HABIB ISLAMIC STOCK FUND

	Note	31 March 2020 (Unaudited) ----- (Rupees in '000) -----	31 March 2019 (Unaudited) ----- (Rupees in '000) -----
5.2 Unrealised diminution on investments at fair value through profit or loss			
Equity securities		(20,873)	(8,194)
		<u>(20,873)</u>	<u>(8,194)</u>
		31 March 2020 (Unaudited) ----- (Rupees in '000) -----	30 June 2019 (Audited) ----- (Rupees in '000) -----
6. INCOME RECEIVABLE			
Profit receivable on saving account		104	85
Dividend receivable		634	312
		<u>738</u>	<u>397</u>
7. DEPOSITS AND PREPAYMENTS			
Deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Deposit with CDC		100	100
Annual Listing Fee		5	-
Mutual Fund Rating Fee		184	47
Advance Tax	7.1	254	253
		<u>3,043</u>	<u>2,900</u>
7.1	The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue ("FBR") through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). For the advance tax withheld under section 151 of ITO 2001 in prior years, the management has applied to the FBR for refund and is confident that the same will be refunded in due course.		
8. PAYABLE TO HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
8.1	As per regulation 61 of amended NBFC Regulations, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 2% of average annual net assets in case of equity scheme. During the period ended 31 March 2020, the Management Company has charged remuneration at the rate of 2% of average annual net assets. The remuneration is paid to the Management Company on monthly basis in arrears.		
8.2	Sindh Sales Tax has been charged at 13% (30 June 2019:13%) on the Management Company's remuneration during the period.		
9. PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY			
	There is no change in the status of the legal proceeding on this matter which has been fully disclosed in note 11 to the annual audited financial statements for the year ended 30 June 2019.		
	However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs. 1.478 million.		
	Had the provision on FED not been made, net assets value per unit of the Fund as at 31 March 2020 would have been higher by Re. 1.06 (30 June 2019: Re. 1.03) per unit.		
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
	The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee has been revised during the period with effect from 01 July 2019. The remuneration has been revised as under:		

FIRST HABIB ISLAMIC STOCK FUND

Average net assets (Rs. in million)	Tariff
Upto Rs. 1,000	0.2% per annum of net asset value.
Rs. 1,000 and above	Rs. 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1,000 million.

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with regulation 62 of the NBFC Regulations. The said rate of fee has been changed during the period, pursuant to S.R.O 685(I) 2019, dated 28 June 2019, with effect from 01 July 2019. The revised rate has been fixed at 0.02% of net assets.

12 PROVISION FOR SINDH WORKERS' WELFARE FUND

There is no change in the status of the legal proceeding on this matter which has been fully disclosed in note 14 to the annual audited financial statements for the year ended 30 June 2019.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP has recommended its members to record provision for SWWF on prudence basis.

Had the SWWF not been provided for, the net assets value per unit would have been higher by Re. 0.36 (30 June 2019 : Re. 0.35) per unit.

13 CONTINGENCIES AND COMMITMENTS

Except as stated in note 12, there are no contingencies and commitments as at 31 March 2020 (30 June 2019 : Nil).

14 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance (ITO), 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of atleast 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe, shall not be taken into account. Furthermore, as per regulation 63 of the NBFC regulations , 2008, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. 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 ITO, 2001. The Fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS (RELATED PARTIES)

Connected persons include Habib Asset Management Limited being the Management Company, First Habib Income Fund, First Habib Stock Fund, First Habib Cash Fund, First Habib Islamic Income Fund, First Habib Asset Allocation Fund, AL Habib Capital Markets (Private) Limited and Bank AL Habib Limited being companies under common management, Central Depository Company of Pakistan Limited being the trustee of the Fund and all other concerns that fall under common management or control.

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

Remuneration to management company and trustee is determined in accordance with the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Company and Notified Entities Regulation 2008 and the Trust Deed respectively.

FIRST HABIB ISLAMIC STOCK FUND

Details of the transactions with connected persons at period end are as follows:

	Nine months ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	(Rupees in '000)			
Habib Asset Management Limited - Management Company				
Management fee	1,545	1,625	545	495
Sales Tax on Management Fee	201	211	71	64
Expenses allocated by the management company	32	-	32	-
Al Habib Capital Markets (Private) Limited - Brokerage House				
Brokerage	5	18	-	13
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	154	525	41	172
Bank Al Habib Limited				
Profit on Bank Balances	6	61	(14)	17
Details of the balances with connected persons are as follows:			31 March 2020 (Unaudited)	30 June 2019 (Audited)
			(Rupees in '000)	
Bank Al Habib Limited				
Bank Balance			162	111
Habib Asset Management Limited - Management Company				
Management Company Fee payable			181	181
Federal Excise Duty on Management Fee payable			1,478	1,478
Central Depository Company of Pakistan Limited - Trustee				
Remuneration Payable			18	65
Security Deposit - Non Interest bearing			100	100
Sale / Redemption of units				
	Nine months ended 31 March 2020 (Unaudited)		Nine months ended 31 March 2019 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
Habib Asset Management Limited	160,232	10,500	30,431	24,500
Other related parties				
- Directors of the Management Company	-	-	239	20
- Habib Asset Management Limited Employee Provident Fund	-	-	24,258	2,000
Units Redeemed By:				
Other related parties				
- Directors of the Management Company	16,180	1,200	173,136	15,000
- Habib Asset Management Limited - Employees Provident Fund	-	-	24,258	2,056
Units held by:				
Management Company				
Habib Asset Management Limited	787,630	45,649	432,650	34,967
Associated Companies				
- Bank Al Habib Limited	100,929	5,850	100,929	8,157
Other related parties				
- Directors of the Management Company	8,603	499	24,431	1,975
- Habib Insurance Company Limited - Employees Provident Fund	16,952	982	16,952	1,371

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

According to the amendments to IFRS 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 7. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		Carrying amount			Fair value				
	Note	Fair value through profit or loss	Amortised Cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
31 March 2020									
(Rupees in '000)									
Financial assets-measured at fair value									
Listed equity securities	6	70,301	-	-	70,301	70,301	-	-	70,301
Financial assets - not measured at fair value									
Bank balances	5		9,546		9,546				
Dividend and profit receivable	7	-	738	-	738				
Deposits, advances, prepayments and other receivable	8		3,043		3,043				
		70,301	13,327	-	83,628				
Financial liabilities - not measured at fair value									
Payable to Habib Asset Management Limited - Management Company	8	-	-	181	181				
Provision for Federal Excise Duty on remuneration of the Management Company				1,478	1,478				
Payable to CDC - Trustee	10	-	-	18	18				
Payable to SECP	11	-	-	15	15				
Provision for Sindh Workers' Welfare Fund		-	-	504	504				
Accrued expenses and other liabilities		-	-	687	687				
		-	-	2,885	2,885				
(Rupees in '000)									

FIRST HABIB ISLAMIC STOCK FUND

30 June 2019	Note	Carrying amount			Fair value				
		Fair value through profit or loss	Amortised Cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
<hr/>									
					(Rupees in '000)				
<hr/>									
Financial liabilities - not measured at fair value									
Payable to Habib Asset Management Limited - Management Company	7	-	-	181	181				
Provision for Federal Excise Duty on remuneration of the Management Company		-	-	1,478	1,478				
Payable to CDC - Trustee	8	-	-	65	65				
Payable to SECP	9	-	-	100	100				
Provision for Sindh Workers' Welfare Fund		-	-	504	504				
Accrued expenses and other liabilities		-	-	737	737				
		-	-	3,065	3,065				

16.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

17. TOTAL EXPENSE RATIO (TER)

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended 31 March 2020 is 3.96% which includes 0.30% representing government levies and SECP fee.

18. GENERAL

18.1 Figures for the quarter ended March 31, 2020 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

18.2 Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements for the purpose of better presentation. There is no material reclassification to report.

