

VISION / MISSION / VALUES

OUR VISION

Enabling people to advance with confidence and success.

OUR MISSION

To make our Investor(s) prosper, our staff excel and create value for our stakeholders.

OUR VALUES

Our values are based upon the fundamental principles that define our culture and are brought to life in our attitude and behavior. It is our values that make us unique and stem from five basic principles

- **Excellence**

The markets in which we operate are becoming increasingly competitive and our investors now have an abundance of choice. Only through being the very best - in terms of the service we offer, our product and premises - can we hope to be successful and grow.

- **Integrity**

We are an Asset Management Company in Pakistan and our success depends upon the performance of the Fund(s) which are under management and our investors and society in general expects us to possess an steadfastly adhere to high moral principle and professional standards.

- **Customer Focus**

We need to understand fully the need of our investors and to adopt our product and services to meet these. We must strive always to put the satisfaction of our investors first.

- **Meritocracy**

We believe in giving opportunities and advantage to our employees on the basis of their ability. We believe in rewarding achievement and in providing first class career opportunities for all.

- **Progressiveness**

We believe in the advancement of society through the adoption of enlightened working practice, innovative new products and processes and a sprit of enterprise.

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited.

Board of Directors

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

Audit Committee

Chairperson	Ms. Sadia Khan	(Independent Non-Executive Director)
Members	Mr. Sohail Malik	(Non-Executive Director)
	Mr. Abid Sattar	(Non-Executive Director)

Human Resource Committee

Chairman	Mr. Towfiq Habib Chinoy	(Independent Non-Executive Director)
Members	Mr. Shahid Ghaffar	(Chief Executive)
	Mr. Abid Sattar	(Non-Executive Director)

Company Secretary

Mr. Rehan N. Shaikh

Chief Financial Officer

Mr. Noman Ahmed Soomro

Fund Manager

Mr. Muhammad Amir Khan

External Auditors

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

Internal Auditors

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

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99- B, Block "B", S.M.C.H.S, Main Shakra-e-Faisal, Karachi

Legal Advisors

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

Bankers

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

Website

www.hblasasset.com

Head Office

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

Registered Office

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present the third Annual Report of HBL – Income Fund (the Fund) for the year ended June 30, 2009.

Fund's Performance

The total income and net income of the Fund was Rs. 311.53 million and Rs. 248.29 million respectively during the year ended June 30, 2009. The Net Asset Value (NAV) per unit of the Fund was Rs 100.17 as on July 1, 2008. The NAV of the Fund was Rs 93.96 per unit as on June 30, 2009 (after accounting for dividend of Rs 10.25 per unit); there by giving an annualized return of 4.03%. The size of Fund decreased from Rs 5.77 billion as on June 30, 2008 to Rs 2.32 billion at June 30, 2009. The major reason for lower return and redemption was the SECP direction to mutual fund industry to mark down prices of TFCs/Sukuk. The SECP vide its Circular No. 26/2008 dated November 5, 2008 directed the mutual funds to mark down the prices of all debt securities including TFCs & Sukuk etc. ranging from 5% to 30% discount as per their respective credit ratings. This decision of SECP impacted NAV of HBL Income Fund downward by Rs 8.12 per unit on November 6, 2009. Several other factors such as liquidity crunch, decision by SBP to increase discount rate by 450 bps from 10.5% in May 2008 to 15% in November 2008 and to enhance CRR and SLR requirements by 100 bps to 9% and 19% respectively, depreciation in Pak Rupee and increase in NSS rates also contributed towards redemptions.

The Fund has declared final dividend at Rs. 2.50 per unit in the form of bonus units for Class 'A' and Class 'B' units and cash dividend of Rs. 2.50 per unit for Class 'C' unit for the year ended June 30, 2009. Earlier in October 2008, February 2009 and April 2009, the fund declared interim dividends at Rs. 2.75 per unit, Rs 2.75 per unit and Rs 2.25 per unit respectively in the form of bonus units for Class 'A' and Class 'B' units and cash dividend of Rs. 2.75 per unit, Rs 2.75 per unit and Rs 2.25 per unit respectively for Class 'C' unit. The total dividend / bonus for the year was Rs. 10.25 per unit. The ex-dividend price of unit was Rs. 93.96 per unit.

The year 2008 – 2009 was a difficult year for mutual fund industry. The size of income fund declined from Rs 142 billion as on June 30, 2008 to Rs 81 billion as on June 30, 2009. Heavy redemption pressure compelled some of the asset management companies to invoke queue system as well as suspension in redemptions. By the Grace of Allah your Fund was able to meet all redemption requests within the prescribed time.

The Karachi Stock Exchange introduced Floor mechanism of freezing prices on August 27, 2008 which remained enforced for about 110 days and was removed on December 15, 2008. During the same period, National Clearing Company of Pakistan Limited and Securities and Exchange Commission of Pakistan extended all outstanding CFS MK-II positions on multiple times. After removal of the floor, due to sharp decline in market the CFS MK-II settlement problems emerged. After extensive consultative process amongst all stake holders, the issue of CFS was finally resolved through a voluntary CFS MK-II Square Up scheme. Under the scheme, the CFS financiers and Government owned institutions agreed to purchase simultaneously and equally up to 60% of the CFS MK-II financed securities and securities deposited as margin against open CFS MK-II transactions. (up to 30% by CFS financiers and up to 30% by Government owned institutions).

Your Fund also opted for the CFS MK-II Square Up Scheme, as a result of which, the Fund received equity securities of Rs 70.54 million at 12.50% discount to December 24, 2008 closing prices. The Fund has no investment in CFS as on June 30, 2009 as compared to Rs. 1,168 million as on June 30, 2008. The Fund disposed off shares of Rs 53.70 million while shares of Rs 11.30 million having a cost of Rs 16.84 million were held in the portfolio of the Fund as on June 30, 2009.

Market Review and Future Outlook

During the first six months of the year from July – December 2008, the State Bank of Pakistan maintained a tight monetary policy to curb inflation and arrest broad money growth. The policy discount rate increased twice during the period by 100 bps and 200 bps, the discount rates was 15% in November 2008. Although average inflation for FY09 was 21% but year on year inflation has been continuously declining since its peak of 25% in October 2008. It reduced to 13.14% in June 2009. M2 growth has been slowed down to 9.58% as on June 30, 2009 as compared to 15.35% in the same period last year. Declining inflation trend resulted in the SBP reducing discount rate from 15% to 14% in April 2009.

The six months KIBOR has declined from 14.13% on July 2, 2008 to 12.76% on June 30, 2009. Private sector credit has showed a decline in growth and increased by only Rs 18.8 billion as compared to Rs 408 billion last year showing a decline of 95%.

Trading frequency in corporate bonds (TFCs, Sukuk and Commercial Papers) was very limited during the year. Last auction of Pakistan Investment Bonds (PIBs) has also shown a decline in the cut off yield of 10 year PIBs by 13 basis points. The cut off yield of 10 year PIBs was 12.50%.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

Rating Update

The JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned an asset manager rating of “AM3” to the Management Company.

JCR-VIS has assigned Fund Stability Rating of A(f) (Single A (f)) to the Fund.

Auditors

The present auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment.

Pattern of Unit-holders

The pattern of Unit-holding as on June 30, 2009 is given in note 20 to the financial statements.

Directors' Statement in Compliance with Code of Corporate Governance

This part of the Directors' report to unit-holders is given as required under section 236 of the Companies Ordinance 1984:

1. The financial statements, prepared by the management company of HBL – Income Fund, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of HBL – Income Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon HBL – Income Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. A summary of key financial data/performance table is annexed.
9. The Board of Directors of HBL Asset Management Limited held six meetings during the current financial year. The attendance of all directors is appended below:

Sr. #	Names of Directors	Attendances
1.	Mr. R. Zakir Mahmood	5
2.	Mr. Shahid Ghaffar	6
3.	Mr. Sohail Malik	5
4.	Mr. Abid Sattar	4
5.	Mr. Towfiq H. Chinoy	4
6.	Ms. Sadia Khan	4

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and patronage. It would like to place on record its appreciation for the help and guidance provided by Securities & Exchange Commission of Pakistan, Central Depository Company of Pakistan as Trustee, the Lahore Stock Exchange and State Bank of Pakistan.

The Board also wishes to place on record its appreciation for the hard work and dedication shown by the staff.

On behalf of the Board of
HBL Asset Management Limited

R. Zakir Mahmood

Chairman

Date: October 13, 2009

Place: Karachi

FUND MANAGER REPORT

Type and Category of Fund

Open end Income Fund

Investment Objective and Accomplishment of Objective

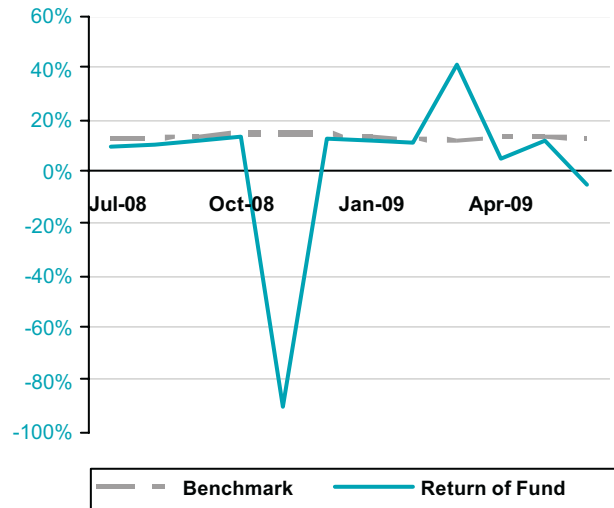
The investment objective of the Fund is to provide a stable stream of income with a moderate level of risk by investing in fixed income securities. The objective of the Fund has been achieved by developing portfolio of a wide range of fixed income securities. The diversification has been achieved by investing portfolio in various sectors, classes of securities and securities and asset classes with varying maturities.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is average one month KIBOR Offer rate.

