

First Habib Income Fund
First Habib Stock Fund
First Habib Cash Fund
First Habib Islamic Balanced Fund



Quarterly Report

March 2016



Habib Asset Management Limited

(An Associate Company of Bank AL Habib Ltd.)

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DIRECTORS' REPORT

The Board of Directors of Habib Asset Management Limited has the pleasure to present the Condensed Interim Financial Statements of the various Funds under its management for the nine months (July 2015- Mar 2016) and Quarter ended March 31, 2016.

During the Quarter ended March 31 2016, the State Bank of Pakistan (SBP) maintained the Policy Rate at 6.0%. The Consumer Price Index (CPI) Inflation Rates averaged to 3.73% YoY vs. 3.2% YoY during the corresponding period. Pakistan's Foreign Exchange Reserves stood at US\$20.423bn as of 25th March 2016. Overseas Pakistani workers remitted an amount of US\$14.158bn in 9MFY16 against US\$13.595bn during 9MFY15, up 4% YoY. Pakistan's trade deficit rose 5.5% to US\$16.9bn during 9MFY16 as compared with a deficit of US\$16.0bn for the same period last year, as the country's imports continued to outweigh the falling exports.

After the merger of all the three stock exchanges, the newly formed Pakistan Stock Exchange (PSX) benchmark KSE-100-share index closed at 33,139.00 points on March 31, 2016, gaining 1,322.69 points from 32,816.31 points as on Dec 31, 2015, providing a return of 1%. Volumes continued to remain dry as average daily trading volume of 84.57mn shares was recorded.

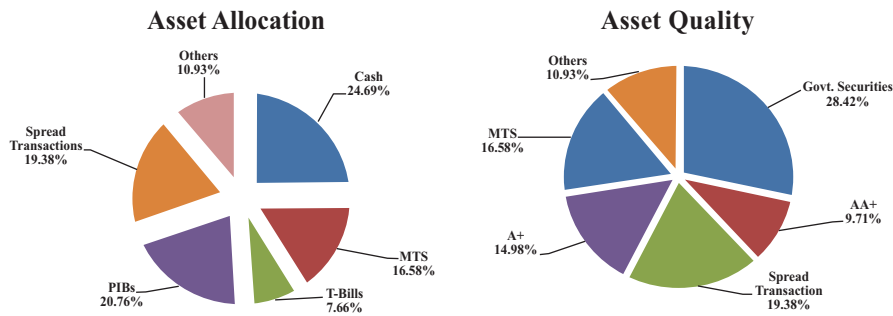
HABIB ASSETS FUNDS' PERFORMANCE

First Habib Income Fund (FHIF)

The Net Assets of the Fund as of March 31, 2016 were Rs. 1,274million. During the nine months period ended March 31, 2016, the Fund generated Gross Earnings of Rs.126.441million (detailed below) and yielded a Return of 7.10% p.a.

	<i>(Rs. In 000s)</i>
	9MFY16
Profit on Bank Deposits	18,750
Income from Government Securities	37,827
Income from Margin Trading System	19,951
Income from Clean Placements	342
Dividend Income	7,340
Net Gain/Loss on sale and revaluation of Investments	42,231
	126,441

The Asset Allocation and Credit Quality of FHIF as at March 31, 2016, can be viewed as under:

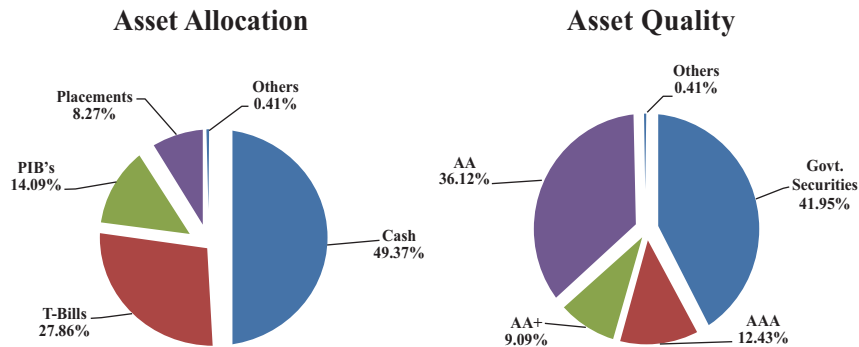


First Habib Cash Fund (FHCF)

The Fund's Net Assets as of March 31, 2016 stood at Rs. 1,184million. During the nine months period under review, the Fund generated a Return of 5.40% p.a. and earned Gross Income of Rs.66.382million, as detailed below:

	<i>(Rs. In 000s)</i>
	9MFY16
Profit on Bank Deposits	6,590
Income from Government Securities	53,579
Markup Income on Placements	5,834
Net Gain/Loss on sale and revaluation of Investments	379
	66,382

The Asset Allocation and Credit Quality of FHCF as at March 31, 2016, can be viewed as under:

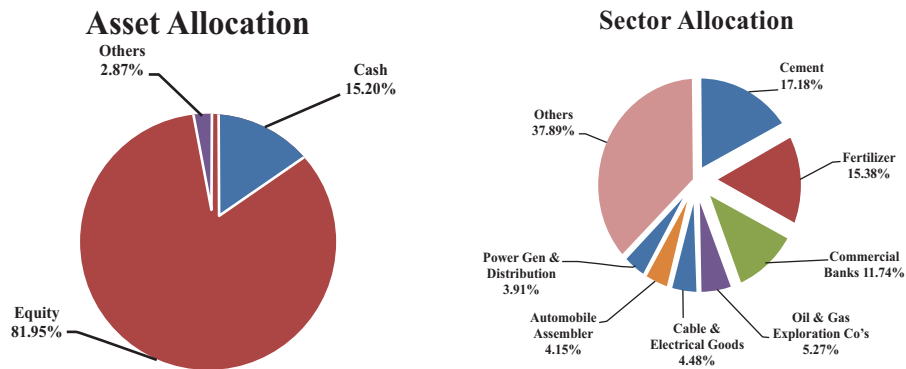


First Habib Stock Fund (FHSF)

The Fund's Net Assets as of March 31, 2016 stood at Rs. 202.53million. During the nine months period under review, the Fund's suffered Gross Loss of Rs.1.456million (due to Volatile Stock Market conditions) as detailed below:

	(Rs. In 000s)
	9MFY16
Profit on Bank Deposits	1,592
Dividend Income	6,014
Net Gain/Loss on sale and revaluation of Investments	(9,062)
	(1,456)

The Asset Allocation and Sector Allocation of FHSF as at March 31, 2016, can be viewed as under:

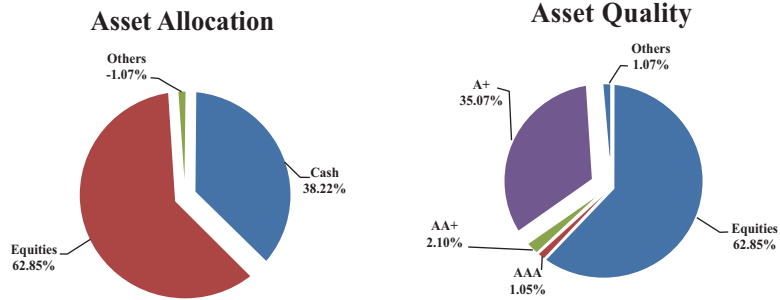


First Habib Islamic Balanced Fund (FHIBF)

The Fund's Net Assets stood at Rs. 103.27million for nine months ended on March 31, 2016. During the period under review, the Fund earned Gross Income of Rs. 0.131 million as detailed below:

	(Rs. In 000s)
	9MFY16
Profit on Bank Deposits	1,356
Income from Debt Securities	271
Dividend Income	2,548
Net Gain/Loss on sale and revaluation of Investments	(4,044)
	131

The Asset Allocation and AssetQuality of FHIBF as at March 31, 2016, can be viewed as under:



Future Outlook

Despite challenging global economic conditions, Pakistan's overall macroeconomic outlook appears stable. Growth is likely to pick up on expectations of improvement in energy supply, and planned infrastructure investment tied to the China-Pakistan economic corridor. Further, fiscal reforms along with low inflation rates will continue to provide respite to the balance of payments situation.

We pray for the prosperity of Pakistan and remain hopeful for the country's socio-economic development going forward.

Acknowledgement

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

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

On behalf of the Board of
Habib Asset Management Limited

April 20th, 2016

FIRST HABIB INCOME FUND
Third Quarterly Report
March 2016

FIRST HABIB INCOME FUND

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FUND'S INFORMATION

Management Company

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mohammad Ali Jameel	Director
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Liaquat Habib Merchant	Director
Mr. Sajjad Hussain Habib	Director

CFO and Company Secretary

Mr. Abbas Qurban	Chief Financial Officer / Company Secretary
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Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mohammad Ali Jameel	Member

Human Resource Committee

Mr. Liaquat Habib Merchant	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Sajjad Hussain Habib	Member
Mr. Imran Azim	Member

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza,
Beaumont Road, Karachi.

Registrar

JWAFS Registrar Services
(Pvt.) Limited
407-408, 4th Floor,
Al- Ameer Centre, Shahrah-e-Iraq,
Saddar, Karachi.

Trustee

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

Legal Advisor

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

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Bank Islami Pakistan Limited

Rating

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

Registered Office: 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

FIRST HABIB INCOME FUND**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 MARCH 2016**

	Note	31 March 2016 (Un-Audited)	30 June 2015 (Audited)
Assets			
Bank balances	6	321,487	145,029
Investments	7	621,917	681,369
Receivable against Margin Trading System	8	207,975	415,592
Dividend and Income receivable		6,638	23,771
Receivable against Sale of Units		76	1,947
Receivable against Sale of investment		110,797	-
Deposits, advances, prepayments and other receivables		33,135	2,953
Total assets		1,302,025	1,270,661
Liabilities			
Payable to the Habib Asset Management Limited - Management Company		2,057	2,205
Provision for Federal excies duty on remuneration of the Management Company	9	7,956	4,830
Payable to Central Depository Company of Pakistan Limited - Trustee		188	236
Payable to Securities and Exchange Commission of Pakistan		977	1,014
Workers' Welfare Fund	10	15,687	15,687
Accrued expenses and other liabilities		1,444	43,464
Total liabilities		28,309	67,436
Net assets		1,273,716	1,203,225
Unit holders' funds (as per the statement attached)		1,273,716	1,203,225
		(Number of Units)	
Number of units in issue		11,941,988	11,884,315
		(Rupees)	
Net asset value per unit		106.66	101.24

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

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

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

Note	Nine months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
----- (Rupees in '000) -----				
Income				
	18,750	7,394	9,615	5,327
	-	3,849	-	-
	37,827	60,236	3,472	27,883
	342	3,059	26	2,160
	19,951	3,967	1,588	3,967
	7,340	-	802	-
	Net gain / loss on investments designated at fair value through income statement			
	-Net capital gain on sale of investments classified as held for trading			
	35,761	43,496	12,946	37,809
7.4	-Net unrealized gain / (loss) on revaluation of investments classified as held for trading			
	6,888	6,855	16,464	(1,573)
	-Unrealized (diminution) on derivative financial instrument			
	(418)	-	(11,714)	-
	42,231	50,351	17,696	36,236
Total income	126,441	128,856	33,199	75,573
Expenses				
	Remuneration of Habib Asset Management Limited -			
	Management Company			
	19,534	13,257	5,461	7,606
	Sales tax on management fee			
	3,173	2,307	888	1,324
	Federal Excises Duty on management fee			
	3,126	2,121	874	1,217
	Expenses of CIS Max Upto 0.1%			
	155	-	155	-
	Remuneration of Central Depository Company of Pakistan Limited - Trustee			
	1,990	1,268	594	641
	Annual fee - Securities and Exchange Commission of Pakistan			
	977	663	273	380
	Brokerage			
	7,609	886	3,028	629
	Settlement and bank charges			
	1,913	311	513	113
	Annual listing fee			
	30	30	10	10
	Auditors' remuneration			
	325	300	70	108
	Mutual fund rating fee			
	288	175	15	58
	Printing charges			
	65	65	22	22
	Fees & Subscription			
	230	235	104	235
Total expenses	39,415	21,618	12,007	12,343
	87,026	107,238	21,192	63,230
	Element of (loss) / gain and capital (losses) / gain included in prices of units issued less those in units redeemed - net			
	(22,386)	72,699	(11,054)	43,137
10	Workers' Welfare Fund			
	-	(3,599)	-	(2,128)
Net income for the period	64,640	176,338	10,138	104,239

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

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

Chief Executive

Director

FIRST HABIB INCOME FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016

	Nine months ended		Quarter ended	
	31 March		31 March	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
Net income for the period	64,640	176,338	10,138	104,239
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	64,640	176,338	10,138	104,239

