

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 and 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 spirit of enterprise.

TABLE OF CONTENTS

Corporate Information	3
Report of the Directors of the Management Company	4
Fund Manager Report	6
Performance Table	9
Trustee Report to the Unit Holders	10
Statement of Compliance with the Code of Corporate Governance	11
Auditors' Review Report to the Unit Holders on Statement of Compliance With the best practices of the Code of Corporate Governance	13
Auditors' Report to the Unit Holders	14
Statement of Assets & Liabilities	15
Income Statement	16
Distribution Statement	17
Statement of Movement in Units Holders' Funds	18
Cash Flow Statement	19
Notes to the Financial Statements	20
Distribution Network	42

CORPORATE INFORMATION

Management Company
HBL Asset Management Limited.

Board of Directors
Chairman
Chief Executive Officer
Directors

Mr. R. Zakir Mahmood (Non-Executive Director)
Mr. Shahid Ghaffar (Executive Director)
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
Members

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

Human Resource Committee
Chairman
Members

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

Company Secretary

Mr. Rehan N.Shaikh

Chief Financial Officer

Mr. Noman Ahmed Soomro

Fund Manager

Mr. Muhammad Amir Khan

External Auditors

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

Internal Auditors

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

Trustee

Central Depository Company of Pakistan 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.hblasset.com

Head Office

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

Registered Office

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

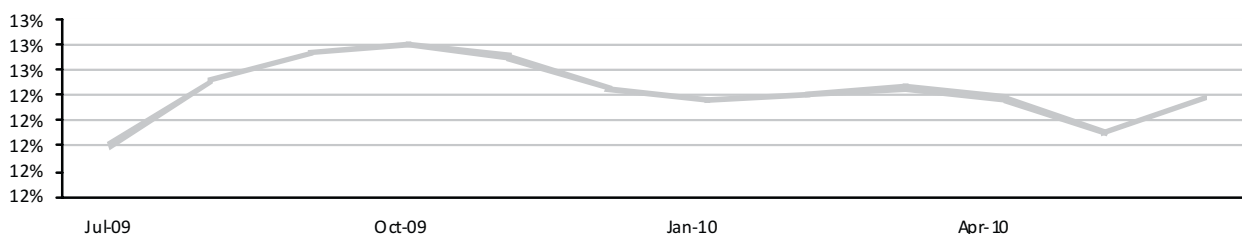
REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present the fourth Annual Report of HBL - Income Fund (the Fund) for the year ended June 30, 2010.

Market Review

During the year under review the Central Bank further reduced the policy discount rate in phases to 13 percent in August 2009 and further to 12.5% in November 2009, in response to a gradual easing of both headline as well as core inflation, and the containment of aggregate demand pressures in the economy. A cautious approach to easing the policy rate was adopted to strike a balance between supporting the recovery in aggregate demand while guarding against the re-emergence of macroeconomic imbalances, including a resurgence of inflation.

The YoY growth in broad money (M2) increased sharply by 12.46 percent during July - June 2010 compared to 9.56 percent during last year. Credit to private sector grew by Rs. 112.93 billion during July - June 2010 compared to Rs. 17.082 billion during last year. Despite the recovery in some macroeconomic indicators, private sector credit off-take is not growing fast because of high interest rates. However, average lending rate on entire stock of bank loans stood at 12.37 percent in March 2010 as compared to 13.80 percent in March 2009, thus it is still high. The average one month KIBOR has increased from 12.00% in July 2009 to as high as 12.80 in October 2009 and closed at 12.39% in June 2010. The month wise trend is as follows:



Fund's Performance

The total income and net income of the Fund was Rs. 229.08 million and Rs. 181.44 million respectively during the year ended June 30, 2010. The Net Asset Value (NAV) per unit of the Fund was Rs 93.96 per unit as on July 1, 2009. The NAV of the Fund was Rs 97.44 per unit as on June 30, 2010 (after accounting for dividend of Rs 9.00 per unit); there by giving an annualized return of 13.28% as compared to 4.03% for the previous year. During the same period the benchmark return was 12.44%. The size of Fund was Rs 1.60 billion as on June 30, 2010.

The Fund has declared final dividend at Rs. 3.50 per unit in the form of bonus units for Class 'A' and Class 'B' units and cash dividend of Rs. 3.50 per unit for Class 'C' unit for the year ended June 30, 2010. Earlier in October 2009, February 2010 and April 2010, the fund declared interim dividends at Rs. 2.25 per unit, Rs 1.50 per unit and Rs 1.75 per unit respectively in the form of bonus units for Class 'A' and Class 'B' units and cash dividend of Rs.2.25 per unit, Rs 1.50 per unit and Rs 1.75 per unit respectively for Class 'C' unit. The total dividend / bonus for the year was Rs. 9.00 per unit. The ex-dividend price of unit was Rs. 97.44 per unit.

Rating Update

The JCR-VIS Credit Rating Company Limited (JCR-VIS) has upgraded asset manager rating to "AM3+" of the Management Company.

JCR-VIS has assigned Fund Stability Rating of "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, 2010 is given in note 21 to the financial statements.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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	6
4.	Mr. Abid Sattar	6
5.	Mr. Towfiq H. Chinoy	3
6.	Ms. Sadia Khan	5

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: September 16, 2010

Place: Karachi

FUND MANAGER REPORT

Type and Category of Fund

Open end Income Fund

Investment Objective and Accomplishment of Objective

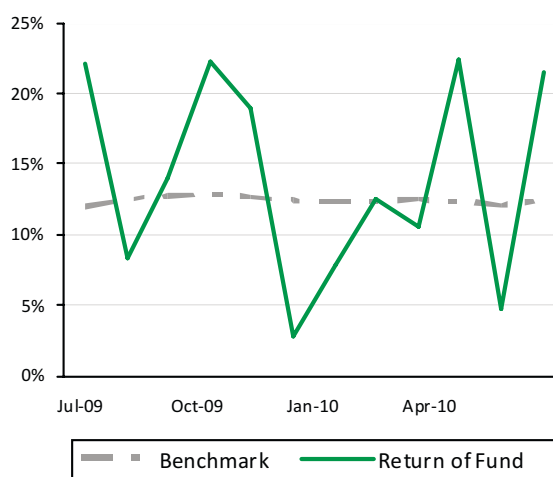
The investment objective of the Fund is to provide a stable stream of income with a moderate level of risk by investing in fixed income securities. The objective of the Fund has been achieved by developing portfolio of a wide range of fixed income securities. The diversification has been achieved by 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 09	12.00%	22.15%
August 09	12.51%	8.31%
September 09	12.73%	13.97%
October 09	12.80%	22.20%
November 09	12.70%	18.93%
December 09	12.44%	2.73%
January 10	12.36%	7.88%
February 10	12.41%	12.52%
March 10	12.46%	10.63%
April 10	12.37%	22.32%
May 10	12.10%	4.71%
June 10	12.39%	21.50%

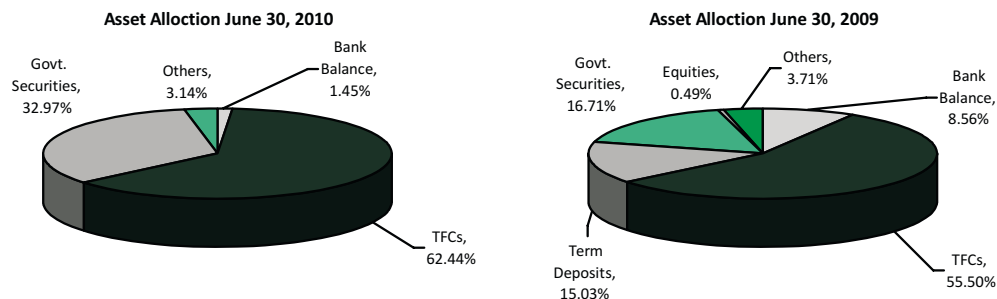


Strategies and Policies employed during the Year

The Fund continued its policy of keeping liquidity to meet redemptions in a timely manner as well to avail investment opportunities. The liquid funds were mainly invested in T-Bills due to better return. The Fund policy of holding quality TFCs also paid dividend as prices of most of the TFCs appreciated during the period July 2009 to April 2010 which helped fund in increasing annualized return for the unit holders.