The comparison of the fund with benchmark is given below:

Month	Benchmark	Return of Fund
July 08	12.85%	9.29%
August 08	12.96%	10.50%
September 08	13.79%	11.59%
October 08	14.28%	13.74%
November 08	14.28%	-90.47%
December 08	14.30%	12.45%
January 09	13.42%	11.68%
February 09	12.49%	10.55%
March 09	12.08%	41.21%
April 09	13.32%	4.95%
May 09	13.47%	12.14%
June 09	12.85%	-4.90%

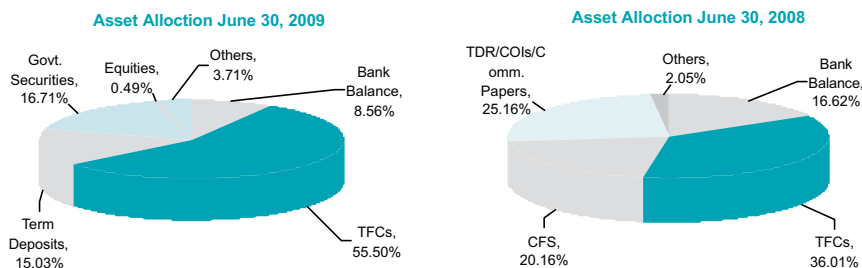


Strategies and Policies employed during the Year

The year 2008-2009 was a difficult year for mutual fund industry. The size of income fund declined from Rs.142 billion as on June 30, 2008 to Rs.81 billion as on June 30, 2009. Heavy redemption pressure compelled some of the asset management companies to invoke queue system as well as suspension in redemption. By the Grace of Allah your Fund was able to meet all redemption requests within the prescribed time. This was possible due to prudent investment strategies pursued by the Fund. The Fund maintained sufficient liquidity at difficult times and kept most of the bank deposits on daily product basis to meet redemption requirements quickly. Term deposits once matured were not reinvested and daily product accounts were preferred over long term deposits. Further, bank deposits were maintained only with the high rated banks.

Investment in CFS was gradually reduced in line with decline in stock market. It was brought to zero after resolution of CFS settlement problem through Voluntary CFS Square Up Scheme. No haste was shown in selling the shares acquired under CFS Square up Scheme. This strategy proved to be beneficial and major loss had been avoided.

Asset Allocation



FUND MANAGER REPORT

Significant Changes in Asset Allocation during the Year

During the year, due to sharp decline in stock market CFS settlement problem emerged. The issue of CFS was finally resolved through a voluntary CFS MK-II Square Up scheme. Under the scheme, the CFS financiers and Government owned institutions agreed to purchase simultaneously and equally up to 60% of the CFS MK-II financed securities and securities deposited as margin against open CFS MK-II transactions. Your Fund also opted for the CFS MK-II Square Up Scheme, as a result of which, the Fund received equity securities of Rs 70.54 million at 12.50% discount to December 24, 2008 closing prices. The Fund has no investment in CFS as on June 30, 2009 as compared to Rs. 1,168 million as on June 30, 2008. The Fund disposed off shares of Rs 53.70 million while shares of Rs 11.30 million having a cost of Rs 16.84 million were held in the portfolio of the Fund as on June 30, 2009.

Exposure against TFCs has shown significant increase during the year under review. The main reason for the increase was reduction in fund size due to heavy redemptions. However, in rupee term exposure against TFCs and advance against TFCs is reduced from Rs 2.08 billion at June 30, 2008 to Rs 1.29 billion at June 30, 2009.

Keeping the redemption risk in mind, due efforts were made to retain liquid assets to meet redemptions. Substantial investment in Government Securities mainly T-Bills were made to maintain liquidity and ensure competitive return.

Fund Performance

The total income and net income of the Fund was Rs. 311.53 million and Rs. 248.29 million respectively during the year ended June 30, 2009. The Net Asset Value (NAV) per unit of the Fund was Rs 100.17 as on July 1, 2008. The NAV of the Fund was Rs 93.96 per unit as on June 30, 2009 (after accounting for dividend of Rs 10.25 per unit); there by giving an annualized return of 4.03%. The size of Fund decreased from Rs 5.77 billion as on June 30, 2008 to Rs 2.32 billion at June 30, 2009.

Review of Market invested in

During past twelve months July 2008 to June 2009 SBP has raised the Discount rate from 12% to 15% p.a. to curb inflation and arrest the broad money growth. The YoY inflation for the Month of June 2009 has come down to 13.14% while M2 growth has been slowed down to 9.58% as on June 30, 2009 as compared to 15.35% in the same period last year. After SBP realized that the inflationary pressure is declining, it reduced the discount rate from 15% to 14% on April 21, 2009. Six months KIBOR has declined from 14.13% on July 02, 2008 to 12.76% on June 30, 2009. Trading in corporate bonds (TFCs, Sukuk and Commercial Papers) was mostly dull.

Distribution

The Fund has distributed dividend at Rs. 10.25 in the form of Bonus units for Class "A" and Class "B" Units and Cash Dividend of Rs. 10.25 per unit for Class "C" Unit for the year ended June 30, 2009.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year under review.

Breakdown of Unit Holding by Size

From – To (No. of units)	No. of Unit Holders	Total No. of Units Held
1 – 100	97	4,230
101 – 500	70	15,343
501 – 1,000	36	24,485
1,001 – 10,000	178	556,630
10,001 – 100,000	42	1,073,593
100,001 – 500,000	10	2,018,262
500,001 – 1,000,000	3	2,080,423
1,000,001 – 5,000,000	6	11,077,963
5,000,001 and above	1	7,208,617
Total	443	24,059,546

FUND MANAGER REPORT

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receive research reports and presentations from brokerage houses.

PERFORMANCE TABLE

	For the year ended June 30, 2009	For the year ended June 30, 2008	For the period ended June 30, 2007
NET ASSETS AND PRICES			
Net assets at the period / year end (Rs '000)	2,320,673	5,770,263	5,047,855
Net Asset Value per unit at the year / period end (Rs)	96.46	102.57	102.73
Selling / repurchase price	96.46	102.57	102.73
Earnings per unit (Rs) - (note 3.15 to the financial statements)	-	-	-
Highest selling price per unit (Rs)	103.70	107.77	102.73
Lowest selling price per unit (Rs)	93.36	100.08	100.00
Highest repurchase price per unit (Rs)	103.70	107.77	102.73
Lowest repurchase price per unit (Rs)	93.36	100.08	100.34
RETURN (%)			
Total return	4.03	9.28	9.58
Income distribution	10.23	9.19	9.30
Capital growth	(6.20)	0.09	0.28
DISTRIBUTION (Rs / Unit)			
First Interim dividend distribution	2.75	6.80	-
Second Interim dividend distribution	2.75	-	-
Third Interim dividend distribution	2.25	-	-
Final dividend distribution	2.50	2.40	2.65
Total dividend distribution for the year / Period	10.25	9.20	2.65
AVERAGE RETURNS (%)			
Average annual return 1 year	4.03	9.29	9.49
Average annual return 2 years	6.66	-	-
Average annual return since inception	7.63	9.35	9.49
Weighted average portfolio duration (No.of days)	1,094	1,203	

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

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

In our opinion, the Management Company has in all material respects managed the Fund during the year ended June 30, 2009 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, October 20, 2009

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2009.

This statement is being presented to comply with the Code of Corporate Governance contained in Chapter XI of Listing Regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good Governance, whereby a listed Company is managed in compliance with the best practice of corporate governance.

HBL Asset Management Limited, the Management Company, is not listed and hence, the Code is not applicable to it. However, HBL – Income Fund (the Fund) being listed at the Lahore Stock Exchange comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary of the Management Company and other necessary personnel to manage its affairs.

HBL – Income Fund is an open ended mutual fund and was listed on Lahore Stock Exchange on March 26, 2007. The units of the Fund have been offered for public subscription on a continuous basis from March 15, 2007.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. As on June 30, 2009 the Board consists of six directors with five non-executive directors including two independent directors. The Management Company is not listed on any stock exchange and therefore does not have minority interest.
2. The directors have verbally confirmed that none of them is serving as a director in more than ten listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancies occurred in the Board during the year ended June 30, 2009.
5. The Company has adopted a “Code of Business Ethics and Business Practices”, which has been acknowledged by all the Directors and distributed to employees of the company.
6. The Board has developed a vision/mission statement, over all corporate strategy and certain new significant policies of the company. A complete record of the particulars along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman, when present and the Board met six times during the year. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All the members of the Board are well aware of operations of the fund and the Management Company, therefore no orientation courses were arranged during the year ended June 30, 2009.
10. The Board has approved the appointment of CFO and Company Secretary including their remuneration and terms and conditions of employment as determined by the CEO.
11. Directors Report for the year ended June 30, 2009 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and Executives do not hold units of the Fund other than those disclosed in notes 17 to the financial statements “Transactions with Connected Persons”.
14. The Company has complied with the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors.
16. The meetings of the audit committee were held atleast once every quarter prior to approval of interim and final results of the Fund, as required by the Code.
17. The company has outsourced its internal audit function to a reputable firm of Chartered Accountants who is considered suitably qualified and experienced for the purpose.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2009.

18. The Statutory Auditors of the fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

19. The related party transactions have been placed before the audit committee and approved by the Board of Directors with necessary justification for non arm's length transactions, if any, and pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions only if such terms can be substantiated.

20. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. We confirm that all other material principles contained in the Code have been complied with. The Company intends to file its Secretarial Compliance Certificate subsequent to year ended June 30, 2009.

Shahid Ghaffar
Chief Executive Officer

Date: October 13, 2009
Place: Karachi

AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **HBL Asset Management Limited**, the Management Company of **HBL Income Fund** to comply with the Listing Regulation No. 35 (Chapter XI) of The Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Sub-Regulation (xiii a) of Listing Regulation No. 35 notified by The Lahore Stock Exchange (Guarantee) Limited requires the company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2009.

A. F. Ferguson & Co.
Chartered Accountants

Dated: October 13, 2009

Place: Karachi

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of **HBL Income Fund**, which comprise the statement of assets and liabilities as at June 30, 2009, and the related income statement, distribution statement, cash flow statement and statement of movement in unit holders' funds for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2009 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

A. F. Ferguson & Co.

Chartered Accountants

Engagement Partner: Rashid A. Jafer

Dated: October 13, 2009

Place: Karachi

HBL INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2009

	Note	2009 (Rupees in '000)	2008
Assets			
Bank balances	4	549,446	963,571
Receivable against Continuous Funding System (CFS) transactions		-	1,168,400
Investments	5	1,693,501	1,912,207
Certificates of investment, Term Deposit Receipts and Commercial Paper		-	1,458,375
Income receivable	6	55,644	100,933
Preliminary expenses and floatation costs	7	621	843
Advances, deposits, prepayments and other receivables	8	30,142	192,161
		<u>2,329,354</u>	<u>5,796,490</u>
Total assets			
Liabilities			
Payable to HBL Asset Management Limited - Management Company	9	4,476	8,606
Payable to Central Depository Company of Pakistan Limited - Trustee	10	296	578
Payable to Securities and Exchange Commission of Pakistan	11	2,950	6,438
Accrued expenses and other liabilities	12	959	10,605
		<u>8,681</u>	<u>26,227</u>
Total liabilities			
Net Assets		<u><u>2,320,673</u></u>	<u><u>5,770,263</u></u>
Unit holders' funds (as per statement attached)		<u><u>2,320,673</u></u>	<u><u>5,770,263</u></u>
Commitments		13	
Number of units			
Number of units in issue		<u><u>24,059,546</u></u>	<u><u>56,258,257</u></u>
		Rupees	Rupees
Net assets value per unit		<u><u>96.46</u></u>	<u><u>102.57</u></u>

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Executive

Director

HBL INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	Note	2009 (Rupees in '000)	2008
Income			
Profit on bank deposits	14	132,303	237,513
Income from Continuous Funding System (CFS) transactions		55,165	223,319
Income from Term Finance Certificates		266,636	194,609
Income from spread transactions		30	5,728
Gain / (loss) on sale of investments - net		(38,196)	6,496
Income from certificates of investment, clean placements and commercial papers		20,257	26,814
Income from reverse repurchase and money market investments		12,038	9,171
Dividend income		319	3,742
Other income		427	116
		<u>448,979</u>	<u>707,508</u>
Unrealised diminution in value of investments at fair value through profit or loss - net		(5,543)	-
Impairment loss on investments classified as 'available for sale'		<u>(66,557)</u>	<u>-</u>
		<u>376,879</u>	<u>707,508</u>
Expenses			
Remuneration of HBL Asset Management Limited - Management Company	9.1	50,367	96,578
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	4,358	7,439
Annual fee to Securities and Exchange Commission of Pakistan	11.1	2,950	6,438
Securities transaction cost		240	20,927
Settlement and bank charges		3,607	4,412
Auditors' remuneration	15	522	300
Amortisation of preliminary expenses and floatation costs		222	227
Other expenses		979	264
		<u>63,245</u>	<u>136,585</u>
Net income from operating activities		<u>313,634</u>	<u>570,923</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		(65,348)	21,074
Net income for the year before taxation		<u>248,286</u>	<u>591,997</u>
Taxation	3.10	-	-
Net income for the year after taxation		<u><u>248,286</u></u>	<u><u>591,997</u></u>
Earnings Per Unit	3.15		

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Executive

Director

HBL INCOME FUND
DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	2009	2008
	(Rupees in '000)	
Undistributed income brought forward	136,392	131,374
Element of income / (loss) and capital gains / (losses) included in the price of units issued less those in units redeemed, amount representing income / (losses) that form part of the unit holders' fund	38,195	1,759
Net income for the year	248,286	591,997
Final distribution for the year/ period (2008 : Rs 2.40 per unit; 2007: Rs 2.65 per unit) (Date of distribution: July 05, 2008; 2007: July 06, 2007)		
- Cash distribution	(31,428)	-
- 1,034,164 bonus units (2007: 1,301,112 bonus units)	(103,592)	(130,215)
	(135,020)	(130,215)
First interim distribution for the year ended June 30, 2009 (Date of distribution: October 22, 2008)		
- Cash distribution	(37,183)	(128,244)
- 446,892 bonus units (2008: 3,271,071 units)	(45,114)	(330,279)
	(82,297)	(458,523)
Second interim distribution for the year ended June 30, 2009 (Date of distribution: February 25, 2009)		
- Cash distribution	(39,776)	-
- 375,063 bonus units	(35,294)	-
	(75,070)	-
Third interim dividend for the year ended June 30, 2009 (Date of distribution: April 28, 2009)		
- Cash distribution	(34,797)	-
- 354,672 bonus units	(34,020)	-
	(68,817)	-
Net income for the year - net of distribution	(74,723)	5,018
Undistributed income carried forward	61,669	136,392

The annexed notes 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	2009	2008
	(Rupees in '000)	
Net assets at the beginning of the year	5,770,263	5,047,855
Issue of 22,989,709 units (2008 :105,802,201 units)	2,287,339	10,928,000
Redemption of 57,399,211 units (2008 :103,253,963 units)	<u>(5,757,857)</u>	<u>(10,653,620)</u>
	2,299,745	5,322,235
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing accrued (income) / losses and capital (gains) / losses - transferred to Income Statement	65,348	(21,074)
- amount representing (income) / losses that form part of the Unit holders' fund - transferred to Distribution Statement	(38,195)	(1,759)
	27,153	(22,833)
Final distribution of 1,301,112 bonus units for the period ended June 30,2007	-	130,215
Final distribution of 1,034,164 bonus units for the year ended June 30,2008	103,592	-
First interim distribution of 446,892 bonus units (2008 :3,271,071 bonus units)	45,114	330,279
Second interim distribution of 375,063 bonus units for the year ended June 30, 2009	35,294	-
Third interim distribution of 354,672 bonus units for the year ended June 30, 2009	34,020	-
Net unrealised (diminution) / appreciation during the year in market value of securities classified as 'available for sale '	(149,522)	5,349
Net (loss) / income for the year - net of distribution	(74,723)	5,018
Net assets at the end of the year	<u><u>2,320,673</u></u>	<u><u>5,770,263</u></u>

The annexed notes 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL INCOME FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	2009	2008
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year	248,286	591,997
Adjustments		
Unrealised diminution in value of investments at fair value through profit or loss - net	5,543	-
Amortisation of preliminary expenses and floatation costs	222	227
Impairment loss on investments classified as 'available for sale'	66,557	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	65,348	(21,074)
	<u>385,956</u>	<u>571,150</u>
(Increase) / Decrease in assets		
Receivables against Continuous Funding System (CFS) transactions	1,168,400	(580,865)
Investments - net	(2,916)	(1,683,833)
Loans and receivables	1,458,375	216,625
Income receivable	45,289	(56,325)
Advances, deposits, prepayments and other receivables	162,019	42,339
	<u>2,831,167</u>	<u>(2,062,059)</u>
Increase / (Decrease) in liabilities		
Payable to HBL Asset Management Limited - Management Company	(4,130)	(6,939)
Payable to Central Depository Company of Pakistan Limited-Trustee	(282)	145
Payable to Securities and Exchange Commission of Pakistan	(3,488)	5,479
Accrued expenses and other liabilities	(4,384)	(16,124)
	<u>(12,284)</u>	<u>(17,439)</u>
Net cash generated from / (used in) operating activities	<u>3,204,839</u>	<u>(1,508,348)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net (payments against) / receipts from redemption / issue of units	(3,475,780)	274,380
Distributions paid	(143,184)	(128,244)
Net cash generated from / (used in) financing activities	<u>(3,618,964)</u>	<u>146,136</u>
Net decrease in cash and cash equivalents	<u>(414,125)</u>	<u>(1,362,212)</u>
Cash and cash equivalents at beginning of the year	963,571	2,325,783
Cash and cash equivalents at the end of the year	<u><u>549,446</u></u>	<u><u>963,571</u></u>

The annexed notes 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 8B-8th Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi, Pakistan.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Lahore Stock Exchange. The units of the Fund were initially offered for public subscription at par from March 15, 2007 to March 17, 2007.

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

During the year ended June 30, 2009, IFRS 7 'Financial Instruments: Disclosures' became effective. IFRS 7 has superseded IAS 30 and disclosure requirements of IAS 32. Adoption of this standard has only resulted in additional disclosures which have been set out in note 22 to these financial statements.

There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2008 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

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

IAS 1 (Revised), 'Presentation of financial statements' (effective for annual periods beginning on or after January 1, 2009), was issued in September 2007. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) will be required to be presented separately from owner changes in equity, either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). When the entity applies an accounting policy retrospectively or makes retrospective statement or reclassifies items in the financial statements, they will be required to present a restated financial position (balance sheet) as at beginning of comparative period in addition to the current requirement to present the balance sheet as at the end of the current and the comparative period. The adoption of this standard will only impact the presentation of the financial statements.

