



# AL Habib Funds

## Quarterly Report

March 31, 2021

**Managed By:**

**AL HABIB ASSET MANAGEMENT LIMITED**

**Rated AM2 by PACRA**



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**FIRST HABIB CASH FUND**  
**Quarterly Report**  
**March 31, 2021**

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## DIRECTORS' REPORT

The Board of Directors of AL Habib Asset Management Limited is pleased to present the un-audited financial statements of the Funds under its management for the period ended March 31, 2021.

During the period under review the State Bank of Pakistan maintained the policy rate at 7.00% which continued to provide impetus to the economy as evident from notable improvement in macro economic indicators. The yield curve in secondary market maintained its upward trajectory during the period. The benchmark KSE-100 remained volatile and KSE 100 index posted a return of 1.90% during the quarter ended March 31, 2021 and 29.53% during the nine months ended March 31, 2021.

Alhamdolillah VIS Credit Rating Company has upgraded stability rating of First Habib Cash Fund from AA(f) to AA+(f) and PACRA has upgraded stability rating of First Habib Income Fund from AA-(f) to AA(f).

First Habib Cash Fund generated a net annualized return of 6.64% for the nine months ended March 31, 2021 against benchmark return of 6.73%. The Fund's gross income was Rs. 325.50 million, which comprises income of Rs. 180.02 million from government securities and Rs. 147.89 million from bank deposits. During the period, the Fund has distributed cumulative interim dividends of Rs. 4.82 per unit.

First Habib Income Fund generated a net annualized return of 5.76% for the nine months ended March 31, 2021 against benchmark return of 7.42%. The Fund's gross income was Rs. 44.03 million which mainly comprises income of Rs. 23.18 million from government securities and Rs. 15.24 million from TFCs/Sukuks.

First Habib Islamic Income Fund generated a net annualized return of 6.48% for the nine months ended March 31, 2021 against the benchmark return of 3.72%. The Fund's gross income was Rs. 642.75 million, which mainly comprises income of Rs. 295.73 million from bank deposits and Rs. 274.69 million from Sukuks. During the period, the Fund has distributed cumulative interim dividends of Rs. 4.73 per unit.

First Habib Asset Allocation Fund generated a net return of 11.88% for the nine months ended March 31, 2021 against the benchmark return of 17.50%. The Fund's gross income was Rs. 13.12 million, which mainly comprises income of Rs. 9.10 million from realized and unrealized capital gains on investments and Rs. 2.57 from dividend income.

First Habib Stock Fund generated a net return of 20.39% for the nine months ended March 31, 2021 against benchmark return of 28.90%. The Fund's gross income was Rs. 23.50 million, which mainly comprises income of Rs. 17.99 million from realized and unrealized capital gains on investments and Rs. 4.78 from dividend income.

First Habib Islamic Stock Fund generated a net return of 22.77% for the nine months ended March 31, 2021 against benchmark return of 32.81%. The Fund's gross income was Rs. 16.12 million, which mainly comprises income of Rs. 9.98 million from realized and unrealized capital gains on investments and Rs. 5.28 from dividend income.

We wish to thank our unit holders for their continued trust and support, Securities & Exchange Commission of Pakistan for their guidance and Central Depository Company of Pakistan Limited for their cooperation. We also thank all our staff members for their sincerity, dedication, and hard work.

KASHIF RAFI  
Chief Executive

ABBAS D. HABIB  
Chairman  
Board of Directors

Karachi: April 19, 2021

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**FUND'S INFORMATION**

**Management Company**

AL Habib Asset Management Limited

**Board of Directors of the Management Company**

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali Khan	Director
Mr. Imran Azim	Director
Ms. Zarin Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

**Chief Financial Officer**

Mr. Abbas Qurban

**Company Secretary & Chief Operating Officer**

Mr. Zahid Hussain Vasnani

**Audit Committee**

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Mr. Imran Azim	Member

**Human Resource Committee**

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Ms. Zarin Aziz	Member
Mr. Kashif Rafi	Member

**Auditors**

Chartered Accountants  
Sheikh Sultan Trust Building No.2,  
Beaumont Road, Karachi.

**Legal Advisor**

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

**Trustee**

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

**Rating**

AA+(f) Fund Stability Rating by VIS  
AM2 Management Company Quality Rating by PACRA.

**Bankers to the Fund**

Bank AL Habib Limited  
Allied Bank Limited  
Bank Alfalah Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited

**Registered Office:** 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

FIRST HABIB CASH FUND

**Condensed Interim Statement of Asset and Liabilities**

*As at March 31, 2021*

		<b>March 31 2021 (Un-Audited) ------(Rupees in '000)-----</b>	<b>June 30 2020 (Audited)</b>
<b>Assets</b>			
Bank balances	4	<b>11,622,472</b>	3,656,157
Investment	5	-	866,323
Income receivable		<b>63,273</b>	16,695
Advance, deposits, prepayments and other receivable	6	<b>1,351</b>	1,178
<b>Total assets</b>		<b>11,687,096</b>	4,540,353
<b>Liabilities</b>			
Payable to AL Habib Asset Management Limited - Management Company		<b>4,456</b>	1,406
Provision for Federal Excise Duty on remuneration of the Management Company		<b>13,417</b>	13,417
Payable to Central Depository Company of Pakistan Limited - Trustee		<b>609</b>	183
Payable to Securities and Exchange Commission of Pakistan		<b>885</b>	428
Provision for Sindh Workers' Welfare Fund	7	<b>19,562</b>	13,593
Payable against redemption of units		<b>162</b>	5,694
Payable against purchase of investment		-	866,238
Accrued expenses and other liabilities		<b>8,875</b>	2,460
<b>Total liabilities</b>		<b>47,966</b>	903,419
<b>Net assets</b>		<b>11,639,130</b>	3,636,934
<b>Unit holders' fund (as per the statement attached)</b>		<b>11,639,130</b>	3,636,934
		------(Number of units)-----	
<b>Number of units in issue (face value of units is Rs. 100 each)</b>		<b>115,861,815</b>	36,232,142
		------(Rupees)-----	
<b>Net asset value per unit</b>		<b>100.46</b>	100.38
<b>Contingencies and commitments</b>	8		

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

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**Condensed Interim Income Statement (Un-Audited)***For the nine months and quarter ended March 31, 2021*

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
Note	(Rupees in '000)			
<b>Income</b>				
Profit on bank deposits	147,894	123,330	84,214	30,000
Income on government securities	180,018	79,652	80,332	36,748
Markup on placements	-	8,084	-	-
- Net realised (loss) / gain on sale of investments	(2,409)	139	(152)	713
- Net unrealised loss on revaluation of investments	-	-	(95)	-
	(2,409)	139	(247)	713
<b>Total income</b>	<b>325,503</b>	<b>211,205</b>	<b>164,299</b>	<b>67,461</b>
<b>Expenses</b>				
Remuneration of AL Habib Asset Management Limited - Management Company	15,036	11,099	6,035	2,400
Sindh Sales tax on management fee	1,955	1,443	785	312
Expenses allocated by Management Company	5,042	786	2,874	786
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,875	972	1,427	312
Sindh Sales tax on Trustee fee	374	126	186	40
Annual fee - Securities and Exchange Commission of Pakistan	885	303	437	96
Brokerage expense	211	82	120	1
Settlement and bank charges	88	48	34	2
Auditors' remuneration	333	242	110	60
Annual listing fee	35	21	22	6
Mutual fund rating fee	200	200	66	66
Printing charges	49	49	16	16
<b>Total expenses</b>	<b>27,083</b>	<b>15,369</b>	<b>12,112</b>	<b>4,095</b>
<b>Net income from operating activities</b>	<b>298,420</b>	<b>195,835</b>	<b>152,187</b>	<b>63,365</b>
Provision for sindh workers' welfare fund	(5,968)	(3,916)	(3,043)	(1,357)
<b>Net income for the period before taxation</b>	<b>292,452</b>	<b>191,919</b>	<b>149,144</b>	<b>62,008</b>
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	<b>292,452</b>	<b>191,919</b>	<b>149,144</b>	<b>62,008</b>
<b>Allocation of net income for the period after taxation</b>				
Net income for the period after taxation	292,452	191,919	149,144	62,008
Income already paid on units redeemed	(71,847)	(21,985)	(45,772)	(8,230)
	220,605	169,934	103,372	53,778
<b>Accounting income available for distribution:</b>				
Relating to capital gains	(1,817)	123	(171)	618
Excluding capital gains	222,422	169,811	103,543	53,160
	220,605	169,934	103,372	53,778

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

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Statement of Comprehensive Income (Un-Audited)**

*For the nine months and quarter ended March 31, 2021*

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	<b>292,452</b>	191,919	<b>149,144</b>	62,008
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>292,452</u></b>	<u>191,919</u>	<b><u>149,144</u></b>	<u>62,008</u>

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

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

## Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)

For the nine months ended March 31, 2021

	March 31, 2021			March 31, 2020		
	Capital Value	Undistributed Income	Net Asset	Capital Value	Undistributed Income	Net Asset
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	3,629,756	7,178	3,636,934	2,201,991	3,990	2,205,981
<b>Issuance of 293,914,450 units (2020: 36,184,561 units)</b> including additional 975,407 units issued at nil value						
- Capital value	29,498,195	-	29,498,195	3,628,778	-	3,628,778
- Element of income	97,916	-	97,916	23,924	-	23,924
Amount received on issuance of units	29,596,111	-	29,596,111	3,652,702	-	3,652,702
<b>Redemption of 214,284,778 units (2020: 30,490,944 units)</b>						
- Capital value	(21,509,906)	-	(21,509,906)	(3,986,224)	-	(3,986,224)
- Element of income	(104,540)	(71,847)	(176,387)	(22,327)	(21,985)	(44,312)
Amount paid / payable on redemption of units	(21,614,446)	(71,847)	(21,686,293)	(4,008,551)	(21,985)	(4,030,536)
Total comprehensive income for the period	-	292,452	292,452	-	191,919	191,919
Interim distribution for the year ended June 30, 2020:						
Rs. 8.5169 per unit	-	-	-	-	(125,112)	(125,112)
Interim distribution for the year ended June 30, 2021:						
Rs. 4.8184 per unit	-	(200,074)	(200,074)	-	-	-
Net income for the period less distribution	-	92,378	92,378	-	66,807	66,807
<b>Net assets at the end of the period</b>	<b>11,611,421</b>	<b>27,709</b>	<b>11,639,130</b>	<b>1,846,143</b>	<b>48,812</b>	<b>1,894,955</b>
<b>Undistributed income brought forward</b>						
- Realised income		7,093			4,047	
- Unrealised income / (loss)		85			(57)	
		7,178			3,990	
<b>Accounting income available for distribution</b>						
- Relating to capital loss / gains		(1,817)			123	
- Excluding capital gains		222,422			169,811	
		220,605			169,934	
Interim distribution for the year ended June 30, 2020:						
Rs. 8.5169 per unit		-			(125,112)	
Interim distribution for the year ended June 30, 2021:						
Rs. 4.8184 per unit		(200,074)			-	
<b>Undistributed income carried forward</b>		<b>27,709</b>			<b>48,812</b>	
<b>Undistributed income carried forward comprises of:</b>						
- Realised income		27,709			48,812	
- Unrealised loss		-			-	
		27,709			48,812	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		100.38			100.29	
Net assets value per unit at end of the period		100.46			101.39	

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

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB CASH FUND

**Condensed Interim Cash Flow Statement (Un-Audited)**

*For the nine months ended March 31, 2021*

	<b>Nine Months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	<b>292,452</b>	191,919
<b>Adjustments for non-cash and other items</b>		
Provision for Sindh Workers' Welfare Fund	<b>5,968</b>	68,572
	<b>298,420</b>	260,491
<b>(Increase) / Decrease in assets</b>		
Investments	<b>866,323</b>	300,885
Placements	-	200,000
Income receivable	<b>(46,578)</b>	(15,338)
Advance, deposits, prepayments and other receivable	<b>(172)</b>	(515)
	<b>819,573</b>	485,032
<b>increase / (Decrease) in liabilities</b>		
Payable to AL Habib Asset Management Limited - Management Company	<b>3,050</b>	(546)
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>426</b>	(100)
Payable to Securities and Exchange Commission of Pakistan	<b>457</b>	(1,646)
Payable against redemption of units	<b>(5,532)</b>	3,874
Payable against purchase of investment	<b>(866,238)</b>	-
Accrued expenses and other liabilities	<b>6,415</b>	(349)
	<b>(861,422)</b>	1,233
<b>Net cash generated from operating activities</b>	<b>256,571</b>	746,756
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	<b>29,596,111</b>	3,652,702
Payments against redemption of units	<b>(21,686,293)</b>	(4,030,536)
Dividend paid during the period	<b>(200,074)</b>	(125,112)
<b>Net cash generated from / (used in) financing activities</b>	<b>7,709,744</b>	(502,945)
Net increase in cash and cash equivalents during the period	<b>7,966,315</b>	243,810
Cash and cash equivalents at the beginning of the period	<b>3,656,157</b>	1,731,502
Cash and cash equivalents at the end of the period	<b>11,622,472</b>	1,975,312
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	<b>11,622,472</b>	1,975,312
	<b>11,622,472</b>	1,975,312

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

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

## Notes to the Condensed Interim Financial Statements (Un-Audited)

For the nine months and quarter ended March 31, 2021

### 1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd Floor MacKinnon's Building, I.I. Chundrigar Road Karachi, Pakistan.

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

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

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

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2' to the Management Company and VIS has assigned fund stability ranking of AA+(f) to the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

**2.1.2** This condensed interim financial information does not include all the information and the disclosures required in the annual financial statement and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

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

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

## FIRST HABIB CASH FUND

**2.1.5** In compliance with Schedule V of the NBFC Regulation, the directors of the Management Company declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at March 31, 2021.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

**3.1** Except as described below, the accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

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

**3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2020.

## 4. BANK BALANCES

This represents saving accounts held with various commercial banks carrying profit rates ranging from 5.50% to 7.80% (30 June 2020: 4.25% to 9.00%) per annum. It also includes a balance of Rs.12.4 million (30 June 2020: Rs. 334.74 million) with Bank AL Habib Limited, parent company carrying profit rate of 6.25% - 6.5% (30 June 2020: 7.00% to 11.78%) per annum.

	March 31 2021 (Unaudited)	June 30 2020 (Audited)
	----- (Rupees in '000) -----	
<b>5. INVESTMENT</b>		
Investment by category		
At fair value through profit or loss:		
Government securities - Market Treasury Bills	-	866,323
	-	866,323
<b>6. ADVANCE, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE</b>		
Mutual fund rating fee	188	111
Security deposit	100	100
Advance tax	1,057	967
Prepayment - listing fee	6	-
	<b>1,351</b>	<b>1,178</b>

**7. PROVISION FOR SINDH WORKERS' WELFARE FUND**

Provision for Sindh Workers' Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on January 12, 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to certain mutual funds in January 2016, whereby SRB directed the mutual funds to register and pay Sindh Workers' Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance 2001, hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management Company has recorded SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the SWWF not been provided for, the net assets value per unit would have been higher by Re 0.17 (June 30, 2020: Re. 0.38) per unit.

**8. CONTINGENCIES AND COMMITMENTS**

Except as stated in note 7, there are no contingencies as at 31 March 2021.

**9. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of atleast 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe shall not be taken into account. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

**10. TRANSACTIONS WITH CONNECTED PERSONS**

Connected persons / related parties include AL Habib Asset Management Limited being the Management Company, Bank AL Habib Limited - Parent Company and AL Habib Capital Markets (Private) Limited - Associate Company being companies under common management, First Habib Islamic Income Fund, First Habib Income Fund, First Habib Asset Allocation Fund, First Habib Stock Fund and First Habib Islamic Stock Fund being the Fund managed by common Management Company, Central Depository Company Limited being the Trustee of the Fund, directors, officers and persons holding 10% or more in the units of the Fund as at 31 March 2021. It also includes staff retirement benefit funds of the above connected person / related parties.