18.3 This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on **23rd April 2020**.

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC INCOME FUND
Quarterly Report
31 March 2020

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FUND'S INFORMATION**Management Company**

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Aun Mohammad A Habib	Director
Mr. Saeed Allawala	Director

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary

Mr. Zahid Hussain Vasnani

Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mansoor Ali	Member
Mr. Saeed Allawala	Member

Human Resource Committee

Mr. Aun Mohammad A Habib	Director
Mr. Mansoor Ali	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Imran Azim	Member
Mr. Aun Mohammad A Habib	Director

Auditors

KPMG Taseer Hadi & C0.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi

Trustee

Central Depository Company
of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Rating

A(f) Fund Stability Rating, Rating by PACRA
AM3+ Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Bank Islmai Pakistan Limited
Sindh Bank Limited
Summit Bank Limited
MCB Bank Limited

Registered Office: 2nd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

FIRST HABIB ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2020

	Note	31 March 2020 (Unaudited) ----- (Rupees in '000) -----	30 June 2019 (Audited)
Assets			
Bank balances	4	567,413	58,562
Investments	5	1,197,973	46,735
Profit and dividend receivable		60,269	1,948
Preliminary expenses and floatation costs		611	863
Deposits, advances, prepayments and other receivables	7	33,389	3,270
Total assets		1,859,655	111,378
Liabilities			
Payable to Habib Asset Management Limited - Management Company	8	2,857	120
Payable to Central Depository Company of Pakistan Limited - Trustee	9	370	17
Payable to Securities and Exchange Commission of Pakistan (SECP)	10	446	95
Provision for Sindh Workers' Welfare Fund	11	5,934	266
Accrued expenses and other liabilities		11,860	733
Total liabilities		21,468	1,231
Net assets		1,838,187	110,147
Unit holders' fund (as per statement attached)		1,838,187	110,147
		----- (Number of Units) -----	
Number of units in issue (Face value of units is Rs. 100 each)		18,131,501	1,099,746
		----- (Rupees) -----	
Net asset value per unit		101.38	100.16
Contingencies and Commitments	12		

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

		Nine Months ended		Quarter ended	
		31 March	31 March	31 March	31 March
Note		2020	2019	2020	2019
(Rupees in '000) --					
Income					
Profit on bank balances calculated using effective yield method		243,786	4,523	109,777	679
Income from sukuk certificates		27,610	3,610	24,632	1,354
Profit on Term Deposit Receipts calculated using effective yield method		19,859	-	19,641	-
Dividend income		299	-	299	-
Net gain / loss on investments designated 'at fair value through profit or loss'					
Net capital gain / (loss) on sale of investments		3,979	(26)	3,982	-
Net unrealised gain / (loss) on revaluation of investments	6	8,216	(388)	8,871	(154)
		12,195	(414)	12,853	(154)
Total income		303,749	7,719	167,202	1,879
Expenses					
Remuneration of Habib Asset Management Limited - Management Company	8	11,198	865	5,977	206
Sindh sales tax on management company's remuneration		1,456	113	777	27
Expenses allocated to Management Company		3,563	-	3,563	-
Remuneration of Central Depository Company of Pakistan Limited (CDC) - Trustee					
Sindh sales tax on trustee remuneration	9	1,672	171	897	34
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	10	217	22	116	4
Brokerage expense		446	76	239	16
Settlement and bank charges		800	12	769	0
Annual listing fee		258	20	193	3
Auditors' remuneration		20	19	7	6
Amortization of preliminary expenses and floatation costs		314	267	88	53
Mutual fund rating fee		254	256	84	86
Printing charges		97	89	36	30
Provision for Sindh Workers' Welfare Fund	11	49	69	19	23
		5,668	100	3,094	24
Total expenses		26,011	2,078	15,858	511
Net income for the period before taxation		277,737	5,640	151,343	1,367
Taxation	13	-	-	-	-
Net income for the period after taxation		277,737	5,640	151,343	1,367
Allocation of net income for the period after taxation					
Net income for the period		277,737	5,640	151,343	1,367
Income already paid on units redeemed		(36,872)	(1,888)	(17,552)	-
		240,865	3,752	133,791	1,367
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		240,865	3,752	133,791	1,367
		240,865	3,752	133,791	1,367

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine Months ended		Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in '000)			
Net income for the period after taxation	277,737	5,640	151,343	1,367
Other comprehensive income for the period	-			-
Total comprehensive income for the period	277,737	5,640	151,343	1,367

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	For the Nine Months ended 31 March					
	2020			2019		
	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	----- (Rupees in '000) -----					
Net assets at the beginning of the period	110,008	139	110,147	189,574	3,023	192,597
Issuance of 137,404,843 (31 March 2019: 1,048,727 units) including additional units 1,002,696 units issued at nil value						
- Capital value	13,767,737	-	13,767,737	108,579	-	108,579
- Element of income	100,403	-	100,403	645	-	645
Amount received / receivable on issuance of units	13,868,140	-	13,868,140	109,223	-	109,223
Redemption of 120,373,088 (31 March 2019 : 1,946,035 units)						
- Capital value	(12,119,801)	-	(12,119,801)	(201,480)	-	(201,480)
- Element of loss	(81,773)	(36,872)	(118,645)	(546)	(1,888)	(2,434)
Amount paid / payable on redemption of units	(12,201,574)	(36,872)	(12,238,446)	(202,026)	(1,888)	(203,914)
Total comprehensive income for the period	-	277,737	277,737	-	5,640	5,640
Final distribution for the year ended 30 June 2018: Rs. 3.40 per unit	-	-	-	-	(2,911)	(2,911)
Interim cash distribution for the period ended 31 March 2020: Rs.8.0855 per unit	-	(179,392)	(179,392)	-	-	-
Net income for the period less distribution	-	98,346	98,346	-	2,729	2,729
Net assets at the end of the period	1,776,574	61,612	1,838,187	96,771	3,864	100,635
Undistributed income brought forward						
- Realised		331			2939	
- Unrealised		(192)			84.00	
		139			3023	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	240,865			3,752		
	240,865			3,752		
Final distribution for the year ended 30 June 2018: Rs. 3.40 per unit	-			(2,911)		
Interim cash distribution for the period ended 31 March 2020: Rs.8.0855 per unit	(179,392)					
Undistributed income carried forward	61,612			3,864		
Undistributed income carried forward comprises of:						
- Realised income	53,397			4,253		
- Unrealised loss	8,216			(388)		
	61,612			3,864		
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		100.16			103.53	
Net assets value per unit at end of the period		101.38			104.51	

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ISLAMIC INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine Months ended	
	31 March 2020	31 March 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	277,737	5,640
Adjustments for non-cash items		
Net unrealised loss on revaluation of investments	(8,216)	-
Amortization of preliminary expenses and floatation costs	252	256
	269,774	5,896
(Increase)/ decrease in assets		
Investments	(1,143,022)	(8,005)
Profit and dividend receivable	(58,321)	(16)
Deposits, advances, prepayments and other receivables	(30,119)	(253)
	(1,231,461)	(8,274)
Increase / (decrease) in liabilities		
Payable to Habib Asset Management Limited - Management Company	2,737	(12)
Payable to Central Depository Company of Pakistan Limited - Trustee	353	(9)
Payable to Securities and Exchange Commission of Pakistan	351	(12)
Provision for Sindh Workers' Welfare Fund	5,668	100
Accrued expenses and other liabilities	11,127	(110)
	20,237	(44)
Net cash used in operating activities	(941,451)	(2,422)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from sale and redemption of units	1,629,694	(94,691)
Dividend paid during the period	(179,392)	(2,911)
Net cash generated from / (used in) financing activities	1,450,302	(97,602)
Net increase / decrease in cash and cash equivalents during the period	508,851	(100,024)
Cash and cash equivalents at beginning of the period	58,562	147,353
Cash and cash equivalents at the end of the period	567,413	47,329
Cash and cash equivalents at the end of the period comprise of :		
Bank balances	567,413	47,329
	567,413	47,329

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020**

1. LEGAL STATUS AND NATURE OF BUSINESS

First Habib Islamic Income Fund ("the Fund") was established under a Trust Deed executed between Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 30 August 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 22 August 2016 under Rule 67 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the management company is situated at 2nd floor, Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.

The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the fund at their convenience. The management team also seeks to enhance returns through active portfolio management using efficiency tools.

The Fund has been categorised as an Open-End Shariah Compliant (Islamic) Income Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM3+' to the Management Company and 'A(f)' to the Fund respectively.

Title to the assets of the Fund is held in the name of CDC as a Trustee of the Fund.

2. BASIS OF PREPARATION

2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 This condensed interim financial information is unaudited and is being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

FIRST HABIB ISLAMIC INCOME FUND

2.1.4 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended 30 June 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended 31 March 2020.

2.1.5 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 March 2020.

2.2 Standards, interpretation and amendments to published approved accounting standards that are not yet effective

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information.

2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the fund's functional and presentation currency.

All figures have been rounded to the nearest thousand rupees, unless stated otherwise.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

3.4 New or Amendments / Interpretations to existing standards, interpretations and forthcoming requirements

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information.

4. BANK BALANCES

This represents savings account held with various commercial banks carrying profit rates ranging from 12.5% to 14.35% (30 June 2019: 3.5% to 11.00%) per annum. It also includes balance of Rs. 1.63 million (30 June 2019: Rs 0.205 million) with Bank AL Habib Limited, a related party carrying profit rate of 5.25% to 12.50% (30 June 2019: 3.5% to 11.00%) per annum.