IAS 32 (Amendment), 'Financial Instruments: Presentation', and IAS 1 (Amendment), 'Presentation of financial statements - Puttable financial instruments and obligations arising on liquidation' (effective from January 1, 2009). The amended standards require entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. This amendment is not expected to have a significant effect on the financial statements of the Fund.

IFRS 7 (Amendment), 'Financial Instruments: Disclosure'. There are a number of minor amendments to IFRS 7 in respect of enhanced disclosures about liquidity risk and fair value measurements. These amendments are unlikely to have an impact on the Fund's financial statements and have therefore not been analysed in detail.

IAS 38 (Amendment), 'Intangible assets' (effective from January 1, 2009). The amended standard states that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access of goods or receipt of services. This amendment is not expected to have a significant effect on the Fund's financial statements.

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after January 1, 2009 but are considered not to be relevant or to have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise their judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Classification and valuation of investments (Note 3.3)
- ii) Amortisation of preliminary expenses and floatation costs (Note 3.8)
- iii) Impairment of debt and equity securities (Note 3.3.4)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain investments have been carried at fair value.

2.6 Functional and Presentation Currency

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

3.1 Financial assets and financial liabilities

Financial assets carried on the Statement of Assets and Liabilities include bank balances, investments, receivable against Continuous Funding System (CFS) transactions, dividend and profit receivable, advances, deposits and other receivables.

Financial liabilities carried on the Statement of Assets and Liabilities include payable to HBL Asset Management Limited - Management Company, payable to Central Depository Company of Pakistan Limited – Trustee, accrued expenses and other liabilities.

3.2 Cash and cash equivalents

Cash and cash equivalents include cash balances, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

3.3 Investments

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, available for sale and loans and receivables.

The management determines the appropriate classification of the investments made by the Fund in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement', at the time of purchase and re-evaluates this classification on a regular basis.

Investments are classified as follows:

a) Financial assets at fair value through profit or loss

These are acquired principally for the purpose of generating profit from short-term fluctuations in prices.

b) Available for sale

These are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or changes in prices.

c) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

3.3.1 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

3.3.2 Initial recognition and measurement

a) Financial assets at fair value through profit or loss

These investments are initially recognised at fair value. Transaction costs are expensed in the Income Statement.

b) Available for sale investments and loans and receivables

These are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of such investments.

3.3.3 Subsequent measurement

3.3.3.1 Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

a) Basis of valuation of Debt Securities

The SECP vide its circular no. 1 of 2009 dated January 06, 2009 has changed the methodology for valuation of debt securities. Under the said circular, all open-end mutual funds are required to value debt securities at the rates notified by the Mutual Funds Association of Pakistan (MUFAP) based on the valuation methodology specified in such circular. The

circular also specifies the criteria for the provisioning of non-performing debt securities. Accordingly, investment in debt securities have been valued at the rates determined and announced by MUFAP. Prior to the issuance of the said directive, investment in debt securities were valued as follows:

- (i) With effect from November 5, 2008 to January 9, 2009, at the lower of discounted redeemable face value of the debt securities and the market value as determined using rates notified by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the SECP circular no. 26 of 2008 dated November 5, 2008.
- (ii) Prior to November 5, 2008, at the rates notified by MUFAP in accordance with the requirements of Regulation 2(1)(xvi) of the Non-Banking Finance Companies and Notified Entities Regulation, 2007.

b) Basis of valuation of Government Securities

The investment of the Fund in government Securities is valued on the basis of rates announced by the Financial Market Association.

c) Basis of valuation of Equity Securities

The investment of the Fund in equity securities is valued on the basis of quoted market prices available at the stock exchange.

Gains and losses arising from the difference between the carrying amount and the value determined in accordance with the criteria mentioned above in respect of financial assets at fair value through profit or loss are taken to the Income Statement.

Net gains and losses arising from the excess of value determined in accordance with the above mentioned criteria over the carrying amount in respect of available for sale financial assets are taken to equity until the available for sale investment is derecognised. At this time, the cumulative gain or loss previously recognised directly in equity is transferred to the Income Statement.

3.3.3.2 Loans and receivables

These are subsequently carried at amortised cost.

3.3.4 Impairment

a) Debt Securities

Provision on non-performing debt securities is made on the basis of the time based criteria prescribed under circular No. 1 of 2009 issued by the Securities and Exchange Commission of Pakistan.

The Board of Directors may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid directive, in accordance with the provisioning policy approved by the Board of Directors.

Provision / reversal is charged to Income Statement.

b) Equity Securities

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset classified as available for sale is impaired. If evidence of impairment exists, the cumulative loss recognised in equity is removed from equity and recognised in the Income Statement. Such impairment shall not be reversed through Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Fund has transferred substantially all risks and rewards of ownership.

3.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.5 Securities purchased under resale agreements – Continuous Funding System (CFS) transactions

Securities purchased under an agreement to resell (reverse repo) are included as receivable against CFS transactions at the fair value of the consideration given. The CFS transactions are accounted for on the settlement date. The difference between the purchase and sale price is treated as income from CFS transactions in the Income Statement and is recognised over the term of the respective transactions. Transaction costs are included in the initial measurement of all CFS transactions except for transaction costs that may be incurred on disposal.

3.6 Spread transactions (Ready-Future Transactions)

The Fund enters into certain transactions involving purchase of a security in the ready market and simultaneous sale of the same security in the futures market. Securities purchased by the Fund in the ready market are carried on the Statement of Assets and Liabilities till their eventual disposal, and the forward sale of securities in the futures market is accounted for separately as a 'derivative' in accordance with the requirements of International Accounting Standard 39: "Financial Instruments: Recognition and Measurement".

3.7 Impairment

The carrying value of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

3.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the end of the initial offering period as per the requirements set out in the Trust Deed of the Fund.

3.9 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.10 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current year as the management company has decided to distribute at least 90 percent of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.11 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost.

3.12 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.13 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to income / (losses) that form part of the unit holders' funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.14 Net Asset Value per unit

The Net Asset Value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.15 Earnings Per Unit (EPU)

Earnings Per Unit (EPU) for the year ended June 30, 2009 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

3.16 Revenue recognition

Realised capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.

Unrealised capital gains / (losses) arising on marking to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

Dividend income is recognised on the date of book closure of the investee company / institution declaring the dividend, when the right to receive dividend is established.

Profit on bank deposits is recognised on an accrual basis.

Profit on investments is recognised on an accrual basis.

3.17 Proposed Distribution

Distributions declared subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

4	BANK BALANCES	Note	2009	2008
			(Rupees in '000)	
	Current accounts		17	18
	Savings accounts		199,429	663,553
	Term Deposits Receipts		<u>350,000</u>	<u>300,000</u>
			<u>549,446</u>	<u>963,571</u>
5	INVESTMENTS			
	At fair value through profit or loss			
	- Equity securities held under Ready - Future transactions	5.2.1	-	-
	- Equity securities acquired under CFS MK II square up program	5.2.2	11,301	-
	Available for sale			
	- Term Finance Certificates - Listed	5.3.1	712,785	819,623
	- Term Finance Certificates - Unlisted	5.3.2	580,117	1,092,584
	- Government Securities	5.4	<u>389,298</u>	-
			<u>1,693,501</u>	<u>1,912,207</u>

5.1 During the year, HBL Income Fund had entered into a Voluntary Continuous Funding System Mark-II Square Up Program (the Program) with National Clearing Company of Pakistan Limited for squaring up of its outstanding exposure in CFS. The need for this program developed due to the large number of suspension of members in December 2008 following eight days of continuous market lower locks in the underlying CFS shares posing great difficulty in squaring up and the likelihood of systematic risk emanating therein. The aim of this program was to ensure the full repayment of financier funds and prevent mass scale broker defaults enabling a vast majority of them to return from suspension.

Under the terms of the program, CFS shares and their associated margins in the form of exposure shares (i.e. those shares which were deposited as collateral against the specific shares financed in the CFS market by the relevant financee broker) were sold to the financiers at a discount of 12.5% to their closing prices prevailing as at December 24, 2008. The financiers opting into the program have purchased shares of an amount upto 30% of the total value they had financed in the CFS market at the aforementioned price. The remaining 70% that they had financed in the CFS market along with the mark-up accrued thereon was to be settled in cash.

Consequent to the announcement of the program, HBL Income Fund purchased shares of an amount equal to approximately 25% of the total value that they had financed in the CFS market and classified them as short-term investments. The remaining CFS balance along with the entire mark-up accrued thereon has been received.

The SECP vide its circular no. NBFC-1/MUFAP/01/2009 dated January 1, 2009, had permitted all income / money market funds to keep the shares acquired under the Program for a period of three months extendable to another three months upon application to SECP. Subject to the condition that in case the prices of these shares attain the level determined in the program i.e. 12.5% discount to the closing price as of December 24, 2008, the Fund is required to dispose of these shares immediately. However, the SECP has granted extension in holding period for shares taken up under the program for a period of further three months upto September 30, 2009 through its letter no. SCD/NBFC-II/DD/HBLIF/684/2009.