The fund sold its remaining holding in shares acquired under the CFS square up scheme. The strategy of holding some of these shares helped the fund to off load these share at better prices.

Asset Allocation



Significant Changes in Asset Allocation during the Year

During the year- under review no significant changes in asset allocation were witnessed. The allocation of fund in TFCs increase from 55.50% as on June 30, 2009 to 62.44% as on June 30, 2010 mainly due to redemptions. However in absolute terms the investment in TFCs reduced from Rs1.29 billion as of June 30, 2009 to Rs1.02 billion on June 30, 2010. The exposure in Government Securities increase from 16.71% as on June 30, 009 to 32.97% as on June 30, 2010.

Fund Performance

The total income and net income of the Fund was Rs. 229.08 million and Rs. 181.44 million respectively during the year ended June 30, 2010. The Net Asset Value (NAV) per unit of the Fund was Rs 93.96 per unit as on July 1, 2009. The NAV of the Fund was Rs 97.44 per unit as on June 30, 2010 (after accounting for dividend of Rs 9.00 per unit); there by giving an annualized return of 13.28% as compared to 4.03% for the previous year. During the same period the bench mark return was 12.44%. The size of Fund decreased from Rs 2.32 billion as on June 30, 2009 to Rs 1.60 billion at June 30, 2010 due to redemptions.

Review of Market invested in

During past twelve months (July 2009 to June 2010) State Bank of Pakistan maintained the declining trend in discount rate. First change in discount rate was made on 17th Aug 2009 where it was reduced from 14.00% to 13.00% on account of falling inflation rate. The trend continued and the discount rate was further reduced to 12.50% in Nov 2009. SBP maintained the discount rate at 12.50, CRR at 5.00% and SLR at 19.00% for the rest of the year.

Six months KIBOR has declined from 12.76% on June 30, 2009 to 12.37% on June 30, 2010. Trading activity in corporate bonds market (TFCs, Sukuk) was mostly dull during the year under review.

Distribution

The Fund has distributed dividend at Rs. 9.0 in the form of Bonus units for Class "A" and Class "B" Units and Cash Dividend of Rs. 9.0 per unit for Class "C" Unit for the year ended June 30, 2010.

Significant Changes in the State of Affairs

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

FUND MANAGER REPORT

Breakdown of Unit Holding by Size

From – To (No. of units)	No. of Unit Holders	Total No. of Units Held
1 – 100	103	4,414
101 – 500	74	15,987
501 – 1,000	34	23,428
100,1 – 10,000	191	656,691
10,001 – 100,000	40	1,183,498
100,001 – 500,000	6	2,003,922
500,001 – 1,000,000	1	856,779
1,000,001 – 5,000,000	2	3,284,768
5,000,001 and above	1	7,825,778
Total	452	15,855,265

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.

**HBL INCOME FUND
PERFORMANCE TABLE**

	For the year ended June 30,2010	For the year ended June 30,2009	For the year ended June 30,2008
NET ASSETS AND PRICES			
Net assets at the year/ period end (Rs '000)	1,600,410	2,320,673	5,770,263
Net asset value per unit at the period end / period end(Rs)	100.94	96.46	102.57
Selling price /repurchase price	100.94	96.46	102.57
Earnings per unit (Rs) - (note 3.14)	-	-	-
Highest selling price per unit (Rs)	101.09	103.70	107.77
Lowest selling price per unit (Rs)	93.96	93.36	100.08
Highest repurchase price per unit (Rs)	101.09	103.70	107.77
Lowest repurchase price per unit (Rs)	93.96	93.36	100.08
RETURN (%)			
Total return	13	4.03	9.28
Income distribution	10	10.23	9.19
Capital growth	4	(6.20)	0.09
DISTRIBUTION			
First Interin dividend distribution	2.25	2.75	6.80
Second Interin dividend distribution	1.50	2.75	-
Third Interin dividend distribution	1.75	2.25	-
Final dividend distribution	3.50	2.50	2.40
Total dividend distribution for the year/ period	9.00	10.25	9.20
AVERAGE RETURNS (%)			
Average annual return 1 year	13.28	4.03	9.29
Average annual return 2 years	8.66	6.66	-
Average annual return 3 years	9.04	-	-
Average return since inception	8.86	7.63	9.35
Weighted average portfolio during (No. of days)	1,069	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, 2010 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, September 20, 2010

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2010.

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, 2010 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 NBFIs 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, 2010.
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, 2010.
10. The Board has approved the appointment of CFO and Company Secretary including their remuneration and term and conditions of employment as determined by the CEO.
11. Directors Report for the year ended June 30, 2010 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 18 to the financial statements "Transactions with Connected Persons".
14. The Company has complied with the corporate and financial reporting requirements of the Code.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2010.

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.
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.

Shahid Ghaffar
Chief Executive Officer

Date: September 27, 2010
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** (the 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 Management Company'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 status of 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, 2010.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: October 6, 2010

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, 2010, 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, 2010 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: Salman Hussain

Dated: September 27, 2010
Place: Karachi

HBL INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2010

	Note	2010 (Rupees in '000)	2009 (Rupees in '000)
Assets			
Bank balances	4	23,718	549,446
Investments	5	1,561,267	1,693,501
Income receivable	6	38,370	55,644
Preliminary expenses and floatation costs	7	394	621
Advances, deposits, prepayments and other receivables	8	12,661	30,142
Total assets		1,636,410	2,329,354
Liabilities			
Payable to HBL Asset Management Limited - Management Company	9	5,157	4,476
Payable to Central Depository Company of Pakistan Limited - Trustee	10	475	296
Payable to Securities and Exchange Commission of Pakistan	11	1,639	2,950
Accrued expenses and other liabilities	12	28,729	959
Total liabilities		36,000	8,681
Net Assets		1,600,410	2,320,673
Unit holders' funds (as per statement attached)		1,600,410	2,320,673
Contingencies and commitments	13		
		Number of units	
Number of units in issue		15,855,265	24,059,546
		Rupees	Rupees
Net assets value per unit		100.94	96.46

The annexed notes 1 to 30 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, 2010