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

For Habib Asset Management Limited
(Management Company)

Chief Executive

Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016

	Nine months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
Undistributed income brought forward	14,462	1,031	68,964	73,130
Net income for the period	64,640	176,338	10,138	104,239
Undistributed income carried forward	79,102	177,369	79,102	177,369

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

For Habib Asset Management Limited
(Management Company)

Chief Executive

Director

FIRST HABIB INCOME FUND**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

	Nine months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
------(Rupees in '000)-----				
Net assets at the beginning of the period [Rs 101.24 (2015: Rs 100.14) per unit]	1,203,225	508,412	1,464,030	1,397,222
Issuance of 28,168,396 units (2015: 24,693,845 units)	2,930,352	2,608,085	571,154	1,437,525
Redemption of 28,110,723 units (2015: 9,927,274 units)	(2,946,887)	(1,056,691)	(782,660)	(732,404)
	(16,535)	1,551,394	(211,506)	705,121
Element of income and capital gains included in prices of units issued less those in units redeemed	22,386	(72,699)	11,054	(43,137)
Net income for the period	64,640	176,338	10,138	104,239
Other comprehensive gain/(loss)	-	-	-	-
Total comprehensive income for the period	64,640	176,338	10,138	104,239
Net assets at the end of the period [Rs 106.66 (2015: Rs 109.02) per unit]	1,273,716	2,163,445	1,273,716	2,163,445

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

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

Chief Executive

Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

	Nine months ended		Quarter ended	
	31 March		31 March	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period	64,640	176,338	10,138	104,239
Adjustments for non-cash items				
Unrealised gain / (loss) on revaluation of investments at fair value through profit or loss - net	(6,888)	(6,855)	(16,464)	1,573
-Unrealised (diminution) on derivative financial instrument	418	-	11,714	-
Workers' Welfare Fund	-	3,599	-	2,128
Net element of (loss) / gain and capital (losses) / gain included in prices of units issued less those in units redeemed	22,386	(72,699)	11,054	(43,137)
	80,556	100,383	16,442	64,803
increase / (Decrease) in assets				
Investments	65,922	(860,856)	401,646	193,634
Receivable against Margine Trading System	207,617	(381,752)	(206,147)	(381,752)
Income receivable	17,133	2,659	10,442	22,162
Receivable against Sale of investment	(110,797)	(49,231)	(112,678)	(49,231)
Receivable Against Sale of Units	1,871	-	52,754	386
Advances, deposits, prepayments and other receivables	(30,182)	4,575	(206)	(10,405)
	151,564	(1,284,605)	145,811	(225,206)
increase / (Decrease) in liabilities				
Payable to Management Company	(148)	2,594	(534)	1,601
Provision for Federal excies duty	3,126	2,644	874	1,217
Payable to Trustee	(48)	160	(38)	77
Payable to SECP	(37)	204	273	380
Payable against purchase of investment	-	-	-	(225,432)
Accrued expenses and other liabilities	(42,020)	2,937	(780)	2,863
	(39,127)	8,539	(205)	(219,294)
Net cash flow (used in)/from operating activities	192,993	(1,175,683)	162,048	(379,697)
CASH FLOW FROM FINANCING ACTIVITIES				
Net receipts / (payments) from sale and redemption of units	(16,535)	1,551,394	(211,506)	705,121
Dividend paid during the period	-	-	-	-
Net cash flow from / (used in) financing activities	(16,535)	1,551,394	(211,506)	705,121
Net increase in cash and cash equivalents during the period	176,458	375,711	(49,458)	325,424
Cash and cash equivalents at beginning of the period	145,029	6,704	370,945	56,991
Cash and cash equivalents at end of the period	321,487	382,415	321,487	382,415
Cash and cash equivalents at the end of the period comprise of :				
Bank Balance	321,487	32,415	321,487	32,415
Clean Placement	-	100,000	-	100,000
Term deposit receipts having maturity of 3 months or less	-	250,000	-	250,000
	321,487	382,415	321,487	382,415

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

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

Chief Executive

Director

FIRST HABIB INCOME FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

First Habib Income Fund ("the Fund") was established under a Trust Deed executed between Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 6 September 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 3 August 2006 under Regulation 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 Imperial Court Building, Dr. Ziauddin Ahmed Road Karachi, Pakistan.

The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. 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.

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

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

Title to the assets of the Fund are held in the name of Central Depository Company Limited (CDC) as a trustee of the Fund.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan, the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by SECP. In case where the requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2015.

The condensed interim financial statements are unaudited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of the financial statements of the Fund for the year ended 30 June 2015:

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information in conformity with approved accounting standards, as applicable in Pakistan, requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgments made by the Management Company in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2015.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2015.

FIRST HABIB INCOME FUND

6. BANK BALANCES	Note	31 March 2016 (Rupees in '000) (Un-Audited)	30 June 2015 (Audited)
Savings accounts	6.1 & 6.2	260,823	13,386
Current account		60,664	31,643
Term Deposit Receipts		-	100,000
		<u>321,487</u>	<u>145,029</u>

6.1 Savings accounts carry profit rates at 5.5% to 6.25% (30 June 2015: 5.5% to 9%) per annum.

6.2 It includes balance of Rs. 65.705 million (30 June 2015: Rs. 13.378 million) in saving Account and 60.664 million (30 June 2015: 31.643 million) in current account with Bank Al Habib Limited, a related party.

7. INVESTMENTS	Note	31 March 2016 (Rupees in '000) (Un-Audited)	30 June 2015 (Audited)
At fair value through profit or loss - held for trading			
Government Securities	7.1	370,034	681,369
Investment in Shares	7.2	252,301	-
Derivative Instruments	12	(418)	-
		<u>621,917</u>	<u>681,369</u>
7.1 Government Securities			
Government Securities - Treasury Bills	7.1.1	99,780	270,744
Government Securities - Pakistan Investment Bonds	7.1.2	270,254	410,625
		<u>370,034</u>	<u>681,369</u>

7.1.1 Government Securities - Treasury Bills

Issue date	Tenor	Face Value			As at 31 March 2016		Market value as a percentage of net assets (%)	Market value as a percentage of total investments (%)
		As at 01 July 2015	Purchases during the period	Sales / Matured during the period	As at 31 March 2016	Carrying value		
(Rupees in '000)								
3 Months								
30-Apr-15	3 Months	25,000	-	25,000	-	-	-	-
25-Jun-15	3 Months	100,000	130,000	230,000	-	-	-	-
9-Jul-15	3 Months	-	180,000	180,000	-	-	-	-
6-Aug-15	3 Months	-	100,000	100,000	-	-	-	-
17-Sep-15	3 Months	-	350,000	350,000	-	-	-	-
29-Oct-15	3 Months	-	250,000	250,000	-	-	-	-
12-Nov-15	3 Months	-	250,000	250,000	-	-	-	-
10-Dec-15	3 Months	-	200,000	200,000	-	-	-	-
6 Months								
5-Mar-15	6 Months	-	250,000	250,000	-	-	-	-
19-Mar-15	6 Months	-	125,000	125,000	-	-	-	-
30-Apr-15	6 Months	-	250,000	250,000	-	-	-	-
29-Jun-15	6 Months	100,000	-	100,000	-	-	-	-
9-Jul-15	6 Months	-	120,000	120,000	-	-	-	-
6-Aug-15	6 Months	-	400,000	400,000	-	-	-	-
17-Sep-15	6 Months	-	100,000	100,000	-	-	-	-
15-Oct-15 *	6 Months	-	100,000	-	100,000	99,782	99,780	0.08
1 Year								
13-Nov-14	1 Year	-	300,000	300,000	-	-	-	-
8-Jan-15	1 Year	50,000	-	50,000	-	-	-	-
6-Aug-15	1 Year	-	350,000	350,000	-	-	-	-
3-Sep-15	1 Year	-	100,000	100,000	-	-	-	-
30-Oct-15	1 Year	-	480,000	480,000	-	-	-	-
Total as at 31 March 2016					<u>99,782</u>	<u>99,780</u>		
Total as at 30 June 2015					<u>270,375</u>	<u>270,744</u>		

* Investment Include Market Treasury Bill having a Market Value of Rs. 99,780 million (2015: 48,257 million) pledge with National Clearing Company of Pakistan Limited.

7.1.1.1 Rate of return on above Treasury Bills ranges 6.11% (2015: 6.94% to 6.96%)

FIRST HABIB INCOME FUND

7.1.2 Government Securities - Pakistan Investment Bonds

Name of PIB	Tenor	As at 1 July 2015	Purchases during the period	Sales / Matured during the period	As at 31 March 2016	Carrying value as at 31 March 2016	Market value as at 31 March 2016	Market Value as a Percentage of:	
								Net Assets	Total Investment
(Rupees in '000)									
3 Years									
18-Jul-13	3 Years	-	350,000	300,000	50,000	50,696	50,715	3.98	8.15
17-Jul-14	3 Years	100,000	400,000	500,000	-	-	-	-	-
26-Mar-15	3 Years	100,000	787,500	887,500	-	-	-	-	-
5 Years									
19-Jul-12	5 Years	50,000	-	50,000	-	-	-	-	-
17-Jul-14	5 Years	-	350,000	300,000	50,000	55,042	57,121	4.48	9.18
26-Mar-15	5 Years	50,000	1,825,000	1,725,000	150,000	160,230	162,418	12.75	26.12
10 Years									
19-Jul-12	10 Years	-	350,000	350,000	-	-	-	-	-
26-Mar-15	10 Years	100,000	200,000	300,000	-	-	-	-	-
Total as at 31 March 2016						265,968	270,254		
Total as at 30 June 2015						409,778	410,625		

7.1.2.1 Rate of return on above Treasury Bills ranges 9.25% to 11.50% (2015: 7.94% to 9.97%)

7.2 Investment in Shares

Name of the Investee	As at 1 July 2015	Purchases during the period	Sales / Matured during the period	As at 31 March 2016	Carrying value as at 31 March 2016	Market value as at 31 March 2016	Appreciation / (diminution)	Market Value as a Percentage of:	
								Net Assets	Total Investment
COMMERCIAL BANKS									
Askari Bank Ltd	-	516,500	516,500	-	-	-	-	-	-
Bank Alfalah Ltd	-	1,000	1,000	-	-	-	-	-	-
Habib Bank Ltd	-	194,500	151,000	43,500	7,429	7,462	33	0.59	1.20
National Bank of Pakistan	-	68,500	68,500	-	-	-	-	-	-
United Bank Ltd	-	90,500	90,500	-	-	-	-	-	-
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	-	22,721,000	21,089,000	1,632,000	99,117	98,687	(430)	7.75	15.87
Pak Elektron Ltd - (R)	-	1,632,000	1,632,000	-	-	-	-	-	-
Trakkier Ltd	-	45,000	-	45,000	593	581	(12)	0.05	0.09
CEMENT									
Cherat Cement	-	22,500	22,000	500	47	54	7	0.00	0.01
D.G. Khan Cement	-	448,000	448,000	-	-	-	-	-	-
Fauji Cement	-	4,314,500	4,269,500	45,000	1,813	1,886	73	0.15	0.30
Lucky Cement	-	10,500	10,500	-	-	-	-	-	-
Maple Leaf Cement	-	3,207,500	3,012,500	195,000	16,897	17,980	1,083	1.41	2.89
Pakcem Limited	-	600,000	355,000	245,000	4,460	4,557	97	0.36	0.73
FERTILIZER									
Arif Habib Corporation	-	20,000	-	20,000	822	813	(9)	0.06	0.13
Engro Fertilizer	-	1,115,000	1,115,000	-	-	-	-	-	-
Engro Corporation	-	1,374,500	1,369,500	5,000	1,567	1,579	12	0.12	0.25
Fauji Fertilizer Bin Qasim	-	2,249,500	2,239,500	10,000	482	510	28	0.04	0.08
Fauji Fertilizer Company	-	323,500	313,500	10,000	1,089	1,066	(23)	0.08	0.17
FOOD AND PERSONAL CARE PRODUCT									
Engro Foods Ltd	-	420,000	420,000	-	-	-	-	-	-
INSURANCE									
Adamjee Insurance Co Ltd	-	321,500	321,500	-	-	-	-	-	-
OIL & GAS EXPLORATION COMPANIES									
Pakistan Petroleum Ltd	-	1,292,500	1,292,500	-	-	-	-	-	-
Oil & Gas Development Co Ltd	-	461,500	419,000	42,500	4,757	4,864	107	0.38	0.78