FIRST HABIB ISLAMIC INCOME FUND

5. INVESTMENTS - at fair value through profit or loss - held for trading	31 March 2020 (Unaudited) ------(Rupees in '000)-----	30 June 2019 (Audited)
	<i>Note</i>	
Investments by category		
At fair value through profit or loss:		
Sukuk Certificates	5.1	1,197,973
		46,735

		1,197,973

		46,735

5.1 Sukuk certificates

Name of the Investee	As at 01 July 2019	Purchased during the period	Sold / Matured during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Unrealized Gain / (Loss)	Market value as percentage of	
								Net Assets	Total Investments
	----- (Number of certificates) -----				----- (Rupees in '000) -----				
Unquoted									
Ghani Gases Limited (certificates of Rs. 100,000 each)	105	-	-	105	5,355	4,725	(630)	0.26%	0.39%
AGP Limited (certificates of Rs. 100,000 each)	100	-	-	100	4,500	4,545	45	0.25%	0.38%
International Brands Limited (certificates of Rs. 100,000 each)	100	-	-	100	7,457	7,484	27	0.41%	0.62%
Quoted									
Dawood Hercules Corporation Limited - I (certificates of Rs. 100,000 each)	100	3,375	-	3,475	278,974	280,013	1,039	15.23%	23.37%
Dawood Hercules Corporation Limited - II (certificates of Rs. 100,000 each)	100	1,925	-	2,025	161,988	162,535	547	8.84%	13.57%
Dubai Islami Bank Sukuk (14-07-2017) (certificates of Rs. 100,000 each)	-	447	50	397	398,727	402,955	4,228	21.92%	33.64%
Fatima Fertilizer Company Ltd - Sukuk (certificates of Rs. 100,000 each)	-	40,751	12,500	28,251	56,903	56,591	(312)	3.08%	4.72%
Meezan Bank Limited Sukuk (certificates of Rs. 100,000 each)	-	325	50	275	275,853	279,125	3,272	15.18%	23.30%
Engro Fertilizer Limited (certificates of Rs. 5000 each)	6,000	-	6,000	-	-	-	-	0.00%	0.00%
Total as at 31 March 2020					1,189,757	1,197,973	8,216		
Total as at 30 June 2019					46,927	46,735	(192)		

5.1.1 Significant terms and conditions of Sukuk certificates outstanding at the period end are as follows:

Name of security	Number of Certificates	Tenor	Unredeemed face value per Sukuk (Rupees)	Mark-up rate (per annum)	Issue date	Rating	Secured / Unsecured
Sukuk Certificates							
Unquoted							
Ghani Gases Limited	105	6 years	51,000	3 month KIBOR plus 1%	2-Feb-17	A	Secured
International Brands Limited	100	4 years	74,570	1 year KIBOR plus 0.5%	15-Nov-17	AA	Secured
AGP Limited	100	5 years	45,000	3 month KIBOR plus 1.3%	9-Jun-17	A	Secured
Quoted							
Dawood Hercules Corporation Limited- Sukuk I	3,475	5 years	80,280	3 month KIBOR plus 1%	16-Nov-17	AA	Secured
Dawood Hercules Corporation Limited- Sukuk II	2,025	5 years	79,994	3 month KIBOR plus 1.15%	1-Mar-18	AA	Secured
Dubai Islami Bank Sukuk (14-07-2017)	397	10Year	1,004,350	6 month KIBOR plus 0.5%	14-Jul-17	AA-	Un-Secured
Fatima Fertilizer Company Ltd - Sukuk	28,251	5 years	2,014	6 month KIBOR plus 1.1%	28-Nov-16	AA-	Secured
Meezan Bank Limited Sukuk	275	10Year	1,003,102	6 month KIBOR plus 0.5%	22-Sep-19	AA	Un-Secured

FIRST HABIB ISLAMIC INCOME FUND

6. Net unrealised gain / (loss) on revaluation of investments	31 March 2020 (Unaudited) (Rupees in '000)	31 March 2019 (Unaudited) (Rupees in '000)
Market value of investments	1,197,973	48,505
Less: Carrying value of investments	(1,189,757)	(48,893)
	<u>8,216</u>	<u>(388)</u>

7. DEPOSITS, ADVANCES, PREPAYMENTS & OTHER RECEIVABLES	31 March 2020 (Unaudited) ----- (Rupees in '000) -----	30 June 2019 (Audited)
Deliverable Future Contract margin with NCCPL	16,162	-
Cash margin to NCCPL against equity transactions	13,300	-
Deposit with NCCPL	2,500	2,500
Deposit with CDC	100	100
Advance Tax	1,324	670
Annual listing fee	2	-
	<u>33,389</u>	<u>3,270</u>

- 7.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue ("FBR") through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR, various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same will be refunded in due course.

8. PAYABLE TO HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

- 8.1 As per regulation 61 of the amended NBFC Regulations, the Management Company of the Fund is entitled to a remuneration at the rate of 10% of gross income with minimum fee of 0.5% per annum and maximum fee of 1.5% per annum of average annual net assets. However the rate of management fee has been revised at 0.5% of average net assets, with effect from 1 August 2019. The remuneration is paid to the Management Company on monthly basis in arrears.
- 8.2 Sindh Sales Tax has been charged at 13%(30 June 2019:13%) on the Management Company's remuneration during the period.

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee has been revised to 0.075% of average annual net assets with effect from 1 July 2019.

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with regulation 62 of the NBFC Regulations. The said rate of fee has been changed during the period, pursuant to S.R.O 685(I) 2019, dated 28 June 2019, with effect from 01 July 2019. The revised rate has been fixed at 0.02% of net assets.

11. PROVISION FOR SINDH WORKERS' WELFARE FUND

There is no change in the status of the legal proceeding on this matter which has been fully disclosed in the in note 13 in the annual audited financial statements for the year ended 30 June 2019.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP has recommended its members to record a provision for SWWF on prudence basis.

Had the SWWF not been provided, the net asset value per unit of the Fund would have been higher by Re. 0.32 (30 June 2019: Re 0.24) per unit.

12. CONTINGENCIES AND COMMITMENTS

Except as stated in note 11, there are no contingencies and commitments as at 31 March 2020 (30 June 2019 : Nil)

13. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance(ITO), 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of atleast 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe, shall not be taken into account.

Furthermore, as per regulation 63 of the NBFC regulations , 2008, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. 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 ITO, 2001. The Fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- | | |
|----------|--|
| Level 1: | Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded. |
| Level 2: | Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). |
| Level 3: | Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs). |

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

FIRST HABIB ISLAMIC INCOME FUND

		Carrying amount				Fair value			
		Fair value through profit or loss	Loan and receivable	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 March 2020	Note	(Rupees in '000)							
Financial assets -measured at fair value									
Investment in Sukuk Certificate	5	1,197,973	-	-	1,197,973	1,197,973	-	-	1,197,973
Financial assets - not measured at fair value									
Bank balances	4	-	567,413	-	567,413				
Profit and dividend receivable		-	60,269	-	60,269				
Preliminary expenses and floatation costs		-	611	-	611				
Deposits, advances, prepayments and other receivables	7	-	33,389	-	33,389				
		1,197,973	661,682	-	1,859,655				
Financial liabilities - not measured at fair value									
Payable to Habib Asset Management Limited - Management Company	8	-	-	2,857	2,857				
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	9	-	-	370	370				
Payable to SECP	10	-	-	446	446				
Provision for Sindh Workers' Welfare Fund		-	-	5,934	5,934				
Accrued expenses and other liabilities	11	-	-	11,860	11,860				
		-	-	21,468	21,468				
30 June 2019									
Financial assets -measured at fair value									
Investment in Sukuk Certificate		46,735	-	-	46,735	46,735	-	-	46,735
Financial assets - not measured at fair value									
Bank balances		-	58,562	-	58,562				
Profit and dividend receivable		-	1,948	-	1,948				
Preliminary expenses and floatation costs		-	863	-	863				
Deposits, advances, prepayments and other receivables		-	3,270	-	3,270				
		46,735	64,643	-	111,378				
Financial liabilities - not measured at fair value									
Payable to the Habib Asset 'Management Limited - Management Company		-	-	120	120				
Payable to CDC - Trustee		-	-	17	17				
Payable to SECP		-	-	95	95				
Provision for Sindh Workers' Welfare Fund		-	-	266	266				
Accrued expenses and other liabilities		-	-	733	733				
		-	-	1,231	1,231				

14.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS (RELATED PARTIES)

Connected persons / related parties include Habib Asset Management Limited being the Management Company, AL Habib Capital Markets (Private) Limited and Bank AL Habib Limited being companies under common management, First Habib Income Fund, First Habib Cash Fund, First Habib Islamic Stock Fund, First Habib Stock Fund and First Habib Asset Allocation Fund being the Fund managed by common Management Company, Central Depository Company Limited being the Trustee of the Fund. directors and officers of the above entities and includes persons holding 10% or more in the units of the Fund as at 31 March 2020. It also includes staff retirement benefit funds of the above connected person / related parties.

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

FIRST HABIB ISLAMIC INCOME FUND

Remuneration to management company and trustee is determined in accordance with the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulation 2008 and the Trust Deed respectively.