5.2 Investments at fair value through profit or loss

5.2.1 Equity securities purchased under future sale contracts

Name of the Investee Company	-----Number of shares-----					Balance as at June 30, 2009		Market Value as a percentage of total investments
	As at July 1, 2008	Purchases during the year	Bonus / rights issue	Sales during the year	As at June 30, 2009	Market Value	Appreciation / (Diminution)	

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

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

Commercial banks

NIB Bank Limited	-	200,000	-	200,000	-	-	-	-
	-	200,000	-	200,000	-	-	-	-

5.2.2 Equity securities acquired under CFS MK II square up program

Name of the Investee Company	-----Number of shares-----					Balance as at June 30, 2009		Market Value as a percentage of total investments
	As at July 1, 2008	Purchases during the year	Bonus / rights issue	Sales during the year	As at June 30, 2009	Market Value	Appreciation / (Diminution)	

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

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

Closed End Mutual Funds

JS Value Fund Limited	-	6,638	-	6,638	-	-	-	-
PICIC Growth Fund	-	1,459	-	1,459	-	-	-	-
Pakistan Premium Fund Limited	-	5,328	-	5,328	-	-	-	-
	-	13,425	-	13,425	-	-	-	-

Investment Banks / Companies / Securities

Arif Habib Limited	-	3,784	-	3,784	-	-	-	-
Arif Habib Securities Limited	-	183,210	-	-	183,210	5,064	(3,213)	0.30%
Dawood Equities Limited	-	76	-	76	-	-	-	-
First National Equities Limited	-	618	-	618	-	-	-	-
Invest & Finance Securities Limited	-	5	-	5	-	-	-	-
Javed Omer Vohra & Company Limited	-	18,549	-	18,549	-	-	-	-
Jahangir Siddiqui & Company Limited	-	24,356	-	-	24,356	565	(803)	0.03%
JS Investments Limited	-	672	-	-	672	11	(15)	0.00%
Pervez Ahmed Securities Limited	-	8,745	-	8,745	-	-	-	-
	-	240,015	-	31,777	208,238	5,640	(4,031)	0.33%

Commercial Banks

Allied Bank Limited	-	3,291	-	3,291	-	-	-	-
Arif Habib Bank Limited	-	19,648	-	19,648	-	-	-	-
Askari Bank Limited	-	109,258	-	109,258	-	-	-	-
Bank Alfalah Limited	-	157,547	94,575	109,900	142,222	1,500	(795)	0.09%
Bank Al-Habib Limited	-	1,013	-	1,013	-	-	-	-
Bank Islami Pakistan Limited	-	17,477	-	17,477	-	-	-	-
The Bank of Punjab	-	88,706	-	88,706	-	-	-	-
Faysal Bank Limited	-	2,240	-	2,240	-	-	-	-
Habib Bank Limited	-	66,697	8,600	75,297	-	-	-	-
JS Bank Limited	-	38,602	-	38,602	-	-	-	-
MCB Bank Limited	-	11,909	400	12,309	-	-	-	-
Meezan Bank Limited	-	225	-	225	-	-	-	-
National Bank of Pakistan	-	122,348	-	122,348	-	-	-	-
NIB Bank Limited	-	165,676	-	165,676	-	-	-	-
Soneri Bank Limited	-	418	-	418	-	-	-	-
Saudi Pak Commercial Bank Limited	-	4,291	-	4,291	-	-	-	-
United Bank Limited	-	14,867	-	14,867	-	-	-	-
	-	824,213	103,575	785,566	142,222	1,500	(795)	0.09%

Insurance

Adamjee Insurance Company Limited	-	36,416	3,641	13,500	26,557	2,231	(410)	0.13%
EFU General Insurance Limited	-	358	-	358	-	-	-	-
Pakistan Reinsurance Company Limited	-	1,393	-	1,393	-	-	-	-
	-	38,167	3,641	15,251	26,557	2,231	(410)	0.13%

Textile Spinning

D.S. Industries Limited	-	6,941	-	500	6,441	20	(64)	0.00%
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Textile Composite

Azgard Nine Limited	-	172	-	172	-	-	-	-
Dawood Lawrencepur Limited	-	478	-	478	-	-	-	-
Nishat (Chunian) Limited	-	1,943	-	1,943	-	-	-	-
Nishat Mills Limited	-	67,520	-	67,520	-	-	-	-
	-	70,113	-	70,113	-	-	-	-

Name of the Investee Company	-----Number of shares-----				Balance as at June 30, 2009		Market Value as a percentage of total investments
	As at July 1, 2008	Purchases during the year	Bonus / rights issue	Sales during the year	As at June 30, 2009	Market Value	
---Rupees in '000---							
Synthetic and Rayon							
Dewan Salman Fibre Limited	-	18,410	-	18,410	-	-	-
Cement							
Al Abbas Cement Industries Limited	-	1,104	-	1,104	-	-	-
Dewan Cement Limited	-	2,401	-	2,401	-	-	-
D.G.Khan Cement Company Limited	-	243,088	40,018	283,106	-	-	-
Fauji Cement Company Limited	-	13,120	-	13,120	-	-	-
Lucky Cement Limited	-	52,643	-	52,643	-	-	-
Maple Leaf Cement Factory Limited	-	1,176	-	1,176	-	-	-
Pakistan Cement Company Limited	-	40,112	-	40,112	-	-	-
Pioneer Cement Limited	-	1,754	-	-	1,754	24	(13)
Thatta Cement Company Limited	-	2	-	2	-	-	-
	-	355,400	40,018	393,664	1,754	24	(13)
Refinery							
Attock Refinery Limited	-	15,976	-	15,976	-	-	-
Bosicor Pakistan Limited	-	22,157	-	22,157	-	-	-
National Refinery Limited	-	411	-	411	-	-	-
Pakistan Refinery Limited	-	1,299	-	1,299	-	-	-
	-	39,843	-	39,843	-	-	-
Power Generation & Distribution							
The Hub Power Company Limited	-	7,690	-	7,690	-	-	-
Kot Addu Power Company Limited	-	3,918	-	3,918	-	-	-
	-	11,608	-	11,608	-	-	-
Oil and Gas Marketing Companies							
Attock Petroleum Limited	-	144	-	144	-	-	-
Pakistan State Oil Company Limited	-	3,088	-	3,088	-	-	-
Sui Northern Gas Pipelines Limited	-	609	-	609	-	-	-
Sui Southern Gas Company Limited	-	1,839	-	1,839	-	-	-
	-	5,680	-	5,680	-	-	-
Oil and Gas Exploration Companies							
Mari Gas Company Limited	-	139	-	139	-	-	-
Oil & Gas Development Company Limited	-	103,976	-	103,976	-	-	-
Pakistan Oil Fields Limited	-	16,356	-	16,356	-	-	-
Pakistan Petroleum Limited	-	7,895	-	7,895	-	-	-
	-	128,366	-	128,366	-	-	-
Engineering							
Crescent Steel & Allied Products Limited	-	1,370	-	1,370	-	-	-
Dost Steels Limited	-	4,064	-	4,064	-	-	-
	-	5,434	-	5,434	-	-	-
Automobile Assemblers							
Honda Atlas Cars (Pakistan) Limited	-	2,518	-	2,518	-	-	-
Indus Motor Company Limited	-	28,719	-	28,719	-	-	-
	-	31,237	-	31,237	-	-	-
Cable and Electrical Goods							
Pak Elecktron Limited	-	2,007	-	2,007	-	-	-
Transport							
Pakistan International Container Terminal Limited	-	784	-	784	-	-	-
Technology and Communication							
Eye Television Network Limited	-	31	-	31	-	-	-
Netsol Technologies Limited	-	5,064	-	1,500	3,564	64	(33)
Pakistan Telecommunication Company Limited	-	258,084	-	158,000	100,084	1,725	(107)
Tele Card Limited	-	20,790	-	20,790	-	-	-
TRG Pakistan Limited	-	57,202	-	57,202	-	-	-
World Call Telecom Limited	-	28,621	-	28,621	-	-	-
	-	369,792	-	266,144	103,648	1,789	(140)
Fertilizers							
Engro Chemical Pakistan Limited	-	701	-	701	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	2,002	-	2,002	-	-	-
Fauji Fertilizer Company Limited	-	78,648	-	78,648	-	-	-
	-	81,351	-	81,351	-	-	-
Pharmaceuticals							
Searle Pakistan Limited	-	52	-	52	-	-	-
Chemicals							
BOC Pakistan Limited	-	100	-	100	-	-	-
ICI Pakistan Limited	-	20,101	-	20,101	-	-	-
Pakistan PTA Limited	-	53,894	-	53,894	-	-	-
Sitara Peroxide Limited	-	2,507	-	2,507	-	-	-
	-	76,602	-	76,602	-	-	-
Paper and Boards							
Packages Limited	-	8,609	-	8,609	-	-	-
Miscellaneous							
PACE (Pakistan) Limited	-	27,814	-	10,500	17,314	97	(90)
Tri-Pack Films Limited	-	81	-	81	-	-	-
	-	27,895	-	10,581	17,314	97	(90)
Total	-	2,355,944	147,234	1,997,004	506,174	11,301	(5,543)
Cost of investment at June 30, 2009						16,844	

5.3 Available for sale investments

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

Name of the Investee Company	-----Number of certificate-----				Balance as at June 30, 2009		Market Value as a percentage of total investments
	As at July 1, 2008	Purchases during the year	Sales during the year	As at June 30, 2009	Market Value	Appreciation / (Diminution)	

---Rupees in '000---

5.3.1 Term Finance Certificates - Listed

Modarabas

Al Zamin Leasing Modaraba	516	-	516	-	-	-	-
	516	-	516	-	-	-	-

Leasing Companies

Orix Leasing Pakistan Limited	28,300	-	-	28,300	116,844	(26,133)	6.90%
Saudi Pak Leasing Company Limited	4,000	-	2,000	2,000	7,397	(2,599)	0.44%
	32,300	-	2,000	30,300	124,241	(28,732)	7.34%

Investment Banks / Companies / Securities

Jahangir Siddiqui & Company Limited	2,000	-	-	2,000	9,291	(1,164)	0.55%
	2,000	-	-	2,000	9,291	(1,164)	0.55%