FIRST HABIB INCOME FUND

Name of the Investee	As at 1 July 2015	Purchases during the period	Sales / Matured during the period	As at 31 March 2016	Carrying value as at 31 March 2016	Market value as at 31 March 2016	Appreciation / (diminution)	Market Value as a Percentage of:	
								Net Assets	Total Investment
OIL & GAS MARKETING COMPANIES									
Hascol Petroleum Ltd	-	179,000	113,500	65,500	9,374	9,188	(186)	0.72	1.48
Pakistan State Oil Co Ltd	-	49,500	44,500	5,000	1,744	1,756	12	0.14	0.28
Sui Northern Gas	-	6,354,000	5,942,500	411,500	10,532	10,493	(39)	0.82	1.69
Sui Southern Gas	-	7,275,500	6,975,500	300,000	8,725	8,268	(457)	0.65	1.33
TEXTILE COMPOSITE									
Nishat Mills	-	655,500	445,500	210,000	20,021	20,120	99	1.58	3.24
Nishat (Chumian) Ltd	-	85,000	-	85,000	2,845	2,810	(35)	0.22	0.45
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	-	90,000	90,000	-	-	-	-	-	-
K-Electric Ltd	-	545,500	545,500	-	-	-	-	-	-
REFINERY									
Attock Refinery Ltd	-	45,500	42,500	3,000	609	691	82	0.05	0.11
TECHNOLOGY & COMMUNICATION									
PT.C.L. "A"	-	55,000	55,000	-	-	-	-	-	-
PHARMACEUTICALS									
The Searle Company	-	42,500	-	42,500	17,913	18,678	765	1.47	3.00
SUPPORT SERVICES									
TRG Pakistan	-	1,416,000	-	1,416,000	38,861	40,258	1,397	3.16	6.47
Total as at 31 March 2016					249,697	252,301	2,604		
Total as at 30 June 2015					-	-	-		

7.4 Net unrealised appreciation / (diminution) in fair value of investments classified as 'fair value through profit or loss' - held for trading

	31 March 2016	30 June 2015
	(Rupees in '000)	
	(Un-Audited)	(Audited)
Market Treasury Bills	(2)	369
Pakistan Investment Bonds	4,286	847
Investment in Shares	2,604	-
	6,888	1,216

8. RECEIVABLE AGAINST MARGIN TRADING SYSTEM

This represents the amount receivable under the margin trading of eligible listed equity securities which are to be settled within maximum 60 days. The balance carries mark-up ranging from 9.41% to 11.84%. As at March 31, 2016, the market value of listed shares held under the margin trading amounted to Rs. 270.67 million.

9. FEDERAL EXCISE DUTY PAYABLE ON MANAGEMENT FEE

There is no change in the status of petition pending with SHC as reported in note 11 to the annual financial statements of the Fund for the year ended 30 June 2015.

10. WORKERS' WELFARE FUND

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision made till June 30, 2015 has not been reversed as the lawsuit is pending in the SHC.

The Fund maintained a provision for WWF as on December 31, 2015 amounting to Rs.15.687 million (June 30, 2015 : Rs 15.687 million).

FIRST HABIB INCOME FUND

11. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of 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. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. This distribution excludes any bonus dividend, that is only cash distribution will be accounted for taxation purposes. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. Accordingly, no provision has been made in these condensed interim financial information.

12. DERIVATIVE INSTRUMENTS

The Fund has been involved in derivative transactions involving equity futures.

Operational procedures and control have been established to facilitate complete, accurate and timely processing of transaction. These controls include appropriate segregation of duties, regular reconciliation of accounts, and the valuation of assets and positions.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund's accounting policy on fair value measurements is disclosed in the financial statements for the year ended June 30, 2015.

14. FAIR VALUE HIERARCHY

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

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 31 March 2016, the categorisation of investments is shown below:

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Term finance certificates	-	-	-	-
Government securities	-	99,780	-	99,780
Pakistan Investment Bonds	-	270,254	-	270,254
Investment in Shares	252,301	-	-	252,301
Derivatives	(418)	-	-	(418)
	<u>251,883</u>	<u>370,034</u>	<u>-</u>	<u>621,917</u>

As at 30 June 2015, the categorisation of investments is shown below:

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Term finance certificates and Sukuk certificates	-	-	-	-
Government securities	-	681,369	-	681,369
	<u>-</u>	<u>681,369</u>	<u>-</u>	<u>681,369</u>

15. TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

Details of the transactions with connected persons are as follows:

	Nine months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
Habib Asset Management Limited - Management Company				
Management fee	19,534	13,257	5,461	7,606
Sales tax on management fee	3,173	2,307	888	1,324
Federal Excises Duty on management fee	3,126	2,121	874	1,217
Expenses of CIS Max Upto 0.1%	155	-	155	-
Purchased of Pakistan Investment Bonds (PIB's)	-	110,000	-	75,000
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	1,746	1,268	521	641
Sales tax on Trustee fee	244	-	73	-
Profit Bank Al Habib Limited				
Profit on bank balances	6,500	4,810	4,735	3,045

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

	31 March 2016	30 June 2015
	(Rupees in '000)	
	(Un-Audited)	(Audited)
Habib Asset Management Limited - Management Company		
Management fee payable	1,637	1,900
Sales tax on management fee	266	305
Re-imbursment of Expenses of CIS Max Upto 0.1%	154	-
Federal Excises Duty on management fee	7,956	4,830
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	188	236
Bank Al Habib Limited		
Bank balances	126,369	45,019

FIRST HABIB INCOME FUND

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

	Nine months ended 31 March 2016		Nine months ended 31 March 2015	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
Habib Asset Management Limited	1,380,063	141,974	5,310,965	561,565
Associated Companies				
Habib Insurance Company Limited	3,056,769	321,284	1,876,719	200,000
Other related parties				
Habib Asset Management Limited - Employees Provident Fund	19,532	2,041	8,679	900
Habib Sugar Mills Limited	12,085,037	1,250,000	7,108,201	750,000
Sukaina Education and Welfare Trust	-	-	972,300	102,311
Directors & Executive of the Management Company	73,815	7,718	45,253	4,734
Ghulaman-E-Abbas Education & Medical Trust Endowment Fund	81,807	8,460	2,772	300
Dawood Habib Memorial Trust	-	-	232,206	25,000
Units sold to Connected Parties holding 10% or more of the units in issue:				
EFU General Insurance Ltd	3,730,880	391,633	-	-
Units redeemed by:				
Management Company				
Habib Asset Management Limited	1,336,529	138,406	4,922,135	524,438
Associated Companies				
Habib Insurance Company Limited	4,162,756	391,216	1,197,706	130,596
Bank AL Habib Limited	-	-	-	-
Other related parties				
Directors & Executive of the Management Company	19,261	1,961	24,508	2,638
Habib Asset Management Limited - Employees Provident Fund	24,700	2,579	14,591	1,526
Greenshield Insurance Brooker	15,369	1,600	4,976	500
Habib Sugar Mills Ltd	12,085,037	1,257,932	-	-
Ghulaman-E-Abbas Education & Medical Trust Endowment Fund	84,430	8,817	-	-
Dawood Habib Memorial Trust	180,977	18,827	-	-
Sukaina Education and Welfare Trust	-	-	327,869	34,912
Mr. Murtaza Habib	-	-	14,185	1,421
Mr. Ali Raza D Habib	47,486	4,997	-	-
	1,994,824	210,461	-	-
Units redeemed to Connected Parties holding 10% or more of the units in issue:				
EFU General Insurance Ltd	1,994,824	210,461	-	-
Units held by:				
Management Company				
Habib Asset Management Limited	761,379	81,208	657,895	71,726
Associated Companies				
Bank AL Habib Limited	1,357,163	144,753	2,696,602	293,995
Habib Insurance Company Limited	588,985	62,820	688,017	75,010
Other related parties				
Directors & Executive of the Management Company	28,216	3,009	21,101	2,301
Habib Insurance Company Limited Employees Provident Fund	91,959	9,808	84,372	9,199
Habib Asset Management Limited - Employees Provident Fund	535	57	-	-
Greenshield Insurance Brooker	23,964	2,556	26,598	2,900
Sukaina Education and Welfare Trust	915,407	97,636	644,431	70,259
Habib Sugar Mills Limited	-	-	7,108,201	774,966
Mr. Munawar Ali Habib	4,665	498	4,319	471
-Ghulaman-E-Abbas Education & Medical Trust Endowment Fund	3,392	362	2,772	302
Dawood Habib Memorial Trust	398,028	42,453	232,206	25,316
Mrs. Shama Sajjad Habib	203,437	21,698	188,352	20,535
Mrs Hima Shoaib	165	18	152	17
Apwa Ra'ana Liaquat Craftsmen Colony	57,648	6,149	-	-
Mr. Qumail Habib	15,311	1,633	14,175	1,545

FIRST HABIB INCOME FUND

	Nine months ended 31 March 2016		Nine months ended 31 March 2015	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Mr. Abas D Habib	15,311	1,633	14,175	1,545
Mr. Ali Asad Habib	13,756	1,467	12,735	1,388
Mr. Sajjad Hussain	4,663	497	4,317	471
Mr. Ali Raza D Habib	8,527	909	-	-
	1,736,056	185,545	-	-
Units held by to Connected Parties holding 10% or more of the units in issue:				
EFU General Insurance Ltd	1,736,056	185,545	-	-

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on **20th April 2016**.

17. GENERAL

17.1 Figures have been rounded off to the nearest thousands of rupee.

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

Chief Executive

Director

FIRST HABIB STOCK FUND
Third Quarterly Report
March 2016

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FUND'S INFORMATION

Management Company

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mohammad Ali Jameel	Director
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Liaquat Habib Merchant	Director
Mr. Sajjad Hussain Habib	Director

CFO and Company Secretary

Mr. Abbas Qurban	Chief Financial Officer / Company Secretary
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Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mohammad Ali Jameel	Member

Human Resource Committee

Mr. Liaquat Habib Merchant	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Sajjad Hussain Habib	Member
Mr. Imran Azim	Member

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza,
Beaumont Road, Karachi.

Registrar

JWAFS Registrar Services
(Pvt.) Limited
407-408, 4th Floor,
Al- Ameer Centre, Shahrah-e-Iraq,
Saddar, Karachi.

Trustee

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

Legal Advisor

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

Bankers to the Fund

Bank AL Habib Limited

Rating

MFR-1 Star Performing Ranking by JCR-VIS
AM3 Management Company Quality Rating
Assigned by PACRA.

Registered Office: 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

**CONDENSED INTERIM STATEMENT OF ASSET AND LIABILITIES
AS AT 31 MARCH 2016**

	<i>Note</i>	31 March 2016	30 June 2015
		----- (Rupees in '000) -----	
		(Un-audited)	(Audited)
Assets			
Bank balances	6	31,590	1,892
Investments	7	170,319	90,514
Dividend and Income receivable	9	2,630	429
Deposits and prepayments		3,605	13,624
Receivable against sale of investments		32	13,194
Total assets		208,176	119,653
Liabilities			
Payable to Habib Asset Management Limited - Management Company		408	244
Provision for Federal Excise Duty on Remuneration of the Management Company	8	1,918	1,517
Payable to Central Depository Company of Pakistan Limited - Trustee		68	88
Payable to Securities and Exchange Commission of Pakistan (SECP)		119	143
Provision for Workers' Welfare Fund	12	2,332	2,332
Accrued expenses and other liabilities		797	1,257
Total liabilities		5,642	5,581
Net assets		202,534	114,072
Unit holders' funds (as per statement attached)		202,534	114,072
(Number of units)			
Number of units in issue		2,100,993	1,108,428
(Rupees)			
Net asset value per unit		96.40	102.91

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

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

Chief Executive

Director

FIRST HABIB STOCK FUND

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

	Nine months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
Income	(Rupees in '000)			
Profit on bank deposits	1,592	917	679	342
Dividend income	6,014	5,665	3,114	2,414
Net gain / (loss) on investment at fair value through profit or (loss)				
-Net capital (loss) / gain on sale of investment classified as held for trading	(6,373)	14,657	(3,765)	(821)
-Net unrealised (loss) / gain on revaluation of investment classified as held for trading	(2,689)	(13,152)	5,281	(10,129)
	(9,062)	1,505	1,516	(10,950)
Total (loss) / income	(1,456)	8,087	5,309	(8,194)
Expenses				
Remuneration of Habib Asset Management Limited - Management Company	2,506	2,600	941	697
Federal excise duty on management fee	401	416	150	112
Sales tax on management fee	407	452	152	120
CIS Max up to 0.1%	16	-	16	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	601	525	200	172
Annual fee - SECP	119	104	45	33
Brokerage expense	1,697	1,289	385	544
Settlement and bank charges	306	291	87	111
Annual listing fee	15	15	5	5
Auditors' remuneration	238	260	60	93
Amortisation of preliminary expenses and floatation costs	-	55	-	-
Mutual Fund Rating Fee	153	124	41	41
Federal excise duty	198	175	50	68
Printing charges	64	64	21	21
Total expenses	6,721	6,370	2,153	2,017
Net (loss) / income from operating activities	(8,177)	1,717	3,156	(10,211)
Net Element of (loss) / gain and capital (losses) / gain included in prices of units issued less those in units redeemed	(2,999)	2,348	(155)	1,125
Workers' Welfare Fund	-	(82)	-	181
Net (loss) / income for the period	(11,176)	3,983	3,001	(8,905)