Details of the transactions with connected persons are as follows:

	Nine Months ended 31 March		Qtr ended 31 March	
	2020	2019	2020	2019
	(Rupees in '000)			
Habib Asset Management Limited - Management Company				
- Management remuneration	11,198	865	5,977	206
- Sindh sales tax on management remuneration	1,456	113	777	27
- Reimbursement of expenses to CIS	3,563	-	3,563	-
Central Depository Company of Pakistan Limited - Trustee				
- Remuneration to the Trustee	1,672	171	897	34
- Sindh sales tax on trustee fee	217	22	116	4

	31 March 2020 (Unaudited)	30 June 2019 (Audited)
	(Rupees in '000)	

Details of balances with connected persons at period end are as follows:

Bank AL Habib Limited		
- Bank Balance	1,691	705
Habib Asset Management Limited - Management Company		
- Management Company balance	2,857	120
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable	370	17
- Other CMC Charges payable	1	1
- Security deposit - Non interest bearing	100	100

15.1 Sale / Redemption of units

	Nine Months ended 31 March 2020 (Unaudited)		Nine Months ended 31 March 2019 (Unaudited)	
<u>Units sold to:</u>	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
Habib Asset Management Limited	270,329	27,500	-	-
Associated Companies				
Bank AL Habib Limited	5,243,032	529,349	-	-
Habib Insurance Company Limited	-	-	15,473	1,549
Other related parties:				
Directors and executives of the Management Company	19,962	2,005	288,556	29,992
Units sold to Connected Party holding 10% or more of the units in issue:				
Treet Corporation Limited-Group Employees Superannuation Fund	6,662	667	-	-
Artistic Milliners (Pvt) Ltd	70,905,766	7,167,057	-	-
Javed Ahmed	25,943,662	2,614,766	-	-
Muhammad Iqbal Ahmed	11,968,499	1,208,953	-	-

FIRST HABIB ISLAMIC INCOME FUND

	Nine Months ended 31 March 2020 (Unaudited)		Nine Months ended 31 March 2019 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units redeemed by:				
<i>Management Company</i>				
Habib Asset Management Limited	549,641	55,518	609,844	62,088
<i>Associated Companies</i>				
Habib Insurance Company Limited	-	-	483,969	49,746
Other related parties				
Directors and executives of the Management Company	11,907	1,200	288,141	29,998
Units redeemed to Connected Party holding 10% or more of the units in issue:				
Treet Corporation Limited-Group Employees Superannuation Fund	339,193	34,149	-	-
Artistic Milliners (Pvt) Ltd	70,905,766	7,129,300	-	-
Javed Ahmed	21,661,970	2,187,558	-	-
Muhammad Iqbal Ahmed	8,343,438	843,319	-	-
15.2 Units held by:				
	31 March 2020 (Unaudited)		31 March 2019 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<i>Management Company</i>				
Habib Asset Management Limited	-	-	9	1
<i>Associated Companies</i>				
Bank AL Habib Limited	5,493,453	556,931	250,421	26,171
Other related parties				
Directors and executives of the Management Company	11,778	1,194	3,505	366
Connected Parties holding 10% or more of the units in issue:				
Treet Corporation Limited-Group Employees Superannuation Fund	-	-	312,069	32,614
Javed Ahmed	4,281,692	434,081	-	-
Muhammad Iqbal Ahmed	3,625,061	367,512	-	-
16. TOTAL EXPENSE RATIO (TER)				

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended 31 March 2020 is 1.18% which include 0.35% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

17. GENERAL

17.1 In compliance with Schedule V of the NBFC Regulations, 2008, the Directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 March 2020.

17.2 This condensed interim financial information was authorised for issue by the board of directors of the Management Company on **23rd April 2020**.

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ASSET ALLOCATION FUND
Quarterly Report
31 March 2020

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FUND'S INFORMATION**Management Company**

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Aun Mohammad A Habib	Director
Mr. Saeed Allawala	Director

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary

Mr. Zahid Hussain Vasnani

Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mansoor Ali	Member
Mr. Saeed Allawala	Member

Human Resource Committee

Mr. Aun Mohammad A Habib	Director
Mr. Mansoor Ali	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Imran Azim	Member
Mr. Aun Mohammad A Habib	Director

Auditors

KPMG Taseer Hadi & C0.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi

Trustee

Central Depository Company
of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Rating

3 Star, Rating by PACRA
AM3+ Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

JS Bank Limited
Khushali Microfinance Bank Limited
NRSP Microfinance Bank Limited

Registered Office: 2nd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

FIRST HABIB ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 MARCH 2020

		31 March 2020 (Unaudited) (Rupees in '000)	30 June 2019 (Audited) (Rupees in '000)
Assets			
Bank balances	4	40,739	13,773
Investments	5	47,245	73,467
Profit and dividend receivable	6	1,259	704
Preliminary expenses and floatation costs	7	620	800
Receivable against sale of investments		-	4,000
Deposits, advances and other receivables	8	4,173	9,080
Total assets		94,037	101,824
Liabilities			
Payable to Habib Asset Management Limited - Management Company	9	187	180
Payable to Central Depository Company of Pakistan Limited - Trustee	10	19	65
Payable to Securities and Exchange Commission of Pakistan (SECP)	11	15	113
Provision for Sindh Workers' Welfare Fund	12	81	81
Accrued expenses and other liabilities		1,542	537
Total liabilities		1,843	976
Net assets		92,193	100,848
Unit holders' fund (as per statement attached)		92,193	100,848
		----- (Number of Units) -----	
Number of units in issue (face value of units is Rs. 100 each)		1,107,547	1,105,638
		----- (Rupees) -----	
Net asset value per unit		83.24	91.21
Contingencies and Commitments	13		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ASSET ALLOCATION FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

		Nine Months ended		Quarter ended	
		31 March		31 March	
		2020	2019	2020	2019
<i>Note</i> -----(Rupees in '000)-----					
Income					
Profit on bank deposits		4,045	2,050	1,253	810
Income from Term Finance Certificates		2,218	2,982	758	871
Dividend income		932	1,579	516	609
Income from Margin Trading System		-	73	(120)	-
Income from Government securities		661	112	612	-
Return on deposit with NCCPL		120	111	120	35
Net (loss) / income on investments classified as "at fair value through profit or loss"					
Net capital (loss) / gain on sale of investments		(93)	(6,312)	3,007	262
Net unrealized loss on revaluation of investments	5.3	(13,102)	(836)	(13,188)	(674)
		(13,195)	(7,148)	(10,181)	(412)
Total (loss) / income		(5,218)	(241)	(7,041)	1,913
Expenses					
Remuneration of Habib Asset Management Limited - Management Company	9	1,466	1,906	506	500
Sindh sales tax on management company's remuneration	9.1	191	248	66	65
Expenses Allocated to Management Company		13	-	13	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	147	525	51	172
Sindh sales tax on trustee remuneration	10.1	19	68	7	22
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	11	15	91	5	24
Brokerage expense		399	312	209	44
Settlement and bank charges		318	477	107	101
Annual listing fee		17	15	5	5
Auditors' remuneration		215	187	66	37
Amortization of preliminary expenses and floatation costs		179	171	59	125
Printing charges		49	69	16	(46)
Other Expenses		278	19	140	19
Provision for Sindh Workers' Welfare Fund	12	-	17	-	-
Total expenses		3,305	4,105	1,249	1,068
Net (loss) / income for the period before taxation		(8,524)	(4,346)	(8,291)	845
Taxation	14	-	-	-	-
Net (loss) / income for the period after taxation		(8,524)	(4,346)	(8,291)	845
Allocation of net (loss) / income for the period after taxation:					
Net (loss) / income for the period		(8,524)	(4,346)	(8,291)	845
Income already paid on units redeemed		-	-	-	-
		(8,524)	(4,346)	(8,291)	845
Accounting income available for distribution:					
Relating to capital gains		-	-	-	-
Excluding capital gains		-	-	-	-
		-	-	-	-

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine Months ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net (loss) / income for the period before taxation	(8,524)	(4,346)	(8,291)	845
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(8,524)	(4,346)	(8,291)	845

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	2020			2019		
	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	(Rupees in '000)					
Net assets at the beginning of the period	110,789	(9,941)	100,848	213,864	1,885	215,749
Issuance of 172,974 (31 March 2019: 559,407 units)						
- Capital value	15,777	-	15,777	56,406	-	56,406
- Element of loss	(768)	-	(768)	949	-	949
Amount received / receivable on issuance of units	15,009	-	15,009	57,355	-	57,355
Redemption of 171,065 (31 March 2019: 1,658,444 units)						
- Capital value	(15,603)	-	(15,603)	(167,219)	-	(167,219)
- Element of income	463	-	463	873	-	873
Amount paid / payable on redemption of units	(15,140)	-	(15,140)	(166,346)	-	(166,346)
Total comprehensive loss for the period	-	(8,524)	(8,524)	-	(4,346)	(4,346)
Final distribution for the year ended 30 June 2018: Rs. 1.18 per unit	-	-	-	-	(1,828)	-
	-	(8,524)	(8,524)	-	(6,174)	(4,346)
Net assets at the end of the period	110,658	(18,465)	92,193	104,873	(4,289)	102,412
Undistributed (loss) / income brought forward						
- Realised-loss		(2,855)			5,785	
- Unrealised-loss		(7,086)			(3,900)	
		(9,941)			1,885	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	-			-		
Net loss for the period after taxation	(8,524)			(4,346)		
	(18,465)			(2,461)		
Distribution during the period		-			(1,828)	
Undistributed (loss) carried forward		(18,465)			(4,289)	
Undistributed (loss) carried forward comprises of:						
- Realised-loss	(5,363)			(3,615)		
- Unrealised-loss	(13,102)			(674)		
	(18,465)			(4,289)		
	(Rupees)				(Rupees)	
Net assets value per unit beginning of the period	91.21			100.83		
Net assets value per unit at end of the period	83.24			96.65		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB ASSET ALLOCATION FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