Commercial Banks

Bank Alfalah Limited-II	4,000	-	-	4,000	19,471	(523)	1.15%
Bank Al Habib Limited	5,000	-	-	5,000	23,879	(2,425)	1.41%
Faysal Bank Limited	2,758	10,000	-	12,758	60,599	(3,054)	3.58%
NIB Bank Limited	41,000	-	8,000	33,000	152,465	(12,788)	9.00%
United Bank Limited	34,000	-	-	34,000	156,315	(13,617)	9.23%
	86,758	10,000	8,000	88,758	412,729	(32,407)	24.37%

Fertilizer

Engro Chemical Limited	19,462	-	19,462	-	-	-	-
Pak Arab Fertilizers Limited	21,724	1,724	23,448	-	-	-	-
	41,186	1,724	42,910	-	-	-	-

Technology and Communication

World Call Telecom Limited	-	35,000	-	35,000	166,524	(8,441)	9.83%
	-	35,000	-	35,000	166,524	(8,441)	9.83%

162,760 46,724 53,426 156,058 712,785 (70,744) 42.09%

Cost of investment at June 30, 2009

783,529

Name of the Investee Company	-----Number of certificate-----				Balance as at June 30, 2009		Market Value as a percentage of total investments
	As at July 1, 2008	Purchases during the year	Sales during the year	As at June 30, 2009	Market Value	Appreciation / (Diminution) / (Provision)	

---Rupees in '000---

5.3.2 Term Finance Certificates and Sukuk bonds - Unlisted

Sugar and Allied Industries

Al-Abbas Sugar Mills Limited	7,000	-	-	7,000	28,839	(2,647)	1.70%
	7,000	-	-	7,000	28,839	(2,647)	1.80%

Technology and Communication

Pakistan Mobile Communication Limited	60,000	-	18,000	42,000	183,078	(26,922)	10.81%
	60,000	-	18,000	42,000	183,078	(26,922)	10.81%

Investment Banks / Companies / Securities

Jahangir Siddiqui & Company Limited	8,000	-	8,000	-	-	-	-
KASB Securities Limited	4,000	-	-	4,000	17,486	(2,960)	1.03%
	12,000	-	8,000	4,000	17,486	(2,960)	1.03%

Fertilizer

Engro Chemical Limited - Perpetual I	74,000	-	32,400	41,600	183,040	(24,960)	10.81%
Engro Chemical Limited - Perpetual II	17,000	-	-	17,000	74,517	(10,483)	4.40%
Pak American Fertilizers Limited	2,000	-	-	2,000	9,738	(256)	0.58%
	93,000	-	32,400	60,600	267,295	(35,699)	15.78%

Cement

Maple Leaf Cement Factory Limited -Sukuk	7,000	-	-	7,000	31,504	(3,496)	1.86%
	7,000	-	-	7,000	31,504	(3,496)	1.86%

Oil and Gas Marketing Companies

Sui Southern Gas Company Limited- Sukuk	10,000	-	7,000	3,000	14,535	(465)	0.86%
	10,000	-	7,000	3,000	14,535	(465)	0.86%

Others

New Allied Electronics Industries (Pvt) Limited - note 5.3.3	9,000	-	-	9,000	-	(21,557)	-
New Allied Electronics Industries (Pvt) Limited -Sukuk - note 5.3.3	9,000	-	-	9,000	-	(45,000)	-
Kashf Foundation	6,000	-	-	6,000	20,360	(1,072)	1.20%
Eden Housing Limited	4,000	-	-	4,000	17,020	(479)	1.01%
	28,000	-	-	28,000	37,380	(68,108)	2.21%

217,000 - 65,400 151,600 580,117 (140,297) 34.35%

Cost of investment at June 30, 2009

720,414

5.3.3 This represents investment in privately placed Term Finance Certificates and Sukuk bonds of the investee company. The Fund did not receive the principal and profit payments of Term Finance Certificates due on November 15, 2008 and May 15, 2009, respectively. However, a partial payment of Rs 20 million was received from the investee company on June 16, 2009. The Fund also did not receive the profit payments of Sukuk bonds which were due on December 03, 2008 and June 03, 2009, respectively.

The management has charged an impairment loss of Rs 66.557 million (net of Rs 20 million received), which represents the full amount of such investment, in the Income Statement, in accordance with the comprehensive provisioning policy duly approved by the Board of Directors. In addition the income accrued on these term finance certificates and sukuk bonds has also been reversed by the management.

5.3.4 The Term Finance Certificates and Sukuk bonds held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage/ pledge of fixed assets of the issuer.

5.4 Investment in government securities - Available for sale

Issue Date	Tenor	Face value				Market Value as at June 30, 2009	Appreciation / diminution	Market Value as a percentage of total investments
		As at July 1, 2008	Purchases during the year	Sales during the year	As at June 30, 2009			
-----Rupees in '000-----								
Treasury bill								
April 23, 2009	1 Year	-	700,000	300,000	400,000	364,238	1,538	21.51%
January 29, 2009	6 months	-	150,000	150,000	-	-	-	-
		-	850,000	450,000	400,000	364,238	1,538	21.51%
Pakistan Investment Bonds								
August 30, 2008	10 Years	-	25,000	-	25,000	25,060	1,471	1.48%
		-	25,000	-	25,000	25,060	1,471	1.48%
Grand total		-	875,000	450,000	425,000	389,298	3,009	22.99%
Cost of investment at June 30, 2009						386,289		

Note **2009** **2008**
(Rupees in '000)

6 INCOME RECEIVABLE

Income accrued on Continuous Funding System (CFS) transactions	-	6,492
Profit receivable on savings and term deposits	5,041	17,067
Income accrued on Term Finance Certificates	49,600	57,348
Income accrued on Certificates of Investment	-	20,026
Income accrued on Government Securities	1,003	-
	<u>55,644</u>	<u>100,933</u>

7 PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs incurred	7.1	1,135	1,135
Less: Amortisation accumulated		<u>(514)</u>	<u>(292)</u>
		<u>621</u>	<u>843</u>

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from the end of the initial offering period as per the requirements set out in the Trust Deed of the Fund.

		2009	2008
		(Rupees in '000)	
8	ADVANCE, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Advance against subscription towards TFCs	-	175,000
	Security deposit with National Clearing Company of Pakistan Limited	2,500	3,850
	Security deposit with Central Depository Company of Pakistan Limited	100	-
	Receivable against maturity of TFCs	4,800	12,545
	Receivable against sales of securities	22,741	-
	Prepaid fee	-	766
	Others	1	-
		<u>30,142</u>	<u>192,161</u>

		Note	2009	2008
			(Rupees in '000)	
9	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
	Management fee	9.1	3,211	7,441
	Preliminary expenses and floatation costs incurred on behalf of the Fund		1,135	1,135
	Security deposit paid by the management company on behalf of the Fund		100	-
	Annual listing fee paid by the management company on behalf of the Fund		30	30
			<u>4,476</u>	<u>8,606</u>

9.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 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 two percent of such assets of the Fund. The Management Company has charged its remuneration at the rate of one and a half percent per annum for the current year.

		2009	2008
		(Rupees in '000)	
10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Trustee's fee	<u>296</u>	<u>578</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2009 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rs. 1,000 million	Rs 0.7 million or 0.20% p.a. of NAV, whichever is higher
On an amount exceeding Rs 1,000 million	Rs 2.0 million plus 0.10% p.a. of NAV exceeding Rs 1,000 million

The remuneration is paid to the Trustee monthly in arrears.

		2009	2008
		(Rupees in '000)	
11	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee	<u>2,950</u>	<u>6,438</u>

11.1 Under the provisions of the Non Banking Finance Companies & Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the scheme. Before the promulgation of the said regulations, annual SECP fee was charged at one tenth of one percent of the average annual net assets of the scheme, as required under NBFC Regulations, 2007.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	2009 (Rupees in '000)	2008 (Rupees in '000)
Auditors' remuneration	350	390
Brokerage payable	40	2,316
Payable to unit holders against redemption of units	538	5,800
Other payables	31	2,099
	<u>959</u>	<u>10,605</u>

13 COMMITMENTS

There are no outstanding commitments and contingencies at the end of the year.

14 PROFIT ON BANK DEPOSITS	For the year ended June 30, 2009 (Rupees in '000)	For the year ended June 30, 2008 (Rupees in '000)
Income on savings deposits	57,984	114,193
Income on term deposit receipts	74,319	123,320
	<u>132,303</u>	<u>237,513</u>

15 AUDITORS' REMUNERATION	2009	2008
	(Rupees in '000)	
Audit fee	350	300
Out of pocket expenses	172	-
	<u>522</u>	<u>300</u>

16 FINANCIAL INSTRUMENTS BY CATEGORY

	-----As at June 30, 2009-----			
	Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
	-----Rupees in '000-----			
Assets				
Bank balances	549,446	-	-	549,446
Investments	-	11,301	1,682,200	1,693,501
Income receivable	55,644	-	-	55,644
Advances, deposits and other receivables	30,142	-	-	30,142
	<u>635,232</u>	<u>11,301</u>	<u>1,682,200</u>	<u>2,328,733</u>

	-----As at June 30, 2009-----		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
	-----Rupees in '000-----		
Liabilities			
Payable to HBL Asset Management Limited - Management Company	-	4,476	4,476
Payable to Central Depository Company of Pakistan Limited - Trustee	-	296	296
Accrued expenses and other liabilities	-	959	959
	<u>-</u>	<u>5,731</u>	<u>5,731</u>

	-----As at June 30, 2008-----			
	Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
	-----Rupees in '000-----			
Assets				
Bank balances	963,571	-	-	963,571
Receivable against Continuous Funding System (CFS) transactions	1,168,400	-	-	1,168,400
Investments	-	-	1,912,207	1,912,207
Certificates of investment, Term Deposit Receipts and Commercial Paper	1,458,375	-	-	1,458,375
Income receivable	100,933	-	-	100,933
Advances, deposits and other receivables	191,395	-	-	191,395
	<u>3,882,674</u>	<u>-</u>	<u>1,912,207</u>	<u>5,794,881</u>

	-----As at June 30, 2008-----			
	Liabilities at fair value through profit or loss	Other financial liabilities		Total
	-----Rupees in '000-----			
Liabilities				
Payable to HBL Asset Management Limited - Management Company	-	8,606		8,606
Payable to Central Depository Company of Pakistan Limited - Trustee	-	578		578
Accrued expenses and other liabilities	-	10,605		10,605
	<u>-</u>	<u>19,789</u>		<u>19,789</u>

17 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company.