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

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

Chief Executive

Director

FIRST HABIB STOCK FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016

	<u>Nine month ended</u> <u>31 March</u>		<u>Quarter ended</u> <u>31 March</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	----- (Rupees in '000) -----			
Net (loss) / income for the period	(11,176)	3,983	3,001	(8,905)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(11,176)</u>	<u>3,983</u>	<u>3,001</u>	<u>(8,905)</u>

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

For Habib Asset Management Limited
(Management Company)

Chief Executive

Director

FIRST HABIB STOCK FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016

	Nine month Ended 31 March		Quarter ended 31 march	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
Undistributed gain / (loss) brought forward	4,281	5,044	(9,896)	17,932
Net (loss) / income for the period	(11,176)	3,983	3,001	(8,905)
Undistributed income carried forward	<u>(6,895)</u>	<u>9,027</u>	<u>(6,895)</u>	<u>9,027</u>

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

For Habib Asset Management Limited
(Management Company)

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

	Nine month ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
	(Rupees in '000)			
Net assets at the beginning of the period [Rs. 102.91 (2015:103.63) per unit]	114,072	147,628	183,445	176,915
Issuance of 1,860,428 units (2015:2,956,275 units)	183,728	322,792	38,236	121,723
Redemption of 867,863 units (2015: 2,583,812 units)	(87,089)	(281,873)	(22,303)	(98,426)
	96,639	40,919	15,933	23,297
Net Element of (loss) / gain and capital (losses) / gain included in prices of units issued less those in units redeemed	2,999	(2,348)	155	(1,125)
Net (loss) / income for the period	(11,176)	3,983	3,001	(8,905)
Net assets at the end of the period [Rs.96.40 (2015: Rs. 106.52 per unit)]	202,534	190,182	202,534	190,182

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

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

Chief Executive

Director

FIRST HABIB STOCK FUND

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

	Nine months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
CASH FLOW FROM OPERATING ACTIVITIES				
Net (loss) / income for the period	(11,176)	3,983	3,001	(8,905)
Adjustments for non-cash items				
Unrealised appreciation / (diminution) on investments at fair value through profit or loss - net	2,689	13,152	(5,281)	10,129
Net element of (loss) / gain and capital (loss) / gains included in prices of units issued less those in units redeemed	2,999	(2,348)	155	(1,125)
Workers' Welfare fund	-	82	-	(181)
Amortisation of preliminary expenses and floatation costs	-	55	-	-
	(5,488)	14,924	(2,125)	(82)
decrease in assets				
Investments	(82,494)	(18,974)	(21,199)	596
Dividend and Income receivable	(2,201)	(1,874)	(2,328)	(2,075)
Deposits and prepayments	10,019	1,850	66	5
Receivable against sale of investments	13,162	6,687	2,769	(4,566)
Advance against subscription of shares	-	-	25	-
	(61,514)	(12,311)	(20,667)	(6,040)
Increase / (decrease) in liabilities				
Payable to Management Company	164	46	55	(62)
Provision for Federal Excise Duty	401	481	151	181
Payable to Trustee	(20)	80	-	84
Payable to SECP	(24)	(67)	45	33
Accrued expenses and other liabilities	(460)	(23,196)	327	(755)
	61	(22,656)	578	(519)
Net cash (utilized in) / generated from operating activities	(66,941)	(20,043)	(22,214)	(6,641)
CASH FLOW FROM FINANCING ACTIVITIES				
Net receipts from sale and redemption of units	96,639	40,919	15,933	23,297
Dividend paid during the period	-	-	-	-
	96,639	40,919	15,933	23,297
Net increase / (decrease) in cash and cash equivalents during the period	29,698	20,876	(6,281)	16,656
Cash and cash equivalents at the beginning of the period	1,892	8,687	37,871	12,907
Cash and cash equivalents at the end of period	31,590	29,563	31,590	29,563

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

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

Chief Executive

Director

**NOTES TO CONDENSED INTERIM THE FIANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

1. LEGAL STATUS AND NATURE OF BUSINESS

First Habib Stock Fund (the "Fund") was established under a Trust Deed executed between Habib Asset Management Limited (HAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 21 August 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 11 August 2008 under 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 Imperial Court Building, Dr. Ziauddin Ahmed Road Karachi, Pakistan.

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

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM3' to the Management Company and a performance ranking of 'MFR 1-Star ' to the Fund.

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

Title of the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan, the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by SECP. In case where the requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2015

The condensed interim financial statements are unaudited.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information in conformity with approved accounting standards ,as applicable in Pakistan, requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgments made by the Management Company in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2015.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2015, except as described below:

New, Revised and Amended Standards and Interpretations

FIRST HABIB STOCK FUND

The company has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the interim condensed financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Fund expects that such improvements to the standards do not have any impact on the Fund's financial statements for the period.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2015.

6. BANK BALANCES

This represents saving account maintained with Bank AL Habib Limited and carries profit rate of 5.5% (30 June 2015: 7.5%) per annum.

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

31 March 2016 30 June 2015

(Rupees in '000)
(Unaudited) (Audited)

Equity securities	7.1	<u>170,319</u>	<u>90,514</u>
		<u>170,319</u>	<u>90,514</u>

7.1 Equity securities

Name of the Investee	As at 1 July 2015	Purchased/ Bonus/ right shares received during the period	Disposed during the period	As at 31 March 2016	Carrying value as at 31 March 2016	Market value as at 31 March 2016	Market Value as a Percentage of:	
							Net Assets	Total Investment
		-----Number of shares-----			----- (Rupees in '000) -----			
AUTOMOBILE ASSEMBLER								
Millat Tractor Limited	-	8,000	8,000	-	-	-	-	0.00%
Honda Atlas Car Limited	14,500	28,500	30,000	13,000	3,231	3,282	1.62	3.63%
Pak Suzuki Motor Company Limited.	-	20,700	7,700	13,000	5,959	5,353	2.64	5.91%
AUTOMOBILE PARTS AND ACCESSORIES								
General Tyre & Rubber Limited	-	119,000	76,400	42,600	7,209	6,373	3.15	7.04%
Thall Limited	7,500	-	7,500	-	-	-	-	0.00%
COMMERCIAL BANKS								
Askari Commercial Bank	-	130,000	130,000	-	-	-	-	0.00%
Habib Bank Limited	-	57,500	10,000	47,500	8,738	8,148	4.02	9.00%
Habib Metropolitan Bank	-	12,000	12,000	-	-	-	-	0.00%
MCB Bank	8,070	26,000	5,500	28,570	6,839	5,886	2.91	6.50%
National Bank Limited	-	150,000	65,000	85,000	4,996	4,391	2.17	4.85%
United Bank Limited	27,271	35,500	23,271	39,500	6,297	5,973	2.95	6.60%
CHEMICALS								
Archroma Pakistan Limited	-	12,400	12,400	-	-	-	-	0.00%
ICI Pakistan Limited	3,150	14,700	9,850	8,000	3,897	3,440	1.70	3.80%
Sitara Peroxide Chemicals	-	100,000	100,000	-	-	-	-	0.00%
FERTILIZERS								
Engro Fertilizers Ltd Chemicals	12,500	672,000	611,000	73,500	5,973	5,107	2.52	5.64%
Engro Chemical Limited	19,500	280,600	254,500	45,600	13,329	14,396	7.11	15.90%
Fauji Fertilizer Bin Qasim Limited	85,000	480,000	425,000	140,000	7,940	7,143	3.53	7.89%
Fauji Fertilizer Company Limited	20,000	74,500	44,500	50,000	6,410	5,331	2.63	5.89%

FIRST HABIB STOCK FUND

Name of the Investee	As at 1 July 2015	Purchased/ Bonus/ right shares received during the period	Disposed during the period	As at 31 March 2016	Carrying value as at 31 March 2016	Market value as at 31 March 2016	Market Value as a Percentage of:	
							Net Assets	Total Investment
				Number of shares		(Rupees in '000)		
CEMENT								
Attock Cement Pakistan Limited	-	6,000	-	6,000	1,012	1,225	0.60	1.35%
Cherat Cement Company Limited	32,000	95,000	117,000	10,000	944	1,079	0.53	1.19%
D. G. Khan Cement Company Limited	37,500	410,800	392,500	55,800	8,896	9,699	4.79	10.72%
Fauji Cement Company Ltd	45,000	655,000	535,000	165,000	6,570	6,915	3.41	7.64%
Javedan Corporation Limited	-	157,500	94,000	63,500	2,431	1,788	0.88	1.98%
Lucky Cement Limited	7,100	107,700	97,800	17,000	8,514	9,148	4.52	10.11%
Maple Leaf Cement Factory Limited	-	816,500	790,500	26,000	2,395	2,397	1.18	2.65%
Pioneer Cement Limited	34,500	135,000	134,500	35,000	3,057	3,462	1.71	3.82%
ELECTRICITY								
Altern Energy Limited	-	48,500	48,500	-	-	-	-	0.00%
Kott Adu Power Company Limited	-	45,000	-	45,000	3,599	3,473	1.71	3.84%
Hub Power Company Limited	58,000	358,800	372,300	44,500	4,545	4,652	2.30	5.14%
KE Electric Limited	275,000	-	275,000	-	-	-	-	0.00%
Nishat Chunian Power Limited	40,000	10,000	50,000	-	-	-	-	0.00%
Nishat Power Limited	40,000	6,000	46,000	-	-	-	-	0.00%
TECHNOLOGY & COMMUNICATION								
Hum Network Limited	150,000	247,500	397,500	-	-	-	-	0.00%
P.T.C.L.'A"	115,000	310,000	425,000	-	-	-	-	0.00%
FOOD & PERSONAL CARE PRODUCTS								
Engro Foods Company Limited	-	346,400	336,400	10,000	1,590	1,592	0.79	1.76%
Al-Shaheer Corporation Limited	-	100,000	100,000	-	-	-	-	0.00%
Al-Shaheer Corporation Limited	-	138,500	138,500	-	-	-	-	0.00%
National Foods Limited.	3,900	-	3,900	-	-	-	-	0.00%
ENGINEERING								
Mughal Iron and Steel Corporation Limited	-	192,000	142,000	50,000	3,459	3,422	1.69	3.78%
INSURANCE								
Adamjee Insurance Company Limited	-	174,000	139,000	35,000	1,873	1,874	0.93	2.07%
OIL AND GAS EXPLORATION COMPANIES								
Mari Gas Pipeline Limited	10,900	12,600	23,500	-	-	-	-	0.00%
Oil & Gas Development Company Limited	20,069	102,500	101,069	21,500	2,264	2,460	1.21	2.72%
Pakistan Oilfields Limited	10,069	70,500	62,569	18,000	4,338	4,644	2.29	5.13%
Pakistan Petroleum Limited	23,251	72,000	65,251	30,000	3,466	3,844	1.90	4.25%
OIL AND GAS MARKETING COMPANIES								
Hascol Petroleum Limited	-	203,000	203,000	-	-	-	-	0.00%
Pakistan State Oil Company Limited	11,500	56,000	49,500	18,000	6,139	6,322	3.12	6.98%
Shell Pakistan Limited	10,000	-	10,000	-	-	-	-	0.00%
Sui Northern Gas Pipeline Limited	-	507,500	507,500	-	-	-	-	0.00%
Sui Southern Gas Pipeline Limited	-	865,000	865,000	-	-	-	-	0.00%
FINANCIAL SERVICES								
Jahanger Siddiqui and Company	-	45,000	45,000	-	-	-	-	0.00%
PAPERS AND BOARDS								
Packages Limited	-	20,850	6,350	14,500	8,223	7,569	3.74	8.36%
CABLE & ELECTRICAL GOODS								
Trakker Pakistan Limited	-	954,500	954,500	-	-	-	-	0.00%
Pak Elektron Limited	-	1,598,875	1,444,875	154,000	8,663	9,313	4.60	10.29%
TEXTILE COMPOSIT								
Nishat Mills Limited	-	233,000	163,000	70,000	6,693	6,707	3.31	7.41%
REFINERY								
Attock Refinery Limited	-	80,100	80,100	-	-	-	-	0.00%
BYCO Pakistan Limited	-	522,000	522,000	-	-	-	-	0.00%
National Refinery Limited	-	6,000	6,000	-	-	-	-	0.00%
Pakistan Refinery Limited	-	77,500	77,500	-	-	-	-	0.00%
TRANSPORT								
Pakistan International Bulk Terminal Limited	-	411,300	411,300	-	-	-	-	0.00%
PHARMACEUTICALS								
Glaxo Smith Kline	13,000	12,600	25,600	-	-	-	-	0.00%
The Searl Company Limited	-	38,900	30,000	8,900	3,518	3,911	1.93	4.32%
Ferozsons Laboratories Limited	2,500	-	2,500	-	-	-	-	0.00%
Total as at 31 March 2016					173,007	170,519		
Total as at 30 June 2015					88,534	90,514		

FIRST HABIB STOCK FUND

7.2 Unrealised appreciation / (diminution) on investments at fair value through profit or loss	31 March 2016 (Unaudited) (Rupees in '000)	30 June 2015 (Audited)
Equity Securities	<u>(2,689)</u>	<u>1,957</u>

8. Federal Excise Duty payable on Management Fee

There is no change in the status of petition pending with SHC as reported in note 13 to the annual financial statements of the Fund for the year ended 30 June 2015.