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

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

Details of the transactions with connected persons are as follows:

	Nine Months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
<b>AL Habib Asset Management Limited - Management Company</b>				
Management Company's Remuneration	15,036	11,099	6,035	2,400
Sindh Sales Tax on Management Company's remuneration	1,955	1,443	785	312
Expenses allocated by the Management Company	5,042	786	2,874	786
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee Remuneration	2,875	972	1,427	312
Sindh Sales Tax on Trustee's remuneration	374	126	186	312
<b>Bank AL Habib Limited</b>				
Profit on bank balances	4,714	875	4,114	459

# FIRST HABIB CASH FUND

	<b>March 31 2021 (Unaudited) ----- (Rupees in '000) -----</b>		<b>June 30 2020 (Audited) ----- (Rupees in '000) -----</b>	
<b>Details of the balances with connected persons are as follows:</b>				
<b>Bank AL Habib Limited</b>				
Bank balances	<b>12,375</b>		<b>334,737</b>	
<b>AL Habib Asset Management Limited - Management Company</b>				
Remuneration payable Inclusive of Sindh Sales Tax	<b>3,660</b>		<b>1,406</b>	
Allocated expenses payable	<b>796</b>		<b>-</b>	
Federal Excise duty payable on Management Company's remuneration	<b>13,417</b>		<b>13,417</b>	
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration payable Inclusive of Sindh Sales Tax	<b>609</b>		<b>183</b>	
	<b>Nine Months ended March 31, 2021 (Unaudited) (Units) (Rupees in '000)</b>		<b>Nine Months ended March 31, 2020 (Unaudited) (Units) (Rupees in '000)</b>	
<b>Units sold to:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	<b>5,660,432</b>	<b>570,519</b>	<b>-</b>	<b>-</b>
<b>Parent Company</b>				
Bank AL Habib Limited	<b>37,814,043</b>	<b>3,810,261</b>	<b>-</b>	<b>-</b>
<b>Other related parties</b>				
Directors & their relatives of the Management Company	<b>1,078,742</b>	<b>108,822</b>	<b>-</b>	<b>-</b>
Key Management Executives	<b>9,944</b>	<b>1,000</b>	<b>44,779</b>	<b>4,516</b>
Central Depository Company of Pakistan Limited	<b>993,623</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>Connected parties holding 10% or more of the units in issue.</b>	<b>56,480,624</b>	<b>5,690,000</b>	<b>-</b>	<b>-</b>
<b>Units redeemed by:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	<b>4,945,231</b>	<b>496,833</b>	<b>-</b>	<b>-</b>
<b>Parent Company</b>				
Bank AL Habib Limited	<b>14,807,548</b>	<b>1,497,187</b>	<b>-</b>	<b>-</b>
<b>Other related parties</b>				
Directors & their relatives of the Management Company	<b>1,084,039</b>	<b>109,310</b>	<b>93</b>	<b>9</b>
Key Management Executives	<b>10,554</b>	<b>1,033</b>	<b>-</b>	<b>-</b>
<b>Connected parties holding 10% or more of the units in redeemed.</b>	<b>28,346,150</b>	<b>2,864,715</b>	<b>-</b>	<b>-</b>
<b>Units held by:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	<b>5,626,567</b>	<b>565,245</b>	<b>-</b>	<b>-</b>
<b>Parent Company</b>				
Bank AL Habib Limited	<b>24,398,684</b>	<b>2,451,092</b>	<b>1,392,189</b>	<b>141,147</b>
<b>Other related parties</b>				
Directors & their relatives of the Management Company.	<b>1,410,670</b>	<b>141,716</b>	<b>26,866</b>	<b>2,724</b>
Habib Asset Management Ltd.Emp.Provident Fund	<b>76,036</b>	<b>7,639</b>	<b>-</b>	<b>-</b>
Central Depository Company of Pakistan Limited	<b>1,024,806</b>	<b>102,952</b>	<b>-</b>	<b>-</b>
<b>Connected parties holding 10% or more of the units in held.</b>	<b>28,454,718</b>	<b>2,858,561</b>	<b>-</b>	<b>-</b>

**11. TOTAL EXPENSE RATIO**

Total Expense Ratio (TER) of the Fund for the period ended March 31, 2021 is 0.75% which include 0.21% representing government levy, Worker Welfare Fund and SECP fee.

**12. GENERAL**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on **April 19, 2021**.

For AL Habib Asset Management Limited  
(Management Company)

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Chief Executive Officer

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Chief Financial Officer

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Director

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**FIRST HABIB INCOME FUND**  
**Quarterly Report**  
**March 31, 2021**

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## FUND'S INFORMATION

### Management Company

AL Habib Asset Management Limited

### Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali Khan	Director
Mr. Imran Azim	Director
Ms. Zarin Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

### Chief Financial Officer

Mr. Abbas Qurban

### Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

### Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Mr. Imran Azim	Member

### Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Ms. Zarin Aziz	Member
Mr. Kashif Rafi	Member

### Auditors

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

### Legal Advisor

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

### Trustee

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

### Rating

AA (f) Fund Stability Rating Rating by PACRA  
AM2 Management Company Quality Rating by PACRA.

### Bankers to the Fund

Bank AL Habib Limited  
Bank Alfalah Limited  
Allied Bank Limited  
Bank Islami Pakistan Limited  
JS bank Limited

**Registered Office:** 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

FIRST HABIB INCOME FUND

**Condensed Interim Statement of Assets and Liabilities**

*As at March 31 2021*

		<b>March 31 2021 (Un-Audited)</b>	<b>June 30 2020 (Audited)</b>
	<i>Note</i>	<b>------(Rupees in '000)-----</b>	
<b>Assets</b>			
Bank balances	4	<b>279,966</b>	1,015,269
Investments	5	<b>525,492</b>	475,613
Income receivable		<b>14,367</b>	11,713
Advances, deposits, prepayments and Other receivable	6	<b>4,999</b>	4,992
<b>Total assets</b>		<b>824,824</b>	1,507,587
<b>Liabilities</b>			
Payable to AL Habib Asset Management Limited - Management Company		<b>800</b>	1,061
Provision for Federal Excise Duty on remuneration of the Management Company		<b>8,746</b>	8,746
Payable to Central Depository Company of Pakistan Limited - Trustee		<b>72</b>	80
Payable to Securities and Exchange Commission of Pakistan		<b>130</b>	150
Provision for Sindh Workers' Welfare Fund	7	<b>6,597</b>	5,904
Payable against purchase of investments		<b>-</b>	357,666
Payable against redemption of units		<b>354</b>	7
Accrued expenses and other liabilities		<b>2,546</b>	11,251
<b>Total liabilities</b>		<b>19,245</b>	384,865
<b>Net assets</b>		<b>805,579</b>	1,122,722
<b>Unit holders' fund (as per the statement attached)</b>		<b>805,579</b>	1,122,722
		<b>------(Number of Units)-----</b>	
<b>Number of units in issue (face value of units is Rs. 100 each)</b>		<b>7,648,601</b>	11,120,375
		<b>------(Rupees)-----</b>	
<b>Net asset value per unit</b>		<b>105.32</b>	100.96
<b>Contingencies and commitments</b>	8		

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**Condensed Interim Income Statement (Un-Audited)***For the nine months and the quarter ended March 31 2021*

Note	Nine Months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	(Rupees in '000)			
<b>Income</b>				
Profit on bank balances	10,591	31,191	5,250	10,287
Return on government securities	23,183	14,750	1,654	3,974
Profit on commercial paper	-	1,483	-	-
Return on TFC/Sukuk certificates	15,243	20,252	8,426	7,412
Income on margin deposit with NCCPL	18	-	1	-
Income from Margin Trading System	968	3,496	-	1,727
Dividend Income	-	2,515	-	-
Net realised (loss) / gain on sales of investments	(4,458)	(405)	(859)	405
Net unrealised (loss) / gain on revaluation of investments	(1,519)	(3,854)	2,731	1,909
	(5,977)	(4,259)	1,872	2,314
<b>Total income</b>	<b>44,026</b>	<b>69,428</b>	<b>17,203</b>	<b>25,714</b>
<b>Expenses</b>				
Remuneration of AL Habib Asset Management Limited - Management Company	5,417	5,321	1,391	1,637
Sindh Sales Tax on Management Company remuneration	704	692	181	213
Expenses allocated by the Management Company	738	566	322	566
Remuneration of Central Depository Company of Pakistan Limited - Trustee	486	382	150	123
Sindh Sales Tax on Trustee remuneration	63	50	19	16
Annual fee to the Securities and Exchange Commission of Pakistan	130	102	40	33
Brokerage expense	328	379	135	11
Settlement and bank charges	470	796	116	273
Annual listing fee	21	19	8	6
Auditors' remuneration	433	470	142	156
Mutual fund rating fee	344	314	113	104
Printing charges	49	49	16	16
Fee and other charges to National Clearing Company of Pakistan Limited	186	-	60	-
<b>Total expenses</b>	<b>9,369</b>	<b>9,140</b>	<b>2,693</b>	<b>3,154</b>
<b>Net income from operating activities</b>	<b>34,657</b>	<b>60,288</b>	<b>14,510</b>	<b>22,560</b>
Provision for Sindh Workers' Welfare Fund	(693)	(1,206)	(290)	(452)
<b>Net income for the period before taxation</b>	<b>33,964</b>	<b>59,082</b>	<b>14,220</b>	<b>22,108</b>
Taxation	9	-	-	-
<b>Net income for the period after taxation</b>	<b>33,964</b>	<b>59,082</b>	<b>14,220</b>	<b>22,108</b>
<b>Allocation of net income for the period after taxation</b>				
Net income for the period	33,964	59,082	14,220	22,108
Income already paid on units redeemed	(847)	(4,213)	(54)	(1,487)
	33,117	54,869	14,166	20,621
<b>Accounting Income available for distribution:</b>				
Relating to capital gains / (loss)	(5,828)	(3,955)	1,865	2,158
Excluding capital gains / (loss)	38,945	58,824	12,301	18,463
	33,117	54,869	14,166	20,621

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Statement of Comprehensive Income (Un-Audited)**

*For the nine months and the quarter ended March 31 2021*

	Nine Months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	(Rupees in '000)			
<b>Net income for the period after taxation</b>	<b>33,964</b>	59,082	<b>14,220</b>	22,108
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>33,964</b>	59,082	<b>14,220</b>	22,108

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)***For the nine months ended March 31 2021*

	March 31, 2021			March 31, 2020		
	Capital value	Un distributed income	Net asset	Capital value	Un distributed income	Net asset
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	1,105,868	16,854	1,122,722	719,956	12,859	732,815
<b>Issue of 11,935,701</b> (March 31 2020: 885,322) units						
- Capital value	1,205,028	-	1,205,028	88,938	-	88,938
- Element of loss	23,732	-	23,732	4,339	-	4,339
Amount received / receivable on issuance of units	1,228,760	-	1,228,760	93,277	-	93,277
<b>Redemption of 15,407,475</b> (March 31 2020: 2,134,375) units						
- Capital value	(1,555,539)	-	(1,555,539)	(213,979)	-	(213,979)
- Element of loss	(23,481)	(847)	(24,328)	(4,194)	(4,213)	(8,407)
Amount paid / payable on redemption of units	(1,579,020)	(847)	(1,579,867)	(218,173)	(4,213)	(222,386)
Total comprehensive income for the period	-	33,964	33,964	-	59,082	59,082
<b>Net assets at the end of the period</b>	<b>755,608</b>	<b>49,971</b>	<b>805,579</b>	<b>595,060</b>	<b>67,728</b>	<b>662,788</b>
<b>Undistributed income brought forward</b>						
- Realised		20,363			13,298	
- Unrealised		(3,509)			(439)	
		16,854			12,859	
<b>Accounting income available for distribution</b>						
- Relating to capital gains / loss	(5,828)			-		
- Excluding capital gains	38,945			54,869		
	33,117			54,869		
<b>Undistributed income carried forward</b>		<b>49,971</b>			<b>67,728</b>	
Undistributed income carried forward comprises of:						
- Realised income		51,490			71,582	
- Unrealised loss		(1,519)			(3,854)	
		49,971			67,728	
		(Rupees)			(Rupees)	
<b>Net assets value per unit at beginning of the period</b>		<b>100.96</b>				<b>100.46</b>
<b>Net assets value per unit at end of the period</b>		<b>105.32</b>				<b>109.63</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FIRST HABIB INCOME FUND

**Condensed Interim Cash Flow Statement (Un-Audited)**

*For the nine months ended March 31 2021*

	Nine Months ended March 31	
	2021	2020
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	33,964	59,082
<b>Adjustments for non-cash items</b>		
Net unrealised loss on revaluation of investments	1,519	3,854
	<u>35,483</u>	<u>62,936</u>
<b>(Increase) / decrease in assets</b>		
Investments	(51,398)	82,356
Receivable against Margin Trading System	-	52,680
Income receivable	(2,654)	(2,920)
Receivable on issuance and conversion of units	-	731
Receivable against sale of investments	-	48,518
Advances, deposits and prepayments	(7)	144
	<u>(54,059)</u>	<u>181,509</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to AL Habib Asset Management Limited - Management Company	(261)	(117)
Payable to Central Depository Company of Pakistan Limited - Trustee	(8)	(84)
Payable to Securities and Exchange Commission of Pakistan	(20)	(494)
Provision for Sindh Workers' Welfare Fund	693	1,206
Payable against purchase of investments	(357,666)	(14)
Payable against redemption of units	347	(9,339)
Accrued expenses and other liabilities	(8,705)	(3,442)
	<u>(365,620)</u>	<u>(12,284)</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>(384,196)</u>	<u>232,161</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	1,228,760	93,277
Payments against redemption of units	(1,579,867)	(222,386)
<b>Net cash used in financing activities</b>	<u>(351,107)</u>	<u>(129,109)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(735,303)</u>	<u>103,052</u>
Cash and cash equivalents at the beginning of the period	1,015,269	386,320
<b>Cash and cash equivalents at the end of the period</b>	<u>279,966</u>	<u>489,372</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	279,966	489,372
	<u>279,966</u>	<u>489,372</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

## Notes to the Condensed Interim Financial Information (Un-Audited)

*For the nine months and the quarter ended March 31 2021*

### 1. LEGAL STATUS AND NATURE OF BUSINESS

First Habib Income Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 06, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 03, 2006 under Rule 67 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the management company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.

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

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

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

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

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2' and Stability rating of 'AA (f)' to the Management Company and the Fund respectively.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

**2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

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

## FIRST HABIB INCOME FUND

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

**2.1.5** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31 2021.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

**3.1** The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30 2020.

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

**3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30 2020.

## 4. BANK BALANCES

This represents savings accounts held with various commercial banks carrying profit rates ranging from 6.50% to 7.80% (2020: 6.25% to 14.40%) per annum. It also includes balance of Rs. 1.03 million (June 30 2020: Rs 13.22 million) with Bank AL Habib Limited, parent company, carrying profit rates 6.50% (June 30 2020: 7.75% to 11.75%) per annum.