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

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

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

	For the year ended June 30, 2009	For the year ended June 30, 2008
	(Rupees in '000)	
17.1 Transactions during the year		
HBL Asset Management Limited - Management Company		
Management fee	50,367	96,578
Issue of 1,469,921 units (2008: Nil)	150,000	-
Issue of 59,853 bonus units (2008: Nil)	5,801	-
Redemption of 740,562 units (2008: Nil)	76,152	-
Habib Bank Limited - Sponsor		
Issue of 3,857,281 units (2008: Nil)	400,000	-
Issue of 612,315 bonus units (2008: 239,022 units)	59,561	24,075
Bank charges paid	124	239
Placement in Term Deposits Receipts	2,450,000	1,600,000
Maturity of Term Deposits Receipts	2,100,000	1,600,000
Profit on bank deposits and term deposits earned	34,796	98,060
Sales of 75,297 ordinary shares	6,932	-
Gain on sale of shares	1,570	-

	For the year ended June 30,2009	For the year ended June 30,2008
	(Rupees in '000)	
CDC-Trustee HBL Multi Asset Fund		
Sales of Term Finance Certificates having cost of Rs.59.998 million	59,135	-
CDC-Trustee HBL Stock Fund		
Sales of Term Finance Certificates having cost of Rs. 75 million	76,802	-
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Issue of 379,403 units (2008: 367,069 units)	37,591	37,357
Issue of 8,620 bonus units (2008: 11,567 units)	860	1,167
Redemption of 458,760 units (2008: 131,109 units)	47,348	13,400
Executives and their relatives		
Issue of 8 bonus units (2008: 29 units)	1	3
Redemption of 337 units (2008: Nil)	35	-
Associated companies		
Issue of 1,547,828 units (2008: 4,029,641 units)	150,000	420,843
Issue of 219,449 bonus units (2008: 531,274 units)	21,447	53,553
Redemption of 3,799,455 units (2008: 6,350,154 units)	367,476	648,096
Investment in Term Deposit Receipts	100,000	300,000
Profit earned on TDR, COIs and TFCs	1,975	14,981
Subscription of Term Finance Certificates	-	30,000
Profit earned on Certificates of Investment and TFCs	6,463	-
Central Depository Company of Pakistan Ltd. - Trustee		
Remuneration	4,358	7,439
Issue of units: Nil (2008: 75,203,610 units)	-	130,391
Redemption of 824,449 units (2008: 747,131 units)	82,988	80,391
Issue of 27,001 bonus units (2008: 50,317 units)	2,711	5,080
Central Depository System Charges	127	1,414
	2009	2008
17.2 Amount outstanding as at year end	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Investment held by the management company in the Fund (789,212 units; 2008: Nil)	76,127	-
Management fee payable	3,211	7,441
Preliminary expenses and floatation cost payable	1,135	1,135
Annual listing fee paid by management company on behalf of the Fund - payable	30	30
Security deposit paid by management company on behalf of the Fund - payable	100	-
Habib Bank Limited - Sponsor		
Investment held in the Fund (7,208,618 units ; 2008: 2,739,022 units)	695,343	280,941
Term Deposit Receipts balance	350,000	-
Profit (receivable) on bank deposits including Term Deposit Receipts	286	127
Balance in savings account	10,247	30,127
Balance in current account	17	18
CDC-Trustee HBL Multi Asset Fund		
Receivable against sale of securities	22,281	-

	2009 (Rupees in '000)	2008
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Investment held in the Fund (243,364 units ; 2008: 314,101 units)	23,475	32,217
Executives and their relatives		
Investment held in the Fund (NIL ; 2008: 329 units)	-	34
Associated companies		
Investment held in the Fund (Nil ; 2008: 2,032,178 units)	-	208,441
Investment in Certificates of Investment	-	100,000
Investment in Term Finance Certificates	21,432	30,000
Profit receivable on COIs and TFCs	669	4,010
Central Depository Company of Pakistan Ltd. - Trustee		
Investment held in the Fund (NIL ; 2008: 797,448 units)	-	81,794
Remuneration payable	296	578
Central Depository System Charges payable	8	231

18 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follow:

		2009		
		Designation	Qualification	Experience in years
1	Shahid Ghaffar	Chief Executive Officer	MBA	32
2	Rehan N Shaikh	Chief Operating Officer	M.Com	14
3	Amir Khan	Fund Manager	MBA	16
4	Umar Farooq	Manager Research	MBA	9
5	Fahad Aziz	Fixed Income Trader	MBA	4

18.1 Amir Khan is the Manager of the Fund. He has obtained a Masters Degree in Business Administration. Other funds beings managed by the Fund Manager are as follows:

- a) HBL Stock Fund
- b) HBL Multi Asset Fund

19 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Top ten brokers during the year ended June 30, 2009

- 1 AL Habib Capital Markets (Private) Limited.
- 2 Alfalah Securities (Private) Limited.
- 3 Atlas Capital Markets (Private) Limited
- 4 BMA Capital Market Limited.
- 5 Elixir Securities Pakistan Limited.
- 6 Global Securities Pakistan Limited.
- 7 Invest & Finance Securities Limited
- 8 JS Global Capital Limited
- 9 Orix Investment Bank Pakistan Limited
- 10 PEARL Securities Limited

Top ten brokers during the year ended June 30, 2008

- 1 AL Habib Capital Markets (Private) Limited.
- 2 Alfalah Securities (Private) Limited.
- 3 Arif Habib Limited
- 4 Dawood Equities Limited
- 5 Global Securities Pakistan Limited.
- 6 IGI Finex Securities Limited
- 7 Invest Capital Investment Bank Limited
- 8 JS Global Capital Limited
- 9 KASB Securities Limited
- 10 Orix Investment Bank Pakistan Limited

20 PATTERN OF UNIT HOLDING

----- As at June 30, 2009 -----			
	Number of unit holders	Investment amount	Percentage investment
(Rupees in '000)			
Individuals	402	123,458	5.32
Associated companies	2	771,433	33.24
Directors	3	23,474	1.01
Insurance companies	4	137,713	5.94
Banks / DFIs	5	873,811	37.65
Retirement funds	17	67,522	2.91
Public Limited companies	2	76,308	3.29
Others	8	246,954	10.64
	443	2,320,673	100

----- As at June 30, 2008 -----			
	Number of unit holders	Investment amount	Percentage investment
(Rupees in '000)			
Individuals	480	277,304	4.80
Associated companies	3	489,932	8.49
Directors	5	30,465	0.53
Insurance companies	4	134,766	2.34
Banks and DFIs	11	2,912,214	50.47
Retirement funds	19	400,968	6.95
Public Limited companies	14	663,452	11.50
Others	6	861,162	14.92
	542	5,770,263	100

21 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 11th, 12th, 13th, 14th, 15th and 16th board meetings were held on July 5, 2008, September 22, 2008, October 22, 2008, February 25, 2009, April 07, 2009 and April 28, 2009 respectively. Information in respect of attendance by Directors in the meetings is given below:

Name of Director	Number of meetings			Meeting not attended
	Held	Attended	Leave granted	
1 Mr. R. Zakir Mahmood	6	5	1	11th meeting
2 Mr. Shahid Ghaffar	6	6	-	-
3 Mr. Sohail Malik	6	5	1	13th meeting
4 Mr. Abid Sattar	6	4	2	12th and 15th meeting
5 Mr. Towfiq H. Chinoy	6	4	2	11th and 15th meeting
6 Ms. Sadia Khan	6	4	2	11th and 12th meeting

22 FINANCIAL RISK MANAGEMENT

The Fund primarily invests in a portfolio of money market investments such as investment-grade debt securities, government securities, spread transactions, continuous funding system transactions and investments in other money market instruments. These activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk.

22.1 Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk ; currency risk, interest rate risk and other price risk.

22.1.1 Currency risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

22.1.2 Interest rate risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based interest bearing Term Finance Certificates and Sukuk bonds that expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on June 30, 2009, with all other variables held constant, the net assets and net income of the Fund for the year would have been higher / lower by Rs 3,442,883 (2008: Rs 4,852,865).