9. DIVIDEND AND INCOME RECEIVABLE

Dividend receivable	2,385	342
Profit receivable on saving account	184	87
Advance tax on Dividend	61	-
	<u>2,630</u>	<u>429</u>

10. DEPOSITS AND PREPAYMENTS

Deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Cash Margin to NCCPL against Equity Transaction	1,000	1,000
Deposit with Central Depository Company of Pakistan Limited	100	100
Advance against subscription of shares	-	9,500
Advance against sale of units	-	516
Advance tax On Dividend	-	8
Prepayments	5	-
	<u>3,605</u>	<u>13,624</u>

11. PAYABLE TO HABIB ASSET MANAGEMENT LIMITED

Remuneration payable to Management company	337	236
Sales tax payable on management fee	55	8
CIS Max up to 0.1%	16	-
Federal excise duty payable on management fee	1,918	1,517
	<u>2,326</u>	<u>1,761</u>

12. WORKERS' WELFARE FUND

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision amounting to Rs. 15.687 million made till June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

The Fund maintained a provision for WWF as on March 31, 2016 amounting to Rs.2.332 million (June 30, 2015: 2.332 million).

13. EARNINGS PER UNIT

Earnings per unit (EPU) for the six months period ended 31 March 2016 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

14. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the period ended 30 June 2015.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund's accounting policy on fair value measurements is disclosed in the financial statements for the year ended June 30, 2015.

Fair value hierarchy

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

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

No transfers between any level of the Fair Value Hierarchy took place during the period.

During the nine months period ended 31 March 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers in and out of Level 3 fair value measurements. As at 31 March 2016, all the investments were categorized in Level 1.

16. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of 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. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. This distribution excludes any bonus dividend, that is only cash distribution will be accounted for taxation purposes. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. Accordingly, no provision has been made in these condensed interim financial information.

17. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include Habib Asset Management Limited being the Management Company, AL Habib Capital Markets (Private) Limited and Bank AL Habib Limited being companies under common management, First Habib Income Fund and First Habib Cash Fund, First Habib Islamic Balanced Fund being the Fund managed by common Management Company, Central Depository Company Limited being the Trustee of the Fund.

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		Quarter ended	
	31 March		31 March	
	2016	2015	2016	2015
	(Rupees in '000)		(Rupees in '000)	
Habib Asset Management Limited - Management Company				
Management fee	2,506	2,600	941	697
Sales Tax on Management Fee	407	452	152	120
Federal Excise Duty on Management Fee	401	416	150	112
CIS Max up to 0.1%	16	-	16	-
AL Habib Capital Markets (Private) Limited - Brokerage house				
Brokerage	143	132	74	63
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	601	525	200	172
Bank Al Habib Limited				
Profit on Bank Balances	1,592	917	1,017	342

FIRST HABIB STOCK FUND

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

	31 March 2016 (Unaudited)	30 June 2015 (Audited)
	(Rupees in '000)	
Bank Al Habib Limited		
Bank Balance	<u>31,590</u>	<u>1,892</u>
Habib Asset Management Limited - Management Company		
Management fee payable	<u>337</u>	<u>208</u>
Sales Tax payable on Management Fee	<u>55</u>	<u>36</u>
Federal Excise Duty payable on Management Fee	<u>1,918</u>	<u>1,517</u>
AL Habib Capital Markets (Private) Limited - Brokerage house		
Brokerage payable	<u>31</u>	<u>165</u>
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable	<u>68</u>	<u>88</u>
- Security deposit - Non interest bearing	<u>100</u>	<u>100</u>

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

	Nine months ended 31 March 2016		Nine months ended 31 March 2015	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
- Habib Asset Management Limited	<u>1,164,280</u>	<u>114,338</u>	<u>2,381,355</u>	<u>257,693</u>
Other related parties				
- Directors of the Management Company	<u>7,690</u>	<u>749</u>	<u>4,124</u>	<u>443</u>
- Executives of the Management Company	<u>-</u>	<u>-</u>	<u>45,896</u>	<u>5,190</u>
- Habib Asset Management Limited - Employees Provident Fund	<u>16,862</u>	<u>1,679</u>	<u>8,062</u>	<u>917</u>
- Mr. Haider Azim	<u>4,306</u>	<u>418</u>	<u>-</u>	<u>-</u>
- Mr. Abbas	<u>19,373</u>	<u>1,825</u>	<u>-</u>	<u>-</u>
- Mrs. Ishrat Malik	<u>5,084</u>	<u>540</u>	<u>-</u>	<u>-</u>
Units redeemed by:				
Management Company				
- Habib Asset Management Limited	<u>1,061,183</u>	<u>104,538</u>	<u>1,487,151</u>	<u>163,408</u>
Associated Companies				
- Habib Insurance Company Limited	<u>-</u>	<u>-</u>	<u>630,016</u>	<u>65,675</u>
Other related parties				
- Directors of the Management Company	<u>6,099</u>	<u>599</u>	<u>-</u>	<u>-</u>
- Habib Asset Management Limited - Employees Provident Fund	<u>7,661</u>	<u>779</u>	<u>4,239</u>	<u>500</u>
- Mrs. Ishrat Malik	<u>6,407</u>	<u>680</u>	<u>-</u>	<u>-</u>
- Mr. Abbas	<u>15,029</u>	<u>1,425</u>	<u>-</u>	<u>-</u>
- Executives of the Management Company	<u>-</u>	<u>-</u>	<u>35,509</u>	<u>3,909</u>
- Mr. Haider Azim	<u>4,212</u>	<u>408</u>	<u>-</u>	<u>-</u>
- Mr. Ali Raza D Habib	<u>51,879</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Units held by:				
Management Company				
- Habib Asset Management Limited	<u>1,088,303</u>	<u>104,912</u>	<u>894,204</u>	<u>94,632</u>
Associated Companies				
- Bank AL Habib Limited	<u>100,000</u>	<u>9,640</u>	<u>500,000</u>	<u>52,914</u>

FIRST HABIB STOCK FUND

	Nine months ended 31 March 2016		Nine months ended 31 March 2015	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Other related parties				
- Directors of the Management Company	24,774	2,388	14,587	1,544
- Habib Asset Management Limited-Employees Provident Fund	16,862	1,625	4,954	524
- Mr. Ali Raza D Habib	5,865	565	50,754	5,371
- Mrs. Razia Habib	956	92	840	89
- Mr. Sajjad Hussain	19,007	1,832	16,706	1,768
- Mr. Aun Mohammad Ali Raza Habib	17,670	1,703	17,670	1,870
- Mr. Abbas	17,270	1,665	12,270	1,299
- Mr. Haider Azim	383	37	289	31
- Mrs. Fatima Ali Raza Habib	14,381	1,386	12,640	1,338

18. DATE OF AUTHORISATION FOR ISSUE

18.1 These condensed interim financial statements were authorised for issue by the board of directors of the Management Company on **20th April 2016**.

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

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

Chief Executive

Director

FIRST HABIB CASH FUND
Third Quarterly Report
March 2016

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FUND'S INFORMATION

Management Company

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mohammad Ali Jameel	Director
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Liaquat Habib Merchant	Director
Mr. Sajjad Hussain Habib	Director

Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mohammad Ali Jameel	Member

CFO and Company Secretary

Mr. Abbas Qurban	Chief Financial Officer / Company Secretary
------------------	------------------------------------------------

Human Resource Committee

Mr. Liaquat Habib Merchant	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Sajjad Hussain Habib	Member
Mr. Imran Azim	Member

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza,
Beaumont Road, Karachi.

Registrar

JWAFFS Registrar Services
(Pvt.) Limited
407-408, 4th Floor,
Al- Aameera Centre, Shahrah-e-Iraq,
Saddar, Karachi.

Trustee

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

Legal Advisor

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

Bankers to the Fund

Bank AL Habib Limited
Habib Bank Limited
Bank Al-falah Limited

Rating

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

Registered Office: 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 MARCH 2016

	Note	31 March 2016	30 June 2015
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
		(Unaudited)	(Audited)
Assets			
Bank balances and Term Deposit Receipt	6	600,446	555,465
Placements	7	100,552	200,000
Investments	8	510,291	640,002
Income receivable		4,948	5,978
Prepayments		205	122
Preliminary expenses and floatation costs		-	424
Total assets		1,216,442	1,401,991
Liabilities			
Payable to Habib Asset Management Limited - Management Company		1,114	2,216
Provision for Federal Excise Duty on remuneration of Management Company	9	13,016	11,684
Payable to Central Depository Company of Pakistan Limited - Trustee		156	227
Payable to Securities and Exchange Commission of Pakistan (SECP)		734	2,432
Provision for Workers' Welfare Fund	10	16,410	16,410
Payable against Redemption of Units		97	-
Accrued expenses, Brokerage Expense and other liabilities		781	90,817
Total liabilities		32,308	123,786
Net assets		1,184,134	1,278,205
Unit holders' funds (as per statement attached)		1,184,134	1,278,205
(Number of units)			
Number of units in issue		11,299,484	12,692,998
(Rupees)			
Net asset value per unit		104.80	100.70

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements

For Habib Asset Management Limited
(Management Company)

Chief Executive

Director

FIRST HABIB CASH FUND

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

Note	Nine months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
Income				
Profit on bank deposits	6,590	31,597	1,223	8,369
Income from Government Securities	53,579	198,631	15,757	57,242
Markup income on Placements	5,834	4,518	2,433	3,627
Gain / (loss) on sale of investments designated at fair value through income statement				
- Net capital gain on sale of investment classified as held for trading	312	3,652	16	1,317
- Net unrealised gain / (loss) on revaluation of investments classified as held for trading	67	2,367	(19)	2,470
	379	6,019	(3)	3,787
Total income	66,382	240,765	19,410	73,025
Expenses				
Remuneration of Habib Asset Management Limited - Management Company	8,320	22,487	2,540	6,539
Expenses of CIS Max upto 1%	125	-	125	-
Federal Excise Duty on management fee	1,331	3,598	392	1,046
Sales tax on management fee	1,351	3,913	426	1,137
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,479	2,397	468	762
Annual fee - SECP	734	1,834	224	577
Brokerage	62	154	12	56
Settlement and bank charges	36	103	18	67
Auditors' remuneration	252	277	66	98
Amortisation of preliminary expenses and floatation costs	424	459	116	151
Annual listing fee	30	30	10	10
Mutual Fund Rating Fee	169	143	68	47
Printing charges	64	64	21	-
Total expenses	14,377	35,459	4,486	10,490
	52,005	205,306	14,924	62,535
Net element of (loss) / gain and capital (losses) / gain included in prices of units issued less those in units redeemed	(5,747)	(7,284)	(4,096)	2,299
Workers' Welfare Fund	-	(3,961)	-	(1,297)
Net income for the period	46,258	194,061	10,828	63,537

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements

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

Chief Executive

Director

FIRST HABIB CASH FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016

	Nine Months ended		Quarter ended	
	31 March		31 March	
	2016	2015	2016	2015
	------(Rupees in '000)-----			
Net income for the period	46,258	194,061	10,828	63,537
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>46,258</u>	<u>194,061</u>	<u>10,828</u>	<u>63,537</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements

For Habib Asset Management Limited
(Management Company)

Chief Executive

Director

FIRST HABIB CASH FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016

	Nine Months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
	------(Rupees in '000)-----			
Undistributed income brought forward	11,466	4,123	46,896	134,647
Net income for the period	46,258	194,061	10,828	63,537
Undistributed Income carried forward	57,724	198,184	57,724	198,184