	Note	2010 (Rupees in '000)	2009
Income			
Profit on bank deposits	14	20,441	132,303
Income from Continuous Funding System (CFS) transactions		-	55,165
Income from Term Finance Certificates		170,232	266,636
Income from spread transactions		-	30
Loss on sale of investments - net		(16,729)	(38,196)
Income from certificates of investment, clean placements and commercial papers		-	20,257
Income from reverse repurchase and money market investments		96,630	12,038
Dividend income		213	319
Other income		-	427
		270,787	448,979
Unrealised diminution in value of investments at fair value through profit or loss - net		-	(5,543)
Provision against non-performing Term Finance Certificates and sukus	5.4 & 8.1	(21,731)	(66,557)
		249,056	376,879
Expenses			
Remuneration of HBL Asset Management Limited - Management Company	9.1	32,770	50,367
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	3,185	4,358
Annual fee to Securities and Exchange Commission of Pakistan	11.1	1,639	2,950
Securities transaction cost		30	240
Settlement and bank charges		369	3,607
Auditors' remuneration	15	385	522
Amortisation of preliminary expenses and floatation costs		227	222
Legal and professional charges		68	200
Provision for Workers' Welfare Fund - prior year	16	3,805	-
- current year	16	4,966	-
Other expenses		195	779
		47,639	63,245
Net income from operating activities		201,417	313,634
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		(19,976)	(65,348)
Net income for the year before taxation		181,441	248,286
Taxation	3.10	-	-
Net income for the year after taxation		181,441	248,286
OTHER COMPREHENSIVE INCOME			
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed - amount representing (loss) / income that form part of unit holders' fund		(518)	38,195
Net unrealised appreciation / (diminution) during the year in market value of securities classified as available for sale	5.4	84,780	(149,522)
Total comprehensive income for the year - net		265,703	136,959
Earnings Per Unit	3.15		
The annexed notes 1 to 30 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, 2010**

	2010	2009
	----- (Rupees in '000) -----	
Undistributed income brought forward - realised	61,669	136,392
Net income for the year	181,441	248,286
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed - amount representing (loss) / income that form part of unit holders' fund	(518)	38,195
Final distribution for the year ended June 30, 2009: Rs. 2.5 per unit (Date of distribution: July 7, 2009) [(2009:Rs.2.4 per unit) (Date of distribution: July 5, 2008)]		
- Cash distribution	(24,448)	(31,428)
- 379,961 bonus units (2008: 1,034,164 bonus units)	(35,701)	(103,592)
	(60,149)	(135,020)
First interim distribution for the year ending June 30, 2010: Rs.2.25 per unit (Date of distribution: October 13, 2009) [(2009: Rs. 2.75 per unit) (Date of distribution: October 22, 2008)]		
- Cash distribution	(10,964)	(37,183)
- 534,214 bonus units (2009: 446,892 bonus units)	(51,290)	(45,114)
	(62,254)	(82,297)
Second interim distribution for the year ending June 30, 2010:Rs 1.50 per unit (Date of distribution: February 24, 2010) [(2009: Rs. 2.75 per unit) (Date of distribution: February 25, 2009)]		
- Cash distribution	(1,162)	(39,776)
- 266,344 bonus units (2009: 375,063 bonus units)	(26,174)	(35,294)
	(27,336)	(75,070)
Third interim distribution for the year ending June 30, 2010:Rs 1.75 per unit (Date of distribution: April 16, 2010) [(2009: Rs. 2.25 per unit) (Date of distribution: April 28, 2009)]		
- Cash distribution	(4,882)	(34,797)
- 297,435 bonus units (2009: 354,672 bonus units)	(29,360)	(34,020)
	(34,242)	(68,817)
Net income for the year less distribution	(3,058)	(74,723)
Undistributed income carried forward - realised	58,611	61,669

The annexed notes 1 to 30 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, 2010

	Note	2010 ------(Rupees in '000)-----	2009
Net assets at the beginning of the year		2,320,673	5,770,263
Issue of 27,517,918 units (2009 : 22,989,709 units)		2,690,320	2,287,339
Redemption of 37,200,153 units (2009 : 57,339,211 units)		(3,655,324)	(5,757,857)
		(965,004)	(3,470,518)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed			
- amount representing accrued losses / (income) and capital losses / (gain) - transferred to Income Statement		19,976	65,348
- amount representing losses / (income) that form part of the statement of unit holders' fund - transferred to Distribution Statement		518	(38,195)
		20,494	27,153
Net unrealised appreciation / (diminution) during the year in market value of securities classified as 'available for sale'- transferred from other comprehensive income	5.4	84,780	(149,522)
Capital loss on sale of investments - net		(16,729)	(38,196)
Net unrealised diminution in value of investments at fair value through profit or loss - net		-	(5,543)
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing (loss) / income that form part of unit holder's fund		(518)	38,195
Net income for the year less distribution		14,189	(69,179)
		(3,058)	(74,723)
Final distribution for the year ended June 30, 2009: 379,961 bonus units (2009: 1,034,164 bonus units)		35,701	103,592
First interim distribution of 534,214 bonus units (2009: 446,892 bonus units)		51,290	45,114
Second interim distribution of 266,344 bonus units (2009: 375,063 bonus units)		26,174	35,294
Third interim distribution of 297,435 bonus units (2009: 354,672 bonus units)		29,360	34,020
Net assets at the end of the year		1,600,410	2,320,673

The annexed notes 1 to 30 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, 2010

	Note	2010 (Rupees in '000)	2009
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the year		181,441	248,286
Adjustments			
Unrealised diminution in value of investments at fair value through profit or loss - net		-	5,543
Amortisation of preliminary expenses and floatation costs		227	222
Provisoin against non-performing Term Finance Certificates and sukus	5.4 & 8.1	21,731	66,557
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		19,976	65,348
		230,375	385,956
(Increase) / Decrease in assets			
Receivables against Continuous Funding System (CFS) transactions		-	1,168,400
Investments - net		195,283	(2,916)
Loans and receivables		-	1,458,375
Income receivable		17,274	45,289
Advances, deposits, prepayments and other receivables		17,481	162,019
		230,038	2,831,167
Increase / (Decrease) in liabilities			
Payable to HBL Asset Management Limited - Management Company		681	(4,130)
Payable to Central Depository Company of Pakistan Limited-Trustee		179	(282)
Payable to Securities and Exchange Commission of Pakistan		(1,311)	(3,488)
Accrued expenses and other liabilities		8,783	(4,384)
		8,332	(12,284)
Net cash generated from operating activities		461,745	3,204,839
CASH FLOW FROM FINANCING ACTIVITIES			
Net payments against redemption of units		(946,017)	(3,475,780)
Distributions paid		(41,456)	(143,184)
Net cash outflow on financing activities		(987,473)	(3,618,964)
Net decrease in cash and cash equivalents		(525,728)	(414,125)
Cash and cash equivalents at beginning of the year		549,446	963,571
Cash and cash equivalents at the end of the year		23,718	549,446

The annexed notes 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive

Director

HBL INCOME FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

2 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 Changes in accounting policies and disclosures arising from standards, interpretations and amendments to published approved accounting standards that are effective in the current year

IAS 1 (Revised), 'Presentation of financial statements' (effective from January 1, 2009), was issued in September 2007. The revised standard prohibits the presentation of items of income and expenses (i.e, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement of financial position as at the beginning comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period.

The Fund has adopted IAS 1 (Revised) and has elected to present one performance statement. As a result the non-owner changes in equity which were previously credited directly in the statement of changes in equity are now shown as other comprehensive income in the performance statement (referred to as income statement in these financial statements). The adoption of the above standard has not affected the values of the net assets of the Fund for either the current or any of the prior periods and restated statement of assets and liabilities has not been presented. The adoption of this standard has resulted in increase in certain disclosures.