Investments in Term Deposit Receipts, Pakistan Investment Bonds and Treasury Bills are not subject to cash flow interest rate risk.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2009, the Fund holds Treasury Bills and Pakistan Investment Bonds which are classified as available for sale, exposing the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by the Financial Market Association on June 30, 2009, with all other variables held constant, the net assets would be lower by Rs 4,046,419 (2008: Nil). In case of 100 basis points decrease in rates announced by the Financial Market Association on June 30, 2009, with all other variables held constant, the net assets would be higher by Rs 4,062,125 (2008: Nil).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2009 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

----- As at June 30, 2009 -----						
Yield / interest rate (%)	Total	----Exposed to Yield/Interest rate risk----			Not exposed to Yield/Interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	1.00 - 13.50	549,446	549,429	-	-	17
Investments	12.00 - 18.18	1,693,501	629,169	1,027,971	25,060	11,301
Income receivable		55,644	-	-	-	55,644
Advances, deposits and other receivables		30,142	-	-	-	30,142
		<u>2,328,733</u>	<u>1,178,598</u>	<u>1,027,971</u>	<u>25,060</u>	<u>97,104</u>
Financial liabilities						
Accrued expenses and other liabilities		959	-	-	-	959
Payable to HBL Asset Management Limited - Management Company		4,476	-	-	-	4,476
Payable to Central Depository Company of Pakistan Limited -Trustee		296	-	-	-	296
		<u>5,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,731</u>
On-balance sheet gap 2009		<u>2,323,002</u>	<u>1,178,598</u>	<u>1,027,971</u>	<u>25,060</u>	<u>91,373</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap 2009		-	-	-	-	-
----- As at June 30, 2008 -----						
Yield / interest rate (%)	Total	----Exposed to Yield/Interest rate risk----			Not exposed to Yield/Interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	0.10 - 11.25	963,571	963,553	-	-	18
Receivable against Continuous Funding System (CFS) transactions	11.03 - 24.07	1,168,400	1,168,400	-	-	-
Investments	14.73 - 15.30	1,912,207	1,103,743	808,464	-	-
Certificates of investment, Term Deposit Receipts and Commercial Paper	9.50 - 10.80	1,458,375	1,059,962	398,413	-	-
Income receivable		100,933	-	-	-	100,933
Advances, deposits and other receivables	12.47	191,395	175,000	-	-	16,395
		<u>5,794,881</u>	<u>4,470,658</u>	<u>1,206,877</u>	<u>-</u>	<u>117,346</u>
Financial liabilities						
Accrued expenses and other liabilities		10,605	-	-	-	10,605
Payable to HBL Asset Management Limited - Management Company		8,606	-	-	-	8,606
Payable to Central Depository Company of Pakistan Limited -Trustee		578	-	-	-	578
		<u>19,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,789</u>
On-balance sheet gap 2008		<u>5,775,092</u>	<u>4,470,658</u>	<u>1,206,877</u>	<u>-</u>	<u>97,557</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap 2008		-	-	-	-	-

22.1.3 Price Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instrument traded in the market.

Presently, the Fund is not exposed to any price risk as the only equity securities which are held as on June 30, 2009 are due to the forced portfolio of Voluntary Continuous Funding System (CFS) Mark-II Square Up Program (the Program) entered into with National Clearing Company of Pakistan Limited for squaring up of its outstanding exposure in CFS as mentioned in detail in note 5.1.

22.1.4 Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from the inability of the relevant brokerage house or the counter party to fulfil their obligations. There is a possibility of default by participants or failure of the financial markets / stock exchanges, the depositories, the settlements or clearing system, etc.

The Fund's credit risk is primarily attributable to its investment in debt securities. The Fund is also exposed to counterparty credit risk on balances with banks, advances, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's investment in Term Finance Certificates and Sukuk Bonds as at June 30:

Debt securities by rating category	2009	2008
AA+	9.76%	10.16%
AA	33.13%	62.05%
AA-	24.31%	4.27%
A+	14.02%	4.20%
A	15.77%	14.53%
A-	2.44%	4.79%
BBB	0.57%	-
	<u>100%</u>	<u>100%</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2009 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

22.1.5 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions of units. The Management Company manages the liquidity risk by monitoring maturities of financial assets and financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

-----As at June 2009-----				
Total	Upto three months	Over three months and upto one year	Over one year	
------(Rupees in '000)-----				
Liabilities				
Accrued expenses and other liabilities	959	959	-	-
Payable to HBL Asset Management Limited – Management Company	4,476	4,476	-	-
Payable to Central Depository Company of Pakistan Limited – Trustee	296	296	-	-
Payable to Securities and Exchange Commission of Pakistan	2,950	2,950	-	-
	<u>8,681</u>	<u>8,681</u>	<u>-</u>	<u>-</u>

-----As at June 2008-----				
Total	Upto three months	Over three months and upto one year	Over one year	
------(Rupees in '000)-----				
Liabilities				
Accrued expenses and other liabilities	10,605	10,605	-	-
Payable to HBL Asset Management Limited – Management Company	8,606	8,606	-	-
Payable to Central Depository Company of Pakistan Limited – Trustee	578	578	-	-
Payable to Securities and Exchange Commission of Pakistan	6,438	6,438	-	-
	<u>26,227</u>	<u>26,227</u>	<u>-</u>	<u>-</u>

23 UNITS HOLDERS' FUND RISK MANAGEMENT

The units holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable on the Fund.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value as the items are short term in nature or periodically repriced.

25 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on July 07, 2009 has declared final dividend at Rs. 2.50 per unit in the form of bonus units for Class 'A' and Class 'B' units and cash dividend of Rs 2.50 per unit for Class 'C' unit for the year ended June 30, 2009. The financial statements of the Fund for the year ended June 30, 2009 do not include the effect of the final dividend which will be accounted for in the financial statements of the Fund for the year ending June 30, 2010.

26 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purpose of comparison. No significant reclassifications were made.

27 DATE OF AUTHORISATION FOR ISSUE

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

28 GENERAL

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

28.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the year as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

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

Chief Executive

Director

DISTRIBUTION NETWORK

1. Branches of Habib Bank Limited

Sindh Karachi

Habib bank Limited

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

Habib bank Limited

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

Habib bank Limited

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

Habib bank Limited

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

Habib bank Limited

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

Habib bank Limited

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

Habib bank Limited

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

Habib bank Limited

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

Habib bank Limited

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

Habib bank Limited

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

Habib bank Limited

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

Jacobabad

Habib Bank Limited

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

Punjab Lahore

Habib bank Limited

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

Habib Bank Limited

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

Habib Bank Limited

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

Habib Bank Limited

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

Habib Bank Limited

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

Habib Bank Limited

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

DISTRIBUTION NETWORK

Habib Bank Limited

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

Habib Bank Limited

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

Gujranwala

Habib Bank Limited

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

Faisalabad

Habib Bank Limited

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

Habib Bank Limited

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

Habib Bank Limited

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

Rawalpindi

Habib Bank Limited

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

Islamabad

Habib Bank Limited

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

Habib Bank Limited

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

NWFP Peshawar

Habib Bank Limited

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

Balochistan Quetta

Habib Bank Limited

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

2. Other Distributors

Al Habib Capital Market (Pvt.) Limited.

GF-01, Techno City,
Hasrat Mohani Road, Karachi.
Phone: 021-22770808-13
Fax: 021-2270519

Alfalah Securities (Pvt.) Limited

12th Floor, Saima Trade Tower,
I.I Chundrigar Road, Karachi.
Phone: 021-9217810-19
Fax: 021-9217827

Allied Bank Limited

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

ANZ Financial Consultant

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

DISTRIBUTION NETWORK

Atlas Capital Market (Pvt.) Limited

B-209, 2nd Floor, Park Towers,
Abdullah Shah Ghazi Road, Clifton, Karachi.

Phone: 021-5875760-06

Fax: 021-5376122

BMA Capital Management Limited.

8th Floor, Unitower,
I.I Chundrigar Road, Karachi.

Phone: 021-111-262-111

Fax: 021-2464695

Elixir Securities Pakistan (Pvt.) Limited

First Floor, P & O Plaza,
I.I Chundrigar Road, Karachi.

Phone: 021-111-354-947

Fax: 021-2420527- 2418925

Foundation Securities (Pvt.) Limited.

Ground Floor, Bahria Complex II,
M.T.Khan Road, Karachi.

Phone: 021-5612290-94

Fax: 021-5612262

IGI Investment Bank Limited

Floor-7, The Forum, Suit 701-713, G-20,
Block, Khayaban-e-Jami, Karachi.

Phone: 021-111-234-234

Fax: 021-111-567-567

Invest Capital & Securities (Pvt.) Limited.

806-808, Progressive Plaza,
Beaumont Road, Karachi

Phone: 021-5215226-8

Fax: 021-5215200

Invisor Securities (Pvt.) Limited.

Ground Floor, Bahria Complex II,
M.T.Khan Road, Karachi.

Phone: 021-5635000

Fax: 021-5611529

JS Global Capital Limited

6th Floor, Faysal House,
Shahra-e-Faisal, Karachi, Pakistan.

Phone: 021-2799580

Fax: 021-2800165

Pak Iran Joint Investment Company Limited

507-508, 5th Floor, Progressive Plaza,
Beaumont Road, Civil Lines, Karachi.

Phone: 021-5638581, 85

Fax: 021-5638589

Premier Insurance Limited

5th Floor, State Life Building No 2A,
Wallace Road, Karachi.

Phone: 021-2416331-4

Pyramid Financial Consultant

518, Progressive Plaza, Beaumont Road,
Karachi, Pakistan.

Phone: 021-5638266-67, 021-5638264

Fax: 021-5638265

Reliance Financial Products (Pvt.) Limited

215, Clifton Centre, Block-5, Clifton, Karachi.

Phone: 021-5860242

Fax: 021-5837775

Siza Commodities Pvt.) Limited

Lakson Square Building No. 2,
Sarwar Shaheed Road, Karachi.

Phone: 021-5698000

Fax: 021-5683410

Soneri Bank Limited

5th Floor, Al-Rahim Tower,
I.I Chundrigar Road, Karachi.

Phone: 021-2439562-67

Fax: 021-2439561

The First National Equities Limited

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