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements

For Habib Asset Management Limited
(Management Company)

Chief Executive

Director

FIRST HABIB CASH FUND

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

	Nine Months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
	(Rupees in '000)			
Net assets at the beginning of the period [Rs. 100.70 (2015: Rs. 100.14) per unit]	1,278,205	3,705,407	1,428,920	3,163,332
Issuance of Units 10,525,049.50 (2015 : 18,417,042 Units)	1,078,042	1,904,334	30,019	576,286
Redemption of 11,918,564 Units (2015:24,980,145 Units)	(1,224,118)	(2,568,874)	(289,729)	(558,644)
	(146,076)	(664,540)	(259,710)	17,642
Net element of (loss) / gain and capital (losses) / gain included in prices of units issued less those in units redeemed	5,747	7,284	4,096	(2,299)
Net income for the period	46,258	194,061	10,828	63,537
Net assets at the end of the period [Rs. 104.80 (2015: Rs. 106.52) per unit]	1,184,134	3,242,212	1,184,134	3,242,212

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements

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

Chief Executive

Director

FIRST HABIB CASH FUND

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

	Nine Months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
------(Rupees in '000)-----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period	46,258	194,061	10,828	63,537
Adjustments for non-cash items				
Unrealised appreciation / (diminution) on investments at fair value through profit or loss - net	(67)	(2,367)	19	(2,470)
Workers' Welfare fund	-	3,961	-	1,297
Net element of (loss) / gain and capital (losses) / gain included in prices of units issued less those in units redeemed	5,747	7,284	4,096	(2,299)
Amortisation of preliminary expenses and floatation costs	424	459	116	151
	52,362	203,398	15,059	60,216
(Increase) / decrease in assets				
Investments	129,778	407,237	362,438	(146,477)
Placements	99,448	-	(337)	-
Income receivable	1,030	1,757	(2,284)	1,528
Prepayments	(83)	(51)	(161)	(127)
	230,173	408,943	359,656	(145,076)
Increase / (decrease) in liabilities				
Payable to Management Company	(1,102)	318	55	(233)
Provision for Federal Excise Duty	1,332	3,598	407	1,047
Payable to Trustee	(71)	(48)	(7)	(17)
Payable to SECP	(1,698)	(1,364)	224	577
Payable against Redemption of Units	97	2,545	97	2,545
Payable against Purchase of Investment	-	198,799	-	198,799
Accrued expenses and other liabilities	(90,036)	(3,308)	(374)	(338)
	(91,478)	200,540	402	202,380
Net cash (utilized in) / generated from operating activities	191,057	812,881	375,117	117,520
CASH FLOW FROM FINANCING ACTIVITIES				
Net receipts from sale and redemption of units	(146,076)	(664,540)	(259,710)	17,641
Dividend paid during the period	-	-	-	-
	(146,076)	(664,540)	(259,710)	17,641
Net increase in cash and cash equivalents during the period	44,981	148,341	115,407	135,161
Cash and cash equivalents at the beginning of the period	555,465	707,907	485,039	721,087
Cash and cash equivalents at the end of the period	600,446	856,248	600,446	856,248
Cash and cash equivalents at the end of the period comprise of :				
Cash and cash equivalents at end of the period	600,446	456,248	600,446	456,248
Term deposit receipts maturity of 3 months and less	-	300,000	-	300,000
Clean Placement	-	100,000	-	100,000
	600,446	856,248	600,446	856,248

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

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

1. LEGAL STATUS AND NATURE OF BUSINESS

First Habib Cash Fund (the "Fund") was established under a Trust Deed executed between Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 14 July 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 13 July 2010 under 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 a Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at Imperial Court Building, Dr. Ziauddin Ahmed Road Karachi, Pakistan.

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

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

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

The Fund has been categorized as an Open -End Money Market Scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes(CIS).

The objective of the Fund is to earn consistent returns with a high level of liquidity through a blend of money market and sovereign debt instruments. The Fund, in line with its investment objective, invests primarily in treasury bills, government securities and cash and near cash instruments.

Title of the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan, the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by SECP. In case where the requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2015.

The condensed interim financial statements are unaudited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2015, except as described below:

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates. The significant judgments made by the Management Company in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2015.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2015.

FIRST HABIB CASH FUND

6. BANK BALANCES	Note	31 March 2016	30 June 2015
		(Unaudited)	(Audited)
		(Rupees in '000)	
Savings account	6.1	600,446	305,465
Term deposit receipts		-	250,000
		<u>600,446</u>	<u>555,465</u>

6.1 Saving accounts carry profit rates ranging from 5.50% to 6.60% (30 June 2015: 6% to 9%)

It Include balance of Rs. 9.972 million (30 June 2015: 302.610 million) in saving account with Bank Al Habib , a related party.

7 PLACEMENTS

Placements	<u>100,552</u>	200,000
	<u>100,552</u>	<u>200,000</u>

7.1 Placements have a tenor of 60 Days (30 June 2015: 61 Days) and carry a profit rate of 6.40% (30 June 2015: 7%). This Placement will mature on 15 April 2016 (30 June 2015: 29 July 2015).

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

	Note	31 March 2016	30 June 2015
		(Unaudited)	(Audited)
		(Rupees in '000)	
Government securities - Treasury Bills		338,874	640,002
Government securities -Pakistan Investment Bonds		171,417	-
		<u>510,291</u>	<u>640,002</u>

8.1 Unrealised appreciation / (diminution) on investments at fair value through profit or loss

Government securities - Treasury Bills	(1)	(245)
Government securities -Pakistan Investment Bonds	68	-
	<u>67</u>	<u>(245)</u>

8.2 Government Securities - Treasury Bills

Issue date	Face Value				As at 31 March 2016			Market value as percentage of	
	As at 01 July 2015	Purchases during the period	Sold / Matured during the period	As at 31 March 2016	Carrying value	Market value	Appreciation / (diminution)	Net Assets	Total Investment

----- (Rupees in '000) -----

03 Months

29-Jun-2015	400,000	-	400,000	-	-	-	-	-	-
9-Jul-2015	-	290,000	290,000	-	-	-	-	-	-
23-Jul-2015	-	15,000	15,000	-	-	-	-	-	-
17-Sep-2015	-	200,000	200,000	-	-	-	-	-	-
1-Oct-2015	-	3,000,000	3,000,000	-	-	-	-	-	-
29-Oct-2015	-	2,000,000	2,000,000	-	-	-	-	-	-
10-Dec-2015	-	250,000	250,000	-	-	-	-	-	-
7-Jan-2016	-	200,000	200,000	-	-	-	-	-	-
21-Jan-2016	-	200,000	50,000	150,000	149,669	149,670	1	12.64	29.33

FIRST HABIB CASH FUND

Issue date	Face Value				As at 31 March 2016			Market value as percentage of	
	As at 01 July 2015	Purchases during the period	Sold / Matured during the period	As at 31 March 2016	Carrying value	Market value	Appreciation / (diminution)	Net Assets	Total Investment
------(Rupees in '000)-----									
06 Months									
5-Mar-2015	-	325,000	325,000	-	-	-	-	-	-
30-Apr-2015	-	300,000	300,000	-	-	-	-	-	-
14-May-2015	25,000	-	25,000	-	-	-	-	-	-
9-Jul-2015	-	80,000	80,000	-	-	-	-	-	-
23-Jul-2015	-	300,000	300,000	-	-	-	-	-	-
6-Aug-2015	-	400,000	400,000	-	-	-	-	-	-
20-Aug-2015	-	500,000	500,000	-	-	-	-	-	-
17-Sep-2015	-	375,000	375,000	-	-	-	-	-	-
29-Oct-2015	-	290,000	130,000	160,000	159,272	159,270	(2)	13.45	31.21
15-Nov-2015	-	290,000	290,000	-	-	-	-	-	-
01 Year									
30-Oct-2015	-	400,000	400,000	-	-	-	-	-	-
13-Nov-2014	-	175,000	175,000	-	-	-	-	-	-
22-Jan-2016	-	200,000	200,000	-	-	-	-	-	-
19-Feb-2016	-	75,000	75,000	-	-	-	-	-	-
5-Mar-2016	-	300,000	300,000	-	-	-	-	-	-
19-Mar-2016	-	100,000	100,000	-	-	-	-	-	-
16-Apr-2016	-	30,000	-	30,000	29,934	29,934	-	2.53	5.87
Total as at 31 March 2016				190,000	338,875	338,874	(1)		
Total as at 30 June 2015					640,247	640,002	(245)		

8.3 Government Securities - Pakistan Investment Bonds

Issue date	Face Value				As at 31 March 2016			Market value as percentage of	
	As at 01 July 2015	Purchases during the period	Sold / Matured during the period	As at 31 March 2016	Carrying value	Market value	Appreciation / (diminution)	Net Assets	Total Investment
------(Rupees in '000)-----									
03 Years									
18-Jul-2013	-	169,000	-	169,000	171,349	171,417	68	14.48	33.59
				169,000	171,349	171,417	68		
Total as at 30 June 2015					-	-	-		

9. Federal Excise Duty payable on Management Fee

There is no change in the status of petition pending with SHC as reported in note 13 to the annual financial statements of the Fund for the year ended 30 June 2015.

10. WORKERS' WELFARE FUND

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from 01 July 2015 onwards. However, provision made till 30 June 2015 has not been reversed as the lawsuit is pending in the SHC.

The Fund maintained a provision for WWF as on 31 March 2016 amounting to Rs.16.410 million (30 June 2015 : Rs 16.410 million).

FIRST HABIB CASH FUND

11. EARNINGS PER UNIT

Earnings per unit (EPU) for the period ended 31 March 2016, has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund's accounting policy on fair value measurements is disclosed in the financial statements for the year ended 30 June 2015.

Fair Value Hierarchy

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

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

During the nine months period ended 31 March 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers in and out of Level 3 fair value measurements. As at 31 March 2016, all the investments were categorised in level 2.

13. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part I of the second schedule to the Income Tax Ordinance, 2011 subject to that not less than 90% of the accounting income for the year as reduced by capital gain whether realised or unrealised is distributed as cash dividend amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gain to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

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

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

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

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

Details of the transactions with connected persons are as follows:

	Nine Months ended		Quarter ended	
	31 March		31 March	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
Habib Asset Management Limited - Management Company				
Management fee	8,320	22,487	2,540	6,539
Expenses of CIS Max upto 1%	125	-	125	-
Sales tax on management fee	1,351	3,913	426	1,361
Federal Excise Duty on management fee	1,331	3,598	392	822
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	1,479	2,397	468	762
Bank AL Habib Limited				
Profit on bank balances	1,850	4,815	534	428

FIRST HABIB CASH FUND

Details of the balances with connected persons are as follows:

	31 March 2016 (Unaudited) ----- (Rupees in '000)	30 June 2015 (Audited) ----- (Rupees in '000)
Habib Asset Management Limited - Management Company		
Management fee payable	851	1,888
Expenses of CIS Max upto 1%	125	-
Sales Tax payable on Management Fee	138	328
Federal Excise Duty payable on Management Fee	13,016	11,684
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	156	227
Bank AL Habib Limited		
Bank balances	151,203	308,562

	Nine Months ended 31 March 2016 (Unaudited)		Nine Months ended 31 March 2015 (Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
- Habib Asset Management Limited	239,246	24,814	1,194,538	121,658
Associated Companies				
- Habib Insurance Company Limited	1,723,126	176,216	2,954,087	301,080
Other related parties				
- Directors of the Management Company	-	-	10,766	1,098
- Habib Asset Management Limited- Employees Provident Fund	4,873	500	-	-
- Sukaina Educational & Welfare Trust	-	-	79,133	8,000
- Ghulam-e-Abbas Trust	-	-	197,314	20,100
- Mr. Ali Raza D Habib	9,930	1,000	-	-
- Mr. Sajjad Hussain	9,930	1,000	-	-
- Mr. Abbas	1,998	204	-	-
- Mrs. Samina Imran	20	2,000	-	-
- Mr. Ali Asad Habib	9,930	1,000	-	-
- Mr. Abbas D. Habib	9,930	1,000	-	-
- Mr. Haider Azim	-	-	794	80
Units redeemed by:				
Management Company				
- Habib Asset Management Limited	985,930	99,810	3,005,994	306,641
Associated Companies				
- Habib Insurance Company Limited	1,723,126	155,655	4,994,068	518,569
Other related parties				
- Directors of the Management Company	7,370	749	9,508	996
- Executives of the Management Company	-	-	17,186	1,777
- Habib Asset Management Limited- Employees Provident Fund	5,267	541	10,967	1,100
- Habib Sugar Mills Limited	-	-	-	-
- Sukaina Educational & Welfare Trust	-	-	765,068	79,311
- Green Shield Insurance Brokers	-	-	14,925	1,500
- Ghulam-e-Abbas Trust	-	-	324,824	33,281
- Mr. Ali Raza D. Habib	57,241	5,866	-	-
- Mrs Razia Ali Habib	-	-	194	20
- Mr. Haider Azim	4,001	408	-	-
- Mr. Abbas	13,742	1,425	-	-
- Mr. Mansoor Ali	5,889	594	-	-
- Mr. Murtaza Habib	-	-	2,994	300
- Dawood Habib Memorial Trust	-	-	237,303	25,000
Units held by:				
Management Company				
- Habib Asset Management Limited	246,753	25,859	-	-
Associated Companies				
- Bank AL Habib Limited	1,392,189	145,895	3,254,840	346,708