## 5. INVESTMENTS

		March 31 2021 (Un-Audited) ----- (Rupees in '000) -----	June 30 2020 (Audited)
<b>At fair value through profit or loss</b>	<i>Note</i>		
Term finance certificates / Sukuk certificates	5.1	525,492	122,853
Government securities - Treasury Bills		-	142,305
Government securities - Pakistan Investment Bonds		-	210,455
		<u>525,492</u>	<u>475,613</u>

## FIRST HABIB INCOME FUND

### 5.1. Term finance certificates / sukuk

Name of the Investee	Face Value			As at March 31 2021				Market value as a percentage of net assets (%)	Market value as a percentage of total investments (%)
	As at July 01 2020	Purchased during the period	Sold / Matured during the period	As at March 31 2021	Carrying value	Market value	Unrealised appreciation/ (diminution)		
	----- (Rupees in '000) -----								
<b>Unquoted</b>									
JS Bank Limited - TFC (14-12-2016) (certificates of Rs. 5,000 each)	6,000	-	6,000	-	-	-	-	0.00%	0.00%
JS Bank Limited - TFC (29-12-2017) (certificates of Rs. 100,000 each)	250	-	250	-	-	-	-	0.00%	0.00%
Askari Bank Limited - TFC (17-03-2020) (certificates of Rs. 100,000 each)	-	60	-	60	60,028	60,092	64	7.46%	11.44%
Habib Bank Limited - TFC (19-02-2016) (certificates of Rs. 100,000 each)	150	-	150	-	-	-	-	0.00%	0.00%
Ghani Chemical Ind Limited- Sukuk (02-02-2017) (certificates of Rs. 100,000 each)	250	-	-	250	12,836	10,739	(2,097)	1.33%	2.04%
AGP Limited - Sukuk (9-6-2017) (certificates of Rs. 100,000 each)	250	-	-	250	6,256	6,311	55	0.78%	1.20%
International Brands Limited- Sukuk (15-11-2017) (certificates of Rs. 100,000 each)	150	100	-	250	13,078	13,178	100	1.64%	2.51%
GOP Ijara Sukuk (29-05-2020) (certificates of Rs. 100,000 each)	-	86,800	-	86,800	434,813	435,172	359	54.02%	82.81%
Pakistan Energy Sukuk II (21-05-2020) (certificates of Rs. 100,000 each)	-	20,000	20,000	-	-	-	-	0.00%	0.00%
GOP Ijara Sukuk - FRR (29-07-2020) (certificates of Rs. 100,000 each)	-	375	375	-	-	-	-	0.00%	0.00%
GOP Ijara Sukuk - VRR (29-07-2020) (certificates of Rs. 100,000 each)	-	6,875	6,875	-	-	-	-	0.00%	0.00%
<b>Quoted</b>									
Dawood Hercules Corporation Limited - Sukuk II (certificates of Rs. 100,000 each)	300	-	300	-	-	-	-	0.00%	0.00%
<b>Total as at March 31 2021</b>					<b>527,011</b>	<b>525,492</b>	<b>(1,519)</b>		
Total as at June 30 2020					126,888	122,853	(4,035)		

### 6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

	March 31 2021 (Unaudited)	June 30 2020 (Audited)
	----- (Rupees in '000) -----	
Deposit with National Clearing Company of Pakistan Limited (NCCPL)	2,500	2,500
Deposits with NCCPL against margin trading system (MTS)	250	250
Deposits with Central Depository Company of Pakistan Limited	100	100
Advance tax	1,954	1,909
Prepayment against annual listing / rating Fee	6	107
Prepayment against MTS account maintenance fee	189	126
	<b>4,999</b>	<b>4,992</b>

### 7. PROVISION FOR SINDH WORKERS' WELFARE FUND

Provision for Sindh Workers' Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on January 12, 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers' Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management company has recorded SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

The total provision for SWWF till March 31, 2021 is Rs. 6.60 million (June 30, 2020: Rs. 5.90 million). Had the provision not been made, Net Asset Value per unit of the Fund as at March 31, 2021 would have been higher by Rs. 0.82 per unit (June 30, 2020: Rs. 0.53 per unit).

## FIRST HABIB INCOME FUND

### 8. CONTINGENCIES AND COMMITMENTS

Except as stated in note 7, there are no contingencies as at March 31, 2021.

### 9. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance (ITO), 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe, shall not be taken into account. Furthermore, as per regulation 63 of the NBFC regulations, 2008, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001. The Fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

### 10. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons / related parties include AL Habib Asset Management Limited being the Management Company, Bank AL Habib Limited - Parent Company and AL Habib Capital Markets (Private) Limited - Associate Company being companies under common management, First Habib Cash Fund, First Habib Islamic Income Fund, First Habib Asset Allocation Fund, First Habib Stock Fund and First Habib Islamic Stock Fund being the Fund managed by common Management Company Central Depository Company Limited being the Trustee of the Fund. directors, officers and persons holding 10% or more in the units of the Fund as at 31 March 2021. It also includes staff retirement benefit funds of the above connected person / related parties.

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

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

	Nine Months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
<b>Details of the transactions with connected persons are as follows:</b>	<b>(Rupees in '000)</b>			
<b>AL Habib Asset Management Limited - Management Company</b>				
Management Company's Remuneration	5,417	5,321	1,391	1,637
Sindh Sales Tax on Management Company's Remuneration	704	692	181	213
Expenses allocated by the Management Company	738	566	322	566
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee Remuneration	486	382	150	123
Sindh Sales Tax on Trustee remuneration	63	50	19	16
<b>Bank AL Habib Limited</b>				
Profit on bank balances	1,292	758	187	443
<b>Details of the balances with connected persons at period end are as follows:</b>			<b>March 31 2021</b>	<b>June 30 2020</b>
			<b>(Un-Audited)</b>	<b>(Audited)</b>
			<b>(Rupees in '000)</b>	
<b>Bank AL Habib Limited</b>				
Bank balances			1,031	13,225
<b>AL Habib Asset Management Limited - Management Company</b>				
Remuneration payable Inclusive of Sindh Sales Tax			745	1,061
Allocated expenses payable			55	-
Federal Excise Duty payable on Management Company's remuneration			8,746	8,746
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration payable Inclusive of Sindh Sales Tax			72	80
Other CDC charges payable			14	2
Security deposits - non interest bearing			100	100

## FIRST HABIB INCOME FUND

### 10.1 Sale / Redemption of units for the period ended March 31, 2021

	Nine Months ended March 31 2021 (Unaudited)		Nine Months ended March 31 2020 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<b><u>Units sold to:</u></b>				
<b>Other related parties</b>				
Director's & their relatives of the Management Company	523	53	-	-
<b><u>Units redeemed by:</u></b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	-	-	7,311	763
<b>Other related parties</b>				
Director's & their relatives of the Management Company	3,690	373	16,228	1,706
<b>Units held as on March 31 2021</b>				
<b><u>Units held by:</u></b>				
<b>Parent Company</b>				
Bank AL Habib Limited	1,363,808	143,641	1,363,808	149,515
<b>Other related parties</b>				
Director's & their relatives of the Management Company	96,340	10,147	16,581	1,818
<b>Connected Parties holding 10% or more of the units in issue.</b>	<b>3,994,919</b>	<b>420,760</b>	<b>2,665,370</b>	<b>292,205</b>

### 11. TOTAL EXPENSE RATIO

Total Expense Ratio (TER) of the Fund for the period ended March 31 2021 is 1.55% which include 0.25% representing government levy, Sindh Workers Welfare Fund and SECP fee.

### 12. GENERAL

12.1 This condensed interim financial information was authorised for issue by the board of directors of the Management Company on **April 19, 2021**.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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**FIRST HABIB ISLAMIC INCOME FUND**  
**Quarterly Report**  
**March 31, 2021**

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## FIRST HABIB ISLAMIC INCOME FUND

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### FUND'S INFORMATION

#### Management Company

AL Habib Asset Management Limited

#### Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali Khan	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

#### Chief Financial Officer

Mr. Abbas Qurban

#### Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

#### Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Mr. Imran Azim	Member

#### Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

#### Auditors

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

#### Legal Advisor

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

#### Trustee

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

#### Rating

AA(f) Fund Stability Rating, by PACRA  
AM2 Management Company Quality Rating by PACRA.

#### Bankers to the Fund

Bank Islami Pakistan Limited  
Habib Bank Limited  
MCB Bank Limited  
Dubai Islamic Bank  
Al Baraka Bank Limited

#### Shariah Advisor

Mufti Ismatullah Hamdullah

**Registered Office:** 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**Condensed Interim Statement of Assets and Liabilities***As at March 31 2021*

		<b>March 31 2021 (Un-Audited)</b>	<b>June 30 2020 (Audited)</b>
	<i>Note</i>	<b>------(Rupees in '000)-----</b>	
<b>Assets</b>			
Bank balances	4	<b>6,335,510</b>	4,841,237
Investments	5	<b>6,012,873</b>	4,090,339
Income receivable		<b>132,390</b>	112,614
Preliminary expenses and floatation costs		<b>274</b>	527
Advances, deposits, prepayments and other receivable	6	<b>9,413</b>	6,203
<b>Total assets</b>		<b>12,490,460</b>	9,050,920
<b>Liabilities</b>			
Payable to AL Habib Asset Management Limited - Management Company		<b>7,386</b>	3,970
Payable to Central Depository Company of Pakistan Limited - Trustee		<b>1,146</b>	596
Payable to Securities and Exchange Commission of Pakistan		<b>1,789</b>	846
Provision for Sindh Workers' Welfare Fund	7	<b>20,420</b>	8,953
Accrued expenses and other liabilities		<b>13,681</b>	6,463
<b>Total liabilities</b>		<b>44,422</b>	20,828
<b>Net assets</b>		<b>12,446,038</b>	9,030,092
<b>Unit holders' fund (as per the statement attached)</b>		<b>12,446,038</b>	9,030,092
		<b>------(Number of Units)-----</b>	
<b>Number of units in issue (Face value of units is Rs. 100 each)</b>		<b>123,957,298</b>	89,980,132
		<b>------(Rupees)-----</b>	
<b>Net asset value per unit</b>		<b>100.41</b>	100.36
<b>Contingencies and commitments</b>	8		

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer\_\_\_\_\_  
Chief Financial Officer\_\_\_\_\_  
Director

# FIRST HABIB ISLAMIC INCOME FUND

## Condensed Interim Income Statement (Un-Audited)

For the nine months and the quarter ended March 31 2021

	Nine Months ended		Quarter ended	
	March 31	March 31	March 31	March 31
	2021	2020	2021	2020
Note	(Rupees in '000)			
<b>Income</b>				
Profit on bank balances	295,733	243,786	81,641	109,777
Income from sukuk certificates	274,693	27,610	110,905	24,632
Profit on term deposit receipts	42,286	19,859	12,698	19,641
Return on Margin deposit with NCCPL	68	-	10	-
Dividend income	-	299	-	299
Net realised (loss) / gain on sale of investments	(1,979)	3,979	(961)	3,982
Net unrealised gain on revaluation of investments	31,951	8,216	18,358	8,871
	29,972	12,195	17,397	12,853
<b>Total income</b>	<b>642,752</b>	<b>303,749</b>	<b>222,651</b>	<b>167,202</b>
<b>Expenses</b>				
Remuneration of AL Habib Asset Management Limited - Management Company	41,298	11,198	15,096	5,977
Sindh Sales Tax on Management Company remuneration	5,369	1,456	1,963	777
Expenses allocated by the Management Company	10,776	3,563	7,827	3,563
Remuneration of Central Depository Company of Pakistan Limited - Trustee	6,710	1,672	2,175	897
Sindh Sales Tax on Trustee remuneration	872	217	282	116
Annual fee to Securities and Exchange Commission of Pakistan	1,789	446	580	239
Brokerage expense	1,128	800	388	769
Settlement and bank charges	747	258	246	193
Annual listing fee	19	20	6	7
Auditors' remuneration	294	314	97	88
Amortisation of preliminary expenses and floatation costs	253	254	83	84
Mutual fund rating fee	100	97	33	36
Printing charges	49	49	16	19
Other expense	3	-	-	-
<b>Total expenses</b>	<b>69,407</b>	<b>20,344</b>	<b>28,792</b>	<b>12,765</b>
<b>Net income from operating activities</b>	<b>573,345</b>	<b>283,405</b>	<b>193,859</b>	<b>154,437</b>
Provision for Sindh Worker's Welfare Fund	(11,467)	(5,668)	(3,877)	(3,094)
<b>Net income for the period before taxation</b>	<b>561,878</b>	<b>277,737</b>	<b>189,982</b>	<b>151,343</b>
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	<b>561,878</b>	<b>277,737</b>	<b>189,982</b>	<b>151,343</b>
<b>Allocation of net income for the period after taxation</b>				
Net income for the period	561,878	277,737	189,982	151,343
Income already paid on units redeemed	(60,349)	(36,872)	(10,015)	(17,552)
	501,529	240,865	179,967	133,791
<b>Accounting income available for distribution:</b>				
Relating to capital gains	26,753	10,576	16,480	11,362
Excluding capital gains	474,776	230,289	163,487	122,429
	501,529	240,865	179,967	133,791

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Statement of Comprehensive Income (Un-Audited)***For the nine months and the quarter ended March 31 2021*

	Nine Months ended		Quarter ended	
	March 31	March 31	March 31	March 31
	2021	2020	2021	2020
	(Rupees in '000)			
<b>Net income for the period after taxation</b>	<b>561,878</b>	277,737	<b>189,982</b>	151,343
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>561,878</b>	<b>277,737</b>	<b>189,982</b>	<b>151,343</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

# FIRST HABIB ISLAMIC INCOME FUND

## Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited) For the nine months ended March 31 2021

	March 31, 2021			March 31, 2020		
	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	9,012,534	17,558	9,030,092	110,008	139	110,147
<b>Issuance of 216,308,371</b> (March 31 2020: 137,404,843 units) Including additional units 806,142 units issued at nil value						
- Capital value	21,708,708	-	21,708,708	13,767,737	-	13,767,737
- Element of income	64,308	-	64,308	100,403	-	100,403
<b>Amount received / receivable on issuance of units</b>	21,773,016	-	21,773,016	13,868,140	-	13,868,140
<b>Redemption of 182,331,205</b> (March 31 2020 : 120,373,088 units)						
- Capital value	(18,298,760)	-	(18,298,760)	(12,119,801)	-	(12,119,801)
- Element of loss	(70,167)	(60,349)	(130,516)	(81,773)	(36,872)	(118,645)
<b>Amount paid / payable on redemption of units</b>	(18,368,927)	(60,349)	(18,429,276)	(12,201,574)	(36,872)	(12,238,446)
Total comprehensive income for the period	-	561,878	561,878	-	277,737	277,737
Interim cash distribution for the period ended June 30 2020: Rs.8.0855 per unit	-	-	-	-	(179,392)	(179,392)
Interim cash distribution for the period ended June 30 2021: Rs.4.7311 per unit	-	(489,672)	(489,672)	-	-	-
<b>Net income for the period less distribution</b>	-	72,206	72,206	-	98,345	98,345
<b>Net assets at the end of the period</b>	<b>12,416,623</b>	<b>29,415</b>	<b>12,446,038</b>	<b>1,776,574</b>	<b>61,612</b>	<b>1,838,186</b>
<b>Undistributed income brought forward</b>						
- Realised		119			331	
- Unrealised		17,439			(192)	
		17,558			139	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		26,753			-	
- Excluding capital gains		474,776			240,865	
		501,529			240,865	
Interim cash distribution for the period ended June 30 2020: Rs.8.0855 per unit		-			(179,392)	
Interim cash distribution for the period ended June 30 2021: Rs.4.7311 per unit		(489,672)			-	
<b>Undistributed income carried forward</b>		<b>29,415</b>			<b>61,612</b>	
<b>Undistributed income carried forward comprises of:</b>						
- Realised loss		(2,536)			53,397	
- Unrealised gain		31,951			8,216	
		<b>29,415</b>			<b>61,612</b>	
		(Rupees)			(Rupees)	
<b>Net assets value per unit at beginning of the period</b>		<b>100.36</b>			<b>100.16</b>	
<b>Net assets value per unit at end of the period</b>		<b>100.41</b>			<b>101.38</b>	

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Cash Flow Statement (Un-Audited)***For the nine months ended March 31 2021*

	Nine Months ended March 31	
	2021	2020
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	561,878	277,737
<b>Adjustments for non-cash items</b>		
Net unrealised loss on revaluation of investments	(31,951)	(8,216)
Amortisation of preliminary expenses and floatation costs	253	252
	530,180	269,774
<b>(Increase) in assets</b>		
Investments	(1,890,583)	(1,143,022)
Income receivable	(19,776)	(58,321)
Advances, deposits, prepayments and other receivable	(3,210)	(30,119)
	(1,913,569)	(1,231,461)
<b>Increase in liabilities</b>		
Payable to AL Habib Asset Management Limited - Management Company	3,416	2,737
Payable to Central Depository Company of Pakistan Limited - Trustee	550	353
Payable to Securities and Exchange Commission of Pakistan	943	351
Provision for Sindh Workers' Welfare Fund	11,467	5,668
Accrued expenses and other liabilities	7,218	11,127
	23,594	20,237
<b>Net cash used in operating activities</b>	(1,359,795)	(941,451)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	21,773,016	13,868,140
Payments against redemption of units	(18,429,276)	(12,238,446)
Dividend paid during the period	(489,672)	(179,392)
<b>Net cash generated from financing activities</b>	2,854,068	1,450,302
Net increase in cash and cash equivalents during the period	1,494,273	508,851
Cash and cash equivalents at beginning of the period	4,841,237	58,562
Cash and cash equivalents at the end of the period	6,335,510	567,413
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	6,335,510	567,413
	6,335,510	567,413

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer\_\_\_\_\_  
Chief Financial Officer\_\_\_\_\_  
Director

**Notes to the Condensed Interim Financial Statements (Un-Audited)**

*For the nine months and quarter ended March 31, 2021*

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the management company is situated at 3rd floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.