	Nine Months ended	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(8,524)	(4,346)
Adjustments for non-cash items		
Net unrealized loss on revaluation of investments	13,102	836
Amortization of preliminary expenses and floatation costs	179	171
	4,758	(3,339)
(Increase) / decrease in assets		
Investments	13,120	65,357
Receivable against Margin Trading System (MTS)	-	1,268
Profit and dividend receivable	(555)	139
Receivable against sale of investments	4,000	50,487
Deposits, advances and other receivables	4,907	(596)
	21,472	116,655
Increase / (decrease) in liabilities		
Payable to Habib Asset Management Limited - Management Company	7	(206)
Payable to Central Depository Company of Pakistan Limited - Trustee	(46)	2
Payable to Securities and Exchange Commission of Pakistan	(98)	(40)
Provision for Sindh Workers' Welfare Fund	(0)	45
Payable against purchase of investment	-	(4,283)
Accrued expenses and other liabilities	1,005	248
	867	(4,234)
Net cash generated from operating activities	27,097	109,082
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	15,009	57,354
Payable against redemption of units	(15,140)	(166,346)
Dividend paid during the period	-	(1,828)
Net cash (used) in financing activities	(131)	(110,820)
Net increase / (decreased) in cash and cash equivalents during the period	26,966	(1,738)
Cash and cash equivalents at beginning of the period	13,773	29,816
Cash and cash equivalents at the end of the period	40,739	28,078
CASH AND CASH EQUIVALENTS		
Bank balances	40,739	28,078
	40,739	28,078

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

First Habib Asset Allocation Fund ("the Fund") was established under a Trust Deed executed between Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 06 August 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 26 July 2017 under Regulation 44 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 2nd floor, Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange (PSX). Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.

The objective of the Fund is to provide risk adjusted competitive returns to its investors by investing in a blend of investments based on market outlook.

The Fund has been categorised as an open-end asset allocation scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM3+' to the Management Company and has assigned Fund stability ranking of '3-Star' for one year.

Title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 This condensed interim financial information is unaudited and is being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

FIRST HABIB ASSET ALLOCATION FUND

2.1.4 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended 30 June 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended 31 March 2019.

2.1.5 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 March 2019.

2.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore these are not stated in this condensed interim financial information.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund. All figures have been rounded to the nearest thousand rupees, unless stated otherwise.

2.4 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

3.4 New or Amendments / Interpretations to existing standards, interpretations and forthcoming requirements

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore, these are not stated in this condensed interim financial information out below.

4. BANK BALANCES

This represents saving accounts held with various commercial banks carrying profit rates ranging from 10.85% to 14.3% (30 June 2019: 6% to 13.3%) per annum.

5. INVESTMENTS

		31 March 2020 (Unaudited)	30 June 2019 (Audited)
At fair value through profit or loss	<i>Note</i>	----- (Rupees in '000) -----	
Term Finance Certificates and Sukuks	5.1	16,887	21,095
Listed equity securities	5.2	30,358	52,372
Government Securities - Pakistan Investment Bond	5.3	-	-
		47,245	73,467

FIRST HABIB ASSET ALLOCATION FUND

5.1 Term Finance Certificates and Sukuks

Name of the Investee	As at 1 July 2019	Purchased during the period	Sold / Matured during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Unrealised loss	Market value as percentage of	
								Net assets	Total investments
	----- (Number of certificates) -----				----- (Rupees in '000) -----				
<u>Unquoted</u>									
JS Bank Limited - TFC (14-12-2016) (certificates of Rs. 5,000 each)	1,000	-	-	1,000	5,012	4,799	(213)	5.21%	10.16%
<u>Quoted</u>									
Byco Petroleum Pakistan Limited - Sukuk (18-01-2017) (certificates of Rs. 100,000 each)	60	-	-	60	3,974	4,030	56	4.37%	8.53%
Dawood Hercules Corporation Limited - Sukuk-I (16-11-17) (certificates of Rs. 100,000 each)	100	-	-	100	7,980	8,058	77	8.74%	17.06%
Total as at 31 March 2020					16,967	16,887	(80)		
Total as at 30 June 2019					21,201	21,095	(106)		

5.2 Listed equity securities

Name of the Investee	As at 1 July 2019	Purchased during the period	Bonus / right issue	Sold during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Unrealized gain / (loss)	Market Value as a Percentage of	
									Net assets	Total investments
----- (Number of shares) -----					----- (Rupees in '000) -----					
Unless stated otherwise, the holdings are in ordinary shares of Rs 10 each.										
Automobile parts and accessories										
Thal Limited	21,100	-	-	20,900	200	73	59	(14)	0.06%	0.12%
Banks										
Bank Alfalah Limited	79,150	-	-	25,000	54,150	2,360	1,723	(638)	1.87%	3.65%
Bank AL Habib Limited	60,000	-	-	-	60,000	4,703	3,232	(1,471)	3.51%	6.84%
Bank of Punjab	-	100,000	-	-	100,000	750	766	16	0.83%	1.62%
Habib Bank Limited	23,000	36,400	-	58,000	1,400	211	145	(67)	0.16%	0.31%
Habib Metropolitan Bank Limited	100,000	-	-	100,000	-	-	-	-	0.00%	0.00%
MCB Bank Limited	17,000	20,000	-	37,000	-	-	-	-	0.00%	0.00%
United Bank Limited	-	64,200	-	52,000	12,200	2,062	1,230	(832)	1.33%	2.60%
Cable and Electrical Goods										
Pak Elektron Limited	45,000	-	-	45,000	-	-	-	-	0.00%	0.00%
Fertilizer										
Engro Fertilizer Limited	28,000	31,000	-	43,000	16,000	1,008	923	(85)	1.00%	1.95%
Engro Corporation Limited	11,100	21,000	-	27,000	5,100	1,615	1,361	(254)	1.48%	2.88%
Fauji Fertilizer Company Limited	20,000	51,000	-	60,000	11,000	1,044	1,023	(20)	1.11%	2.17%
Cement										
Cherat Cement Company	-	20,000	-	20,000	-	-	-	-	0.00%	0.00%
Dera Ghazi Khan Cement	-	72,000	-	47,000	25,000	2,000	1,481	(519)	1.61%	3.14%
Lucky Cement Company Limited	4,000	33,300	-	32,300	5,000	2,595	1,854	(741)	2.01%	3.92%
Maple Leaf Cement Company Limited	10,500	78,000	-	10,500	78,000	2,071	1,616	(454)	1.75%	3.42%
Engineering										
Amreli Steel Limited	-	35,000	-	-	35,000	1,209	899	(310)	0.98%	1.90%
International Steels Limited	-	70,000	-	50,000	20,000	1,140	724	(416)	0.79%	1.53%
Oil and Gas Exploration Companies										
Mari Gas Company Limited	800	5,000	2,800	-	3,000	3,653	2,673	(979)	2.90%	5.66%
Oil & Gas Development Company Limited	31,000	88,400	-	89,000	30,400	3,696	2,340	(1,356)	2.54%	4.95%
Pakistan Oilfields Limited	5,000	23,000	-	22,500	5,500	2,121	1,442	(679)	1.56%	3.05%
Pakistan Petroleum Limited	31,500	82,000	4,300	86,000	31,800	4,176	2,284	(1,892)	2.48%	4.83%
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	5,000	16,000	-	11,000	10,000	1,710	1,215	(495)	1.32%	2.57%
Sui Northern Gas Company Limited	31,500	71,000	-	86,500	16,000	1,070	590	(480)	0.64%	1.25%
Power Generation and Distribution										
Hub power Company Limited	-	94,000	-	80,000	14,000	1,036	956	(80)	1.04%	2.02%
Paper and Boards										
Packages Limited	-	1,600	-	-	1,600	540	365	(175)	0.40%	0.77%