FIRST HABIB CASH FUND

	Nine Months ended 31 March 2016		Nine Months ended 31 March 2015	
	(Unaudited)		(Unaudited)	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Other related parties				
- Directors of the Management Company	14,143	1,482	26,007	2,770
- Executives of the Management Company	-	-	-	-
- Habib Asset Management Limited- Employees Provident Fund	-	-	366	39
- Green Shield Insurance Brokers	-	-	349	37
- Ghulaman-e-Abbas Trust	-	-	958	102
- Dawood Habib Memorial Trust	-	-	75,239	8,014
- Mr Ali Razia D Habib	-	-	44,242	4,712
- Mr Munawar Ali Habib	41,721	4,372	29,719	3,166
- Mr. Imran Ali Habib	40,592	4,254	30,657	3,266
- Mr. Murtaza Habib	37,590	3,939	27,650	2,945
- Mr. Asghar D Habib	20,658	2,165	20,658	2,201
- Mr. Qumail Habib	40,571	4,252	30,637	3,263
- Mr. Abas D Habib	40,565	4,251	30,635	3,263
- Mr. Ali Asad Habib	40,302	4,233	30,371	3,235
- Mrs Razia Ali Habib	34,126	3,576	31,913	3,399
- Mrs. Batool Ali Raza Habib	6,060	635	5,667	604
- Mrs. Fatima Ali Raza Habib	11,040	1,157	10,324	1,100
- Mr. Sajjad Hussain	34,401	3,605	22,884	2,438
- Mr. Aun Muhammad Ali Raza Habib	5,214	546	5,214	555
- Mrs. Samina Imran	123	13	103	11
- Mr. Haider Azim	-	-	1,220	130
- Mrs. Hina Shoaib	27	3	27	3

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on **20th April 2016**.

16. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director

FIRST HABIB ISLAMIC BALANCED FUND
Third Quarterly Report
March 2016

FIRST HABIB ISLAMIC BALANCED FUND

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FUND'S INFORMATION

Management Company

Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive Officer
Mr. Mohammad Ali Jameel	Director
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Liaquat Habib Merchant	Director
Mr. Sajjad Hussain Habib	Director

CFO and Company Secretary

Mr. Abbas Qurban	Chief Financial Officer / Company Secretary
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Audit Committee

Vice Admiral (R) Khalid M. Mir	Chairman
Mr. Ali Raza D. Habib	Member
Mr. Mohammad Ali Jameel	Member

Human Resource Committee

Mr. Liaquat Habib Merchant	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Investment Committee

Mr. Mansoor Ali	Chairman
Mr. Sajjad Hussain Habib	Member
Mr. Imran Azim	Member

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza,
Beaumont Road, Karachi.

Registrar

JWAFS Registrar Services
(Pvt.) Limited
407-408, 4th Floor,
Al- Ameer Centre, Shahrah-e-Iraq,
Saddar, Karachi.

Trustee

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

Legal Advisor

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

Bankers to the Fund

Bank AL Habib Limited
Habib Bank Limited
Bank Islami Pakistan Limited

Rating

MFR 2 Star Performance Ranking By PACRA.
AM3 Management Company Quality Rating
Assigned by PACRA.

Registered Office: 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530

FIRST HABIB ISLAMIC BALANCED FUND**CONDENSED INTERIM STATEMENT OF ASSET AND LIABILITIES
AS AT 31 MARCH 2016**

	Note	31 March 2016 (Un-audited) ----- (Rupees in '000) -----	30 June 2015 (Audited)
Assets			
Bank balances	6	40,893	27,288
Investments	7	67,248	41,744
Income receivable	8	732	806
Deposits and prepayments	9	2,710	43,550
Preliminary expenses and floatation costs		332	487
Total assets		111,915	113,875
Liabilities			
Payable to the Habib Asset Management Limited - Management Company	10	151	153
Provision for federal excies duty on remuneration of Habib Asset Management Ltd - Management Company		1,422	1,253
Payable to Central Depository Company of Pakistan Limited - Trustee		69	58
Payable to Securities and Exchange Commission of Pakistan - SECP		66	216
Workers' Welfare Fund	11	1,604	1,604
Accrued expenses and other liabilities		422	651
Payable against purchase of investments		4,915	-
Total liabilities		8,649	3,935
Net assets		103,266	109,940
Unit holders' funds (as per the statement attached)		103,266	109,940
		(Number of Units)	
Number of units in issue		1,056,497	1,079,878
		(Rupees)	
Net asset value per unit		97.74	101.81

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

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

Chief Executive

Director

FIRST HABIB ISLAMIC BALANCED FUND

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016**

	Nine Months ended 31 March 2016	Nine Months ended 31 March 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015
<i>Note</i> ----- (Rupees in '000) -----				
Income				
Profit on bank deposits	1,356	6,003	591	1,845
Income from Ijara Sukuk Certificates	271	2,101	-	587
Dividend income	2,548	5,330	1,113	1,941
Net gain / loss on investments designated at fair value through income statement				
-Net capital gain on sale of investments classified as held for trading	(1,344)	6,571	(661)	(7,262)
-Net unrealized gain on revaluation of investments classified as held for trading	(2,700)	(11,101)	812	(5,200)
	(4,044)	(4,530)	151	(12,462)
Total income / (loss)	131	8,904	1,855	(8,089)
Expenses				
Remuneration of Habib Asset Management Limited - Management Company	1,055	2,889	342	893
Sales tax on management fee	171	503	55	156
Federal Excise Duty on management fee	169	462	55	143
CIS Expenses Max Upto 0.1%	16	-	16	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	600	525	199	172
Annual fee - Securities and Exchange Commission of Pakistan	66	182	21	56
Brokerage	785	1,412	196	522
Settlement and bank charges	396	341	106	111
Annual listing fee	15	23	5	8
Auditors' remuneration	314	230	56	80
Amortisation of preliminary expenses and floatation costs	155	155	51	51
Mutual fund rating fee	170	168	50	67
Charity Expense	45	89	23	27
Printing charges	65	65	22	18
Total expenses	4,022	7,044	1,197	2,304
Net (loss) / income from Operating Activities	(3,891)	1,860	658	(10,393)
Net element of (loss) and capital (losses) included in prices of units issued less those in units redeemed	(389)	(4,068)	(84)	(1,745)
Workers' Welfare Fund	-	-	-	199
Net (loss) / income for the period	(4,280)	(2,208)	574	(11,939)
Earnings per unit				

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

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

Chief Executive

Director

FIRST HABIB ISLAMIC BALANCED FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	Nine Months ended 31 March 2016	Nine Months ended 31 March 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015
	----- (Rupees in '000) -----			
Net (loss) / income for the period	(4,280)	(2,208)	574	(11,939)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(4,280)</u>	<u>(2,208)</u>	<u>574</u>	<u>(11,939)</u>

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

For Habib Asset Management Limited
(Management Company)

Chief Executive

Director

FIRST HABIB ISLAMIC BALANCED FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	Nine Months ended 31 March 2016	Nine Months ended 31 March 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015
	----- (Rupees in '000) -----			
Undistributed income brought forward	6,605	7,005	1,751	16,736
Net (loss) / income for the period	(4,280)	(2,208)	574	(11,939)
Undistributed income carried forward	2,325	4,797	2,325	4,797

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

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

Chief Executive

Director

FIRST HABIB ISLAMIC BALANCED FUND**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016**

	Nine Months ended 31 March 2016	Nine Months ended 31 March 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015
	----- (Rupees in '000) -----			
Net assets at the beginning of the period [Rs.101.81 (2015: Rs 102.16) per unit]	109,940	332,877	103,013	271,046
Issance of 327,110 Units (2015: 1,471,099 Units)	32,507	152,102	5,291	6,998
Redemption of 350,491 units (2015: 2,928,929 Units)	(35,290) (2,783)	(305,086) (152,984)	(5,696) (405)	(86,097) (79,099)
Element of (loss) and capital (losses) included in prices of units issued less those in units redeemed	389	4,068	84	1,745
Net income for the period	(4,280)	(2,208)	574	(11,939)
Other Comprehensive gain / (loss)	-	-	-	-
Total Comprehensive income for the period	(4,280)	(2,208)	574	(11,939)
Net assets at the end of the period [Rs.97.74 (2015: Rs 100.94) per unit]	103,266	181,753	103,266	181,753

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

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

Chief Executive

Director

FIRST HABIB ISLAMIC BALANCED FUND

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016**

	Nine Months ended 31 March 2016	Nine Months ended 31 March 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015
CASH FLOW FROM OPERATING ACTIVITIES				
----- (Rupees in '000) -----				
Net (loss) / income for the period	(4,280)	(2,208)	574	(11,939)
Adjustments for non-cash items				
Unrealised (loss) / gain on revaluation of investments at fair value through profit or loss - net	2,700	11,101	(812)	5,200
Workers' Welfare Fund	-	-	-	(199)
Net element of (loss) and capital (losses) included in prices of units issued less those in units redeemed	389	4,068	84	1,745
Amortisation of preliminary expenses and floatation costs	155	155	51	51
	(1,036)	13,116	(103)	(5,142)
(Increase) in assets				
Investments	(28,204)	69,793	(14,463)	42,915
Income receivable	74	(468)	(421)	(276)
Receivable against sale of investment	-	(15,187)	-	(15,187)
Advances, deposits, prepayments and other receivables	40,840	17,803	3,479	8
	12,710	71,941	(11,405)	27,460
Increase in liabilities				
Payable to - Management Company	(2)	(112)	14	(41)
Provision for federal excies duty on remuneration of Habib Asset Management Ltd	169	595	55	142
Payable to - Trustee	11	1	1	-
Payable to - SECP	(150)	(126)	21	56
Accrued expenses and other liabilities	(229)	(787)	65	(8)
Payable against purchase of investments	4,915	-	4,915	(1,333)
	4,714	(429)	5,071	(1,184)
Net cash flow from / (used in) operating activities	16,388	84,628	(6,437)	21,134
CASH FLOW FROM FINANCING ACTIVITIES				
Net receipts / (payments) from sale and redemption of units	(2,783)	(152,984)	(405)	(79,098)
Dividend paid during the period	-	-	-	-
Net cash flow from/ (used in) financing activities	(2,783)	(152,984)	(405)	(79,098)
Net increase in cash and cash equivalents during the period	13,605	(68,356)	(6,842)	(57,964)
Cash and cash equivalents at beginning of the period	27,288	144,817	47,735	134,425
Cash and cash equivalents at end of the period	40,893	76,461	40,893	76,461
Cash and cash equivalents				
Cash and cash equivalents at end of the period	40,893	76,461	40,893	76,461
Term Deposit receipts maturity of 3 months and less	-	-	-	-
	40,893	76,461	40,893	76,461

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

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

Chief Executive

Director

FIRST HABIB ISLAMIC BALANCED FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

First Habib Islamic Balanced Fund (the "Fund") was established under a Trust Deed executed between Habib Asset Management Limited (HAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 24 November 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 3 November 2011 under Regulation 44(3) of the Non-Banking Finance Companies & Notified Entities Regulation, 2008.

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 Imperial Court Building, Dr. Ziauddin Ahmed Road Karachi, Pakistan.

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

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

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM3 -' to the Management Company, and a performance ranking of 'MFR 2-Star' to the fund.

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

The objective of the Fund is to provide long term capital growth and income by investing in shariah compliant equity and debt securities. The Fund, in line with its investment objective, invest primarily in shariah compliant equity and debt securities.

Title of the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan, the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and directives issued by SECP. In case where the requirements differ, the requirements of Trust deed, the NBFC Rules, the NBFC regulations or the directives issued by the SECP shall prevail.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements.