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

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

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

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

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2' and Stability rating 'AA(f)' to the Management Company and the Fund respectively.

**2. BASIS OF PREPARATION**

**2.1 Statement of Compliance**

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

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

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

**2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year June 30, 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

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

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

**2.1.5** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31 2021.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

**3.1** The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30 2020.

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

**3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30 2020.

## **4. BANK BALANCES**

This represents saving accounts held with various commercial banks carrying profit rates ranging from 6.50% to 7.00% (June 30 2020: 4.75% to 14.35%) per annum. It also includes balance of Rs. 4.16 million (June 30 2020: Rs 5.88 million) with Bank AL Habib Limited, parent company.

## **5. INVESTMENTS**

		<b>March 31 2021 (Unaudited)</b>	<b>June 30 2020 (Audited)</b>
	Note	(Rupees in '000)	
<b>At fair value through profit or loss:</b>			
Sukuk Certificates	5.1	<b>6,012,873</b>	2,690,339
<b>At amortised cost:</b>			
Term Deposit Receipts (TDR)		—	900,000
Certificate of Musharaka (COM)		—	500,000
		<b>6,012,873</b>	<b>4,090,339</b>

## FIRST HABIB ISLAMIC INCOME FUND

### 5.1 Sukuk certificates

Name of the Investee	As at July 01 2020	Purchased during the period	Sold / Matured during the period	As at March 31 2021	Carrying value as at March 31 2021	Market value as at 31 March 2021	Unrealized Gain / (Loss)	Market value as percentage of	
								Net Assets	Total Investments
Unquoted	(Number of certificates)			(Rupees in '000)					
Ghani Gases Limited (certificates of Rs. 100,000 each)	105	-	-	105	5,396	4,511	(885)	0.04%	0.08%
AGP Limited (certificates of Rs. 100,000 each)	100	-	-	100	2,502	2,524	22	0.02%	0.04%
International Brands Limited (certificates of Rs. 100,000 each)	100	-	100	-	-	-	-	0.00%	0.00%
Meezan Bank Limited Sukuk - Secured	310	-	-	310	316,768	320,119	3,351	2.57%	5.32%
Meezan Bank Limited Sukuk - Secured (09-01-2020)	200	100	-	300	306,143	311,250	5,107	2.50%	5.18%
Pakistan Energy Sukuk - Secured	100,000	110,000	155,100	54,900	274,910	276,696	1,786	2.22%	4.60%
Quoted									
Dawood Hercules Corporation Limited - I (certificates of Rs. 100,000 each)	3,475	1,599	5,074	-	-	-	-	0.00%	0.00%
Dawood Hercules Corporation Limited - II (certificates of Rs. 100,000 each)	2,025	-	2,025	-	-	-	-	0.00%	0.00%
Dubai Islami Bank Sukuk (14-07-2017) (certificates of Rs. 100,000 each)	422	-	-	422	431,873	433,802	1,929	3.49%	7.21%
Fatima Fertilizer Company Ltd - Sukuk (certificates of Rs. 100,000 each)	28,251	37,325	-	65,576	65,793	65,927	134	0.53%	1.10%
Engro Polymer & Chemical Limited Sukuk (certificates of Rs. 5000 each)	150	6,230	-	6,380	648,133	648,598	465	5.21%	10.79%
GOP Ijara Sukuk (29-05-2020) (certificates of Rs. 100,000 each)	150,000	-	86,800	63,200	316,719	316,853	134	2.55%	5.27%
GOP Ijara Sukuk - VRR (09-12-2020) (certificates of Rs. 100,000 each)	-	18,870	11,570	7,300	730,591	732,920	2,329	5.89%	12.19%
GOP Ijara Sukuk - VRR (29-07-2020) (certificates of Rs. 100,000 each)	-	87,625	58,715	28,910	2,882,094	2,899,673	17,579	23.30%	48.22%
GOP Ijara Sukuk - FRR (29-07-2020) (certificates of Rs. 100,000 each)	-	2,625	2,625	-	-	-	-	0.00%	0.00%
Total as at March 31 2021					5,980,922	6,012,873	31,951		
Total as at June 30 2020					2,672,900	2,690,339	17,439		

### 6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

	March 31 2021 (Unaudited)	June 30 2020 (Audited)
Deposit with NCCPL	2,500	2,500
Deposit with CDC	100	100
Advance Tax	6,807	3,603
Annual listing fee	6	-
	<b>9,413</b>	<b>6,203</b>

**7. PROVISION FOR SINDH WORKERS' WELFARE FUND**

Provision for Sindh Workers' Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on January 12, 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers' Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISS / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management company has recorded SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the net asset value per unit of the Fund would have been higher by Rs. 0.16 (June 30 2020: Rs. 0.10) per unit.

**8. CONTINGENCIES AND COMMITMENTS**

Except as stated in note 7, there are no contingencies as at 31 March 2021.

**9. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance(ITO), 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of atleast 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe, shall not be taken into account. Furthermore, as per regulation 63 of the NBFC regulations , 2008, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001. The Fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

**10. TRANSACTIONS WITH CONNECTED PERSONS**

Connected persons / related parties include AL Habib Asset Management Limited being the Management Company, Bank AL Habib Limited - Parent Company and AL Habib Capital Markets (Private) Limited - Associate Companybeing companies under common management, First Habib Cash Fund, First Habib Income Fund, First Habib Asset Allocation Fund, First Habib Stock Fund and First Habib Islamic Stock Fund being the Fund managed by common Management Company, Central Depository Company Limited being the Trustee of the Fund. directors, officers and persons holding 10% or more in the units of the Fund as at 31 March 2021. It also includes staff retirement benefit funds of the above connected person / related parties.

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

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

## FIRST HABIB ISLAMIC INCOME FUND

Details of the transactions with connected persons are as follows:

	Nine Months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	(Rupees in '000)			
<b>AL Habib Asset Management Limited - Management Company</b>				
Management Company's remuneration	41,298	11,198	15,096	5,977
Sindh sales tax on Management remuneration	5,369	1,456	1,963	777
Expenses allocated by the Management Company	10,776	3,563	7,827	3,563
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee Remuneration	6,710	1,672	2,175	897
Sindh sales tax on Trustee fee	872	217	282	116
<b>Bank AL Habib Limited</b>				
Profit on bank balances	31,800	18,170	528	8,938
			March 31 2021 (Unaudited)	June 30 2020 (Audited)
			(Rupees in '000)	

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

<b>Bank AL Habib Limited</b>		
Bank Balance	4,162	5,886
<b>AL Habib Asset Management Limited - Management Company</b>		
Remuneration payable Inclusive of Sindh Sales tax	7,386	3,970
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable Inclusive of Sindh Sales tax	1,146	596
Security deposit - Non interest bearing	100	100

### 10.1 Sale / Redemption of units

	Nine Months ended March 31, 2021 (Unaudited)		Nine Months ended March 31, 2020 (Unaudited)	
Units sold to:	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<b>Management Company</b>				
AL Habib Asset Management Limited	18,360,111	1,849,601	270,329	27,500
<b>Parent Company</b>				
Bank AL Habib Limited	-	-	5,243,032	529,349
<b>Other related parties:</b>				
Directors & their relatives of the Management Company.	2,696,058	271,248	19,962	2,005
Units sold to Connected Party holding 10% or more of the units in issue	59,737,285	4,512,112	108,824,589	10,991,443
Units redeemed by:				
<b>Management Company</b>				
AL Habib Asset Management Limited	18,339,959	1,847,100	549,641	55,518
<b>Parent Company</b>				
Bank AL Habib Limited	5,243,032	528,610	-	-
<b>Other related parties</b>				
Directors & their relatives of the Management Co.	156,004	15,691	11,907	1,200
Units redeemed to Connected Party holding 10% or more of the units in issue:	28,355,529	1,349,664	101,250,367	10,194,326

### 10.2 Units held by:

	March 31, 2021 (Unaudited)		March 31, 2020 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<b>Management Company</b>				
AL Habib Asset Management Limited	167,696	16,838	-	-
<b>Parent Company</b>				
Bank AL Habib Limited	250,421	25,145	5,493,453	551,598
<b>Other related parties</b>				

**11. TOTAL EXPENSE RATIO**

Total Expense Ratio (TER) of the Fund for the period ended March 31 2021 is 0.90% which include 0.22% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

**12. GENERAL**

**12.1** This condensed interim financial information was authorised for issue by the board of directors of the Management Company on **April 19, 2021**.

For AL Habib Asset Management Limited  
(Management Company)

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Chief Executive Officer

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Chief Financial Officer

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Director

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**FIRST HABIB ASSET ALLOCATION FUND**  
**Quarterly Report**  
**March 31, 2021**

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## FIRST HABIB ASSET ALLOCATION FUND

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### FUND'S INFORMATION

#### Management Company

AL Habib Asset Management Limited

#### Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali Khan	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

#### Chief Financial Officer

Mr. Abbas Qurban

#### Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

#### Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Mr. Imran Azim	Member

#### Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

#### Auditors

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

#### Legal Advisor

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

#### Trustee

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

#### Rating

AM2 Management Company Quality Rating by PACRA.

#### Bankers to the Fund

JS Bank Limited  
Dubai Islamic Bank  
MCB Bank Limited

**Registered Office:** 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

FIRST HABIB ASSET ALLOCATION FUND

**Condensed Interim Statement of Assets and Liabilities**

*As at March 31, 2021*

		<b>March 31 2021 (Unaudited)</b>	<b>June 30 2020 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>Assets</b>			
Bank balances	4	10,442	56,552
Investments	5	88,188	45,275
Income and dividend receivable		901	337
Preliminary expenses and floatation costs		382	561
Receivable against sale of units		-	600
Advance, deposits, prepayment and other receivables	6	4,177	4,363
<b>Total assets</b>		<b>104,090</b>	<b>107,688</b>
<b>Liabilities</b>			
Payable to AL Habib Asset Management Limited - Management Company		199	165
Payable to Central Depository Company of Pakistan Limited - Trustee		20	16
Payable to Securities and Exchange Commission of Pakistan (SECP)		13	19
Provision for Sindh Workers' Welfare Fund		309	109
Accrued expenses and other liabilities		1,183	827
<b>Total liabilities</b>		<b>1,724</b>	<b>1,136</b>
<b>Net assets</b>		<b>102,366</b>	<b>106,552</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>102,366</b>	<b>106,552</b>
		<b>----- (Number of Units) -----</b>	
<b>Number of units in issue (face value of units is Rs. 100 each)</b>		<b>1,008,655</b>	<b>1,174,650</b>
		<b>----- (Rupees) -----</b>	
<b>Net asset value per unit</b>		<b>101.49</b>	<b>90.71</b>
<b>Contingencies and commitments</b>	8		

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

FIRST HABIB ASSET ALLOCATION FUND

**Condensed Interim Income Statement (Un-Audited)**

*For the nine months and the quarter ended March 31, 2021*

		Nine Months ended		Quarter ended	
		March 31		March 31	
		2021	2020	2021	2020
	Note	(Rupees in '000)			
<b>Income</b>					
Profit on bank balances		755	4,045	216	1,253
Income from TFC / Sukuk Certificates		28	2,218	-	758
Dividend income		2,569	932	1,665	516
Income from Margin Trading System		-	-	-	(120)
Income from government securities		677	661	-	612
Return on deposit with NCCPL		7	120	5	120
Net capital gain / (loss) on sale of investments		7,321	(93)	1,449	3,007
Net unrealized gain / loss on revaluation of investments	5.2	1,769	(13,102)	(3,167)	(13,188)
		9,090	(13,195)	(1,718)	(10,181)
<b>Total income / loss</b>		13,126	(5,218)	168	(7,041)
<b>Expenses</b>					
Remuneration of AL Habib Asset Management Limited - Management Company		1,346	1,466	479	506
Sindh Sales Tax on Management Company's remuneration		175	191	62	66
Expenses Allocated to Management Company		40	13	-	13
Remuneration of Central Depository Company of Pakistan Limited - Trustee		135	147	48	51
Sindh Sales Tax on Trustee remuneration		18	19	7	7
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		13	15	4	5
Brokerage expense		356	399	141	209
Settlement and bank charges		259	318	86	107
Annual listing fee		21	17	8	5
Auditors' remuneration		188	215	38	66
Amortization of preliminary expenses and floatation costs		179	179	59	59
Printing charges		49	49	16	16
Other Expenses		107	278	31	140
Fee and charges of National Clearing Company of Pakistan Limited		241	-	79	-
<b>Total expenses</b>		3,127	3,305	1,058	1,249
<b>Net income / (loss) from operating activities</b>		9,999	(8,524)	(890)	(8,291)
Provision for Sindh Workers' Welfare Fund		(200)	-	18	-
<b>Net income / (loss) for the period before taxation</b>		9,799	(8,524)	(872)	(8,291)
Taxation	9	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		9,799	(8,524)	(872)	(8,291)
<b>Allocation of net income / (loss) for the period after taxation:</b>					
Net income / (loss) for the period		9,799	(8,524)	(872)	(8,291)
Income already paid on units redeemed		(6,123)	-	(1,434)	-
		3,676	(8,524)	(2,306)	(8,291)
<b>Accounting income available for distribution:</b>					
Relating to capital gains / (loss)		3,410	(13,195)	(4,543)	(10,181)
Excluding capital gains / (loss)		266	4,671	2,237	1,890
		3,676	(8,524)	(2,306)	(8,291)

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Statement of Comprehensive Income (Un-Audited)***For the nine months and the quarter ended March 31, 2021*

	<b>Nine Months ended March 31</b>		<b>Quarter ended March 31</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>----- (Rupees in '000) -----</b>			
<b>Net income / (loss) for the period before taxation</b>	<b>9,799</b>	<b>(8,524)</b>	<b>(872)</b>	<b>(8,291)</b>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b><u>9,799</u></b>	<b><u>(8,524)</u></b>	<b><u>(872)</u></b>	<b><u>(8,291)</u></b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

FIRST HABIB ASSET ALLOCATION FUND

**Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)**

For the nine months ended March 31, 2021

	March 31, 2021			March 31, 2020		
	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	116,807	(10,255)	106,552	110,789	(9,941)	100,848
<b>Issuance of 1,297,472 (March 31, 2020: 172,974 units)</b>						
- Capital value	117,694	-	117,694	15,777	-	15,777
- Element of loss	12,551	-	12,551	(768)	-	(768)
Amount received / receivable on issuance of units	130,245	-	130,245	15,009	-	15,009
<b>Redemption of 1,463,466 (March 31, 2020: 171,065 units)</b>						
- Capital value	(132,751)	-	(132,751)	(15,603)	-	(15,603)
- Element of income	(5,356)	(6,123)	(11,479)	463	-	463
Amount paid / payable on redemption of units	(138,107)	(6,123)	(144,230)	(15,140)	-	(15,140)
Total comprehensive loss for the period	-	9,799	9,799	-	(8,524)	(8,524)
	-	9,799	9,799	-	(8,524)	(8,524)
<b>Net assets at the end of the period</b>	<b>108,945</b>	<b>(6,579)</b>	<b>102,366</b>	<b>110,658</b>	<b>(18,465)</b>	<b>92,193</b>
<b>Undistributed (loss) brought forward</b>						
- Realised-loss		(4,709)			(2,855)	
- Unrealised-loss		(5,546)			(7,086)	
		(10,255)			(9,941)	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		3,410			(13,195)	
- Excluding capital gains		266			4,671	
		3,676			(8,524)	
<b>Net income / (loss) for the period after taxation</b>		3,676			(8,524)	
<b>Undistributed (loss) carried forward</b>		(6,579)			(18,465)	
<b>Undistributed (loss) carried forward comprises of:</b>						
- Realised-loss		(8,348)			(5,363)	
- Unrealised-loss		1,769			(13,102)	
		(6,579)			(18,465)	
		(Rupees)			(Rupees)	
Net assets value per unit beginning of the period		90.71			91.21	
Net assets value per unit at end of the period		101.49			83.24	

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Cash Flow Statement (Un-Audited)***For the nine months ended March 31, 2021*

	Nine Months ended March 31	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	9,799	(8,524)
<b>Adjustments for non-cash items</b>		
Net unrealized gain / (loss) on revaluation of investments	(1,769)	13,102
Amortization of preliminary expenses and floatation costs	179	179
	<u>8,209</u>	<u>4,758</u>
<b>(Increase) / decrease in assets</b>		
Investments	(41,144)	13,120
Income and dividend receivable	(564)	(555)
Receivable against sale of investments	-	4,000
Receivable against sale of units	600	-
advance, deposits, prepayment and other receivables	186	4,907
	<u>(40,922)</u>	<u>21,472</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to AL Habib Asset Management Limited - Management Company	34	7
Payable to Central Depository Company of Pakistan Limited - Trustee	4	(46)
Payable to Securities and Exchange Commission of Pakistan	(6)	(98)
Provision for Sindh Workers' Welfare Fund	200	-
Accrued expenses and other liabilities	356	1,005
	<u>588</u>	<u>867</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>(32,125)</u>	<u>27,097</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	130,245	15,009
Payable against redemption of units	(144,230)	(15,140)
<b>Net cash used in financing activities</b>	<u>(13,985)</u>	<u>(131)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(46,110)</u>	<u>26,966</u>
Cash and cash equivalents at beginning of the period	56,552	13,773
Cash and cash equivalents at the end of the period	<u>10,442</u>	<u>40,739</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances	10,442	40,739
	<u>10,442</u>	<u>40,739</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer\_\_\_\_\_  
Chief Financial Officer\_\_\_\_\_  
Director

**Notes to the Condensed Interim Financial Statements (Un-Audited)**

*For the nine months and quarter ended March 31, 2021*

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.