FIRST HABIB ASSET ALLOCATION FUND

Name of the Investee	As at 1 July 2019	Purchased during the period	Bonus / right issue	Sold during the period	As at 31 March 2020	Carrying value as at 31 March 2020	Market value as at 31 March 2020	Unrealized gain / (loss)	Market Value as a Percentage of	
									Net assets	Total investments
									(Number of shares)	
Technology and Communication										
Systems Limited	-	2,600	-	2,600	-	-	-	-	0.00%	0.00%
Textile Composite										
Nishat Mills Limited	18,000	65,000	-	68,000	15,000	1,449	881	(568)	0.96%	1.86%
Gul Ahmed Textile Limited	-	25,000	-	-	25,000	1,087	576	(511)	0.63%	1.22%
Chemical										
Engro Polymer and Chemical Limited	75,000	210,000	-	285,000	-	-	-	-	0.00%	0.00%
Total as at 31 March 2020						43,380	30,358	(13,022)		
Total as at 30 June 2019						59,352	52,372	(6,980)		

5.3 Government securities - Pakistan investment Bonds

Issue date	As at 1 July	Purchased	Sold / Matured	As at 31	Carrying	Market	Unrealised	Market value as percentage of	
	2019	during the	during the period	March	value	value as at 31	loss	Net assets	Total
		period		2020	as at 31	March 2020			investments
	----- (Number of certificates) -----				----- (Rupees in '000) -----				
Pakistan Investment Bond									
PIB 3 Years (19-09-2019)	-	100,000	100,000	-	-	-	-	0.00%	0.00%
Total as at 31 March 2020					-	-	-		
Total as at 30 June 2019					-	-	-		

5.3 Unrealised loss on investments 'at fair value through profit or loss'

	31 March 2020 (Unaudited) (Rupees in '000)	31 March 2019 (Unaudited) (Rupees in '000)
Market value of investments	47,245	63,245
Less: Carrying value of investments	(60,347)	(64,081)
	(13,102)	(836)

	31 March 2020 (Unaudited) (Rupees in '000)	30 June 2019 (Audited) (Rupees in '000)

6. PROFIT AND DIVIDEND RECEIVABLE

Profit accrued on Term Finance Certificates	480	318
Profit receivable on bank deposits	263	-
Dividend receivable	516	362
Profit receivable on cash margin with NCCPL	-	24
	1,259	704

7. PRELIMINARY EXPENSES AND FLOATATION COSTS

Opening Balance	800	1,044
Amortization for the period	(179)	(244)
Closing Balance	620	800

7.1 This represents expenses incurred on the formation of the Fund. The said expenses are being amortised over a period of five years effective from 8 November 2017, i.e. after the close of initial period of the Fund.

FIRST HABIB ASSET ALLOCATION FUND

		31 March 2020 (Unaudited)	30 June 2019 (Audited)
	Note	(Rupees in '000)	(Rupees in '000)
8. DEPOSITS, ADVANCES AND OTHER RECEIVABLES			
Deposit with NCCPL		2,750	2,750
Cash Margin to NCCPL against equity transactions		-	5,000
Deposit with Central Depository Company of Pakistan Limited		100	100
Advance tax	8.1	1,106	1,104
Prepayments		217	126
		4,173	9,080

- 8.1** The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the period, prior to receiving tax exemption certificate(s) from CIR, various withholding agents have deducted advance tax under section 151 of ITO 2001 regarding which the management is confident that the same will be refunded in due course.

9. REMUNERATION OF HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Under the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Company and Notified Entities Regulation 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such net assets of the Fund. The Management Company has charged its remuneration at the rate of 2% per annum in accordance with the offering document.

- 9.1** Sindh Sales Tax has been charged at 13% on the management company's and trustee remuneration charged during the period.

10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee has been revised during the period with effect from 01 July 2019. The remuneration has been revised as under:

Average net assets (Rs. in million)	Tariff
Upto Rs. 1,000	0.2% per annum of net asset value.
Rs. 1,000 and above	Rs. 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1,000 million.

10.1 SINDH SALES TAX ON MANAGEMENT COMPANY'S AND TRUSTEE REMUNERATION

Sindh Sales Tax has been charged at 13% on the management company's and trustee remuneration charged during the period.

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with regulation 62 of the NBFC Regulations. The said rate of fee has been changed during the period, pursuant to S.R.O 685(I) 2019, dated 28 June 2019, with effect from 01 July 2019. The revised rate has been fixed at 0.02% of net assets.

FIRST HABIB ASSET ALLOCATION FUND

12. PROVISION FOR SINDH WORKERS' WELFARE FUND

There is no change in the status of the legal proceeding on this matter which has been fully disclosed in note 14 to the annual audited financial statements for the year ended 30 June 2019.

The Management Company, based on an opinion obtained by MUFAP, believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution. Despite this, MUFAP has recommended its members to record a provision for SWWF on prudence basis.

The total provision for SWWF till 31 December 2019 is Rs. 0.081 million. Had the provision not been made, Net Asset Value per unit of the Fund as at 31 March 2020 would have been higher by Re. 0.07 per unit (30 June 2019: Re.0.07 per unit)

13. CONTINGENCIES AND COMMITMENTS

Except as stated in note 12, there are no contingencies and commitments as at 31 March 2020 (30 June 2019 : Nil).

14. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund has incurred net loss during the period and therefore no provision has been made in this condensed interim financial information.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- | | |
|----------|--|
| Level 1: | Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded. |
| Level 2: | Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). |
| Level 3: | Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs). |

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

FIRST HABIB ASSET ALLOCATION FUND

		Carrying amount				Fair value			
		Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total

31 March 2020

Note

(Rupees in '000)

Financial assets - measured at fair value

Term Finance Certificates and Sukuk	16,887	-	-	16,887	-	16,887	-	-	16,887
Listed equity securities	30,358	-	-	30,358	13,230	-	-	-	13,230

Financial assets - not measured at fair value

Balances with banks	-	40,739	-	40,739
Profit and dividend receivable	-	1,259	-	1,259
Preliminary expenses and floatation costs	-	620	-	620
Advances, deposits and prepayments	-	4,173	-	4,173
	47,245	46,792	-	94,037

Financial liabilities - not measured at fair value

Payable to Habib Asset Management Limited - Management Company	-	-	187	187
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	19	19
Payable to Securities and Exchange Commission of Pakistan (SECP)	-	-	15	15
Provision for Sindh Workers' Welfare Fund	-	-	81	81
Accrued expenses and other liabilities	-	-	1,542	1,542
	-	-	1,843	1,843

	Carrying amount				Fair value			
	Fair value through profit or loss	Amortised Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total

30 June 2019

(Rupees in '000)

Financial assets - measured at fair value

Term Finance Certificates and Sukuk	21,095	-	-	21,095	-	21,095	-	21,095
Listed equity securities	52,372	-	-	52,372	52,372	-	-	52,372
Government securities	-	-	-	-	-	-	-	-

Financial assets - not measured at fair value

Bank balances	-	13,773	-	13,773
Profit and dividend receivable	-	704	-	704
Preliminary expenses and floatation costs	-	800	-	800
Receivable against sale of units	-	4,000	-	4,000
Advances, deposits and prepayments	-	9,080	-	9,080
	73,467	28,357	-	101,824

Financial liabilities - not measured at fair value

Payable to Habib Asset Management Limited - Management Company	-	-	180	180
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	65	65
Payable to Securities and Exchange Commission of Pakistan (SECP)	-	-	113	113
Provision for Sindh Workers' Welfare Fund	-	-	81	81
Accrued expenses and other liabilities	-	-	537	537
	-	-	976	976

15.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

FIRST HABIB ASSET ALLOCATION FUND

16. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS (RELATED PARTIES)

Connected persons include Habib Asset Management Limited being the Management Company, associated companies of the Management Company, First Habib Income Fund, First Habib Stock Fund, First Habib Cash Fund and First Habib Islamic Stock Fund and First Habib Islamic Income Fund being the Funds managed by common Management Company, Central Depository Company of Pakistan Limited being the trustee of the Fund and all other concerns that fall under common management or control.

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

Remuneration to management company and trustee is determined in accordance with the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulation 2008 and the Trust Deed respectively.