This condensed interim financial information is unaudited but subject to limited scope review by the auditors.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information in conformity with approved accounting standards, as applicable in Pakistan, requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgments made by the Management Company in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2015.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2015, except for the following IAS which become effective during the period.

New, Revised and Amended Standards and Interpretations

The Fund has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Fund expects that such improvements to the standards do not have any impact on the Fund's financial statements for the period.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2015.

6. BANK BALANCES	Note	31 March 2016 (Un-Audited)	30 June 2015 (Audited)
(Rupees in '000)			
Current account		445	825
Savings account	6.1	<u>40,448</u>	<u>26,463</u>
		<u>40,893</u>	<u>27,288</u>

6.1 Saving account carry profit rate ranging from 4.74% to 6.25% (30 June 2015: 5.63% and 8.5%) per annum. It includes a balance with Bank Al Habib Limited, a related party of Rs. 2.243 million (30 June 2015: 25.909 million)

7. INVESTMENTS - at fair value through profit or loss - held for trading		31 March 2016 (Un-Audited)	30 June 2015 (Audited)
(Rupees in '000)			
Equity securities	7.1	67,248	23,812
Debt Securities	7.2	<u>-</u>	<u>17,932</u>
		<u>67,248</u>	<u>41,744</u>

FIRST HABIB ISLAMIC BALANCED FUND

7.1 Equity Securities

Name of the Investee	As at 1 July 2015	Purchased/ Bonus/ right shares received during the period	Disposed during the period	As at 31 March 2016	Carrying value as at 31 March 2016	Market value as at 31 March 2016	Market Value as a Percentage of:	
							Net Assets	Total Investment
	-----Number of shares-----			------(Rupees in '000)-----				
AUTOMOBILE ASSEMBLER								
Atlas Honda Ltd	5,700	-	5,700	-	-	-	-	-
Millat Tractors Ltd	-	4,000	2,600	1,400	858	741	0.72	1.10
Ghandhara Nissan Ltd	-	15,000	15,000	-	-	-	-	-
Honda Atlas Cars (Pakistan) Ltd	-	24,500	19,500	5,000	1,284	1,262	1.22	1.88
Pak Suzuki Motor Co Ltd	-	10,000	5,000	5,000	2,281	2,059	1.99	3.06
FERTILIZER								
Fauji Fertilizer Bin Qasim	12,000	351,000	273,000	90,000	5,362	4,592	4.45	6.83
Fauji Fertilizer Company	3,500	95,000	43,500	55,000	6,885	5,864	5.68	8.72
Engro Fertilizer Ltd	13,500	322,000	309,500	26,000	2,334	1,807	1.75	2.69
Engro Corporation	5,000	142,500	130,000	17,500	5,231	5,525	5.35	8.22
CHEMICALS								
Archroma Pakistan	-	8,300	8,300	-	-	-	-	-
L.C.I Pakistan	-	8,100	8,100	-	-	-	-	-
Sitara Peroxide	-	91,000	91,000	-	-	-	-	-
CEMENT								
Pioneer Cement	22,500	193,500	206,000	10,000	888	989	0.96	1.47
Fauji Cement	-	489,500	380,000	109,500	4,466	4,589	4.44	6.82
Cherat Cement	20,000	185,000	195,000	10,000	933	1,079	1.04	1.60
D. G. Khan Cement	-	105,200	90,700	14,500	2,415	2,520	2.44	3.75
Lucky Cement	2,000	40,200	35,200	7,000	3,575	3,767	3.65	5.60
Maple Leaf Cement	10,000	291,000	271,000	30,000	2,744	2,766	2.68	4.11
ENGINEERING								
Mughal Iron & Steel Ind. Ltd	-	144,000	134,000	10,000	683	684	0.66	1.02
FIXED LINE TELECOMMUNICATION								
P.T.C.L "A"	90,000	190,000	280,000	-	-	-	-	-
FOOD & PERSONAL CARE PRODUCTS								
Engro Foods Ltd	-	189,000	178,100	10,900	1,687	1,736	1.68	2.58
National Foods Ltd	3,750	-	3,750	-	-	-	-	-
Treet Corporation	-	40,000	-	40,000	2,872	1,900	1.84	2.83
AUTOMOBILE PARTS & ACCESSORIES								
Thal Limited	7,000	9,000	16,000	-	-	-	-	-
General Tyre & Rubber Co. of Pak	-	59,000	41,000	18,000	2,964	2,693	2.61	4.00
HOUSEHOLD GOODS								
Pak Elektron Ltd	10,000	612,500	574,500	48,000	2,762	2,903	2.81	4.32
TEXTILE COMPOSITE								
Nishat Mills Ltd	-	20,000	10,000	10,000	919	958	0.93	1.42
OIL & GAS EXPLORATION COMPANIES								
Mari Petroleum Co Ltd	5,000	11,200	16,200	-	-	-	-	-
Pakistan Oilfields Ltd	-	15,500	9,500	6,000	1,554	1,548	1.50	2.30
Pakistan Petroleum Ltd	6,600	30,000	21,600	15,000	1,851	1,922	1.86	2.86
OIL & GAS MARKETING COMPANIES								
Hascol Petroleum Ltd	-	111,300	108,500	2,800	413	393	0.38	0.58
Pakistan State Oil Co Ltd	-	27,400	20,400	7,000	2,406	2,459	2.38	3.66
Sui North Gas	-	370,000	370,000	-	-	-	-	-
PAPER & BOARDS								
Packages Ltd	-	9,000	2,900	6,100	3,522	3,184	3.08	4.73
POWER GENERATION & DISTRIBUTION								
Altern Energy Ltd	-	104,000	104,000	-	-	-	-	-
Hub Power Co Ltd	-	274,500	205,500	69,000	7,205	7,213	6.98	10.73
Kot Addu Power Co Ltd	-	55,500	55,500	-	-	-	-	-
K-Electric Ltd.	150,000	-	150,000	-	-	-	-	-
Kohinoor Energy Ltd	-	50,000	50,000	-	-	-	-	-
PHARMACEUTICALS								
GlaxoSmithKline	-	4,000	4,000	-	-	-	-	-
Sanofi-aventis	1,000	-	1,000	-	-	-	-	-
The Searl Company	-	27,300	24,000	3,300	1,296	1,450	1.40	2.16
Ferozsons Laboratories	2,000	-	2,000	-	-	-	-	-
REFINERY								
Attock Refinery Ltd	-	84,500	81,700	2,800	558	645	0.62	0.96
Total as at 31 March 2016					69,948	67,248		
Total as at 30 June 2015					24,290	23,812		

7.1.1 Investment includes 18,500 shares of Fauji Fertilizer Company Limited (MV Rs. 1,972,470) and 8,000 shares of Engro Corporation limited (MV Rs. 2,525,600) which have been deposited with National Clearing Company of Pakistan Limited as Collateral against exposure margin and MTM losses for settlement of the Fund's trades as allowed in circular no. 11 dated 23 October 2007 issued by SECP.

FIRST HABIB ISLAMIC BALANCED FUND

7.2 Debt Securities

Name of the investee company	Number of certificates				As at 31 March 2016		Market value as a percentage of net assets (%)	Market value as a percentage of total investments (%)
	As at 1 July 2015	Acquired during the period	Sold/ Redeemed during the period	As at 31 March 2016	Carrying value	Market Value		
(Rupees in '000)								
Al Baraka Bank (Pakistan) Ltd	25	-	25	-	-	-	-	-
Total as at 31 March 2016					-	-		
Total as at 30 June 2015					18,571	17,932		

7.3 Unrealised (diminution) / appreciation on investments at fair value through profit or loss

Note	31 March 2016 (Unaudited)	30 June 2015 (Audited)
(Rupees in '000)		
Equity securities	(2,700)	(479)
Debt Securities	-	(639)
	(2,700)	(1,118)

8. INCOME RECEIVABLE

Profit receivable on saving account	215	84
Profit receivable on debt securities	-	449
Dividend receivable	517	273
	732	806

9. DEPOSITS AND PREPAYMENTS

Deposit with Central Depository Company of Pakistan Limited	100	100
Deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Receivable Against Sale of Investments	-	3,764
Receivable Against Sale of Units	-	37,180
Advance Tax on Dividend	105	6
Prepayments	5	-
	2,710	43,550

10. PAYABLE TO HABIB ASSET MANAGEMENT LIMITED -

Remuneration Payable to Management Company	117	131
Sales Tax payable on Management Fee	19	22
Reimbursement of Expenses to CIS Max Upto 0.1%	15	-
	151	153

11. WORKERS' WELFARE FUND

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision amounting to Rs. 1.601 million made till June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

12. EARNINGS PER UNIT

Earnings per unit (EPU) for the period ended 31 March 2016, has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

13. TAXATION

The Fund's income is exempt from income Tax as per Clause 99 of Part I of the second schedule to the Income Tax Ordinance, 2011 subject to that not less than 90% of the accounting income for the year as reduced by capital gain whether realised or unrealised is distributed as cash dividend amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gain to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

FIRST HABIB ISLAMIC BALANCED FUND

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

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

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

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

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

	Nine Months ended 31 March 2016	Nine Months ended 31 March 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015
----- (Rupees in '000) -----				
Habib Asset Management Limited - Management Company				
Management fee	1,055	2,889	342	893
Sales Tax on Management Fee	171	503	55	156
Federal Excise Duty on Management fee	169	462	55	143
CIS Expenses Max Upto 0.1%	16	-	16	-
Al Habib Capital Markets (Private) Limited - Brokerage House				
Brokerage	70	134	34	40
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	600	525	199	172
Bank Al Habib Limited				
Profit on Bank Balances	336	433	40	82
Details of the balances with connected persons are as follows:				
			31 March 2016 (Unaudited)	30 June 2015 (Audited)
----- (Rupees in '000) -----				
Bank Al Habib Limited				
Bank Balance			2,243	25,909
Habib Asset Management Limited - Management Company				
Management Company Fee payable			117	131
Sales Tax on Management fee payable			19	22
Reimbursement of Expenses to CIS Max Upto 0.1%			15	-
Federal Excise Duty on Management Fee payable			1,422	1,253
Al Habib Capital Markets (Private) Limited - Brokerage House				
Brokerage payable			32	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration Payable			69	58
Security Deposit - Non Interest bearing			100	100
	Nine months ended 31 March 2016		Nine months ended 31 March 2015	
Sale / Redemption of units	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
Habib Asset Management Limited	229,465	22,915	626,586	64,887
Other related parties				
- Directors of the Management Company	5,736	594	1,496	160
- Habib Asset Management Limited - Employees Provident Fund	-	-	1,887	200

FIRST HABIB ISLAMIC BALANCED FUND

	Nine months ended 31 March 2016		Nine months ended 31 March 2015	
Units Redeemed By:				
Management Company				
Habib Asset Management Limited	98,224	10,211	630,410	66,144
Other related parties				
- Habib Asset Management Limited - Employees Provident Fund	-	-	1,887	199
- Hamdard laboratories Waqf Pakistan	-	-	706,724	73,902
Units held by:				
Management Company				
Habib Asset Management Limited	229,465	22,429	45,446	4,558
Associated Companies				
- Bank Al Habib Limited	100,929	9,865	252,322	25,471
Other related parties				
- Directors of the Management Company	56,779	5,549	40,380	4,076
- Habib Insurance Company Limited - Employees Provident Fund	16,952	1,657	16,952	1,711
Connected Parties holding 10% or more of the Units in issue:				
-Pioneer Cables Ltd	210,252	20,551	-	-

The Fund's accounting policy on fair value measurements is disclosed in the financial statements for the year ended 30 June 2015.

Fair Value Hierarchy

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

No transfers between any level of the Fair Value Hierarchy took place during the period.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised as at 31 March 2016.

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Equity securities	67,248	-	-	67,248
Debt Securities	-	-	-	-
	<u>67,248</u>	<u>-</u>	<u>-</u>	<u>67,248</u>

As at 30 June 2015, the categorisation of investments is shown below:

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Equity securities	23,812	-	-	23,812
Government securities	-	17,932	-	17,932
	<u>23,812</u>	<u>17,932</u>	<u>-</u>	<u>41,744</u>

FIRST HABIB ISLAMIC BALANCED FUND

During the nine months period ended 31 March 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers in and out of Level 3 fair value measurements.

16. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund is of the view that the fair market value of the financial assets and liabilities are not significantly different from their carrying values as its assets and liabilities are essentially short term in nature and / or frequently repriced.

17. GENERAL

17.1 Figures for the quarter ended March 31, 2016 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

17.2 These condensed interim financial information were authorised for issue on 20th April 2016, by the board of directors of the Management Company.

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

17.4 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison.

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

Chief Executive

Director



Habib Asset Management Limited

(An Associate Company of Bank AL Habib Ltd.)

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