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

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

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

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2' to the Management Company.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

**2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

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

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

**2.1.5** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

**2.2 Functional and presentation currency**

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

**2.3 Basis of measurement**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

**3.1** The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

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

**3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2020.

**4. BANK BALANCES**

This represents saving accounts held with various commercial banks carrying profit rates ranging from 5.5% to 7% (June 30, 2020: 6% to 14.30%) per annum.

**5. INVESTMENTS**

		<b>March 31 2021 (Unaudited)</b>	<b>June 30 2020 (Audited)</b>
	Note	(Rupees in '000)	
<b>At fair value through profit or loss</b>			
Term Finance Certificates and Sukuks		—	8,409
Listed equity securities	5.1	<b>88,188</b>	36,867
		<b>88,188</b>	<b>45,275</b>

## FIRST HABIB ASSET ALLOCATION FUND

### 5.1 Listed equity securities

Name of the Investee	As at July 01, 2020	Purchased during the period	Bonus / right issue	Sold during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealized gain / (loss)	Market Value as a Percentage of	
									Net assets	Total investments
----- (Number of shares) ----- (Rupees in '000) ----- % -----										
Unless stated otherwise, the holdings are in ordinary shares of Rs 10 each.										
<b>Automobile parts and accessories</b>										
Thail Limited	200	4,000	-	2,000	2,200	928	810	(118)	0.79%	0.92%
<b>Automobile Assemblers</b>										
Atlas Honda Limited	-	1,800	-	-	1,800	897	828	(69)	0.81%	0.94%
Milat Tractors Limited	-	1,700	181	250	1,631	1,477	1,794	317	1.75%	2.03%
Sazgar Engineering Works Limited	-	4,000	1,200	5,200	-	-	-	-	0.00%	0.00%
<b>Banks</b>										
Askari Bank Limited	-	150,000	-	87,000	63,000	1,256	1,231	(25)	1.20%	1.40%
Bank Alfalah Limited	4,150	92,000	-	96,150	-	-	-	-	0.00%	0.00%
Bank Al Habib Limited	60,000	-	-	23,500	36,500	1,909	2,374	465	2.32%	2.69%
The Bank of Punjab	300,000	113,000	-	295,000	118,000	1,013	950	(63)	0.93%	1.08%
Faysal Bank Limited	-	45,000	-	-	45,000	873	728	(145)	0.71%	0.83%
Habib Bank Limited	21,400	42,000	-	40,900	22,500	2,827	2,614	(213)	2.55%	2.96%
Habib Metropolitan Bank Limited	-	63,000	-	-	63,000	2,499	2,266	(233)	2.21%	2.57%
Muslim Commercial Bank Limited	8,000	-	-	8,000	-	-	-	-	0.00%	0.00%
Meezan Bank Limited	-	76,250	-	19,000	57,250	5,661	6,480	819	6.33%	7.35%
United Bank Limited	12,200	19,500	-	25,500	6,200	682	737	55	0.72%	0.84%
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited	-	148,500	-	62,500	86,000	3,871	4,729	858	4.62%	5.36%
ICI Pakistan Limited	-	1,000	-	-	1,000	850	832	(18)	0.81%	0.94%
Lotte Chemical Pakistan Limited	-	80,000	-	31,000	49,000	729	782	53	0.76%	0.89%
Nimr Industrial Chemical Limited	-	10,500	-	-	10,500	908	1,424	516	1.39%	1.61%
<b>Fertilizer</b>										
Engro Fertilizer Limited	32,000	63,000	-	61,500	33,500	2,151	2,090	(61)	2.04%	2.37%
Engro Corporation Limited	7,027	14,500	-	9,700	11,827	3,591	3,280	(311)	3.20%	3.72%
Fauji Fertilizer Bin Qasim	-	80,000	-	-	80,000	2,192	2,192	-	2.14%	2.40%
Fauji Fertilizer Company Limited	5,500	25,500	-	9,500	21,500	2,370	2,247	(123)	2.20%	2.55%
<b>Cement</b>										
Attock Cement Pakistan Limited	-	12,000	-	-	12,000	2,040	2,036	(4)	1.99%	2.31%
Cherat Cement Company Limited	500	13,500	-	8,000	6,000	1,009	964	(45)	0.94%	1.09%
D.G Khan Cement Company Limited	25,000	13,000	-	28,000	10,000	1,220	1,205	(15)	1.18%	1.37%
Kohat Cement Company Limited	-	5,000	-	1,400	3,600	739	746	7	0.73%	0.85%
Lucky Cement Company Limited	5,000	12,000	-	5,200	11,800	7,932	9,648	1,716	9.43%	10.94%
Maple Leaf Cement Company Limited	78,000	56,500	-	109,500	25,000	1,161	1,120	(41)	1.09%	1.27%
Pioneer Cement Limited	-	15,500	-	7,500	8,000	1,026	974	(52)	0.95%	1.10%
Power Cement	-	225,000	-	-	225,000	2,611	2,072	(539)	2.02%	2.35%
<b>Engineering</b>										
Armel Steels Limited	35,000	-	-	35,000	-	-	-	-	0.00%	0.00%
Crescent Steel & Allied Products	-	9,000	-	9,000	-	-	-	-	0.00%	0.00%
International Steel Limited	-	13,000	-	-	13,000	1,250	1,113	(137)	1.09%	1.26%
<b>Insurance</b>										
Adanjee Insurance Company Limited	-	35,000	-	-	35,000	1,610	1,373	(237)	1.34%	1.56%
Jubilee Life Insurance Company Limited	-	14,500	-	8,500	6,000	2,125	2,207	82	2.16%	2.50%
<b>Oil and Gas Exploration Companies</b>										
Mari Petroleum Company Limited	2,000	4,050	-	580	5,470	8,551	8,376	(175)	8.18%	9.50%
Oil & Gas Development Company Limited	24,400	27,000	-	38,000	13,400	1,415	1,362	(53)	1.33%	1.54%
Pakistan Oilfield Limited	5,500	6,900	-	3,300	9,100	3,674	3,457	(217)	3.38%	3.92%
Pakistan Petroleum Limited	26,800	41,500	-	54,000	14,300	1,292	1,249	(43)	1.22%	1.42%
<b>Oil and Gas Marketing Companies</b>										
Attock Petroleum Limited	-	5,500	-	1,500	4,000	1,410	1,308	(102)	1.28%	1.48%
Pakistan State Oil Company Limited	10,000	11,000	-	11,500	9,500	2,087	2,191	104	2.14%	2.48%
Sul Northern Gas Company Limited	16,000	-	-	16,000	-	-	-	-	0.00%	0.00%
<b>Power Generation and Distribution</b>										
Hutpower Company Limited	14,000	33,500	-	32,000	15,500	1,295	1,258	(37)	1.23%	1.43%
Kot Addu power Company Limited	-	35,500	-	-	35,500	1,420	1,411	(9)	1.38%	1.60%
<b>Pharmaceuticals</b>										
Abbott Laboratories Pakistan Limited	-	3,600	-	3,600	-	-	-	-	0.00%	0.00%
The Searl Company Limited	-	5,000	-	5,000	-	-	-	-	0.00%	0.00%
<b>Paper and Boards</b>										
Packages limited	1,600	-	-	1,600	-	-	-	-	0.00%	0.00%
Security Papers Limited	-	3,500	-	-	3,500	805	464	(341)	0.45%	0.53%
<b>Technology and Communications</b>										
Pakistan Telecommunication Company	-	180,000	-	180,000	-	-	-	-	0.00%	0.00%
Systems Limited	-	3,500	-	3,500	-	-	-	-	0.00%	0.00%
<b>Textile Composite</b>										
Gul Ahmed textile limited	25,000	-	-	25,000	-	-	-	-	0.00%	0.00%
Feroze 1688 Mills Limited	-	12,000	-	-	12,000	1,205	1,215	10	1.19%	1.38%
Interloop Limited	-	65,000	-	30,000	35,000	2,207	2,314	107	2.26%	2.62%
Kohinoor Textile Mills Limited	-	37,000	-	20,000	17,000	909	1,043	134	1.02%	1.18%
Nishat Mills Limited	-	15,000	-	7,500	7,500	742	694	(48)	0.68%	0.79%
<b>Total as at March 31, 2021</b>						<b>86,419</b>	<b>88,188</b>	<b>1,769</b>		
<b>Total as at June 30, 2020</b>						<b>42,332</b>	<b>36,867</b>	<b>(5,465)</b>		

### 5.2 Following shares were pledged with National Clearing Company Pakistan Limited (NCCPL) as collateral against exposure margin and mark to mark losses:

	March 31 2021	June 30 2020
	(Number of shares)	
Bank AL Habib Limited	36,500	-
	36,500	-

**6. ADVANCES, DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES**

	<b>March 31 2021 (Unaudited)</b>	<b>June 30 2020 (Audited)</b>
	(Rupees in '000)	
Deposit with NCCPL	<b>2,750</b>	2,750
Deposit with Central Depository Company of Pakistan Limited	<b>100</b>	100
Advance tax	<b>1,132</b>	1,123
Receivable from AL Habib Asset Management Limited	<b>–</b>	250
Prepayments	<b>195</b>	140
	<b><u>4,177</u></b>	<b><u>4,363</u></b>

**7. PROVISION FOR SINDH WORKERS' WELFARE FUND**

Provision for Sindh Workers' Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on January 12, 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers' Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management company has recorded SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the net asset value per unit of the fund would have been higher by RS.0.31 (June 30, 2020: Rs. 0.09) per unit.

**8. CONTINGENCIES AND COMMITMENTS**

Except as stated in note 7, there are no contingencies and commitments as at March 31, 2021.

**9. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance (ITO), 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe, shall not be taken into account. Furthermore, as per regulation 63 of the NBFC regulations, 2008, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001. The Fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

**10. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS**

Connected persons / related parties include AL Habib Asset Management Limited being the Management Company, Bank AL Habib Limited - Parent Company and AL Habib Capital Markets (Private) Limited - Associate Company being companies under common management, First Habib Cash Fund, First Habib Income Fund, First Habib Islamic Income Fund, First Habib Stock Fund and First Habib Islamic Stock Fund being the Fund managed by common Management Company, Central Depository Company Limited being the Trustee of the Fund. directors, officers persons holding 10% or more in the units of the Fund as at 31 March 2021. It also includes staff retirement benefit funds of the above connected person / related parties.

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

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

## FIRST HABIB ASSET ALLOCATION FUND

	Nine Months ended March 31		Quarter ended 31 March	
	2021	2020	2021	2020
	(Rupees in '000)			
<b>Details of the transactions with connected persons are as follows:</b>				
<b>AL Habib Asset Management Limited - Management Company</b>				
Management Company's remuneration	1,346	1,466	479	506
Sindh Sales Tax on Management remuneration	175	191	62	66
<b>AL Habib Capital Markets (Private) Limited -Brokerage house</b>				
Brokerage	79	13	38	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee remuneration	135	147	48	51
Sindh Sales Tax on Trustee fee	18	19	7	7
<b>Details of balances with connected persons at period end are as follows:</b>				
<b>Bank AL Habib Limited</b>				
Bank Balance			8	-
<b>AL Habib Asset Management Limited - Management Company</b>				
Remuneration payable Inclusive of Sindh Sales Tax			199	165
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration payable Inclusive of Sindh Sales tax			20	16
Security deposit - non interest bearing			100	100
<b>10.1 Sale / Redemption of units</b>				
	March 31, 2021		March 31, 2020	
	(Unaudited)		(Unaudited)	
<b>Units sold to:</b>	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<b>Management Company</b>				
AL Habib Asset Management Limited	1,197,741	119,996	172,872	15,000
<b>Units redeemed by:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	1,389,583	136,087	-	-
<b>Directors &amp; their relatives of Management Company</b>	-	-	7,080	661
<b>10.2 Units held by:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	481,008	48,814	605,192	50,377
<b>Associated Companies</b>				
- Bank AL Habib Limited	200,149	20,312	200,149	16,661

## 11. TOTAL EXPENSE RATIO

Total Expense Ratio (TER) of the Fund for the period ended March 31, 2021 is 4.94% which include 0.60% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

## 12. GENERAL

**12.1** This condensed interim financial information was authorised for issue by the board of directors of the Management Company on **April 19, 2021**.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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**FIRST HABIB STOCK FUND**  
**Quarterly Report**  
**March 31, 2021**

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## FIRST HABIB STOCK FUND

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### FUND'S INFORMATION

#### Management Company

AL Habib Asset Management Limited

#### Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali Khan	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

#### Chief Financial Officer

Mr. Abbas Qurban

#### Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

#### Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Mr. Imran Azim	Member

#### Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

#### Auditors

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

#### Legal Advisor

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

#### Trustee

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

#### Rating

AM2 Management Company Quality Rating by PACRA.