IFRS 7 (amendment) 'Financial instruments: Disclosures' (effective from January 1, 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment has resulted in certain additional disclosures but does not have an impact on the Fund's financial position or performance.

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

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

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, 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. Keeping in view the requirements set out in the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the adoption of this amendment did not impact the classification of units in the financial statements of the Fund.

IAS 39 (amendment), 'Financial instruments: Recognition and measurement' (effective from January 1, 2009). The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have a significant impact on the Fund's financial statements.

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

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

The following standards, amendments and interpretations to existing standards have been published but are not yet effective:

- a) IAS 7 (Amendment), 'Statement of Cash Flows' (effective from January 1, 2010). Amendment requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities. The amendment is not expected to have any impact on the Fund's financial statements.
- b) "IAS 24 'Related Party Disclosures' (revised) (effective from January 1, 2011). The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party.

There are certain other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2010 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.

2.5 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, valuation and impairment of investments (Note 3.3 and 5)
- ii) Amortisation of preliminary expenses and floatation costs (Note 3.8 and 7)

2.6 Accounting convention

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

2.7 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 adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except as explained in note 2.2 and 2.3 to these financial statements.

3.1 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.

3.2 Financial assets

3.2.1 Classification

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

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.

3.2.2 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.

3.2.3 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.

3.2.4 Subsequent measurement

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 specified 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 said circular alongwith the clarification subsequently issued on January 20, 2010 by the SECP also specifies the criteria for provisioning of non-performing debt securities. Accordingly, investment in debt securities have been valued at the rates determined and announced by the MUFAP.

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.

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 difference 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 other comprehensive income until the available for sale investment is derecognised. At this time, the cumulative gain or loss previously recognised in other comprehensive income is transferred to the Income Statement.

Loans and receivables

These are subsequently carried at amortised cost.

3.2.5 Impairment of financial assets

a) Impairment of debt securities

Provision in respect of 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 said circular was subsequently further clarified by the SECP on January 20, 2010 allowed the Asset Management Company to exercise discretion with respect to the timing for creating the requisite provision such as immediately on the day of classification as non-performing or spreading it over the number of days, as deemed appropriate in the best interest of unit holders.

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) Impairment of loans and receivables

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

3.2.6 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.

3.2.7 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.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.4 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.

3.5 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".

3.6 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.

3.7 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.

3.8 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.

3.9 Taxation

No provision for taxation has been made as the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund 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 is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund 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 no longer 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 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.

3.10 Accrued expenses

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

3.11 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.

3.12 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.

During the year the Fund has revised the methodology for recognition of element of income and capital gains included in the prices of units issued less those in units redeemed in the financial statements. As per the revised methodology, element of income and capital gains included in the prices of units issued less those in units redeemed to the extent that it is represented by distributable income earned during the year is recognised in the income statement and the element of income and capital gains represented by distributable income carried forward from prior periods is included in the distribution statement. Previously, the Fund also used to recognise element of income and capital gains represented by unrealised appreciation in the value of available for sale securities in the distribution statement. The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) and the net income of the Fund. The effect of the change on the distributable income has been incorporated in the current period. Had the methodology not been changed, the distributable income as at June 30, 2010 would have been lower by Rs. 31.089 million.

3.13 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.

3.14 Earnings Per Unit (EPU)

Earnings Per Unit (EPU) for the year ended June 30, 2010 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

3.15 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 when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Profit on bank deposits is recognised on an accrual basis.
- Profit on investments is recognised on an accrual basis.

3.16 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	2010	2009
		(Rupees in '000)	
	Current accounts	16	17
	Savings accounts	23,702	199,429
	Term Deposits Receipts	-	350,000
		<u>23,718</u>	<u>549,446</u>

5	INVESTMENTS	Note	2010	2009
			(Rupees in '000)	
	At fair value through profit or loss			
	- Equity securities acquired under CFS MK II square up program		-	11,301
	Available for sale			
	- Term Finance Certificates - Listed	5.2.1	629,681	712,785
	- Term Finance Certificates - Unlisted	5.2.2	392,142	580,117
	- Government Securities	5.3	539,444	389,298
			<u>1,561,267</u>	<u>1,693,501</u>

5.1 Investments at fair value through profit or loss

Equity securities acquired under CFS MK II square up program

Name of the Investee Company	-----Number of shares-----					Market value as at June 30, 2010	Market value as a percentage of total investment
	As at July 1, 2009	Purchases during the year	Bonus / rights issue	Sales during the year	As at June 30, 2010		

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

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

Financial Services							
Arif Habib Securities Limited	183,210	-	-	183,210	-	-	-
Jahangir Siddiqui & Company Limited	24,356	-	-	24,356	-	-	-
JS Investments Limited	672	-	-	672	-	-	-
	<u>208,238</u>	-	-	<u>208,238</u>	-	-	-
Banks							
Bank Alfalah Limited	142,222	-	-	142,222	-	-	-
Non Life Insurance							
Adamjee Insurance Company Limited	26,557	-	-	26,557	-	-	-
Personal Goods							
D.S. Industries Limited	6,441	-	-	6,441	-	-	-
Construction and Materials							
Pioneer Cement Limited	1,754	-	-	1,754	-	-	-
Software and Computer Services							
Netsol Technologies Limited	3,564	-	-	3,564	-	-	-
Fixed Line Telecommunication							
Pakistan Telecommunication Company Limited	100,084	-	-	100,084	-	-	-
Real Estate Investment and Services							
PACE (Pakistan) Limited	17,314	-	-	17,314	-	-	-
Total	<u>506,174</u>	-	-	<u>506,174</u>	-	-	-
Cost of investment at June 30, 2010						<u>-</u>	

5.2 Available for sale investments

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

Name of the Investee Company	-----Number of certificates-----				Market value/ Carrying value* as at June 30, 2010	Market value as a percentage of total investment
	As at July 1, 2009	Purchases during the year	Sales during the year	As at June 30, 2010		

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

5.2.1 Term Finance Certificates - Listed

Financial Services

Orix Leasing Pakistan Limited	28,300	-	-	28,300	93,934	6.02%
Jahangir Siddiqui & Company Limited	2,000	-	-	2,000	10,041	0.64%
Saudi Pak Leasing Company Limited	2,000	-	-	2,000	5,457	0.35%
	<u>32,300</u>	<u>-</u>	<u>-</u>	<u>32,300</u>	<u>109,432</u>	<u>0.99%</u>

Banks

Bank Alfalah Limited-II	4,000	-	-	4,000	19,636	1.26%
Bank Al Habib Limited	5,000	-	3,400	1,600	7,840	0.50%
Faysal Bank Limited	12,758	-	-	12,758	61,419	3.93%
NIB Bank Limited	33,000	-	-	33,000	158,300	10.14%
United Bank Limited	34,000	-	-	34,000	161,490	10.34%
	<u>88,758</u>	<u>-</u>	<u>3,400</u>	<u>85,358</u>	<u>408,685</u>	<u>26.18%</u>

Fixed Line Telecommunication

World Call Telecom Limited	35,000	-	11,250	23,750	111,564	7.15%
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	<u>156,058</u>	<u>-</u>	<u>14,650</u>	<u>141,408</u>	<u>629,681</u>	<u>34.31%</u>
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Cost of investment at June 30, 2010