Details of the transactions with connected persons are as follows:

	Nine Months ended 31 March		Quarter ended 31 March	
	2020	2019	2020	2019
	(Rupees in '000)			
Habib Asset Management Limited - Management Company				
- Management Company remuneration	1,466	1,906	506	500
- Sindh Sales Tax	191	248	66	65
Central Depository Company of Pakistan Limited - Trustee				
- Remuneration to the Trustee	147	525	51	172
- Sindh sales tax	19	68	7	22

	31 March 2020 (Unaudited)	30 June 2019 (Audited)
	(Rupees in '000)	

Details of balances with connected persons at period end are as follows:

Habib Asset Management Limited - Management Company		
- Management Company payable (Inclusive of Sindh sales tax)	187	180
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable (Inclusive of Sindh sales tax)	19	65
- Security deposit - Non interest bearing	100	100

16.1 Sale / Redemption of units

	31 March 2020 (Unaudited)		31 March 2019 (Unaudited)	
Units sold to:	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
Habib Asset Management Limited	172,872	15,000	508,331	50,264
Associated Companies				
- Bank Al Habib Limited	-	-	0.12	-
Other related parties:				
- Directors and executives of the Management Company	-	-	72	7
Units redeemed by:				
Management Company				
Habib Asset Management Limited	-	-	174,799	17,240
Associated Companies				
- Bank AL Habib Limited	-	-	800,597	79,119
- Habib Insurance Company Limited	-	-	11,144	1,072
Other related parties				
- Directors and executives of the Management Company	7,080	661	-	-

FIRST HABIB ASSET ALLOCATION FUND

16.2 <u>Units held by:</u>	31 March 2020 (Unaudited)		31 March 2019 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<i>Management Company</i>				
Habib Asset Management Limited	605,192	50,377	355,959	34,403
<i>Associated Companies</i>				
- Bank AL Habib Limited	200,149	16,661	200,149	19,344
<i>Other related parties</i>				
- Directors and executives of the Management Company	-	-	7,080	684

17. TOTAL EXPENSE RATIO (TER)

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS /the Fund. TER of the Fund for the period ended 31 March 2020 is 4.42% which include 0.30% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

18. GENERAL

18.1 In compliance with Schedule V of the NBFC Regulations, 2008, the Directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 March 2020.

18.2 This condensed interim financial information was authorised for issue by the board of directors of the Management Company on **23rd April 2020**.

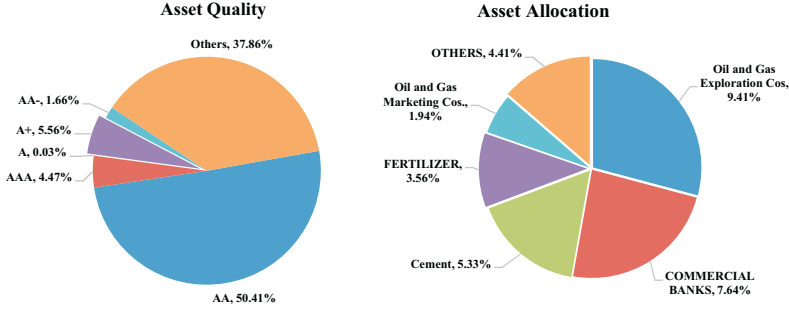
**For Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

31 مارچ 2020 کیلئے FHAAF کی ایسیٹ کوالٹی اور ایسیٹ ایلوکیشن کی معلومات کو درج ذیل اشکال میں دیکھا جاسکتا ہے۔



مستقبل کا نقطہ نظر

اب تک یہ بات یقینی ہے کہ کوآویڈ وبا کی امراض کی وجہ سے عالمی معیشتیں شدید کساد بازاری کا شکار ہوں گی مالی سال 2020 میں ملکی جی ڈی پی منفی 1.5% رہنے کا امکان ظاہر کیا ہے عالمی مالیاتی ادارے (IMF) نے اگلے مالی سال 2021 میں جی ڈی پی کی شرح 2.00% تخمینہ کی ہے۔ جبکہ رواں مالی سال میں خسارہ 1.7% اور 2021 میں 2.4% متوقع ہے۔

ہم سمجھتے ہیں کہ کسی بھی ترقی کے امکانات کو عالمی سطح پر وبائی بیماری کی شدت اور نشاندہی سے پرہیز کیا جائے گا۔ جس میں COVID-19 کی کامیابی سے ہی کامیابی حاصل ہوگی۔

آگے بڑھتے ہوئے ہمیں یقین ہے کہ مہنگائی مالی سال 21 میں اسٹیٹ بینک کے طویل مدتی ہدف 7-9 فیصد تک رہے گی اور سود کی شرح کو ایک ہندسے تک کم کیا جائے گا۔ تاہم توقع کی جارہی ہے کہ ملک کی سرمایہ کاروں کی منڈیوں میں بہت زیادہ اتار چڑھاؤ برقرار رہے گا۔ کیونکہ COVID-19 وبائی امراض سے معاشی خرابی وہ چار رہے گی۔

اظہار تشکر

بورڈ اس موقع پر اپنے قابل قدر یونٹ ہولڈرز، سینئر ڈیپازٹری کمپنی آف پاکستان لمیٹڈ بطور ٹرسٹی، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کے تعاون اور حمایت کا شکریہ ادا کرتا ہے۔ بورڈ کمپنی انتظامیہ کے ملازمین کی سخت محنت اور لگن کو بھی سراہتا ہے۔

بورڈ کی جانب سے
حبیب ایسیٹ مینجمنٹ لمیٹڈ
چیف ایگزیکٹو آفسر

مورخہ 23 اپریل 2020

فرسٹ حبیب اسلامک انکم فنڈ (FHIIF)

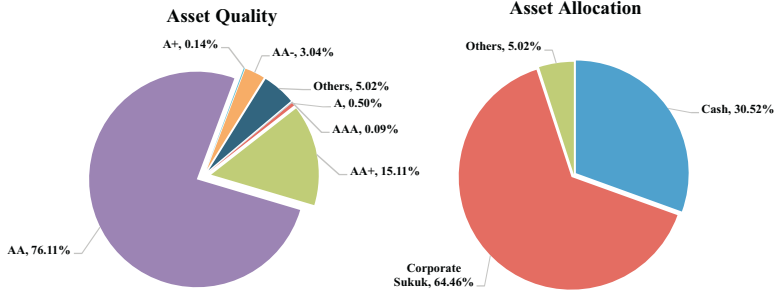
31 مارچ 2020 کے مطابق فنڈ کے خالص اثاثے 1.84 بلین روپے تھے اور فی یونٹ خالص اثاثہ مالیت 101.3808 روپے تھی۔ 31 مارچ 2020 کو اختتام پذیر ہونے والے نو ماہ کے دوران، فنڈ نے 12.85% کا منافع کمایا اور فنڈ کی مجموعی آمدنی 303.75 بلین روپے رہی، جسکی تفصیل درج ذیل ہے:-

000 روپے میں

243,786	بینک ڈیپازٹس پر منافع
27,610	صلوک سے حاصل کردہ منافع
19,859	ٹرم ڈیپازٹس پر منافع
299	ڈیویڈنڈ انکم
12,195	سرمایہ کاری کی خرید و فروخت اور مالیت میں منافع

303,749

موجودہ سہ ماہی کے اختتام تک فنڈ نے 8.09 روپے فی یونٹ کے حساب سے یونٹ ہولڈرز کو ماہانہ ڈیویڈنڈ دیا۔ 31 مارچ 2020 کیلئے FHIIF کی ایسیٹ کوالٹی اور ایسیٹ ایلوکیشن کی معلومات کو درج ذیل اشکال میں دیکھا جاسکتا ہے۔



فرسٹ حبیب ایسٹ ایلوکیشن فنڈ (FHAAF)

31 مارچ 2020 کو فنڈ کے خالص اثاثے 92.19 بلین روپے تھے اور فی یونٹ خالص اثاثہ مالیت 83.2409 روپے تھی۔ 31 مارچ 2020 کو اختتام پذیر ہونے والے نو ماہ کے دوران، فنڈ کو 5.218 ملین روپے کا مجموعی نقصان ہوا، جسکی تفصیل درج ذیل ہے:-

000 روپے میں

4,045	بینک ڈیپازٹس پر منافع
2,218	ٹرم فنانس سرٹیفکیٹس / صلوک سے منافع
932	ڈیویڈنڈ انکم
781	گورنمنٹ سیکورٹیز سے حاصل کردہ منافع
(13,195)	سرمایہ کاری کی خرید و فروخت اور مالیت میں نقصان

(5,218)

000 روپے میں

1,074

بینک ڈیپازٹس پر منافع

98

نیشنل کلیئرنگ کے ساتھ ڈیپازٹس پر منافع

4,876

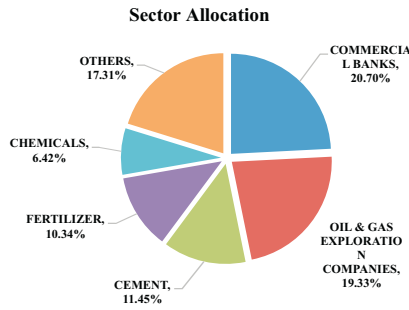
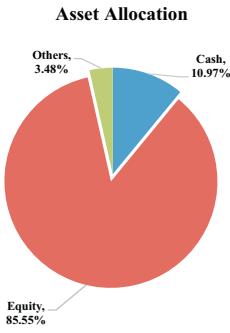
ڈیویڈنڈ انکم

(21,426)

سرمایہ کاری کی خرید و فروخت میں نقصان

(15,379)

31 مارچ 2020 کیلئے FHISF کی ایسیٹ کوالٹی اور ایسیٹ ایلوکیشن کی معلومات کو درج ذیل اشکال میں دیکھا جاسکتا ہے۔