#### Bankers to the Fund

Bank AL Habib Limited  
MCB Bank Limited

**Registered Office:** 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**Condensed Interim Statement of Assets and Liabilities***As at March 31, 2021*

		<b>March 31</b>	<b>June 30</b>
		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>---- (Rupees in '000) ----</b>	
		<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>Assets</b>			
Bank balances	4	<b>18,240</b>	18,059
Investments	5	<b>162,155</b>	90,114
Dividend and profit receivable		<b>1,640</b>	107
Advance, deposits, prepayments and other receivable	6	<b>2,796</b>	2,789
Receivable against sale of units		<b>645</b>	-
<b>Total assets</b>		<b>185,476</b>	111,069
<b>Liabilities</b>			
Payable to AL Habib Asset Management Limited - Management Company		<b>320</b>	182
Provision for Federal Excise Duty on remuneration of the Management Company		<b>2,043</b>	2,043
Payable to Central Depository Company of Pakistan Limited - Trustee		<b>32</b>	18
Payable to Securities and Exchange Commission of Pakistan		<b>19</b>	22
Provision for Sindh Workers' Welfare Fund	7	<b>1,342</b>	945
Payable against purchase of Investment		-	2,085
Accrued expenses and other liabilities		<b>2,220</b>	932
<b>Total liabilities</b>		<b>5,976</b>	6,227
<b>Net assets</b>		<b>179,500</b>	104,842
<b>Unit holders' funds (as per statement attached)</b>		<b>179,500</b>	104,842
<b>----- (Number of units) -----</b>			
<b>Number of units in issue (face value of units is Rs. 100 each)</b>		<b>2,075,862</b>	1,459,663
<b>----- (Rupees) -----</b>			
<b>Net asset value per unit</b>		<b>86.47</b>	71.83
<b>Contingencies and commitments</b>	8		

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For AL Habib Asset Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer\_\_\_\_\_  
Chief Financial Officer\_\_\_\_\_  
Director

# FIRST HABIB STOCK FUND

## Condensed Interim Income Statement (Un-Audited)

For the nine months and quarter ended March 31, 2021

		Nine months ended March 31		Quarter ended March 31	
		2021	2020	2021	2020
Note		(Rupees in '000)			
<b>Income</b>					
		729	1,074	284	370
		-	98	-	98
		4,779	4,876	2,753	1,425
		10,507	6,224	1,765	2,173
5.2		7,480	(27,650)	(4,080)	(39,899)
		17,987	(21,426)	(2,315)	(37,726)
	<b>Total income / (loss)</b>	23,495	(15,379)	722	(35,834)
<b>Expenses</b>					
	8	1,869	1,668	743	608
		243	217	97	79
		51	16	-	16
	10	187	167	74	61
		24	22	9	8
	11	19	17	5	6
		501	488	225	227
		269	300	85	92
		21	17	8	7
		282	310	67	106
		152	152	50	51
		49	49	16	16
	<b>Total expenses</b>	3,667	3,422	1,379	1,276
	<b>Net income / loss from operation activities</b>	19,828	(18,801)	(657)	(37,110)
		397	-	-	(366)
	<b>Net income / (loss) for the period before taxation</b>	19,431	(18,801)	(657)	(36,744)
		-	-	-	-
	<b>Net Income / (loss) for the period after taxation</b>	19,431	(18,801)	(657)	(36,744)
<b>Allocation of net income / (loss) for the period after taxation</b>					
		19,431	(18,801)	(657)	(36,744)
		(1,961)	-	(315)	-
		17,470	(18,801)	(972)	(36,744)
<b>Accounting Income available for distribution:</b>					
		16,172	(21,426)	(3,425)	(37,726)
		1,298	2,625	2,453	982
		17,470	(18,801)	(972)	(36,744)

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Statement of Comprehensive Income (Un-Audited)***For the nine months and quarter ended March 31, 2021*

	Nine month ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
<b>Net Income / (loss) for the period after taxation</b>	<b>19,431</b>	(18,801)	<b>(657)</b>	(36,744)
Other comprehensive income	-	-	-	-
<b>Total comprehensive Income / (loss) for the period</b>	<b>19,431</b>	(18,801)	<b>(657)</b>	(36,744)

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

FIRST HABIB STOCK FUND

**Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)**

*For the nine months ended March 31, 2021*

	March 31, 2021			March 31, 2020		
	Capital Value	Un distributed income	Net Asset	Capital Value	Un distributed income	Net Asset
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	165,076	(60,234)	104,842	162,690	(58,670)	104,020
<b>Issuance of 1,387,327 units (2020: 753,789 units)</b>						
- Capital value	99,652	-	99,652	54,662	-	54,662
- Element of income	21,420	-	21,420	2,311	-	2,311
Amount received / receivable on issuance of units	121,072	-	121,072	56,973	-	56,973
<b>Redemption of 771,128 units (2020: 643,287 units)</b>						
- Capital value	(55,390)	-	(55,390)	(46,649)	-	(46,649)
- Element of loss	(8,494)	(1,961)	(10,455)	(1,844)	-	(1,844)
Amount paid / payable on redemption of units	(63,884)	(1,961)	(65,845)	(48,493)	-	(48,493)
Total comprehensive income / loss for the period	-	19,431	19,431	-	(18,801)	(18,801)
<b>Net assets at the end of the period</b>	<u>222,264</u>	<u>(42,764)</u>	<u>179,500</u>	<u>171,170</u>	<u>(77,471)</u>	<u>93,699</u>
<b>Undistributed (loss) brought forward</b>						
- Realised		(51,879)			(37,647)	
- Unrealised		(8,355)			(21,023)	
		<u>(60,234)</u>			<u>(58,670)</u>	
<b>Net income for the period after taxation</b>		17,470			(18,801)	
<b>Undistributed loss carried forward</b>		<u>(42,764)</u>			<u>(77,471)</u>	
<b>Undistributed loss carried forward comprises of:</b>						
- Realised loss		(50,244)			(37,572)	
- Unrealised gain		7,480			(39,899)	
		<u>(42,764)</u>			<u>(77,471)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		<u>71.83</u>			<u>72.52</u>	
Net assets value per unit at end of the period		<u>86.47</u>			<u>60.65</u>	

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Cash Flow Statement (Un-Audited)***For the nine months ended March 31, 2021*

	<b>Nine months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income / (loss) for the period before taxation	<b>19,431</b>	(18,801)
<b>Adjustments for non-cash and other items</b>		
Net unrealised appreciation / (diminution) on revaluation of investments	<b>(7,480)</b>	27,650
<b>Net cash generated from operations before working capital changes</b>	<b>11,951</b>	8,849
<b>(Increase) / Decrease in assets</b>		
Investments	<b>(64,561)</b>	(16,850)
Dividend and profit receivable	<b>(1,533)</b>	(1,505)
Advance, deposits, prepayments and other receivables	<b>(7)</b>	3,539
Receivable against sale of units	<b>(645)</b>	-
	<b>(66,746)</b>	(14,816)
<b>Increase / (Decrease) in liabilities</b>		
Payable to AL Habib Asset Management Limited - Management Company	<b>138</b>	5
Payable to Central Depository Company of Pakistan Limited Trustee	<b>14</b>	(44)
Payable to SECP	<b>(3)</b>	(107)
Payable against purchase of investments	<b>(2,085)</b>	-
Provision for Sindh Workers' Welfare Fund	<b>397</b>	-
Accrued expenses and other liabilities	<b>1,288</b>	717
	<b>(251)</b>	570
<b>Net cash used in operating activities</b>	<b>(55,046)</b>	(5,396)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	<b>121,072</b>	56,973
Payments against redemption of units	<b>(65,845)</b>	(48,493)
<b>Net cash generated from financing activities</b>	<b>55,227</b>	8,479
<b>Net increase in cash and cash equivalents during the period</b>	<b>181</b>	3,083
Cash and cash equivalents at the beginning of the period	<b>18,059</b>	7,583
<b>Cash and cash equivalents at the end of period</b>	<b>18,240</b>	10,666
<b>CASH AND CASH EQUIVALENTS</b>		
Bank Balances	<b>18,240</b>	10,666

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Executive Officer\_\_\_\_\_  
Chief Financial Officer\_\_\_\_\_  
Director

**Notes to the Condensed Interim Financial Statements (Un-Audited)**

*For the nine months and quarter ended March 31, 2021*

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the management company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi.

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

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

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

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

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2' to the Management Company.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

**2.1.2** This condensed interim financial information does not include all the information and the disclosures required in the annual financial statement and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

**2.1.3** This condensed interim financial information is unaudited and is being submitted to the unit holders as required under Regulation 38 (2) (f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). However, a limited scope review has been carried out by the auditors in accordance with the requirements of the (xix) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

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

**2.1.5** In compliance with Schedule V of the NBFC Regulation, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

**3.1** The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

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

**3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2020.

## **4 BANK BALANCES**

This represents savings account held with various commercial banks carrying profit rates ranging from 5.5% to 6.9% (June 30, 2020: 6% to 13.34%) per annum. It also includes a balance of Rs. 18.103 million (June 30, 2020: Rs. 17.7 'million) with Bank AL Habib Limited, a related party, carrying profit rate of 6.5% (30 June 2020: 7.75% to 11.75%) 'per annum.

<b>5 INVESTMENTS</b>			<b>March 31</b>	<b>June 30</b>
			<b>2021</b>	<b>2020</b>
			<b>(Un-Audited)</b>	<b>(Audited)</b>
			<b>----- (Rupees in '000) -----</b>	
<b>at fair value through profit or loss</b>	<b>Note</b>			
Listed Equity securities	5.1		<u><b>162,155</b></u>	<u>90,114</u>
			<u><b>162,155</b></u>	<u>90,114</u>

## FIRST HABIB STOCK FUND

### 5.1 Listed Equity Securities

Name of the Investee	As at July 01, 2020	Purchased during the period	Bonus/ right issue during the period	Sold during the period	As at March 31 2021	Carrying value as at March 31 2021	Market value as at March 31 2021	Unrealized Gain/(Loss)	Market Value as a Percentage of:	
									Net Assets	Total Investment
Number of shares					(Rupees in '000)					
Unless stated otherwise , the holdings are in ordinary shares of Rs 10 each.										
<b>Commercial Banks</b>										
Allied bank Limited	19,000	-	-	19,000	-	-	-	-	-	0.00%
Askari Bank Limited	36,000	120,000	-	66,000	90,000	1,792	1,758	(34)	0.98	1.08%
Bank Alfalah Limited	23,800	187,320	-	211,120	-	-	-	-	-	0.00%
Bank AL Habib Limited	68,000	-	-	22,500	45,500	2,380	2,959	579	1.65	1.82%
Bank of Punjab Limited	435,500	-	-	170,000	265,500	2,230	2,137	(93)	1.19	1.32%
Faysal Bank Limited	450	70,000	-	450	70,000	1,358	1,133	(225)	0.63	0.70%
Habib Bank Limited	5.1.1 46,500	35,000	-	50,000	31,500	3,625	3,660	35	2.04	2.26%
Habib metro Bank Limited	-	80,000	-	-	80,000	3,019	2,878	(141)	1.60	1.77%
MCB Bank Limited	23,470	7,000	-	20,000	10,470	1,740	1,802	62	1.00	1.11%
Meezan Bank Limited	-	118,623	1,500	-	120,123	12,677	13,596	919	7.57	8.38%
United Bank Limited	5.1.1 41,000	36,000	-	38,000	39,000	4,738	4,639	(99)	2.58	2.86%
<b>Oil and gas marketing companies</b>										
Attock Petroleum Limited	-	3,500	-	-	3,500	1,337	1,145	(192)	0.64	0.71%
Hasco Petroleum Limited	2	-	-	2	-	-	-	-	-	0.00%
Pakistan State Oil Company Limited	12,840	12,500	-	9,500	15,840	3,268	3,653	385	2.04	2.25%
Sui Northern Gas Pipelines Limited	42,000	-	-	42,000	-	-	-	-	-	0.00%
<b>Engineering</b>										
Anreli Steel	20,000	-	-	20,000	-	-	-	-	-	0.00%
Crescent steel and allied products	-	14,000	-	14,000	-	-	-	-	-	0.00%
International Steels Limited	32,000	20,000	-	32,000	20,000	1,945	1,712	(233)	0.95	1.06%
<b>Chemicals</b>										
Archroma pakistan Limited	-	950	-	-	950	572	543	(29)	0.30	0.33%
Engro Polymer and Chemicals Limited	92,000	153,500	-	92,000	153,500	7,056	8,441	1,385	4.70	5.21%
ICI Pakistan	3,000	1,000	-	1,200	2,800	2,105	2,329	224	1.30	1.44%
Lotte Chemical Pakistan Ltd	-	97,000	-	-	97,000	1,418	1,547	129	0.86	0.95%
Nimir Industrial Chemicals Ltd	-	14,000	-	-	14,000	1,204	1,898	694	1.06	1.17%
<b>Fertilizers</b>										
Engro Fertilizers Limited	5.1.1 48,500	8,000	-	15,000	41,500	2,542	2,590	48	1.44	1.60%
Engro Corporation Limited	18,650	12,700	-	5,500	25,850	7,778	7,169	(609)	3.99	4.42%
Fauji Fertilizer bin qasim Limited	-	210,000	-	-	210,000	5,689	5,754	65	3.21	3.55%
Fauji Fertilizer Company Limited	36,500	34,000	-	46,500	24,000	2,661	2,508	(153)	1.40	1.55%
<b>Insurance</b>										
Adamjee insurance company limited	-	25,000	-	-	25,000	1,150	981	(169)	0.55	0.60%
Jubilee life insurance	-	16,000	-	10,300	5,700	1,959	2,096	137	1.17	1.29%
<b>Oil and gas exploration companies</b>										
Mari Petroleum Company Limited	5,530	4,520	-	2,150	7,900	12,102	12,097	(5)	6.74	7.46%
Oil and Gas Development Company Limited	5.1.1 55,799	49,000	-	45,000	59,799	6,419	6,076	(343)	3.38	3.75%
Pakistan Oil Fields Limited	5,100	9,500	-	4,000	10,600	4,085	4,027	(58)	2.24	2.48%
Pakistan Petroleum Limited	5.1.1 52,536	50,000	-	61,500	41,036	3,724	3,584	(140)	2.00	2.21%
<b>Paper and Boards</b>										
Century Paper & Board Mills Limited	20,000	-	-	20,000	-	-	-	-	-	0.00%
Security papers limited	-	5,000	-	-	5,000	1,175	663	(512)	0.37	0.41%
<b>Construction and Materials (Cement)</b>										
Attock Cement	-	25,000	-	-	25,000	4,139	4,242	103	2.36	2.62%
Cheval Cement	500	21,500	-	12,000	10,000	1,682	1,606	(76)	0.89	0.99%
D.G. Khan Cement Company limited	13,000	21,500	-	22,500	12,000	1,464	1,446	(18)	0.81	0.89%
Gharibwal cement limited	-	40,000	-	-	40,000	1,779	1,650	(129)	0.92	1.02%
Kohat Cement	-	8,500	-	1,400	7,100	1,596	1,471	(125)	0.82	0.91%
Lucky Cement Limited	13,050	10,000	-	5,400	17,650	10,062	14,430	4,368	8.04	8.90%
Maple Leaf Cement Factory Limited	102,000	71,000	-	102,000	71,000	3,202	3,181	(21)	1.77	1.96%
Pioneer Cement	15,000	67,500	-	61,500	21,000	2,629	2,558	(71)	1.43	1.58%
Power Cement	-	400,000	-	-	400,000	4,638	3,684	(954)	2.05	2.27%
<b>Automobiles Assemblers</b>										
Indus Motor Company Limited	1,200	-	-	1,200	-	-	-	-	-	0.00%
Millat Tractor	-	2,400	237	-	2,637	2,916	2,900	(16)	1.62	1.79%
Sazgar engineering works	-	13,000	3,900	16,900	-	-	-	-	-	0.00%
<b>Software &amp; Computer Services</b>										
Netsol	1,500	-	-	1,500	-	-	-	-	-	0.00%
<b>Automobiles parts and accessories</b>										
Panther Tyres	-	6,319	-	-	6,319	416	407	(9)	0.23	0.25%
Thal Limited	1,650	3,500	-	-	5,150	2,116	1,896	(220)	1.06	1.17%
<b>Textile composition</b>										
Gul Ahmed Textile Mills Limited	75,600	-	-	75,600	-	-	-	-	-	0.00%
Feroze 1888 mills limited	-	19,000	-	-	19,000	1,980	1,923	(57)	1.07	1.19%
Interloop Limited	-	63,500	-	20,000	43,500	2,835	2,876	41	1.60	1.77%
Nishat Mills Limited	30,000	5,000	-	17,000	18,000	1,584	1,665	81	0.93	1.03%
<b>Pharmaceutical</b>										
Abbott Laboratories (Pakistan) Limited	-	3,500	-	2,000	1,500	926	1,087	161	0.61	0.67%
Glaxosmith	3,500	-	-	3,500	-	-	-	-	-	0.00%
The Searle Company Limited	550	4,500	-	5,050	-	-	-	-	-	0.00%
<b>Power generation and distribution</b>										
Hub Power Company Limited	5.1.1 42,400	55,000	-	48,000	49,400	3,937	4,008	71	2.23	2.47%
Kot Addu Power Company Limited	-	73,000	-	-	73,000	2,875	2,901	26	1.62	1.79%
K-Electric Limited	100,000	-	-	-	100,000	301	398	97	0.22	0.25%
<b>Technology &amp; Communications</b>										
Pakistan Telecommunication Limited	500	200,000	-	200,500	-	-	-	-	-	0.00%
Systems Technology	10,700	3,500	860	5,600	9,460	1,850	4,451	2,601	2.48	2.74%
Total as at March 31 2021						154,675	162,155	7,480		
Total as at June 30 2020						98,469	90,114	(8,355)		

## FIRST HABIB STOCK FUND

5.1.1 Following shares were pledged with national clearing company pakistab limited (NCCPL) as collateral against exposure margin and mark to market losses.

	March 31 2021 (Number of Shares)	June 30 2020
Engro Fertilizers Limited	15,000	—
Habib Bank Limited	15,000	—
The HUB Power Company Limited	13,500	13,500
Oil & Gas Development Company Limited	15,000	—
Pakistan Petroleum Limited	15,000	—
United Bank Limited	13,000	—
	<u>86,500</u>	<u>13,500</u>

	March 31 2021 (Unaudited)	June 30 2020 (Audited)
	----- (Rupees in '000) -----	
6. ADVANCE, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE		
Deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Deposit with Central Depository Company of Pakistan Limited	100	100
Advance tax	190	189
Prepayments	6	-
	<u>2,796</u>	<u>2,789</u>

## 7. PROVISION FOR SINDH WORKERS' WELFARE FUND

Provision for Sindh Workers' Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on January 12, 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers' Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management company has recorded SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the SWWF not been provided for, the net assets value per unit would have been higher by Re. 0.65 (June 30, 2020: Re. 0.65) per unit.