658,456

Name of the Investee Company	-----Number of certificates-----				Market value/ Carrying value* as at June 30, 2010	Market value as a percentage of total investment
	As at July 1, 2009	Purchases during the year	Sales during the year	As at June 30, 2010		

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

5.2.2 Term Finance Certificates and Sukuk bonds - Unlisted

Food Producers

Al-Abbas Sugar Mills Limited	7,000	-	-	7,000	23,708	1.52%
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Telecommunication

Pakistan Mobile Communication Limited	42,000	-	4,000	38,000	93,547	5.99%
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Investment Banks / Companies / Securities

KASB Securities Limited	4,000	-	4,000	-	-	-
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Chemicals

Engro Fertilizer Limited - Perpetual I	41,600	-	-	41,600	185,616	11.89%
Engro Fertilizer Limited - Perpetual II	17,000	-	10,000	7,000	32,111	2.06%
Agriotech Limited (Formerly Pak American Fertilizers Limited) - note 5.2.3	2,000	-	-	2,000	7,194	0.46%
	<u>60,600</u>	<u>-</u>	<u>10,000</u>	<u>50,600</u>	<u>224,921</u>	<u>14.41%</u>

Construction and Materials

Maple Leaf Cement Factory Limited -Sukuk - note 5.2.4	7,000	-	-	7,000	25,843	1.66%
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Gas Water and Multiutilities

Sui Southern Gas Company Limited- Sukuk	3,000	-	-	3,000	14,634	0.94%
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Others

New Allied Electronics Industries (Pvt) Limited - note 5.2.5	9,000	-	-	9,000	-	-
New Allied Electronics Industries (Pvt) Limited -Sukuk - note 5.2.5	9,000	-	-	9,000	-	-
Kashf Foundation	6,000	-	-	6,000	4,281	0.27%
Eden Housing Limited - note 5.2.6	4,000	-	-	4,000	5,208	0.33%
	<u>28,000</u>	<u>-</u>	<u>-</u>	<u>28,000</u>	<u>9,489</u>	<u>0.61%</u>
	<u>151,600</u>	<u>-</u>	<u>18,000</u>	<u>133,600</u>	<u>392,142</u>	<u>25.12%</u>

Cost of investment at June 30, 2010

504,866

* In case of debt securities against which a provision has been made, these are carried at amortised cost less provision

- 5.2.3** During the year, Agritech Limited defaulted in payment of principal and mark-up due on May 30, 2010. In accordance with the requirements of Circular no.1 of 2009 and Circular no. 3 of 2010 issued by the Securities and Exchange Commission of Pakistan (SECP), the security has been classified as non-performing from June 15, 2010 (i.e from 15th day of the date of default) and no further mark-up is being accrued after the said date and mark-up already accrued has been reversed. In addition, a provision of 20% i.e. Rs.1.799 million has been made in respect of the amount outstanding against this exposure.
- 5.2.4** During the year, Maple Leaf Cement Factory Limited defaulted in payment of the fourth coupon of mark-up due on December 3, 2009. In accordance with the requirements of Circular No. 1 of 2009 and Circular No.3 of 2010 issued by the Securities and Exchange Commission of Pakistan (SECP), no further mark-up is being accrued after December 04, 2009 and mark-up already accrued has been reversed. Provision amounting to Rs. 9.142 million has been made during the year against the exposure in accordance with the provisioning policy approved by the Board of Directors of the Management Company. The financing arrangements of the investee company have been re-structured on March 30, 2010.
- 5.2.5** These represent investments in privately placed Term Finance Certificates and Sukuk bonds of the investee company. These investment were fully provided during last year. There were no repayments of markup and principal during the year in respect of the said Term Finance Certificates and Sukuks.
- 5.2.6** The Fund has made a provision of Rs 7.292 million against this exposure based on its classification as non-performing on July 15, 2009 after the default in payment of principal and mark-up due on June 30, 2009. The payments becoming due during the year have been received with delay and accordingly the investment continues to remain classified as non-performing by the Fund.
- 5.2.7** Investments include Term Finance Certificates having market value aggregating to Rs.10.041 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular no. 11 dated October 23, 2007 issued by SECP.
- 5.2.8** 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.
- 5.2.9** Significant terms and conditions of Term Finance Certificates outstanding as at June 30, 2010 are as follows.

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates - Listed				
Orix Leasing Pakistan Limited	3,331	1.50%+6 Month KIBOR	25-May-07	25-May-12
Jahangir Siddiqui & Company Limited	4,993	2.50%+6 Month KIBOR	21-Nov-06	21-May-12
Saudi Pak Leasing Company Limited	3,749	1.50%+6 Month KIBOR	13-Mar-08	13-Mar-13
Bank Alfalah Limited-II	4,989	1.50%+6 Month KIBOR	23-Nov-04	23-Nov-12
Bank Al Habib Limited	4,994	1.95%+6 Month KIBOR	7-Feb-07	7-Feb-15
Faysal Bank Limited	4,995	1.40%+6 Month KIBOR	12-Nov-07	12-Nov-14
NIB Bank Limited	4,996	1.15%+6 Month KIBOR	5-Mar-08	5-Mar-16
United Bank Limited	4,996	0.85%+6 Month KIBOR	14-Feb-08	14-Feb-18
World Call Telecom Limited	4,997	1.60%+6 Month KIBOR	7-Oct-08	7-Oct-13

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates - Unlisted and Sukuks				
Al-Abbas Sugar Mills Limited	3,498	1.75%+6 Month KIBOR	21-Nov-07	21-Nov-13
Pakistan Mobile Communication Limited	2,500	1.30%+6 Month KIBOR	1-Oct-07	1-Oct-10
Engro Fertilizer Limited - Perpetual I	5,000	1.70%+6 Month KIBOR	18-Mar-08	18-Mar-18
Engro Fertilizer Limited - Perpetual II	5,000	1.25%+6 Month KIBOR	18-Mar-08	18-Mar-18
Agritech Limited (Formerly Pak American Fertilizers Limited))	4,496	1.75%+6 Month KIBOR	30-Nov-07	30-Nov-14
Maple Leaf Cement Factory Limited -Sukuk	4,998	1.00%+3 Month KIBOR	3-Dec-07	3-Dec-18
Sui Southern Gas Company Limited- Sukuk	5,000	0.20%+3 Month KIBOR	31-Dec-07	31-Dec-12
New Allied Electronics Industries (Pvt) Limited	2,361	2.20%+6 Month KIBOR	3-Dec-07	3-Dec-12
New Allied Electronics Industries (Pvt) Limited - Sukuk	5,000	2.50%+6 Month KIBOR	15-May-07	15-May-11
Kashf Foundation	715	2.45%+6 Month KIBOR	5-Nov-07	14-Jul-10
Eden Housing Limited	3,125	2.50%+6 Month KIBOR	31-Dec-07	31-Dec-12

5.3 Investment in government securities - Available for sale

Issue Date	Tenor	Face value				Market Value as at June 30, 2010	Market Value as a percentage of total investment
		As at July 1, 2009	Purchases during the year	Sales / Matured during the year	As at June 30, 2010		