فرسٹ حبیب اسلامک اسٹاک فنڈ (FHISF)

31 مارچ 2020 کو فنڈ کے خالص اثاثے 80.74 ملین روپے تھے اور فی یونٹ خالص اثاثہ مالیت 57.9576 روپے تھی۔ 31 مارچ 2020 کو اختتام پذیر ہونے والے نو ماہ کے دوران، فنڈ نے 13.75 ملین روپے کا مجموعی نقصان اٹھایا، جسکی تفصیل درج ذیل ہے:-

000 روپے میں

1,187

بینک ڈیپازٹس پر منافع

4,025

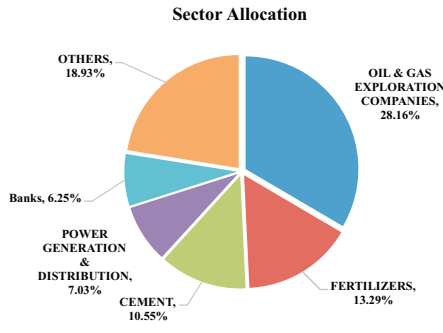
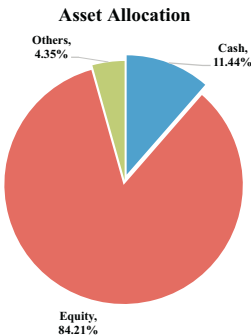
ڈیویڈنڈ انکم

(18,961)

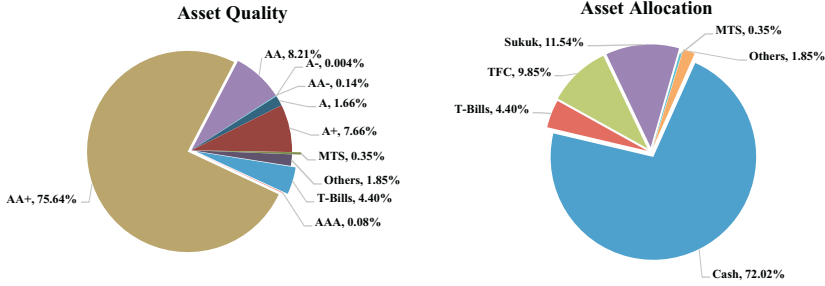
سرمایہ کاری کی فروخت اور مالیت میں نقصان

(13,750)

31 مارچ 2020 کیلئے FHISF کی ایسیٹ کوالٹی اور ایسیٹ ایلوکیشن کی معلومات کو درج ذیل اشکال میں دیکھا جاسکتا ہے۔



31 مارچ 2020 کیلئے FHIF کی ایسیٹ کوالٹی اور ایسیٹ ایلوکیشن کی معلومات کو درج ذیل اشکال میں دیکھا جاسکتا ہے۔



فرسٹ حبیب کیش فنڈ (FHCF)

31 مارچ 2020 کے مطابق فنڈ کے خالص اثاثے 1.89 ارب روپے تھے اور فی یونٹ خالص اثاثہ مالیت 101.3850 روپے تھی۔ 31 مارچ 2020 کو اختتام پذیر ہونے والے نو ماہ کے دوران، فنڈ نے 13.29% کا منافع کمایا اور فنڈ کی مجموعی آمدنی 211,205 ملین روپے رہی جسکی تفصیل درج ذیل ہے:-

000 روپے میں

123,330

بینک ڈیپازٹس پر منافع

79,652

گورنمنٹ سیکورٹیز سے حاصل کردہ منافع

8,084

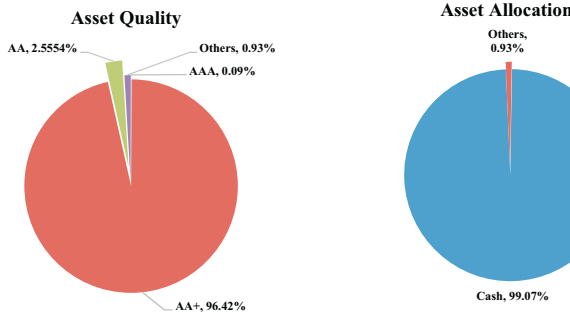
پلیسمنٹ سے حاصل کردہ منافع

139

سرمایہ کاری کی خرید و فروخت اور مالیت میں نقصان

211,205

موجودہ سہ ماہی کے اختتام تک فنڈ نے 8.52 روپے فی یونٹ کے حساب سے یونٹ ہولڈرز کو ماہانہ ڈیویڈنڈ دیا۔
31 مارچ 2020 کیلئے FHCF کی ایسیٹ کوالٹی اور ایسیٹ ایلوکیشن کی معلومات کو درج ذیل اشکال میں دیکھا جاسکتا ہے۔



فرسٹ حبیب اسٹاک فنڈ (FHSF)

31 مارچ 2020 کے مطابق فنڈ کے خالص اثاثے 93.70 ملین روپے تھے اور فی یونٹ خالص اثاثہ مالیت 60.6488 روپے تھی۔ 31 مارچ 2020 کو اختتام پذیر ہونے والے نو ماہ کے دوران، فنڈ نے 15.379 ملین روپے کا مجموعی نقصان اٹھایا، جسکی تفصیل درج ذیل ہے:-

ڈائریکٹر رپورٹ

حبیب ایسٹ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز نو ماہ (جولائی 2019 - مارچ 2020) اور 31 مارچ 2020 کو اختتام پذیر ہونے والی سہ ماہی کے لئے اپنے زیر انتظام فنڈز کے مالیاتی گوشوارے پیش کرنے پر خوشی محسوس کرتے ہیں۔

31 مارچ 2020 کو اختتام پذیر ہونے والی سہ ماہی کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ میں دو مرتبہ کمی کی مانیٹری پالیسی کمیٹی اجلاس میں بلترتیب جو کہ مارچ 18 اور مارچ 25 2020 کو منعقد ہوئی اس میں پالیسی ریٹ %0.75 اور %1.50 کی کمی کی گئی اور پالیسی ریٹ %13.25 سے کم ہو کر %11.00 ہو گیا جبکہ صارفین کی قیمت کے انڈیکس میں اضافہ ہوا جو کہ %11.53 ہو گیا جو کہ پچھلے سال اسی مدت کے دوران %6.32 تھا۔

جولائی 2019 سے مارچ 2020 کے دوران پاکستان اسٹاک ایکسچینج (PSX) بیچ مارک KSE-100 انڈیکس 29,231.63 پوائنٹس پر بند ہوا جبکہ 30 جون 2019 پر انڈیکس 33,901.58 پوائنٹس پر تھا یوں انڈیکس میں 4,669.95 پوائنٹس کی کمی واقع ہوئی جنوری 2020 سے مارچ 2020 کے دوران انڈیکس میں 11,503 پوائنٹس کی کمی واقع ہوئی تاہم یہ قابل ذکر ہے کہ مذکورہ مدت کے دوران بیچ مارک انڈیکس 14 جنوری 2020 کو 43,468 پوائنٹس کی بلند ترین سطح پر موجود تھا۔ اس عرصے کے دوران اوسط ٹریڈ حجم 134.8 ملین حصص ریکارڈ کیا گیا۔

(جولائی 2019 - مارچ 2020) کے عرصے میں غیر ملکی سرمایہ کاری میں 1.3 ارب کا اضافہ ہوا، غیر ملکی سرمایہ کاری میں 3.49 ارب وصول ہوئے جبکہ غیر ملکی سرمایہ کاری کا اخراج 2.18 ارب امریکی ڈالر رہا ہے موجودہ سہ ماہی کے دوران غیر ملکی سرمایہ کاری کا اخراج 130 ملین امریکی ڈالر رہا جو کہ گزشتہ سال اسی مدت کے دوران 372 ملین امریکی ڈالر تھا۔

حبیب فنڈز کی کارکردگی

فرسٹ حبیب انکم فنڈ (FHIF)

31 مارچ 2020 کو فنڈ کے خالص اثاثے 662.78 ملین روپے تھے اور فی یونٹ خالص اثاثہ مالیت 109.6302 روپے تھی۔ 31 مارچ 2020 کو اختتام پذیر ہونے والے نو ماہ کے دوران، فنڈ نے %12.12 کا منافع کمایا اور فنڈ کی مجموعی آمدنی 69.43 ملین روپے تھی جسکی تفصیل درج ذیل ہے:-

000 روپے میں	
31,191	بینک ڈیپازٹس پر منافع
14,750	گورنمنٹ سکیورٹیز سے حاصل کردہ منافع
1,483	کمرشل پیپرز پر منافع
20,252	ٹرم فنانس سرٹیفکیٹس / سکوک سے منافع
3,496	مارجن ٹریڈنگ سسٹم سے حاصل کردہ منافع
2,515	ڈیویڈنڈ انکم
(4,259)	سرمایہ کاری کی خرید و فروخت اور مالیت میں نقصان
<u>69,428</u>	

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