## 8. CONTINGENCIES AND COMMITMENTS

Except as stated in note 7, there are no contingencies and commitments as at March 31, 2021.

## 9. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of atleast 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe shall not be taken into account. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash atleast 90% of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

## FIRST HABIB STOCK FUND

### 10. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AL Habib Asset Management Limited being the Management Company, Bank AL Habib Limited - Parent Company and AL-Habib Capital Markets (Private) Limited - Associate Company being companies under common management, First Habib Cash Fund, First Habib Income Fund, First Habib Islamic Income Fund, First Habib Asset Allocation Fund and First Habib Islamic Stock Fund being the Fund managed by common Management Company Central Depository Company Limited being the Trustee of the Fund. directors, officers and persons holding 10% or more in the units of the Fund as at March 31 2021. It also includes staff retirement benefit funds of the above connected person / related parties.

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

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

Details of transactions with connected persons are as follows:

	Nine Month Ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
<b>AL Habib Asset Management Limited - Management Company</b>				
Management Company's remuneration	1,869	1,668	743	608
Sindh Sales Tax on Management Company's remuneration	243	217	97	79
Expenses allocated to Management Company	51	16	-	16
<b>AL Habib Capital Markets (Private) Limited - Brokerage house</b>				
Brokerage	145	22	96	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee remuneration	187	167	74	61
Sindh Sales Tax on Trustee remuneration	24	22	9	8
<b>Bank Al Habib Limited</b>				
Profit on Bank Balances	675	1,074	230	618

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

	March 31 2021 (Unaudited)	June 30 2020 (Audited)
	(Rupees in '000)	
<b>Bank Al Habib Limited</b>		
Bank Balance	18,103	17,797
<b>AL Habib Asset Management Limited - Management Company</b>		
Remuneration payable inclusive of Sindh Sales tax	320	182
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable Inclusive of Sindh Sales tax	32	18
Security deposits - non interest bearing	100	100
<b>AL Habib Capital Markets (Private) Limited - Brokerage house</b>		
Brokerage payable	150	5

## FIRST HABIB STOCK FUND

### Sale / Redemption of units for the period ended 31 March

	Nine months ended March 31, 2021		Nine months ended March 31, 2020	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<b>Units sold to:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	316,994	27,000	275,272	19,000
<b>Other related parties</b>				
Director's & their relatives of the Management Company	1,468	100	1,468	100
Key Management Executives	76,516	6,614	25,718	2,000
<b>Units redeemed by:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	249,318	19,586	71,956	5,000
Habib Asset Management Limited - Employees Provident Fund	-	-	20,910	1,530
<b>Other related parties</b>				
Director's & their relatives of the Management Company	2,359	202	30,441	2,250
Key Management Executives	42,818	3,741		
<b>Units held by:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	168,278	14,551	203,316	12,331
<b>Parent Company</b>				
Bank AL Habib Limited	100,000	8,647	100,000	6,065
<b>Other related parties</b>				
Director's & their relatives of the Management Company	11,812	1,021	12,349	749
Key Management Executives	95,315	8,242	61,143	3,708
<b>Connected party holding 10% or more of the units in issue</b>	<b>604,091</b>	<b>52,236</b>	<b>604,091</b>	<b>36,635</b>

### 11. TOTAL EXPENSE RATIO

Total Expense Ratio (TER) of the Fund for the period ended March 31, 2021 is 4.35% which includes 0.73% representing Government levy, Sindh Workers' Welfare Fund and SECP fee.

### 12. DATE OF AUTHORISATION FOR ISSUE

12.1 These condensed interim financial statements were authorised for issue by the board of directors of the Management Company on **April 19, 2021**.

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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**FIRST HABIB ISLAMIC STOCK FUND**  
**Quarterly Report**  
**March 31, 2021**

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## FIRST HABIB ISLAMIC STOCK FUND

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### FUND'S INFORMATION

#### Management Company

AL Habib Asset Management Limited

#### Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali Khan	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

#### Chief Financial Officer

Mr. Abbas Qurban

#### Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

#### Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Mr. Imran Azim	Member

#### Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali Khan	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

#### Auditors

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

#### Legal Advisor

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

#### Trustee

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

#### Rating

AM2 Management Company Quality Rating by PACRA.

#### Bankers to the Fund

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

#### Shariah Advisor

Mufti Ismatullah Hamdullah

**Registered Office:** 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

FIRST HABIB ISLAMIC STOCK FUND

**Condensed Interim Statement of Assets and Liabilities**

*As at March 31, 2021*

		March 31 2021 (Un-Audited) ------(Rupees in '000)-----	June 30 2020 (Audited)
	Note		
<b>Assets</b>			
Bank balances	4	11,305	40,432
Investments	5	306,262	75,804
Income and Dividend receivable		1,609	117
Advance, Deposits, prepayments and other receivable	6	2,911	3,136
Receivable against sale of units		30	-
<b>Total assets</b>		<u>322,117</u>	<u>119,489</u>
<b>Liabilities</b>			
Payable to AL Habib Asset Management Limited - Management Company		635	447
Provision for Federal Excise Duty on remuneration of the Management Company		1,478	1,478
Payable to Central Depository Company of Pakistan Limited - Trustee		63	21
Payable to Securities and Exchange Commission of Pakistan		24	20
Provision for Sindh Workers' Welfare Fund	7	728	504
Payable against purchase of investment		-	12,705
Accrued expenses and other liabilities		1,684	909
<b>Total liabilities</b>		<u>4,612</u>	<u>16,084</u>
<b>Net assets</b>		<u>317,505</u>	<u>103,405</u>
<b>Unit holders' funds (as per the statement attached)</b>		<u>317,505</u>	<u>103,405</u>
		------(Number of Units)-----	
<b>Number of units in issue</b>		<u>3,696,193</u>	<u>1,477,879</u>
		------(Rupees)-----	
<b>Net asset value per unit (face value of units is Rs. 100 each)</b>		<u>85.90</u>	<u>69.97</u>
<b>Contingencies and commitments</b>	8		

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

For AL Habib Asset Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

FIRST HABIB ISLAMIC STOCK FUND

**Condensed Interim Income Statement (un-Audited)**

For the nine months and quarter ended March 31, 2021

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
Note	(Rupees in '000)			
<b>Income</b>				
Dividend income	5,282	4,025	3,168	651
Profit on bank balances	818	1,187	492	459
Return on Margin Deposit on Equity	34	-	25	-
Net realised gain / (loss) on sale of investments	10,356	1,912	(39)	922
Net unrealised (loss) on revaluation of investments	(374)	(20,873)	(6,559)	(35,333)
<b>Total income / (loss)</b>	<b>16,116</b>	<b>(13,750)</b>	<b>(2,913)</b>	<b>(33,302)</b>
<b>Expenses</b>				
Remuneration of AL Habib Asset Management Limited - Management Company	2,382	1,545	1,521	545
Sindh Sales Tax on Management Company's remuneration	310	201	198	71
Expenses allocated by the Management Company	118	32	26	32
Remuneration of Central Depository Company of Pakistan Limited - Trustee	238	154	152	54
Sindh Sales Tax on Trustee's remuneration	31	20	20	7
Annual fee - Securities and Exchange Commission of Pakistan	24	15	13	5
Brokerage expenses	877	196	538	109
Settlement and bank charges	283	265	104	81
Annual listing fee	21	17	8	7
Auditors' remuneration	357	385	94	123
Mutual fund rating fee	138	47	45	5
Charity expense	128	134	58	12
Printing charges	49	49	16	14
<b>Total expenses</b>	<b>4,956</b>	<b>3,061</b>	<b>2,793</b>	<b>1,066</b>
<b>Net income / (loss) from operating activities</b>	<b>11,160</b>	<b>(16,811)</b>	<b>(5,706)</b>	<b>(34,368)</b>
Provision of Sindh Worker's Welfare Fund	(223)	-	114	(351)
<b>Net Income / (loss) for the period before taxation</b>	<b>10,937</b>	<b>(16,811)</b>	<b>(5,592)</b>	<b>(34,719)</b>
Taxation	-	-	-	-
<b>Net Income / (loss) for the period after taxation</b>	<b>10,937</b>	<b>(16,811)</b>	<b>(5,592)</b>	<b>(34,719)</b>
<b>Allocation of net income / (loss) for the period after taxation</b>				
Net Income / (loss) for the period after taxation	10,937	(16,811)	(5,592)	(34,719)
Income already paid on units redeemed	(9,615)	-	(3,298)	-
	<b>1,322</b>	<b>(16,811)</b>	<b>(8,890)</b>	<b>(34,719)</b>
<b>Accounting income / (loss) available for distribution:</b>				
Relating to capital gains / (loss)	1,207	(18,961)	(10,489)	(34,411)
Excluding capital gains / (loss)	115	2,150	1,599	(308)
	<b>1,322</b>	<b>(16,811)</b>	<b>(8,890)</b>	<b>(34,719)</b>

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

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Statement of Comprehensive Income (un-Audited)***For the nine months and quarter ended March 31, 2021*

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	<u>(Rupees in '000)</u>			
Net Income / loss for the period after taxation	10,937	(16,811)	(5,592)	(34,719)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive Income / loss for the period</b>	<b>10,937</b>	<b>(16,811)</b>	<b>(5,592)</b>	<b>(34,719)</b>

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

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

FIRST HABIB ISLAMIC STOCK FUND

**Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)**

For the nine months ended March 31, 2021

Note	2021			2020		
	Capital Value	Un distributed income	Net Asset	Capital Value	Un distributed income	Net Asset
	Rupees in '000					
<b>Net assets at the beginning of the period</b>	<b>141,398</b>	<b>(37,993)</b>	<b>103,405</b>	<b>138,494</b>	<b>(37,638)</b>	<b>100,856</b>
<b>Issuance of 4,899,474 units</b> (2020: 217,845 units)						
- Capital value	342,808	-	342,808	15,257	-	15,257
- Element of loss	78,852	-	78,852	(174)	-	(174)
Amount received / receivable on issuance of units	421,660	-	421,660	15,083	-	15,083
<b>Redemption of 2,681,161 units</b> (2020: 264,762 units)						
- Capital value	(187,597)	-	(187,597)	(18,543)	-	(18,543)
- Element of income	(21,285)	(9,615)	(30,900)	158	-	158
Amount paid / payable on redemption of units	(208,882)	(9,615)	(218,497)	(18,385)	-	(18,385)
Total comprehensive income / (loss) for the period	-	10,937	10,937	-	(16,811)	(16,811)
<b>Net assets at the end of the period</b>	<b>354,176</b>	<b>(36,671)</b>	<b>317,505</b>	<b>135,192</b>	<b>(54,449)</b>	<b>80,743</b>
<b>Undistributed loss brought forward</b>						
- Realised loss		(36,280)			(16,035)	
- Unrealised loss		(1,713)			(21,603)	
		(37,993)			(37,638)	
<b>Net Income / (loss) for the period after taxation</b>		1,322			(16,811)	
<b>Undistributed loss carried forward</b>		(36,671)			(54,449)	
<b>Undistributed loss carried forward comprises of:</b>						
- Realised loss		(36,297)			(33,576)	
- Unrealised loss		(374)			(20,873)	
		(36,671)			(54,449)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		69.97			70.04	
Net assets value per unit at end of the period		85.90			57.96	

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

For AL Habib Asset Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Cash Flow Statement (un-Audited)***For the nine months ended March 31, 2021*

	<b>Nine months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income / (loss) for the period after taxation	<b>10,937</b>	(16,811)
<b>Adjustments for non-cash items</b>		
Net unrealised loss on revaluation of investments	<b>374</b>	20,873
	<b>11,311</b>	4,063
<b>(Increase) / Decrease in assets</b>		
Investments	<b>(230,832)</b>	(8,388)
Dividend and profit receivable	<b>(1,492)</b>	(341)
Receivable against sale of investment	<b>(30)</b>	5,500
Deposits, advances, prepayments and other receivable	<b>225</b>	(143)
	<b>(232,129)</b>	(3,372)
<b>Increase / (decrease) in liabilities</b>		
Payable to AL Habib Asset Management Limited - Management Company	<b>188</b>	-
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>42</b>	(47)
Payable to Securities and Exchange Commission of Pakistan	<b>4</b>	(85)
Provision for Sindh Workers' Welfare Fund	<b>224</b>	-
Accrued expenses and other liabilities	<b>775</b>	(50)
Payable against purchase of investments	<b>(12,705)</b>	-
	<b>(11,472)</b>	(181)
<b>Net cash flow used in / generated from operating activities</b>	<b>(232,290)</b>	510
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	<b>421,660</b>	15,083
Payments against redemption of units	<b>(218,497)</b>	(18,385)
Net cash generated from / (used in) financing activities	<b>203,163</b>	(3,302)
Net decrease / (increase) in cash and cash equivalents during the period	<b>(29,127)</b>	(2,792)
Cash and cash equivalents at beginning of the period	<b>40,432</b>	12,338
Cash and cash equivalents at end of the period	<b>11,305</b>	9,546
<b>CASH AND CASH EQUIVALENTS</b>		
Bank Balance	<b>11,305</b>	9,546
	<b>11,305</b>	9,546

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

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

\_\_\_\_\_  
Chief Executive Officer\_\_\_\_\_  
Chief Financial Officer\_\_\_\_\_  
Director

**Notes to the Condensed Interim Financial Statements (Un-Audited)**

*For the nine months and quarter ended March 31, 2021*

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** First Habib Islamic Stock Fund (the "Fund") was established under a Trust Deed between AL Habib Asset Management Limited (AHAM) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 24, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 03, 2011 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (NBFC Rules). The Fund revised its Trust Deed (the Deed) dated December 06, 2016 under the Trusts Act, 1882 entered into and between Habib Asset Management Limited (Wakeel), the Management Company, and Central Depository Company of Pakistan Limited, the Trustee. The Trust Deed (revised) was approved by SECP on November 24, 2016.

The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the management company is situated at 3rd floor, Mackinnon's Building, I,I Chundrigar Road, Karachi, Pakistan.

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

The investment objective of the fund is to seek long-term capital growth by investing primarily in a Shariah Compliant diversified pool of equities and equity related instruments. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws. The management team would seek to enhance returns through active portfolio management using efficiency tools.

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

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2' to the Management Company.

**2 BASIS OF PRESENTATION**

**2.1 Statement of compliance**

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

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

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

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

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

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

**2.1.5** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31 2021.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

**3.1** The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30 2020.

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

**3.3** The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30. 2020.

## **4. BANK BALANCES**

This represents savings accounts held with various commercial banks carrying profit rates ranging from 6.40% to 7.00% (2020: 6.00% to 13.00%) per annum. It also includes balance of Rs. 0.67 million (June 30 2020: Rs 0.38million) with Bank AL Habib Limited, parent company, carrying profit rates 6.50% (June 30 2020: 4% to 6.10%) per annum.