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

Treasury bill

February 26, 2009	6 months	-	250,000	250,000	-	-	-	
February 26, 2009	1 Year	-	100,000	100,000	-	-	-	
March 26, 2009	6 months	-	225,000	225,000	-	-	-	
April 09, 2009	6 months	-	300,000	300,000	-	-	-	
April 09, 2009	1 Year	-	535,000	535,000	-	-	-	
April 23, 2009	1 Year	400,000	-	400,000	-	-	-	
May 07, 2009	6 months	-	150,000	150,000	-	-	-	
June 04, 2009	1 Year	-	75,000	75,000	-	-	-	
June 18, 2009	6 months	-	100,000	100,000	-	-	-	
June 18, 2009	1 Year	-	250,000	250,000	-	-	-	
August 13, 2009	1 Year	-	100,000	-	100,000	98,629	6.32%	
September 10, 2009	3 months	-	150,000	150,000	-	-	-	
September 26, 2009	3 months	-	375,000	375,000	-	-	-	
October 08, 2009	3 months	-	200,000	200,000	-	-	-	
October 08, 2009	1 Year	-	100,000	100,000	-	96,842	6.20%	
October 22, 2009	3 months	-	350,000	350,000	-	-	-	
December 17, 2009	6 months	-	100,000	100,000	-	-	-	
March 11, 2010	3 months	-	300,000	300,000	-	-	-	
April 08, 2010	3 months	-	155,000	95,000	60,000	59,982	3.84%	
April 22, 2010	3 months	-	40,000	10,000	30,000	29,863	1.91%	
June 03, 2010	3 months	-	100,000	-	100,000	98,184	6.29%	
June 17, 2010	3 months	-	135,000	-	135,000	131,939	8.45%	
			400,000	4,090,000	4,065,000	425,000	515,439	33.0%

Pakistan Investment Bonds

August 30, 2008	10 Years	25,000	-	-	25,000	24,005	1.54%
September 03, 2009	03 Years	-	25,000	25,000	-	-	-
		25,000	25,000	25,000	25,000	24,005	1.54%

Grand total

425,000	4,115,000	4,090,000	450,000	539,444	34.55%
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Cost of investment at June 30, 2010

539,429

2010 **2009**
(Rupees in '000)

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

Market value of investments	1,561,267	1,682,200
Less: Cost of Investments	(1,702,751)	(1,890,232)
	<u>(141,484)</u>	<u>(208,032)</u>
Less: Provision against non-performing TFCs and sukuk	(84,789)	(66,557)
	<u>(56,695)</u>	<u>(141,475)</u>
Less: Net unrealised (diminution) / appreciation in fair value of investments classified as 'available for sale' at the beginning of the year	(141,475)	8,047
	<u>84,780</u>	<u>(149,522)</u>

6 INCOME RECEIVABLE

Profit receivable on savings and term deposits	69	5,041
Income accrued on Term Finance Certificates	37,298	49,600
Income accrued on Government Securities	1,003	1,003
	<u>38,370</u>	<u>55,644</u>

	2010	2009
	(Rupees in '000)	
7 PRELIMINARY EXPENSES AND FLOATATION COSTS		
Preliminary expenses and floatation costs incurred	1,135	1,135
Less: Amortisation accumulated	<u>(741)</u>	<u>(514)</u>
	<u>394</u>	<u>621</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.

	Note	2010	2009
		(Rupees in '000)	
8 ADVANCE, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited		100	100
Receivable against maturity of Term Finance Certificates (TFCs) and Sukuks		3,499	4,800
Receivable against sales of securities		9,900	22,741
Prepaid fee		160	-
Others		<u>1</u>	<u>1</u>
		16,160	30,142
Less: Provision against maturity of Term Finance Certificates	8.1	<u>(3,499)</u>	<u>-</u>
		<u>12,661</u>	<u>30,142</u>

8.1 This represents provision in respect of principal receivable of TFCs and sukuk certificates issued by Agritech Limited and Eden Housing Limitd, respectively, as detailed in note 5.

	Note	2010	2009
		(Rupees in '000)	
9 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee	9.1	4,625	3,211
Preliminary expenses and floatation costs incurred on behalf of the Fund		432	1,135
Security deposit paid by the management company on behalf of the Fund		100	100
Annual listing fee paid by the management company on behalf of the Fund		<u>-</u>	<u>30</u>
		<u>5,157</u>	<u>4,476</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.

	2010	2009
	(Rupees in '000)	
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Trustee's remuneration	<u>475</u>	<u>296</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, 2010 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.

		2010	2009
		(Rupees in '000)	
11	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee	<u>1,639</u>	<u>2,950</u>
11.1	Under the provisions of the Non Banking Finance Companies & Notified Entities Regulations, 2008, a collective investment scheme categorised as income 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. HBL Income Fund has been categorised as an income scheme by the management company.		
		Note	
		2010	2009
		(Rupees in '000)	
12	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	360	350
	Brokerage payable	37	40
	Payable to unit holders against redemption of units	19,525	538
	Provision for Workers' Welfare Fund	16 8,771	-
	Other payables	<u>36</u>	<u>31</u>
		<u>28,729</u>	<u>959</u>
13	COMMITMENTS		
	There are no outstanding commitments and contingencies at the end of the year.		
		For the year ended June 30, 2010	For the year ended June 30, 2009
		(Rupees in '000)	
14	PROFIT ON BANK DEPOSITS		
	Income on savings deposits	8,157	57,984
	Income on term deposit receipts	<u>12,284</u>	<u>74,319</u>
		<u>20,441</u>	<u>132,303</u>
		2010	2009
15	AUDITORS' REMUNERATION	(Rupees in '000)	
	Statutory audit fee	250	250
	Half yearly review fee	75	75
	Reporting on compliance with the Code of Corporate Governance	25	25
	Out of pocket expenses	<u>35</u>	<u>172</u>
		<u>385</u>	<u>522</u>
16	PROVISION FOR WORKERS' WELFARE FUND		
	The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund (WWF) Ordinance, 1971, whereby the definition of "industrial establishment" was amended to include therein, any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. Management Company of the Fund, based on a legal advice obtained through Mutual Funds Association of Pakistan (MUFAP) was of a firm view that Collective Investment Scheme (CIS) were not establishments and therefore, the WWF Ordinance should not be applicable to such schemes. The MUFAP had also filed a constitutional petition in the High Court of Sindh (the Court) on behalf of the members, challenging the applicability of WWF to the CIS. The said petition was dismissed by the Court vide its order dated May 25, 2010 on the main ground that the MUFAP (Petitioner) could not be held entitled to maintain a petition in respect of its members as it was not the aggrieved party, and the main ground could be examined when the aggrieved parties directly approached the Court for redressal.		
	Consequently, on June 30, 2010, a constitutional petition was filed in the High Court of Sindh by certain representative CIS and approved pension funds under the Voluntary Pension System Rules, 2005, through their trustees, M/S Central Depository Company of Pakistan Limited, and with the management companies, which is pending adjudication.		
	In the meantime, clarification has been obtained by the MUFAP from the Ministry of Labour & Manpower, Workers' Welfare Fund, Government of Pakistan, which, through their letter No.s WWF (A – II)11.(5)/2010 dated July 8, 2010 and July 15, 2010, has clarified that the WWF Ordinance, 1971 does not have any provisions for the applicability of WWF on those entities whose income are exempt from income tax under any provisions of any law, and that mutual funds are a product being managed / sold by asset management companies which are liable to contribute towards the said WWF levy. Varying treatments have been followed in the industry with regard to recognition of provision for WWF as some funds have recognised provision for WWF while others have not. The various clarifications and legal advises obtained by the MUFAP are presently under consideration of the management. In the meantime, as a matter of prudence and abundant caution, the management company of the Fund has decided to recognise a provision for WWF in these financial statements.		

17 FINANCIAL INSTRUMENTS BY CATEGORY

-----As at June 30, 2010-----				
	Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
-----Rupees in '000-----				
Financial assets				
Bank balances	23,718	-	-	23,718
Investments	-	-	1,561,267	1,561,267
Income receivable	38,370	-	-	38,370
Advances, deposits and other receivables	12,501	-	-	12,501
	<u>74,589</u>	<u>-</u>	<u>1,561,267</u>	<u>1,635,856</u>

-----As at June 30, 2010-----			
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
-----Rupees in '000-----			
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	-	5,157	5,157
Payable to Central Depository Company of Pakistan Limited - Trustee	-	475	475
Accrued expenses and other liabilities	-	28,729	28,729
	<u>-</u>	<u>34,361</u>	<u>34,361</u>

-----As at June 30, 2009-----				
	Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
-----Rupees in '000-----				
Financial 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-----			
Financial 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>

18 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, 2010	For the year ended June 30, 2009
	(Rupees in '000)	
18.1 Transactions during the year		
HBL Asset Management Limited - Management Company		
Management fee	32,770	50,367
Issue of Nil units (2009:1,469,921 units)	-	150,000
Issue of 67,568 bonus units (2009: 59,853 units)	6,513	5,801
Redemption of Nil units (2009: 740,562 units)	-	76,152
Habib Bank Limited - Sponsor		
Issue of Nil units (2009: 3,857,281 units)	-	400,000
Issue of 617,161 bonus units (2009: 612,315 units)	59,490	59,561
Bank charges paid	198	124
Placement in Term Deposits Receipts	630,000	2,450,000
Maturity of Term Deposits Receipts	980,000	2,100,000
Profit on bank deposits and term deposits earned	13,908	34,796
Profit received on bank deposits and term deposits	14,132	67,735
Sales of Nil ordinary shares (2009:75,297 shares)	-	6,932
Gain on sale of shares	-	1,570
CDC-Trustee HBL Multi Asset Fund		
Sales of Term Finance Certificates: Nil (2009: Cost of Rs.59.998 million)	-	59,135
CDC-Trustee HBL Stock Fund		
Sales of Term Finance Certificates: Nil (2009: Cost of Rs. 75 million)	-	76,802
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Issue of 308,653 units (2009: 379,403 units)	30,050	37,591
Issue of 37,210 bonus units (2009: 8,620 units)	3,605	860
Redemption of 510,716 units (2009: 458,760 units)	51,000	47,348
Executives and their relatives		
Issue of Nil bonus units (2009: 8 units)	-	1
Redemption of Nil units (2009: 337 units)	-	35
Associated companies		
Issue of Nil units (2009: 1,547,828 units)	-	150,000
Issue of Nil bonus units (2009: 219,449 units)	-	21,447
Redemption of Nil units (2008: 3,799,455 units)	-	367,476
Investment in Term Deposit Receipts	-	100,000
Profit earned on TDR, COIs and TFCs	-	1,975
Subscription of Term Finance Certificates	-	-
Profit earned on Term Finance Certificates	1,696	6,463
Profit received on Term Finance Certificates	2,224	4,525
Central Depository Company of Pakistan Ltd. - Trustee		
Remuneration	3,185	4,358
Redemption of Nil units (2009: 824,449 units)	-	82,988
Issue of Nil bonus units (2009: 27,001 units)	-	2,711
Central Depository System Charges	4	127

18.2 Amount outstanding as at year end	2010	2009
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Investment held by the management company in the Fund (856,779 units; 2008: 789,212 units)	86,483	76,127
Management fee payable	4,625	3,211
Preliminary expenses and floatation cost payable	432	1,135
Annual listing fee paid by management company on behalf of the Fund - payable	-	30
Security deposit paid by management company on behalf of the Fund - payable	100	100
Habib Bank Limited - Sponsor		
Investment held in the Fund (7,825,778 units ; 2009: 7,208,618 units)	789,934	695,343
Term Deposit Receipts balance	-	350,000
Profit (receivable) on bank deposits including Term Deposit Receipts	63	286
Balance in savings account	20,539	10,247
Balance in current account	16	17
CDC-Trustee HBL Multi Asset Fund		
Receivable against sale of securities	-	22,281
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Investment held in the Fund (78,512 units ; 2009: 243,364 units)	7,925	23,475
Associated companies		
Investment in Term Finance Certificates	4,281	21,432
Profit receivable on COIs and TFCs	133	669
Central Depository Company of Pakistan Ltd. - Trustee		
Remuneration payable	475	296
Central Depository System Charges payable	4	8

19 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

			2010
		Designation	Qualification
1	Shahid Ghaffar	Chief Executive Officer	MBA
2	Rehan N Shaikh	Chief Operating Officer	M.Com
3	Amir Khan	Fund Manager	MBA
4	Umar Farooq	Manager Research	MBA
5	Noman Qurban	Manager Compliance	ACA

19.1 Amir Khan is the Manager of the Fund. He has obtained a Masters Degree in Business Administration. He is also the Fund Manager of HBL Multi Asset Fund.

20 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID**Top ten brokers during the year ended June 30, 2010**

1	Alfalah Securities (Private) Limited.
2	Atlas Capital Markets (Private) Limited
3	BMA Capital Market Limited.
4	First Capital Equities Limited
5	Global Securities Pakistan Limited.
6	IGI Finex Securities Limited
7	Invest Capital and Securities (Private) Limited
8	Invisor Securities (Private) Limited
9	JS Global Capital Limited
10	KASB Securities Limited

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

21 PATTERN OF UNIT HOLDING

	----- As at June 30, 2010 -----		
	Number of unit holders	Investment amount	Percentage investment
	(Rupees in '000)		
Individuals	422	163,744	10.23%
Associated companies	2	876,406	54.76%
Directors	2	7,925	0.50%
Insurance companies	1	237	0.01%
Banks / DFIs	6	282,780	17.67%
Retirement funds	11	26,414	1.65%
Others	8	242,904	15.18%
	<u>452</u>	<u>1,600,410</u>	<u>100.00%</u>
	----- 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	5.93%
Banks and 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%
	<u>443</u>	<u>2,320,673</u>	<u>100.00%</u>

22 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 17th, 18th, 19th, 20th, 21st and 22nd board meetings were held on July 07, 2009, October 13, 2009, October 30, 2009, February 24, 2010, March 26, 2010 and April 16, 2010 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	21st meeting
2 Mr. Shahid Ghaffar	6	6	-	-
3 Mr. Sohail Malik	6	6	-	-
4 Mr. Abid Sattar	6	6	-	-
5 Mr. Towfiq H. Chinoy	6	3	3	17th, 18th and 20th meeting
6 Ms. Sadia Khan	6	5	1	17th meeting

23 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 in other money market instruments. These activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk.

23.1 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.

23.1.1 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.

23.1.2 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, 2010, 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 2,692,640 (2009: Rs 3,442,883).

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, 2010, 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, 2010, with all other variables held constant, the net assets would be lower by Rs. 1,945,120 (2009: 4,046,419). In case of 100 basis points decrease in rates announced by the Financial Market Association on June 30, 2010, with all other variables held constant, the net assets would be higher by Rs. 2,023,708 (2009: 4,062,125).