<b>5 INVESTMENTS</b>			<b>March 31</b>	<b>June 30</b>
			<b>2021</b>	<b>2020</b>
			<b>(Un-Audited)</b>	<b>(Audited)</b>
			<b>----- (Rupees in '000) -----</b>	
<b>at fair value through profit or loss</b>	<b>Note</b>			
Listed Equity securities	5.1		<u><b>306,262</b></u>	<u>75,804</u>
			<u><b>306,262</b></u>	<u>75,804</u>

## FIRST HABIB ISLAMIC STOCK FUND

### 5.1 Listed Equity Securities

Name of the Investee	As at July 01 2020	Purchased during the period	Bonus/ right issue during the period	Disposed during the period	As at March 31 2021	Carrying value as at March 31 2021	Market value as at March 31 2021	Unrealized Gain/(Loss)	Market Value as a Percentage of:	
									Net Assets	Total Investment
Number of shares										
(Rupees in '000)										
%										
Commercial Banks										
Meezan Bank Limited	5.1.1	70,135	385,500	5,813	103,500	357,948	37,909	40,513	2,604	12.76 13.23
Chemicals										
Archroma Pakistan Limited	-	-	4,900	-	-	4,900	2,891	2,803	(88)	0.88 0.92
Berger Paints Pakistan Limited	-	-	34,500	-	-	34,500	3,236	2,837	(399)	0.89 0.93
Engro Polymer & Chemicals Limited	-	92,000	332,000	-	143,000	281,000	13,345	15,452	2,107	4.87 5.05
ICI Pakistan	5.1.1	3,000	6,100	-	2,600	6,500	5,026	5,406	380	1.70 1.77
LOTCEM	-	-	125,000	-	125,000	-	-	-	-	-
Fertilizers										
Engro Fertilizers Limited	-	56,500	165,000	-	71,000	150,500	9,816	9,391	(425)	2.96 3.07
Engro Corporation Limited	-	32,340	68,000	-	25,300	75,040	23,478	20,810	(2,668)	6.55 6.79
Cement										
Attock Cement Pakistan limited	-	-	31,000	-	-	31,000	4,955	5,260	305	1.66 1.72
Cherat Cement	-	13,000	24,500	-	37,500	-	-	-	-	-
D.G. Khan Cement Company Limited	-	3,000	75,500	-	35,500	43,000	4,980	5,182	202	1.63 1.69
Kohat Cement	-	15,000	8,000	-	16,200	6,800	1,311	1,409	98	0.44 0.46
Lucky Cement Limited	-	11,400	58,700	-	15,617	54,483	37,457	44,545	7,088	14.03 14.54
Maple Leaf Cement Factory	-	142,000	254,000	-	262,000	134,000	5,926	6,003	77	1.89 1.96
Power Cement	-	-	700,000	-	-	700,000	8,144	6,447	(1,697)	2.03 2.11
Power generation and distribution										
Hub Power Company Limited	5.1.1	64,300	-	-	64,300	-	-	-	-	-
K-Electric Limited	-	100,000	-	-	100,000	-	-	-	-	-
Engineering										
Crescent Steel and Allied Products	-	-	10,000	-	10,000	-	-	-	-	-
International Steels Limited	-	15,000	40,000	-	15,000	40,000	3,885	3,423	(462)	1.08 1.12
Mughal Iron & Steels	-	-	45,000	-	22,000	23,000	1,794	2,141	347	0.67 0.70
Mughal Iron & Steels - R1	-	-	-	3,680	-	3,680	-	83	83	0.03 0.03
Automobile Assemblers										
Atlas Honda limited	-	-	6,800	-	-	6,800	3,398	3,128	(270)	0.99 1.02
Millat Tractor	-	-	5,800	600	1,000	5,400	5,237	5,939	702	1.87 1.94
Sazgar Engineering Works	-	-	4,500	1,350	4,500	1,350	193	240	47	0.08 0.08
Technology and Communications										
Pakistan Telecommunication Limited	-	3,500	190,000	-	193,500	-	-	-	-	-
Systems Limited	-	5,000	3,500	-	8,500	-	-	-	-	-
Automobile parts & accessories										
Panther Tyres Limited	-	-	15,104	-	-	15,104	994	973	(21)	0.31 0.32
Paper and Board										
Century Paper & Board Mills Limited	-	-	38,000	-	-	38,000	4,749	3,596	(1,153)	1.13 1.17
Packages Limited	5.1.1	4,100	7,300	-	2,600	8,800	4,675	4,451	(224)	1.40 1.45
Security Papers Limited	-	-	4,000	-	-	4,000	940	530	(410)	0.17 0.17
Oil and gas exploration companies										
Mari Petroleum Company Limited	-	4,460	21,620	-	2,200	23,880	36,966	36,567	(399)	11.52 11.94
Oil & Gas Development Company Limited	-	80,500	211,000	-	112,000	179,500	19,995	18,239	(1,756)	5.74 5.96
Pakistan Oilfields Limited	-	12,050	34,976	-	13,800	33,226	13,674	12,622	(1,052)	3.98 4.12
Pakistan Petroleum Limited	5.1.1	56,010	247,300	-	130,000	173,310	16,700	15,135	(1,565)	4.77 4.94
Oil and gas marketing companies										
Attock Petroleum Limited	-	2,500	8,000	-	2,500	8,000	3,042	2,616	(426)	0.82 0.85
Hascol Petroleum Limited	-	187	-	-	187	-	-	-	-	-
Hi-Tech Lubricants Limited	-	7,000	-	-	7,000	-	-	-	-	-
Pakistan State Oil Company Limited	-	14,160	47,000	-	21,400	39,760	9,119	9,170	51	2.89 2.99
Sui Northern Gas Pipeline Limited	-	45,500	20,000	-	50,500	15,000	803	588	(215)	0.19 0.19
Textile composition										
Feroze1888 Mills	-	-	37,500	-	-	37,500	4,346	3,796	(550)	1.20 1.24
nterloop Limited	-	-	164,000	-	29,500	134,500	9,189	8,893	(296)	2.80 2.90
Kohinoor Textile Mills Limited	-	-	77,000	-	29,500	47,500	2,866	2,914	48	0.92 0.95
Nishat Mills Limited	-	36,000	45,200	-	32,500	48,700	5,039	4,506	(533)	1.42 1.47
Pharmaceutical										
Abbott Laboratories	-	-	3,300	-	2,400	900	558	654	96	0.21 0.21
The Searle Company Limited	-	6,600	4,000	-	10,600	-	-	-	-	-
The Searle Company Limited - R1	-	-	273	-	273	-	-	-	-	-
Total as at March 31 2021						306,636	306,262	(374)		
Total as at June 30 2020						77,517	75,804	(1,713)		

## FIRST HABIB ISLAMIC STOCK FUND

**5.1.2** Following shares were pledged with Nation clearing company of Pakistan limited (NCCPL) as collateral against exposure margin and mark to market losses.

	<b>March 31 2021</b>	June 30 2020
	<b>(Number of shares)</b>	
Hub Power Company Limited	-	20,000
Pakistan Petroleum Limited	5,000	5,000
ICI Pakistan Limited	1,000	-
Meezan Bank Limited	10,000	-
Packages Limited	1,500	-
	<u>17,500</u>	<u>25,000</u>

### **6. ADVANCES, DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES**

	<b>March 31 2021 (Un-Audited)</b>	June 30 2020 (Audited)
	<b>----- (Rupees in '000) -----</b>	
Deposit with National Clearing Company of Pakistan Limited	<b>2,500</b>	2,500
Deposit with Central Depository Company of Pakistan Limited	<b>100</b>	100
Receivable from AL Habib Asset Management Limited	-	150
Mutual Fund Rating fee	-	132
Listing fee	<b>6</b>	-
Advance Tax	<b>305</b>	254
	<u><b>2,911</b></u>	<u>3,136</u>

### **7. PROVISION FOR SINDH WORKERS' WELFARE FUND**

Provision for Sindh Workers' Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on January 12, 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers' Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence SWWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management company has recorded SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the SWWF not been provided for, the net assets value per unit would have been higher by Re. 0.20 (June 30, 2020 : Re. 0.34) per unit.

### **8. CONTINGENCIES AND COMMITMENTS**

Except as stated in note 7, there are no contingencies and commitments as at 31 March 2020.

### **9. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance (ITO), 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificate as the case maybe, shall not be taken into account. Furthermore, as per regulation 63 of the NBFC regulations, 2008, the Fund is required to distribute 90% of the net accounting income excluding capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001. The Fund has not recorded any tax liability in respect of income for the period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

## FIRST HABIB ISLAMIC STOCK FUND

### 10. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons / related parties include AL Habib Asset Management Limited being the Management Company, Bank AL Habib Limited - Parent Company and AL-Habib Capital Markets (Private) Limited - Associate Company being companies under common management, First Habib Cash Fund, First Habib Income Fund, First Habib Islamic Income Fund, First Habib Asset Allocation Fund and First Habib Stock Fund being the Fund managed by common Management Company Central Depository Company Limited being the Trustee of the Fund. directors, officers and Persons holding 10% or more in the units of the Fund as at March 31 2021. It also includes staff retirement benefit funds of the above connected person / related parties.

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

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

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

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	(Rupees in '000)			
<b>AL Habib Asset Management Limited - Management Company</b>				
Management Company's remuneration	2,382	1,545	1,521	545
Sindh Sales Tax on Management Company's remuneration	310	201	198	71
Expenses allocated by the Management Company	118	32	26	32
<b>Al Habib Capital Markets (Private) Limited - Brokerage House</b>				
Brokerage	188	5	134	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee remuneration	238	154	141	41
Sindh Sales Tax on Trustee remuneration	31	20	31	41
<b>Bank AL Habib Limited</b>				
Profit on Bank Balances	28	37	16	17

Details of the balances with connected persons are as follows:

	March 31 2021 (Unaudited) (Rupees in '000)	June 30 2020 (Audited) (Rupees in '000)
<b>Bank AL Habib Limited</b>		
Bank Balance	667	384
<b>AL Habib Asset Management Limited - Management Company</b>		
Remuneration payable Inclusive of Sindh Sales Tax	635	447
Federal Excise duty payable on Management Company's remuneration	1,478	1,478
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable Inclusive of Sindh Sales Tax	63	100
Security Deposit - non Interest bearing	100	100

	Nine months ended March 31, 2021 (Unaudited)		Nine months ended March 31, 2020 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<b>Sale / Redemption of units</b>				
<b>Units sold to:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	1,303,871	105,997	160,232	10,500
Directors & their relatives of the Management Company	2,567,548	253,896	-	-
<b>Units Redeemed By:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	2,001,284	160,506	-	-
Directors & their relatives of the Management Company	23,319	2,407	16,180	1,200
Key management executives	6,289	549	-	-
<b>Units held by:</b>				
<b>Management Company</b>				
AL Habib Asset Management Limited	114,408	9,828	787,630	45,649
<b>Parent Company</b>				
Bank AL Habib Limited	100,929	8,670	100,929	5,850
Directors & their relatives of the Management Company	2,830	243	8,603	499
Key management executives	0.30	25	-	-

**11 TOTAL EXPENSE RATIO**

Total Expense Ratio (TER) of the Fund for the year ended March 31, 2020 is 4.35% which includes 0.49% representing government levies and SECP fee.

**12 GENERAL**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on **April 19, 2021**.

For AL Habib Asset Management Limited  
(Management Company)

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Chief Executive Officer

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Chief Financial Officer

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Director

## الحبيب ایسٹ منجمنٹ لمیٹڈ

### ڈائریکٹران کی رپورٹ

الحبيب ایسٹ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت 31 مارچ 2021 کو ختم ہونے والی مدت کے لئے اپنی منجمنٹ کے تحت فنڈز کے غیر آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

زیر جائزہ مدت کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 7.00 فیصد برقرار رکھا جس سے معیشت کو سہارا دینے کا سلسلہ جاری رہا جیسا کہ نیٹرو اکٹا تک اقتصادی اشاریوں میں واضح بہتری اس کی گواہ ہے۔ سیکنڈری مارکیٹ میں پیداواری سلسلے نے بھی اس مدت کے دوران اوپری سطح پر برقرار رکھا۔ KSE-100 شیئہ مارک اُتار چڑھاؤ کا شکار رہا اور KSE-100 انڈیکس نے 31 مارچ 2021 کو ختم ہونے والی سرمایہ کے دوران 1.90 فیصد کا منافع اور 31 مارچ 2021 کو ختم ہونے والی 9 ماہ کی مدت کے دوران 29.53 فیصد کا منافع ظاہر کیا۔

الحمد للہ VIS کریڈٹ ریٹنگ کمپنی نے فرسٹ حبیب کیش فنڈ کے استحکام کی ریٹنگ AA(f) سے اپ گریڈ کر کے AA+(f) کر دی اور پیکرا (PACRA) نے فرسٹ حبیب انکم فنڈ کی ریٹنگ AA-(f) سے AA(f) میں اپ گریڈ کی۔

فرسٹ حبیب کیش فنڈ نے 31 مارچ 2021 کو ختم ہونے والی 9 ماہ کی مدت کیلئے 6.64 فیصد کا خالص سالانہ منافع 6.73 فیصد کے شیئہ مارک منافع کے برخلاف حاصل کیا ہے۔ فنڈ کی مجموعی آمدنی 325.50 ملین روپے رہی جس میں سرکاری سکیورٹیز سے 180.02 ملین روپے کی آمدنی اور بینک ڈپازٹس سے 147.89 ملین روپے کی آمدنی حاصل رہی۔ اس مدت کے دوران فنڈ نے 4.82 روپے فی یونٹ کا مجموعی عبوری منافع منظمہ تقسیم کیا۔

فرسٹ حبیب انکم فنڈ نے 31 مارچ 2021 کو ختم ہونے والی 9 ماہ کی مدت کیلئے 5.76 فیصد کا خالص سالانہ منافع 7.42 فیصد کے شیئہ مارک منافع کے برخلاف حاصل کیا ہے۔ فنڈ کی مجموعی آمدنی 44.03 ملین روپے رہی جس میں بنیادی طور پر سرکاری سکیورٹیز سے 23.18 ملین روپے اور فی ایف سی/سکوکس سے 15.24 ملین روپے کی آمدنی شامل تھی۔

فرسٹ حبیب اسلاک انکم فنڈ نے 31 مارچ 2021 کو ختم ہونے والی 9 ماہ کی مدت کیلئے 6.48 فیصد کا خالص سالانہ منافع 3.72 فیصد کے شیئہ مارک منافع کے برخلاف حاصل کیا ہے۔ فنڈ کی مجموعی آمدنی 642.75 ملین روپے رہی جس میں بینک ڈپازٹس سے 295.73 ملین روپے کی آمدنی اور سکوکس سے 274.69 ملین روپے کی آمدنی حاصل رہی۔ اس مدت کے دوران فنڈ نے 4.73 روپے فی یونٹ کا مجموعی عبوری منافع منظمہ تقسیم کیا۔

فرسٹ حبیب ایسٹ ایلیکیشن فنڈ نے 31 مارچ 2021 کو ختم ہونے والی 9 ماہ کی مدت کیلئے 11.88 فیصد کا خالص منافع 17.50 فیصد کے شیئہ مارک منافع کے برخلاف حاصل کیا ہے۔ فنڈ کی مجموعی آمدنی 13.12 ملین روپے رہی جس میں سرمایہ کاریوں پر حقیقی اور غیر حقیقی سرمائے کے فوائد سے 9.10 ملین روپے کی آمدنی کو بنیادی حیثیت حاصل رہی اور منافع منظمہ کی آمدنی سے 2.57 ملین روپے کی آمدنی شامل تھی۔

فرسٹ حبیب اسٹاک فنڈ نے 31 مارچ 2021 کو ختم ہونے والی 9 ماہ کی مدت کیلئے 20.39 فیصد کا خالص منافع 28.90 فیصد کے شیئہ مارک منافع کے برخلاف حاصل کیا ہے۔ فنڈ کی مجموعی آمدنی 23.50 ملین روپے رہی جس میں سرمایہ کاریوں پر حقیقی اور غیر حقیقی سرمائے کے فوائد سے 17.99 ملین روپے کی آمدنی کو بنیادی حیثیت حاصل رہی اور منافع منظمہ کی آمدنی سے 4.78 ملین روپے کی آمدنی شامل تھی۔

فرسٹ حبیب اسلاک اسٹاک فنڈ نے 31 مارچ 2021 کو ختم ہونے والی 9 ماہ کی مدت کیلئے 22.77 فیصد کا خالص منافع 32.81 فیصد کے شیئہ مارک منافع کے برخلاف حاصل کیا ہے۔ فنڈ کی مجموعی آمدنی 16.12 ملین روپے رہی جس میں سرمایہ کاریوں پر حقیقی اور غیر حقیقی سرمائے کے فوائد سے 9.98 ملین روپے کی آمدنی کو بنیادی حیثیت حاصل رہی اور منافع منظمہ کی آمدنی سے 5.28 ملین روپے کی آمدنی شامل تھی۔

ہم مسلسل اتحاد اور تعاون کرنے کیلئے اپنے یونٹ ہولڈرز کے مفکور ہیں اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رہنمائی کرنے پر شکر یہ ادا کرنے کے ساتھ سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے تعاون پر ان کے ممنون ہیں۔ ہم اپنے تمام اسٹاک ممبران کے غلوں، لگن اور انتخاب محنت پر بھی انہیں خراج تحسین پیش کرتے ہیں۔

عباس ڈی۔ حبیب  
چیئرمین  
بورڈ آف ڈائریکٹرز

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