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, 2010 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, 2010 -----					
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	23,718	23,702	-	-	16
Investments	1,561,267	1,014,169	523,093	24,005	-
Income receivable	38,370	-	-	-	38,370
Advances, deposits and other receivables	12,501	-	-	-	12,501
	1,635,856	1,037,871	523,093	24,005	50,887
Financial liabilities					
Accrued expenses and other liabilities	28,729	-	-	-	28,729
Payable to HBL Asset Management Limited - Management Company	5,157	-	-	-	5,157
Payable to Central Depository Company of Pakistan Limited -Trustee	475	-	-	-	475
	34,361	-	-	-	34,361
On-balance sheet gap 2010	1,601,495	1,037,871	523,093	24,005	16,526
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap 2010	-	-	-	-	-
----- 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	549,446	549,429	-	-	17
Investments	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
	2,328,733	1,178,598	1,027,971	25,060	97,104
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
	5,731	-	-	-	5,731
On-balance sheet gap 2009	2,323,002	1,178,598	1,027,971	25,060	91,373
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap 2009	-	-	-	-	-

23.1.3 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. The Fund is not exposed to any price risk as on June 30, 2010.

23.2 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, 2010:

Debt securities by rating category	2010	2009
AA+	10.63%	9.76%
AA	41.07%	33.13%
AA-	8.29%	24.31%
A+	28.17%	14.02%
A	11.41%	15.77%
A-	0.44%	2.44%
BBB	-	0.57%
	<u>100%</u>	<u>100%</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2010 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

Carrying amount of debt securities classified as available for sale that would otherwise be past due or impaired whose terms have been restructured is Rs. 25.843 million.

Out of the total bank balances of Rs 23.702 million maintained in savings accounts and short-term placements, amounts aggregating Rs 23.682 million have been placed with banks having short-term credit rating of A1+, an amount of Rs 19,418 with a bank having short-term rating of A1, whereas remaining amount is placed with a bank having minimum short term credit rating of A2. Management, after giving due consideration to their strong financial standing, does not expect non-performance by these counter parties on their obligations to the Fund.

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.

23.3 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 2010-----				
	Total	Upto three months	Over three months and upto one year	Over one year
------(Rupees in '000)-----				
Financial liabilities				
Accrued expenses and other liabilities	28,729	28,729	-	-
Payable to HBL Asset Management Limited - Management Company	5,157	5,157	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	475	475	-	-
	34,361	34,361	-	-
-----As at June 2009-----				
	Total	Upto three months	Over three months and upto one year	Over one year
------(Rupees in '000)-----				
Financial liabilities				
Accrued expenses and other liabilities	10,605	959	-	-
Payable to HBL Asset Management Limited - Management Company	8,606	4,476	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	578	296	-	-
	19,789	5,731	-	-

24 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 23, 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.

25 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.

The fair value of financial assets and liabilities traded in active markets (e.g. Pakistan Investment Bonds and Treasury Bills) are based on the quoted market prices at the close of trading on the year end date. The quoted market prices used for financial assets held by the Fund is current bid price.

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

The fair value of financial assets (e.g Terms Finance Certificates and Sukuks) that are not traded in an active market is determined with reference to the values quoted by MUFAP. The fair value quoted by MUFAP is calculated in accordance with valuation methodology prescribed by Circular 1 of 2009 dated January 6, 2009 issued by the Securities and Exchange Commission of Pakistan (SECP).

If a security is not quoted by MUFAP due to it being 'non-performing status', its values is determined by applying discount in accordance with Circular No. 1 of 2009 issued by the SECP.

The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced.

The Fund adopted the amendment to IFRS 7, effective 1 January 2009. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Assets	Level 1	Level 2	Level 3	Total
Financial assets available for sale				
- Debt securities	-	983,578	38,245	1,021,823
- Government treasury bills	539,444	-	-	539,444

The following table presents the transfers between levels for the year ended June 30, 2010

	Level 1	Level 2	Level 3
Transfers between level 2 and level 3			
- Debt securities	-	(38,245)	38,245

The following table presents the movement in level 3 instruments for the year ended June 30, 2010 by class of financial instruments.

	Debt securities
Opening balance	-
Transfers into level 3	38,245
Sales / redemptions	-
Closing balance	<u>38,245</u>

26 DISCLOSURE UNDER CIRCULAR NO. 16 OF 2010 ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - CATEGORIZATION OF OPEN END SCHEME

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. HBL Asset Management Limited (Management Company) classified HBL Income Fund (the Fund) as 'Income Scheme' in accordance with the said circular. As at June 30, 2010, the Fund is compliant with all the requirements of the said circular except for clause 9(v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
-----Rupees in '000-----						
Meaple leaf Cement Factory	Sukuk	34,985	9,142	25,843	1.61%	2%
New Allied Electronics	TFC	21,557	21,557	-	0%	0%
New Allied Electronics	Sukuk	45,000	45,000	-	0%	0%
Eden Housing Ltd	Sukuk	15,000	9,792	5,208	0.33%	0.32%
Agri Tech Limited	TFC	9,992	2,798	7,194	0.45%	0.44%
Saudi Pak Leasing Company Limited	TFC	7,497	2,040	5,457	0.34%	0.33%

27 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on July 07, 2010 has declared final dividend at Rs. 3.50 per unit in the form of bonus units for Class 'A' and Class 'B' units and cash dividend of Rs 3.50 per unit for Class 'C' unit for the year ended June 30, 2010. The financial statements of the Fund for the year ended June 30, 2010 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, 2011.

28 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No major reclassifications were made except that 'Legal and Professional charges' are now being shown separately on the income statement, previously these were shown under other expenses.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 16, 2010.

30 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director

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
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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.
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Fax: 021-6317086

Habib bank Limited
Corporate Branch,
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Phone: 021-2418000
Fax: 021-2413839

Habib bank Limited
Kehkashan Branch,
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Phone: 021-5875935-40
Fax: 021-5875914

Habib bank Limited
Foreign Exchange Branch,
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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,
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Fax: 021-5810047

Habib bank Limited
Shahra-e-Jahangir Branch,
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Fax: 021-6642090

Jacobabad

Habib Bank Limited
Quid-e Azam Road,
Jacobabad.
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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
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Town, Lahore.
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Fax: 042-6302032

Habib Bank Limited
19-Ali Block New Garden Town Branch, Lahore
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Fax: 042-35912486

Habib Bank Limited
Corporate Branch
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Gujranwala

Habib Bank Limited
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Faisalabad

Habib Bank Limited
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Fax: 041-9220123

Habib Bank Limited
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Fax: 041-8531985

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Habib Bank Limited
Corporate Branch
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Fax: 051-2822206

NWFP
Peshawar

Habib Bank Limited
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Peshawar Cantt. Peshawar.
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Fax: 091-5278869

Balochistan
Quetta

Habib Bank Limited
Complex Branch
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2. Other Distributors

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Fax: 021-32270519

Alfalsh Securities (Pvt.) Limited
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Fax: 021-99217827

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Foundation Securities (Pvt.) Limited.
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Fax: 021-111-567-567

Invest Capital & Securities (Pvt.) Limited.
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Fax: 021-35215200

Invisor Securities (Pvt.) Limited.
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Fax: 021-35611529

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Pyramid Financial Consultant
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Fax: 021-35638265

Reliance Financial Products (Pvt.) Limited
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Siza Commodities Pvt.) Limited
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Soneri Bank Limited
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The First National Equities Limited
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